



STATE LIBRARY
VICTORIA

Library Board of Victoria
Annual Report 2019-20

Library Board of Victoria Annual Report 2019-20

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Cover image: The Ian Potter Queen's Hall, the Library's original reading room, refurbished and reopened as part of the Vision 2020 redevelopment project. Photo by Patrick Rodriguez © 2019.

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Responsible body's declaration

In accordance with the *Financial Management Act 1994*, I present the Library Board of Victoria's annual report for the year ending 30 June 2020.

John Wylie AM
President, Library Board of Victoria
September 2020

President's report



This year has been an exceptionally difficult one for all Victorians. Our thoughts and best wishes are with all Victorians who have been affected by the coronavirus (COVID-19) pandemic – those who've lost a loved one, experienced illness, had family lives disrupted, lost a job or income, been unable to attend a family wedding or funeral, or suffered stress and mental health impact from the crisis. The effects have been hard and widespread.

State Library Victoria, as one of our most loved and trusted public institutions, has had a vital role to play for the community during the crisis. The doors of our building may have been shut for the longest period in the Library's history, but we have remained very much open to serve our community through our online services. In fact, our content and offerings have expanded – quickly.

New programming was created to support families with young children.

Education programs were delivered to assist secondary school children as they began remote learning.

Information sessions were provided online for the Library's entrepreneur communities.

Existing programs and resources were moved to an online format with great success.

The response and take-up from the community has been fantastic and heart-warming. We've seen a sharp rise in the use of our online resources, including a 20 per cent increase in use of the Library's online catalogue and a 24 per cent increase in remote access. The Library's significant and ongoing investment in digitising our collections in recent years has proven invaluable. We've connected with new digital-native users and expanded our community.

In the longer term, the COVID-19 pandemic will accelerate the underlying societal trend that was underway towards the use of digital-first services. This is a positive development for the Library, as it will make our knowledge resources and collection even more widely used.

It already seems almost another era, but this financial year saw the completion of our transformative \$88.1 million Vision 2020 redevelopment project. This ambitious project to renew and reimagine the Library began in 2015 with an agreement that the Library would raise one dollar for every two contributed by the Victorian Government. Through the combined support of the Victorian Government, the generosity of major donors and the Victorian community – and with outstanding work in design, construction and project management – Vision 2020 was delivered on time and on budget. After the Premier of Victoria, the Hon. Daniel Andrews MP, and Minister for Creative Industries Martin Foley MP opened the redeveloped building in early December, average daily visits increased by 35 per cent.

This project has delivered for Victoria one of the world's most beautiful library buildings. It has also delivered much more than that. Our Library now provides substantially more resources and study spaces, exceptional support services, and a host of new services relevant to the emerging needs of the community. These include information resources for aspiring entrepreneurs, digital media production facilities, an electronic town hall and new facilities and services to encourage a love of reading and books in our young. These have already proven their worth during the COVID-19 pandemic.

I thank once again all the benefactors, supporters and contributors to this once-in-a-generation project. You have ensured that the people of Victoria have access to a world-class State Library

for generations to come and should share the pleasure of the numerous awards the project has already won.

We celebrated the completion of Vision 2020 through a major exhibition – *Velvet, Iron, Ashes*. This attracted more than 139,000 visitors, making it the most visited temporary exhibition in the Library's history. I express my thanks to the Marylebone Cricket Club, London for entrusting the Library with their prized possession and cricket's most famous trophy, the original Ashes Urn, which was central to the exhibition narrative.

The Library's physical transformation has been mirrored in our workforce redesign, which will ensure the Library has the skills and capabilities to serve Victoria well and efficiently into the future.

A combination of increased patronage and the cost of new services and spaces has meant that the Library's finances are under real pressure. We remain in close discussion with the Victorian Government about the resources we need to fulfil the role the Victorian community seeks from us, and appreciate their support in difficult times.

The State Library will be a vital partner in Victoria's pandemic recovery. More than any other public cultural institution, the Library is central to the knowledge economy of the future. True to our founding vision 164 years ago, we're free, secular and democratic. And we're trusted. It is an institution of remarkable people who help millions of Victorians each year.

I thank Chief Executive Officer Kate Torney and her outstanding team for their excellent work during a very challenging year. I thank also the many volunteers who have given so much of themselves to support the Library. I congratulate all on the resilience, good humour, positive attitude and

willingness to go the extra mile that you have shown in highly trying and unpredictable times.

My great thanks, too, to all fellow Board and committee members, Friends of the Library, partners, sponsors, donors and our many other supporters. The Library is deeply grateful for your friendship and support.

It was with great sadness that we said goodbye to former Victorian Premier and President of the Library Board of Victoria, the Hon. John Cain, who passed away in December 2019. John was a passionate advocate for the Library as a Board member for seven years and President for six years. His positive contribution will continue to be felt for years to come. John was a true servant to the people of Victoria.

This is my ninth report as President of the Library Board of Victoria. It is an immense privilege to serve this wonderful institution that does so much in a quiet way for the community. More than ever, in this era of spin and fake news, our community today needs a free, accessible and egalitarian institution committed to the promulgation of knowledge and reliable information, and the contest of ideas. The State Library is committed to those principles and values, and delivers on them in spades. That is the reason it has earned the trust and respect of Victorians over more than a century, and why it is one of the world's most popular libraries and one of our country's greatest cultural institutions. And its best days lie ahead.



John Wylie AM
President, Library Board of Victoria

Chief Executive Officer's year in review



I am delighted to submit my fifth report as Chief Executive Officer of State Library Victoria in an extraordinary year that has shown the State Library at its best.

The planning and hard work of Vision 2020 came to fruition with the completion and opening of all the Library's beautifully renewed buildings. The completed project adds 40 per cent more public space and 70 per cent more seating, all within stunning and functional modern spaces that build on the Library's history and heritage.

I add my thanks to the Victorian Government, our generous major Vision 2020 donors, and every Victorian who made a donation, large or small. Your support has made this transformation possible.

I also congratulate the project architects, Architectus + Schmidt Hammer Lassen, who were ably supported by Andronas Conservation Architects, Irwin Consult and Steensen Varming Engineers, along with project managers Development Victoria, construction managers Built and the hundreds of individual builders and artisans who made the designs a reality. A project of this scale is the product of many hands and it is a testament to the professionalism of all involved that Vision 2020 was completed within budget and on time, delivering a superb finished product.

Construction of the Library's second Ballarat Offsite store, BOSS2, was also completed during the year – an enormous logistical undertaking. The facility adds 30 kilometres of storage capacity and is critical to the Library's ability to continue to build and safely house the State Collection for future generations.

The Library is preparing to launch the new Victorian Indigenous Research Centre, acknowledging the

long and rich heritage and culture of Victoria's First Peoples. The Centre will be a welcoming and safe space for Indigenous communities to access Library services, programs and collections. This is a first for an Australian state library and an important step to using the Library's resources to strengthen cultural and personal connections.

This year the State Library's major event partnerships continued with the successful delivery of the Melbourne Writers Festival and White Night Melbourne across August and September. As the heart of the Melbourne Writers Festival's new literary precinct, the Library hosted more than 100 events. White Night's new winter format drew record visitation across three nights, with the Library again proving a festival favourite.

Across the Library during 2019–20, we had:

- 1,654,715 visits onsite
- 5,370,382 visits online
- 29,351 reference queries
- 37,903 new registered Library users
- 107,982 physical collection items accessed
- 1,745,626 uses of digitised collection items (excluding items accessed via Trove).

The Library has performed every aspect of its work admirably, and in a normal year that would be the end of the story – but of course this year has been far from normal. After much planning to activate our Vision 2020 spaces the Library was forced to close our doors on 16 March due to the COVID-19 pandemic. We moved immediately and exclusively to remote service delivery during the longest closure in our history.

In addition to creating and publishing a wide variety of online content, the Library, our partners and suppliers worked together to create a meaningful and engaging virtual library service to Victoria.

Our plans to grow our digital offer quickly became a priority and we fast-tracked a range of topical, informative and entertaining online programs. A particular highlight is Memory Bank – an online, long-term collecting project that invites Victorians to share everyday observations of this historic moment of collective isolation. In years to come, history books will be filled with these snapshots of life in lockdown.

This period has been difficult for so many people but especially for families juggling work and the care and education of children in lockdown. Thanks to the support of Gandel Philanthropy, the Library was able to deliver a suite of online programs for children, keeping them entertained, creative and active while at home.

In June the Library took tentative steps to reopen, first to service those who had been without digital access during lockdown, and later reopening access to the physical collection. The Library followed advice from Victoria's Health Officer and government guidelines to ensure we could open safely. Physical distancing requirements limited the number and placement of visitors. Staff were rostered in alternating teams and additional hygiene measures were adopted throughout the site.

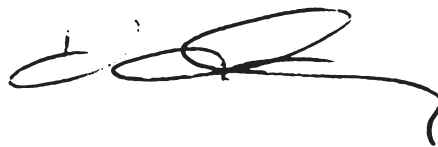
The impact on the Library's operating budget and on our tenant organisations has been substantial. Like all Victorians I hope the pandemic restrictions will be short-lived and that life will soon return to

normal. But more likely, the effects of the pandemic will linger and require us to contemplate a new normal.

My sincere thanks to the Library Board of Victoria President John Wylie and all the members of the Board and its committees for their leadership as we wrestle with these issues in an uncertain future.

In these times, the support and guidance of the Victorian Government has never been more important. I thank the Minister for Creative Industries, Martin Foley MP; Secretary, Department of Jobs, Precincts and Regions, Simon Phemister; and Deputy Secretary, Creative, Sport and Visitor Economy and Chief Executive Creative Victoria, Andrew Abbott.

This will be remembered as a year that shook the world. I have never been prouder of my Library colleagues who faced this moment with immeasurable good will, intelligence, adaptability and community spirit. It is an honour to work alongside you all as we play our part for the people of Victoria.



Kate Torney
Chief Executive Officer

Vision and values

As expressed in our *Strategic Plan 2016–20*, the Library is guided by the following vision and values.

OUR VISION

A library for all in a changing world

OUR PURPOSE

Inspiring possibilities

OUR GOALS

People at the heart

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

No barriers

We are accessible to everyone and welcoming to all.

Open and inviting

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

A library for the future

We are agile, innovative and forward-thinking. We offer world-class library services today and are building strong foundations for tomorrow.

OUR VALUES

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 directions of the *Strategic Plan 2016–20* and reports on our activities in line with the Library's four strategic goals:

- People at the heart
- No barriers
- Open and inviting
- A library for the future.

Key initiatives and projects

Key initiatives delivered during the reporting period were:

1. completion of the Vision 2020 redevelopment project, with all new spaces open and operational
2. implementation of new team structures and processes within the new business units in the second phase of the workforce transformation
3. launch of the new Victoria Gallery with its inaugural exhibition, *Velvet, Iron, Ashes*.

Key initiatives for 2020–21 will be:

- activation of StartSpace, the Library's new co-working space and resource centre for emerging small business and startup founders
- public launch of the Victorian Indigenous Resource Centre, a new service providing a safe and welcoming space for Victoria's First Peoples to access Indigenous materials in the State Collection.

People at the heart

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

The Library's transformative Vision 2020 redevelopment was completed in December 2019, delivering 40 per cent more public space, 70 per cent more public seating and improved services across the Library.

Vision 2020

Five years in the making, the final stage of the Library's Vision 2020 redevelopment was unveiled to the public on 5 December. The grand opening of this ambitious \$88.1 million transformation of our heritage buildings included a black-tie fundraising event in the newly renovated Ian Potter Queen's Hall – the Library's original reading room, which had been closed to the public for 16 years – and a public opening day supported by a launch campaign inviting the public to 'Just add curiosity' as they enjoyed music, activities and daily tours.

Vision 2020 has delivered 11 reimagined spaces:

- A revitalised **Swanston Street entrance**
- **The Ian Potter Queen's Hall**, the Library's original reading room and one of Melbourne's most breathtaking heritage buildings, supported by The Ian Potter Foundation; it now houses a dedicated collection of 11,000 volumes of Australian and Victorian literature, Young Adult literature, and Australian works translated into community languages
- **Hansen Hall**, supported by the Hansen Little Foundation, a vibrant new collaborative space to meet, work and connect
- **The Quad**, the ground floor of the Library, connecting all four of its activity courtyards, with the information centre at its heart and providing access to bookable meeting rooms and audio studios for public use
- **Conversation Quarter**, endowed by the Hansen Little Foundation, a state-of-the-art public forum for lectures, conferences and workshops
- **Ideas Quarter**, home to StartSpace, a new service enabled by the Christine Christian Foundation and a dedicated co-working space for early stage startups and small businesses
- **Create Quarter**, featuring rooms for group work and school programs, with a calendar of pop-up talks and events
- **Pauline Gandel Children's Quarter**, supported by Gandel Philanthropy, a purpose-built space for children and families to read, learn and play, with a browsing collection of 4000 contemporary children's books in multiple languages, including works by Australian Aboriginal writers and illustrators
- **Victoria Gallery**, endowed by the John and Myriam Wylie Foundation, a new world-class exhibition space
- The refreshed and combined **Herald and Weekly Times Newspapers** and **Helen Macpherson Smith Trust Family History Reading Rooms**
- A reopened **Russell Street entrance**, previously closed since 1997, complete with free wifi and lockers, a collaborative working space, onsite cafe and expanded Readings bookshop.

We look forward to reopening the Library as soon as it is safe, and welcoming our community back onsite.

Coronavirus (COVID-19)

On Monday 16 March, in response to the growing COVID-19 pandemic, the Library and other Victorian cultural institutions closed public spaces and cancelled upcoming programming and events. The Library worked closely with the Victorian Government and government health authorities throughout, and as further restrictions came into force over the following months, we progressively closed down staff spaces, collection access, tenancies and commercial venue hire events.

Library staff moved quickly to work-from-home arrangements and online delivery of library services, programming and collection content.

On 15 June, in line with the first easing of restrictions, the Library reopened a small number of spaces to offer free wifi, public computers and study spaces for those in our community who had been without digital access during the closure. Additional health and safety measures were implemented including occupancy limits in each space, arranging furniture and signage to maintain 1.5 metres between each person, implementing enhanced cleaning protocols including hand sanitiser in every room and extra bathroom provisions, and using a booking system to manage visitor numbers.

On 27 June, in line with the second easing of restrictions, the Library reopened further spaces and access to the collection through a staff-retrieval process so that visitors could continue to maintain safe distance from each other while using the Library. Small numbers of staff returned to the building to operate public spaces and facilitate collection use.

Sadly, due to a rapid spike in case numbers across Melbourne and Mitchell Shire, restrictions returned and the Library, along with other cultural institutions, closed again on 7 July.

These challenges provided an opportunity for the Library to fulfil our vision of being a library for all in a changing world. In moving to an online library model, we have increased our digital offering across all channels, driving audience engagement and community connection, as well as providing a safe and reliable source of trusted information in a time of crisis.

Since the March building closure, the Library's websites have hosted more than 1.7 million user sessions, our offsite audiences have grown by 24 per cent and the number of people using the Library catalogue is 20 per cent higher. Our librarians have responded to more than 2200 reference queries since mid-March, with average daily inquiries up 72 per cent.

With the support of third-party vendors, the Library has extended remote access to licensed databases. There has been high demand for these resources, with a 154 per cent increase in usage. Ancestry was the most popular database and in June usage was more than seven times higher than before the closure.

Our social media channels have also experienced growth with total followers increasing to over 153,000 – 5700 more followers than before the building closed. Facebook posts have reached almost 900,000 feeds and we have generated more than 1.1 million Twitter impressions.

The Library delivered 110 digital programs from April to June, attracting more than 54,000 views. Our most popular programs were around learning (tips, creative learning and education) and our Ask a Librarian series, demonstrating the Library's continuing core role in facilitating the high demand for research, learning and knowledge-sharing during this stay-at-home period. We published ten Ask a Librarian videos, attracting 20 per cent of total views, and 28 learning-based videos, which have attracted 34 per cent of total views.

With schools and childcare centres closed, the Library was delighted to partner with Gandel Philanthropy in providing a suite of online programs for younger children to keep them entertained and engaged in reading, and to support remote learning during a period of social isolation. The series of story talks and storytelling workshops with leading children's authors and illustrators drew more than 1500 online participants.

In April the Library launched Memory Bank: the collective isolation project, a collecting initiative that invites Victorians to become citizen collectors, capturing their everyday experiences so that future generations can understand what it's like for all of us living through this time. Each week a prompt was shared that highlights a particular aspect of this time – from new culinary adventures or something they've learned during lockdown, to who they're missing and how they're overcoming isolation. The online community was run through a Facebook group that within the reporting period generated 1828 members, 613 posts and 17,265 engagements. Memory Bank was also nominated for a Time(Out) In award in the 'Favourite interactive arts class or activity' category.

We are unsure how long the building may need to remain closed, but we are committed to building the Library's digital offer as we move forward into a new normal.

Community engagement programs

Throughout the reporting period, the Library delivered 877 program sessions onsite, offsite and online.

The Library was the most active partner in the Rare Book Week program for 2019, offering ten free programs, which attracted 285 attendees. Held in July, this annual Melbourne-wide program of free talks and events celebrates the importance of books, literacy and literature in our lives. Rare Book Week at the Library is designed to showcase the breadth and depth of our rare books collection and the expertise and specialist skills of Library staff. Highlights included sessions on medieval and modern marginalia, moveable and pop-up books, contemporary book design, and the John Emerson Collection of early English books and civil war materials.

Registrations for behind-the-scenes experiences at the Library in the annual July Open House Melbourne program booked out within minutes. The Library offered ten tours exploring the science and art of storing the collection, revealing secrets of the specialised furniture and storage systems used to safely house an incredible variety of collection items, from delicate paintings and artworks to collections of hundreds of thousands of architectural drawings and maps.

The Library delighted crowds at the White Night Melbourne Reimagined festival across a new three-night format in August that transformed the city's most iconic spaces. Each year, the immersive, four-storey projections in the Library's magnificent domed reading room are a major attraction. This year was no exception, with a magical story about making books captivating young and old alike. This year, visitors also enjoyed food and drinks in the newly re-opened Russell Street Welcome Zone and created their own zines and origami in the Redmond Barry Reading Room. The Library registered its highest attendance yet for White Night, welcoming 33,531 visitors across the three nights.

In a new major partnership, the Library became the heart of the Melbourne Writers Festival's new literary precinct and home to more than 100 Melbourne Writers Festival events during the August–September festival week. The program incorporated vibrant talks, music, immersive art and performance, bringing together local and international authors, artists, journalists, poets, playwrights and songwriters to explore stories of resilience, heartbreak and letting go, family, bodies and home.

Programming that supported the opening of the Library's new *Velvet, Iron, Ashes* exhibition in September included weekly tours plus a One Object: many stories panel discussion, which drew a capacity audience.

Compered by journalist Gideon Haigh, the panellists Alice Clarke, Stuart McGill, Jed Smith and Tayla Vlaeminck discussed the stories, symbolism and history of the Ashes, from a playful gift to the captain of the English cricket team from Janet Lady Clarke in the 1880s, to a holy grail of cricket excellence today. Regular tours of the Library's permanent exhibitions – *World of the book* and *The changing face of Victoria* – continued to draw both local visitors and tourists.

Popular sessions from August's National Family History Month were repeated in September and October – including Finding Families, Branching Out, and Welfare Records for Family Historians, where expert Library staff showed how clues in welfare records can point to other resources for revealing ancestors' stories. These programs showcase the vast array of free Library resources available to family history researchers.

Local performance poet Zaynab Farah gave a thrilling performance to a full house at the Australian Poetry Slam Victorian final, hosted by the Library in October. She was crowned winner for her quizzical take on how we distort the complex identities of others into something more familiar. Runner-up (and 2018 winner) wāni Le Frère performed on feeling okay about being a work in progress. The Library earlier delivered the seven metropolitan and regional heats at participating public libraries around Victoria. The Victorian winner and runner-up, selected by a panel of five judges picked at random from the audience, went on to compete in the national final at the Sydney Opera House.

An audience of 186 young adult readers and professionals got a sneak peek at upcoming titles and trends for 2020 at the sold-out Young Adult Showcase in December, presented by editors and publicists from 12 publishing houses. The event was also live-streamed through the Library's Inside a Dog website, an online space created especially for teens to share their love of reading with each other.

The first Storytime live stream session from the newly opened Pauline Gandel Children's Quarter delighted children and families both onsite and offsite in December. In January, booked out family programs supported by Gandel Philanthropy were also live-streamed to online participants; these story-making and writing workshops for children aged 5–12 were facilitated by 100 Story Building and included Auslan interpretation.

While the Library building is closed, new and transitioned online programming has included literary talks, tutorials for high school students, creative workshops for children, virtual tours and Ask a Librarian research guidance (see page 10).

Connecting with the community

As anticipated, the Library's onsite visitation increased markedly once Vision 2020 construction was complete and the entire site reopened once more. Average daily visits over the summer period increased by 35 per cent compared to the previous year, and prior to the building closure on 16 March due to COVID-19, the Library was on track to achieve our 2019–20 visitation target of 2.25 million visits. The 13-week closure has resulted in a final onsite visitation figure of 1.65 million for the year. Online visitation during the period grew 9 per cent from 4.9 million in 2018–19 to 5.4 million in 2019–20, well above target.

The Library was again recognised in the RACV Victorian Tourism Awards, held in November. This year the Library won two awards: bronze in the Cultural Tourism category and gold for Outstanding Contribution by Volunteers.

Social media platforms continued to attract new followers, with Facebook growing 9 per cent to 75,093 and Twitter by 6 per cent to 34,411 during 2019–20. Our Instagram following jumped by 27 per cent to 43,364, helping take our total online community on these platforms, plus LinkedIn and YouTube to 160,716.

The Library achieved our highest ever performing post on Facebook with a nostalgic look back at the Coles Café. The post reached 69,000 accounts and had a total of 19,000 engagements, with more than 2000 comments from followers sharing memories of trips into the city to eat at the cafe (a first of its kind at the time).

On Instagram our highest performing post shared a range of free ebooks available from the Library by Aboriginal and Torres Strait Islander authors. The post reached 18,200 accounts with just under 3000 likes and more than 1000 saves, and an above-average engagement rate of 4.4 per cent.

Our highest performing tweet for the year was part of the #MeAt20 Twitter trend, where we shared a photo of the Library's facade from the 1870s. This post received 64,480 impressions and 3000 engagements, including 590 likes and 100 retweets.

Overall, our social media content reached 9,034,474 news feeds in 2019–20, resulting in 467,547 engagements.

In the wake of the summer's tragic bushfires, the Library participated in the #AuthorsForFireys auction. We offered two private tours as prizes, raising nearly \$2000 in community donations to Victoria's bushfire relief efforts.

With the Library's closure between 16 March and 15 June – the longest in our history – it was even more vitally important to stay connected to our community.

With so many of us in lockdown missing the sights and sounds of Melbourne, our Melbourne Monday series on Instagram proved particularly popular with posts featuring the Block Arcade, the GPO, the Federal Coffee Palace, the Forum Theatre and the Capitol Theatre. Other online campaigns during the building closure included the Gems of the Library video series, which took audiences behind the scenes to explore the Library's unique conservation, preservation and digitisation work. Between March and June, the Library generated a 15 per cent increase in social media engagement.

The Library's reopening on 15 June generated another high-performing Instagram post featuring two Library regulars, Jo Broekstra and Michael Monty. The post reached 10,000 accounts, with a total of 1300 engagements and an engagement rate of 3 per cent.

Media coverage of the Library and its activities in 2019–20 was valued at \$43,541,038 and reached an audience of 246,861,682.

Highlights include the opening of the *Velvet, Iron, Ashes* exhibition in September, the inaugural exhibition in the Library's new Victoria Gallery created as part of Vision 2020, and the arrival of the Ashes Urn in November for an exclusive display period within the exhibition. The arrival of the Urn, for only the second time it has visited Australia, generated significant national and international coverage, including a Channel Nine News story with rare footage filmed exclusively at the Urn's home ground at Marylebone Cricket Club.

The public opening of the Library's completed Vision 2020 spaces on 5 December was another major media highlight, generating extensive coverage across print and radio and all major TV networks in Australia. The grand opening cocktail event hosted in The Ian Potter Queen's Hall and officiated by the Victorian Premier the Hon. Daniel Andrews MP on 3 December was listed among the *Herald Sun's* 'Best events of 2019'.

The Library's increase in digital programming since the building closure on 16 March has also generated much media coverage, in addition to strong online audience engagement.

Digital delivery

A key deliverable in the Vision 2020 redevelopment program is expanding the reach of the Library's services and programming through digital platforms. Capital expenditure this year included investment in new and upgraded technology to support delivery of streaming and conferencing, which are essential to building our reach in regional Victoria and outer-metropolitan Melbourne.

In advance of the Vision 2020 building reopening, the Library website was refreshed, and during closure of the Library building the website has been the main channel for delivering digital content and programming to Library audiences across the state.

The sudden shift to working from home during the COVID-19 lockdown required a rapid response from the Library's infrastructure and technology teams. Actions included installation of VPN for staff working offsite, access to the Library intranet from home, and the rollout of Office365 and MS Teams to support internal communication and collaboration. The Library also provided enhanced cyber-security controls and awareness training for staff.

Information and communication technology (ICT) expenditure

ICT expenditure refers to the Library's costs in providing business enabling ICT services within the current reporting period. It comprises Business as Usual (BAU) ICT expenditure and Non-Business as Usual (Non-BAU) ICT expenditure. Non-BAU ICT expenditure relates to extending or enhancing the Library's current ICT capabilities. BAU ICT expenditure is all remaining ICT expenditure that primarily relates to ongoing activities to operate and maintain the current ICT capability.

For the 2019–20 reporting period, the Library had a total ICT expenditure of \$3,286,933 with the details shown below.

2019–20 ICT expenditure

BAU expenditure Total	Non-BAU expenditure Total = A+B	Operational expenditure A	Capital expenditure B
\$3,286,933	\$1,646,948	\$1,325,697	\$321,251

Customer service

Though half the Library site was closed for Vision 2020 construction for five months during the reporting period, onsite visitor satisfaction, as measured by the annual intercept survey, was again above target at 93 per cent and our Net Promoter Score increased for the second year in a row and was substantially above target at +67 points. This demonstrates the excellent work of teams across the Library in maintaining a welcoming environment, informative communications and responsive customer service.

With the opening of the new Vision 2020 spaces, we launched a new 'roving' customer service model designed to create a more welcoming environment. This also allows staff to move to the areas of the Library that are the busiest and provides opportunities to be more responsive to visitors.

Our Visitor and Information Services teams also undertook training and coaching in preparation for operating some of the Library's new Vision 2020 spaces and facilities, including bookable public meeting rooms and recording studios, the Pauline Gandel Children's Quarter and the StartSpace entrepreneur centre.

With the short window of reopening in June, the focus shifted to operating COVID-safe spaces and services to support the health of both staff and visitors. The Library is committed to enhancing customer service and visitor experience through taking an integrated approach across visitor services, security, programming and events.

Volunteers

The Library continues to benefit from the expertise and generosity of volunteers who work alongside staff to enhance visitor experience and support programming and collection projects. Throughout the year, Library volunteers contributed 7938 hours.

There was a high level of interest in recruitment drives for Volunteer Greeters throughout the year, which brought 90 new Greeters into the team. Our Greeters represent a wide range of cultural and social backgrounds and age groups, and between them represent 35 different languages, including Auslan. Greeters not only enhance the experience of our visitors but also benefit from participating in the program, which values the different perspectives and personal attributes that they bring and provides opportunities to learn new skills and connect with others.

An additional 27 family programs volunteers were recruited to support the delivery of programming in the new Pauline Gandel Children's Quarter.

This year, our long-standing volunteers were awarded milestone pins to acknowledge their significant contribution to the Library. In 2020 our two longest serving volunteers, Douglas Down and Gwenda Robb, have celebrated a respective 21 and 25 years volunteering at the Library.

The Library was thrilled that the important contribution of our wonderful volunteers was recognised with a Gold Winner award for Outstanding Contribution by Volunteers at the 2019 RACV Victorian Tourism Awards.

No barriers

We are accessible to everyone and welcoming to all.

In line with our Diversity and Social Inclusion Action Plan 2017–20, the Library continued to deliver inclusive services for Victoria's young learners, people with a disability, Aboriginal and Torres Strait Islanders, culturally and linguistically diverse (CALD) communities, and residents of regional and remote

areas. Key initiatives outlined in the plan encompass the transformation of physical spaces under the Vision 2020 redevelopment, service design and delivery, workforce and employment practices, communications and community engagement.

Cultural and linguistic diversity

The Library's diverse audience reflects the cultural richness of the broader Victorian community.

During 2019–20, more than 41 per cent of visitors hailed from overseas, with 38 per cent of Library visitors identified as CALD and 44 per cent speaking languages other than English at home. Around 32 per cent of Library visitors are students, with 59 per cent of these international students.

Our recruitment and training of volunteers – who between them represent 35 languages including Auslan – helps us better serve Victorians and international visitors of different cultural and language backgrounds. Library maps have been translated into Chinese and Japanese for our two largest visitor language communities after English.

Aboriginal and Torres Strait Islanders

The Library acknowledges the heritage and culture of Victoria's First Peoples, and is committed to ensuring that Victoria's Aboriginal and Torres Strait Islanders are represented, respected, included and involved in the development of our Indigenous programs, services, collections and workforce.

The new Victorian Indigenous Research Centre (VIRC), the first centre of its kind in any Australian state library, is designed to be a welcoming and safe space dedicated to Indigenous people, and supporting their access to services, programs and collections, and as an acknowledgment of their culture in the Library.

The information held in our libraries is a powerful resource for Aboriginal and Torres Strait Islander peoples wishing to reconnect with family and community, and to strengthen personal and cultural identities. Due to the sensitivity and significance of some collection materials, there is a responsibility to ensure there are policies in place that deliver culturally respectful services to Aboriginal and Torres Strait Islander people. The VIRC provides a safe and respectful environment for this.

Housed in the Dome annulus area formerly occupied by the La Trobe Information Centre, the VIRC provides accommodation for the Koori Unit and the Library's Indigenous Cultural Research Fellows, space for other Indigenous researchers, and a small area for programming including Indigenous research and

community programs, and education programs for schools. Prior to the COVID-19 closure, this space was operational in a limited capacity for community members to access collection materials, undertake research and write. The VIRC's full public opening has been rescheduled to 2021.

The Library is actively seeking to develop pathways to meaningful engagement with Aboriginal and Torres Strait Islander peoples by fostering a workplace culture that respects and values the skills, experiences and perspectives of Aboriginal and Torres Strait Islander staff, visitors and communities.

Launched in February, the Culturally Safe Libraries Program is part of a wider National and State Libraries Australia (NSLA) Indigenous cultural competency project which forms compulsory training for every Library staff member. It seeks to bring about positive change in the Library's cultural competency by facilitating consideration of issues impacting Aboriginal and Torres Strait Islanders, and ensuring these considerations form part of the Library's overall decision making.

This blended learning program incorporates interactive training modules developed by the Australian Institute of Aboriginal and Torres Strait Islander Studies and a series of online discussion forums exploring themes of identity, privilege, and engagement with Aboriginal and Torres Strait Islander communities. Workshops and activities have been reworked for remote delivery during the COVID-19 shutdown, and face-to-face elements of the program will resume when the Library reopens.

The Indigenous Victorian Aboriginal Cultural Research Fellowship, which commenced in 2018, is offered to a researcher who identifies as an Indigenous Victorian Aboriginal person, and is intended to make knowledge about Victorian Aboriginal society and the Library's collections more accessible to the Indigenous community. The 2019–20 fellowship was awarded to Mandy Nicholson for a project using the Library's collections to investigate Wurundjeri seasons and ceremony related to the feminine stars. The Fellowships Program is currently on hold while the Library undertakes a comprehensive and holistic programming review. We anticipate the return of a refreshed Fellowships Program in 2021.

Victoria Gallery's inaugural exhibition, *Velvet, Iron, Ashes*, featured a work about daily life at the Coranderrk Aboriginal Station established in the 1860s. The work by artist and Creative Fellow Nicola Stairmand was inspired by her vision to share a better understanding of the history of the place.

Universal access

The *Disability Act 2006* reaffirms and strengthens the rights of people with a disability and recognises that this requires support across the government sector and within the community.

New and updated assistive technology was an integral part of Vision 2020, following advice and recommendations from the Vision Australia audit in the last financial year. The assistive technology zone in the new Quad information centre features upgraded assistive technology, and new braille wayfinding signage and hearing loops have been installed in the Library's redeveloped spaces.

The building redevelopment meets with 100 per cent of the requirements of the *Disability Discrimination Act 1992* (Cth) and the Australian Building Code of Australia Standards, including the addition of a new accessible entrance on La Trobe Street.

In addition, Library staff participated in disability awareness training throughout the year.

Regional engagement

The Library maintained an active presence in outer metropolitan areas and regional Victoria. Following its showing at the Toowoomba Regional Art Gallery, the Library's successful touring exhibition *Self-made: zines and artist books*, developed in partnership with Sticky Institute, returned to Victoria for its final display at Latrobe Regional Gallery, Morwell in November. The Gallery hosted a zine making workshop led by comics artist and zine-maker Bailey Sharp. The exhibition at Latrobe Regional Gallery was supported by funding from Creative Victoria's Major Touring program and the two-year tour of seven venues across Victoria, New South Wales and Queensland was made possible with funding from Visions of Australia.

Remote and regional audiences have benefited from live-streamed programming and online events, with additional content offered during the Library building closure during COVID-19 (see page 10).

Digital inclusion

The Library aims to overcome online barriers through programming that builds digital literacy, provides easy access to digital content and experiences, and offers ways to explore new creative technologies. The ongoing development of integrated online and onsite programming creates more opportunities for Library audiences to participate from wherever they are in Victoria or the world.

The Kindergarten IT Program continued delivering digital inclusion services to community-based

kindergartens for the Department of Education and Training. During the year, the Library delivered 32 Storytime sessions, reaching more than 4800 views through the Library's website and YouTube channel. The program included virtual tours of the Library and Storytime recordings for pre-schoolers from disadvantaged areas of metropolitan Melbourne.

The Kindergarten IT Program successfully completed a round of statewide face-to-face technology professional development, offering 440 places to early learning staff across the state including Warrigal, Bairnsdale, Shepparton, Epping, Bendigo, Mildura, Horsham, Geelong, Warrnambool, Ballarat and Glen Waverley and Melbourne CBD.

Two new online series – Tech Tips Tuesday and Creative Tech Friday, created as part of the Library's online offering during the COVID-19 building closure – focused on providing advice and guidance for engaging with digital technologies such as making podcasts, learning to code, signing documents online, using iPhone cameras and how to video chat.

Engaging and educating

Our learning programs delivered onsite, online and throughout the statewide public library network are designed to engage and inspire learners at every stage of life.

Young learner and family programs this year attracted 2727 onsite attendees following the opening of the new Pauline Gandel Children's Quarter, a specially designed space for families with children aged 0–12. Programs delivered in the Pauline Gandel Children's Quarter are tailored to different age groups and designed to encourage a lifelong love of reading and learning. A highlight in March was bestselling children's author Andy Griffiths presenting at Story Talks, a program of activities supported by Gandel Philanthropy.

Two programs were established to solicit input from children and students on how to best cater to our early years audience. A Children's Advisory Committee made up of 15 children aged 8–12 years met monthly from August to discuss programming ideas and provide feedback to help make the Library's children's programs and experiences more child-led.

The Library delivered the ninth and final Story Camp in July in partnership with Express Media, and supported by the Crown Resorts Foundation and Packer Family Foundation. This school holiday program provided an opportunity for teens from disadvantaged schools to participate in creative workshops with some of Australia's best writers, poets and zine-makers.

Also in July, students from high schools throughout Victoria performed to over 200 attendees at the 2019 Plain English Speaking Awards, Victorian State Final delivered by the Library in partnership with the Victorian Curriculum and Assessment Authority. This event was emceed by Dr Catherine Padmore of La Trobe University, the Library's learning partner; Christopher Holtby OBE, the British Consul General in Melbourne, was the head adjudicator.

The winners of the 2019 Inky Awards for Young Adult Literature were announced at the Library in September. The Inky Awards is Australia's only literary prize for young adult literature overseen by a dedicated panel of teenage judges from around Australia. The Gold Inky, awarded each year to an Australian author, was awarded in 2019 to *Whisper* by Lynette Noni. The Silver Inky, awarded each year to an international author, was awarded in 2019 to *The cruel prince* by Holly Black.

Throughout the year, 14,878 schoolchildren took part in a total of 361 education programs for primary and secondary students.

The Library's free online family history course, Branching Out, was delivered in March to 145 participants from across Australia. The month-long course is designed as an introduction to family history research and presents the key resources available for researching Victorian family history, along with short hands-on activities, assignments and research scenarios to explore.

Open and inviting

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

We have continued to build and share our collections in ways that encourage Victorians and visitors to access our resources, services and experts. The new Victoria Gallery encourages visitors to explore our collection in new ways. With the continued development of new online resources and experiences, and enhancement of online access to Library content, we are able to offer greater access to our collection both onsite and online.

Collection development

Over the year, 52,478 items were added to the Library's collection and 31,318 new bibliographic records were added to the catalogue. Our electronic book collection comprises 19,505 titles, just shy of our target of 20,000 ebooks by 2020.

We continued to offer access to our collection of 81 purchased eresources and 90 subscription databases for onsite research and for registered Victorians to use from home. With the closure of the building due to COVID-19, online resources were in greater demand.

We thank ProQuest, Ancestry, Haynes, JSTOR and EBSCOhost for their generosity in allowing free, extended access for Library members, which has allowed our users to continue their research and learning from home during lockdown.

Two new browsing collections were launched in redeveloped public spaces opened as part of Vision 2020. The children's browsing collection in the Pauline Gandel Children's Quarter, made possible by Gandel Philanthropy, contains approximately 4000 volumes curated with a focus on diversity and surprise designed to foster curiosity and delight in our youngest readers. The collection strengths include contemporary and classic Australian children's literature, including Indigenous and non-fiction content, as well as material in a range of community languages.

The refurbished and reopened Ian Potter Queen's Hall now houses the Victorian and Australian Literature Collection. Celebrating Melbourne's designation as a UNESCO City of Literature, this curated collection of 11,000 titles features Australian fiction, poetry, short stories, play scripts, Indigenous and emerging writers, young adult fiction and graphic novels. The collection offers a selection of Australian works published in key community languages and showcases collection donations, including *The mystery of a handsome cab* and other early works by Fergus Hume, Miles Franklin award winners, poetry donated by Judith Rodriguez, graphic novels and comics, and translations of works by Sonya Hartnett.

Significant acquisitions added to the collection during the year include the Sergeant Alfred Huggins Photographic Collection, generously donated by the family, and comprising 232 black and white World War II photographs in two albums plus a small number of army publications. Alfred Huggins photographed extensively during the Greek campaign of 1941 and the Middle East. His images capture the allied forces in the field and villages, and include evacuations, bombings and the care of the wounded, as well as photographs taken from a captured German prisoner that document German troops arriving in Athens. Huggins was a self-taught photographer who, after the war, opened a photographic studio in Melbourne's Collins Street. His collection complements the Library's collections documenting World War II.

The Library is also grateful to have received a gift from the estate of Robert Rooney (1937–2017). This archive includes works on paper, papers, artists' files, journalism portfolios and extensive correspondence with local and international artists. Robert Rooney was a celebrated painter, artist and photographer and a leading figure in Australian conceptual art, who also wrote extensively on

Australian art as a critic for *The Age* (1980–82) and *The Australian* (1982–99).

The John Emmerson collection continues to grow with the acquisition of an exquisite embroidered binding from the 1640s which binds *The Holy Bible: containing the Old Testament and the New* (Robert Barker, 1637) along with *The book of common prayer* (Robert Barker, 1634). This binding complements another fine embroidered John Emmerson-owned binding in the collection, from the same maker, which was believed to have belonged to Queen Henrietta Maria, wife of Charles I. These are recognised as two of a group of five bindings identified as being by the same binder: two of the others are held in the British Library, and one in the New York Metropolitan Museum of Art.

Another significant rare book acquisition is the first printed edition of the complete text of 2nd-century Greek author Ptolemy's *Almagest*, translated from the original Greek: Claudius Ptolemaeus, *Almagestum seu magnae constructionis mathematicae opus (Almagest)*, Venice, Lucantonio Giunta, 1528. The Library already held one of the earliest known manuscripts of the *Almagest*: an 11th-century translation made by Gerard of Cremona from two Arabic manuscripts housed at Toledo. The early printed edition complements one of the earliest known manuscripts of the *Almagest* already in the Library's collection, and sheds light on the transmission of early Greek foundational ideas and texts into Renaissance Europe.

A rare artist book, *This time Launceston* (1969) – which was produced in an edition of just 25 copies – is the first artist book acquired by the Library by renowned Australian artist and printmaker Bea Maddock (1934–2016). The book comprises original signed and dated linocuts and letterpress made by the artist. The work complements photographs by Maddock and a number of secondary books on her work that are in the collection. This copy was originally owned by Maddock's long-time friend and companion Beth Parsons, who gifted it to the Library.

A crowd-pleasing literary acquisition this year is a 19th-century boxed set of ten volumes containing all of Jane Austen's novels. This early edition is the first edition to illustrate Austen's works in colour. The volumes are bound in a decorated cream publisher's cloth binding, designed to allow the reader to easily take them travelling.

Steven Carroll, born in Melbourne, is considered one of Australia's major contemporary writers; his novels, short stories and plays have been highly acclaimed in reviews and literary competitions. The acquisition of Carroll's notebooks for eleven novels, typescripts, editor's proofs and corrections for a number of novels, volumes

of short stories and radio plays, early drafts of short stories, publisher rejection letters and significant born-digital content from two laptops builds on the Library's collection of literary manuscripts and drafts by notable Australian authors.

Digital collection discovery

This year the Library added more than 9000 digitised collection items to the online catalogue and created metadata for more than 1500 rare, uncatalogued, published collection items before the building was closed due to the COVID-19 shutdowns.

The ongoing migration of digitised items from the end-of-life digital object management system (DigiTool) into the new digital preservation system (Rosetta) brought the total number of files in Rosetta to more than 7.2 million, representing 342,226 collection items. We also commenced the next stage of the project, migrating 10,089 newly digitised works and nearly 1000 born-digital objects, including the Rosenberg collection of early 20th-century Bendigo studio photographs by Vincent Kelly, Committee for Urban Action (South Melbourne) streetscapes from the 1970s, and the Smith Trains and Trams collection from Melbourne and suburbs, Ballarat, Bendigo and Puffing Billy from 1966 to 1967. Rosetta continues to provide a valuable and growing visual archive for public use.

Other highlights of the Library's digitising program during the year include:

- Sands & McDougall directories
- School paper, 1896–1930
- *Melbourne Review*, 1876–85
- Henry Talbot photographic collection
- Victorian municipal directories.

A project funded by the RE Ross Trust to barcode, rehouse and catalogue the Riley & Ephemera Collection also reached a milestone with the completion of the barcoding and rehousing of all folders of print political ephemera. In addition, 37,781 detailed catalogue records have been created for previously inaccessible, uncatalogued files of ephemera, including topics as diverse as Aboriginal land rights, International Women's Day, and the Melbourne Gay and Married Men's Association. This project enables online discovery of collections by users, electronic ordering for retrieval, and more effective collection management and development.

As part of the Rosetta and the Legacy Data projects, a public user interface for the archival management system has been developed to enhance discoverability of the Library's large archival collections. Other benefits include interoperability with the Library management system, increased discoverability of unique Library

collections, the capacity to immediately publish and update online finding aids for manuscript and picture collections, and the capacity to migrate and publish legacy finding aids in a standardised format.

The National edeposit (NED) service was officially launched by the Hon. Paul Fletcher MP, Minister for Communications, Cyber Safety and the Arts, at the National Library in Canberra in August, marking the culmination of more than four years' collaboration between Australia's national, state and territory libraries. NED uses legal deposit legislation and a self-service web portal to collect Australian digital publications from all types of publishers, providing a joint solution to the challenge of collecting, preserving and sharing the digital documentary heritage of our nation. These materials are stored in a central repository and can be found through search engines, discovery services and library catalogues. The response from publishers is positive with 2858 Victorian digital monographs and 366 Victorian serial titles now uploaded. More than 21,000 monographs, 43,000 maps and 54,000 serials have now been deposited into NED by publishers throughout all states and territories, providing a powerful aggregated resource for researchers using Australian materials.

Collection storage

During the year, the Library moved 4.6 kilometres of collection material, including 250 metres of internal collection adjustments within the Library's Ballarat offsite store (BOSS1). Other major moves of collection material included installing the new browsing collections in the Pauline Gandel Children's Quarter and The Ian Potter Queen's Hall, both opened as part of the Library's Vision 2020 redevelopment. The La Trobe Reading Room was also reconfigured.

Installation of storage systems in the expanded Ballarat offsite store was completed during the year and BOSS2 now supplements BOSS1 in providing a specialist climate-controlled environment for Victoria's collection, securing it for future generations and ensuring sustainable access for the wider community in the long term. This substantial project was delivered by the Library and Development Victoria as part of the Victorian Government's Creative State strategy and as a component of Creative Victoria's Collection Storage Victoria project.

The Library completed two collection storage fit-outs at BOSS2 on behalf of Federation University. This storage area now houses a selection of Federation University collection materials, including monographs from the Federation University campus libraries, archived student records, and items from the Geoffrey Blainey art and historical collection. The movement of Federation University material into BOSS2 has been on hold during the COVID-19 closures.

The BOSS site has remained staffed during the closure period. Operations have been scaled back and retrieval services paused, to ensure compliance with all COVID-19 safety guidelines.

Conservation and preservation

In 2019–20 the Library preserved and conserved 57,439 items. The Library undertook five offsite visits to assess major collection acquisitions and assessed and treated 110 newly acquired collections through the quarantine store, totalling approximately 520 items and boxes of collection material in a wide variety of formats – manuscripts, books, records, pictures, textiles, objects and photographs. We processed 16,881 items into the collection, and treated and prepared 487 items for exhibition at the Library.

Major conservation treatment has begun on the sketchbooks of Robert Russell (1808–1900), artist, architect and Melbourne's first surveyor. The treatment involves the removal of the fragile sketches from the sketchbook pages, paper repair and cleaning. In many cases the treatment has revealed additional sketches and annotations by the artist. On completion the sketches will be placed in archival storage with the sketchbook pages, and the sketches will be digitised for public access.

Preservation and archival rehousing of the Vali Myers collection is near completion. Considered one of Melbourne's 'prodigal daughters', bohemian icon Vali Myers was a dancer, artist and muse. This collection from her Nicholas Building studio contains original artworks, visual diaries, personal photographs and her own jewellery.

During the year, the Library completed the rehousing of the large archive of the Records of the Sheriff's Office Victoria. The collection dates from 1838 to 1949 and contains proceedings brought against Victorians who had not paid government fines or fees or repaid debts. The 10-year project involved the treatment, cleaning and flattening the contents of thousands of parcels tied up with string. The archive now comprises 300 neatly ordered archive boxes.

Through loans to other institutions the Library shares the collection with audiences in many other locations. In 2019–20, exhibitions featuring items from our collections attracted 423,116 visitors. We loaned 101 items to the following institutions:

- Counihan Gallery, *Fantastic worlds*
- Bendigo Art Gallery, *Tudor to Windsors: British royal portraits from the National Portrait Gallery London*
- Bendigo Soldiers Memorial Institute Military Museum, *Many such as she*
- Old Treasury Building, *Wayward women?*

- National Library of Australia, *Story time: adventures in Australian Children's Literature*
- Ballarat Photo Biennial
- RMIT University Gallery, *Melbourne modern: European art and design at RMIT since 1945*
- Art Gallery of South Australia, *Yangarra: grinding seeds*
- SLV Touring exhibition: Latrobe Regional Gallery, *Self-made: zines and artist books*

Exhibitions

The opening in October of the Victoria Gallery considerably expands the Library's exhibition capacity. Created as part of the Vision 2020 redevelopment project and endowed by the John and Myriam Wylie Foundation, the new gallery is the largest dedicated exhibition space in the Library.

Victoria Gallery's inaugural exhibition – *Velvet, Iron, Ashes* – opened in October and invited visitors to discover surprising connections between extraordinary people, events and icons from Victoria's history. The exhibition revealed the surprising ways stories of the past intersect – such as how the armour of infamous bushranger Ned Kelly is connected to cricket's celebrated Ashes Urn and how fairy floss is connected to Victoria's Latrobe Valley electricity industry. Visitors used the award-winning, custom-made Map-o-matic to create and print a personalised tour map of the exhibition. Specially designed listening posts and audio-visual material throughout the exhibition, as well as multiple collection cupboards and drawers for visitors to open, created an interactive display. Highlights included a rare opportunity to view the State of Victoria costume worn by advocate and entrepreneur Jessie Clarke in the centenary of Melbourne pageants in 1934 and 1935, and an equally rare opportunity to see the original Ashes Urn, on exclusive loan from the Marylebone Cricket Club, London.

A new display installed in the North Rotunda features a selection of the Library's 21st-century paintings of Melbourne cityscapes by living Australian artists. Works include depictions of Melbourne's hallowed sporting grounds, with MCG, Josie Kunothe Petyarre's view of the iconic Melbourne Cricket Ground, and Shane Jones's *Flemington Racecourse*. Rick Amor's work shows some less familiar perspectives, with distant views of the city from remote hills and from the Yarra River and docklands, and across rooftops in *Across the city*. Tony Lloyd's *Skystone*, William Mackinnon's *Exit* and Louise Forthun's *Toffee and ice* present abstracted views of urban sites and landmarks and provoke reflection on our interaction with the built environment.

Peter Wille: out driving remained on display in the South Rotunda. The exhibition of photographs of

Melbourne's mid-century architecture features small and large-scale reproductions from the Library's collection of more than 6000 colour slides by architectural draughtsman, design enthusiast and amateur photographer Peter Wille and showcases a period of experimental design.

More than 300 new items were installed in the Library's *World of the book* exhibition in November. This permanent exhibition housed in the Dome Galleries explores the history of writing, books and book design, with items dating from 2050 BC to the present day. The refreshed display includes highlights such as an 18th-century gospel with wooden binding, the 15th-century volume of *The works of St Augustine*, a 19th-century album of drawings by Japanese artist Nishiyama Kanei, and Chester Gould's *Original Dick Tracy comic album no. 2*. *World of the book* attracted 372,979 visitors in the 2019–20 financial year.

The *Changing face of Victoria* exhibition, also housed in the Dome Galleries, continued to be a drawcard for visitors and school groups, receiving 178,329 visitors. The exhibition was entirely refreshed with a new exhibition design and themed content in March, immediately prior to the building closure in response to the COVID-19 pandemic. It will reopen later in 2020.

Publications

In May 2020 we launched the 7th book in the Writers on Writers series, *On Robyn Davidson* by acclaimed critic and journalist Richard Cooke, who explores Davidson's relationship with place and freedom, and her singular presence in Australian letters. In the 6th book, *On Shirley Hazzard*, released in October 2019, award-winning author Michelle de Kretser celebrates the precision, musicality, humour and humanity of Hazzard's prose. The series is published by Black Inc. in association with the Library and the University of Melbourne.

Two richly illustrated issues of the Library's *La Trobe Journal* were published, illuminating diverse aspects of the Library's collection. In September 2019, issue no. 103, guest edited by Shane Carmody, featured two articles on William Barak, among others, and in March 2020, issue no. 104 included work by a number of Library staff and articles inspired by the Library's photograph collection and children's literature collection.

Fellowships

Since 2003, the Library's Fellowships Program has encouraged imaginative use of the Library's collections for the creation of new works. The Fellowships Program is currently on hold while the Library undertakes a comprehensive and holistic programming review. We anticipate the return of a refreshed Fellowships Program in 2021.

A library for the future

We are agile, innovative and forward-thinking. We offer world-class library services today and are building strong foundations for tomorrow.

Partnerships and supporters play a fundamental role in supporting and enhancing the Library's ability to provide world-class Library services and experiences for the community. The Library's investment in continuous improvement, workforce development and revenue-driven activity help to position the Library for today and into the future.

Public libraries partnership

In April the Board approved the final plan for the State Library and public library collaboration 2020–23, which is enshrined in the Library Board of Victoria / Public Libraries Victoria Framework for Collaborative Action 2020. Working closely and collaboratively with public libraries throughout the state allows us to share resources, fostering learning, access and engagement at the local level. Building strong partnerships within our public library network is an essential part of our commitment to engage with and provide better services to all Victorians.

In July, a summit to plan the next three years of the State Library's collaboration with Victoria's public libraries was attended by 44 of Victoria's 48 public library service CEOs/Managers, several members of the State Library's Leadership Team and Library Board of Victoria member, Maxine McKew. The resulting plan for future Statewide Public Library Development Projects focuses on collaboration in:

- Sector advocacy: building on the achievements of the 2017–20 Advocate Program to build awareness of the social and economic value of public libraries and increase government and community engagement
- Sector capability: a multifaceted program to challenge, develop and build the capability of public library leaders and frontline staff
- Community health and wellbeing: a new program to support public library contributions to community health and wellbeing, with a particular focus on reaching the most vulnerable community members.

Summit delegates were inspired by keynote presentations from Australian futurist Paul Higgins, leading library directors Peter Kok from The Netherlands and Mirla Edmundson from New Zealand, and renowned library educator and author of *The atlas of new librarianship*, R David Lankes, via video from the US.

The Autumn Book Binge, a new three-month reading challenge for adults, ran in 43 of Victoria's 48 public library services. The program includes monthly local prize draws and is designed to encourage people to expand their reading horizons. The program is the final

component of the strategic Statewide Public Library Development Project run by State Library Victoria and Public Libraries Victoria to support Victoria's public libraries in the delivery of excellent reading and literacy services, and it follows the Reaching Readers online reader development training that was provided to Victorian public library staff in 2018–19.

Throughout the year, the Library delivered a wide range of professional development programs for the public library workforce. This included online training in the skills of advocacy, the Shared Leadership Program for future leaders, and Managing Self, Managing Others for team supervisors. The 2019 Barrett Reid Scholarship, valued at \$20,000, was awarded to Georgina Earl from Moreland Libraries to undertake research into public library services to homeless people. In September we conducted a skills audit of the Victorian public library workforce, which includes approximately 3000 staff across 272 branch libraries. The audit replicated the skills audit carried out in 2013, which was based on a competency framework reflecting the vision for public library services and staff skills in the 2013 Victorian Public Libraries 2030 strategic framework. The 2013 audit provided critical data on strengths in workforce skills as well as areas requiring development if the library services envisaged for the future are to be realised. The data informed professional development subsequently offered to public library staff under the Statewide Public Library Development Projects. The 2019 audit identified skills areas where improvements have been made and will inform the professional development program for the next three years.

The Libraries Change Lives campaign is a conversation about the value and impact of Victoria's public libraries. This initiative is part of a broader advocacy program the Library is delivering under the banner of the Statewide Public Library Development Projects. Launched in 2018, it gained momentum throughout 2019–20 with a strong social media presence, recruitment of new campaign champions including media personalities Matt Preston and Brian Nankervis and best-selling children's author Andy Griffith, and production of new campaign collateral with messages around how public libraries reduce social isolation and loneliness, and provide equity of access to technology, training and education.

Responding to its remit to provide leadership in the sector, over the last three years the Library has provided seed funding for innovative adult literacy programs that support the development of outstanding literacy services in public libraries. One of these programs, Word Play, made possible by a \$23,000 Adult Literacy Innovation Grant from the Library, received a prestigious State Government Early Years Award in October for

improving access and participation in early learning, particularly for families experiencing vulnerability and disadvantage. Led by Moreland City Libraries, in partnership with Merri Health and the Library, Word Play supports newly-arrived migrant families with low English literacy. The results of the pilot Word Play program included significant improvements in children's English literacy and school-readiness, and in the capacity of parents to support their child's learning. It is now an ongoing program at Moreland City Libraries, and other library services are looking to introduce a similar program.

Entrepreneurship and partnerships

As we look towards our community's recovery from the severe social and economic impact of the COVID-19 pandemic, fostering entrepreneurship will play an even more critical role at the Library with the opening of StartSpace. The Library's new co-working space for early-stage small businesses and startups is dedicated to providing inspiration, information and practical guidance to help new businesses grow from concept to reality.

StartSpace launched in March, just days before the first COVID-19 shutdown. While the building is closed we have continued to provide an online community and programming for Melbourne's emerging entrepreneurs. In September 2020, we look forward to delivering the inaugural Future Founders Festival – a five-day digital festival aimed at international students (both in Melbourne and overseas), run in partnership with Study Melbourne. The festival aims to introduce students to entrepreneurship and the startup ecosystem.

Creative and education sector partnerships

In February, the Library hosted the second VCE Top Talks in partnership with the Victorian Curriculum and Assessment Authority. The event featured presentations from and interviews with the four VCE Extended Investigation students whose research and oral presentations were the highest scoring of the 2019 VCE.

Throughout 2019–20, the Library partnered with the Ardoch Foundation to provide access for schools with a low Index of Community Socio-Educational Advantage (ICSEA) ranking, in particular providing bus transport to the Library to participate in programming. With the closure of the Library building due to COVID-19 restrictions, this support will be redirected to providing online education programs.

The Library supported another successful year of The Garret podcast, hosting recordings with a range of Australian writers, publishers and literary creatives, including award-winning authors Tara June Winch, Jess Hill and Anna Krien. While the Library building has

been closed, The Garret's Astrid Edwards has hosted the Library's Afternoon tea and talks online series of live interviews with leading Australian authors.

Also during the building closure, the Library partnered with the University of Melbourne to launch Signposts: Stories for Our Fragile Times. This new online series is hosted by award-winning author and Boisbouvier Chair of Australian Literature, Alexis Wright, in conversation with some of Australia's finest storytellers, including Peter Carey and Nicholas Jose.

Representing multicultural Australia in national and state libraries is a three-year ARC funded research project led by RMIT in partnership with the state libraries of Victoria, New South Wales, South Australia and the National Library of Australia (NLA). The study is investigating the representation of histories and cultures from culturally and linguistically diverse communities in national and state libraries. In 2020, the project hosted a symposium entitled Libraries and the Community: representing and reflecting cultural diversity in library research, policy and practice. State Library Victoria CEO Kate Torney gave the keynote speech, and Director Collections, Jo Ritale presented with the NLA on the National eDeposit scheme and its potential to enhance collecting and discovery of culturally and linguistically diverse communities in Australia's national, state and territory libraries.

In an additional partnership, the Library worked with RMIT University to create a 12-week design studio for students to propose, design and present a play-or learning-based, story-led sensory experience for children in the new Pauline Gandel Children's Quarter, with resulting project ideas available for future implementation.

International relationships

In July the Library led a round-table discussion for a government delegation from Bangladesh on the Library's approach to ICT infrastructure.

During the year, the Library was also pleased to host a high-level delegation from the Jiangsu Ministry of Foreign Affairs. Victoria has a sister-state relationship with China's Jiangsu Province, and State Library Victoria and the Public Library of Nanjing have had a close relationship for many decades.

The Library's Preservation and Conservation teams supported a visit from Nor Omar, a conservator from the Heritage Conservation Centre in Singapore. This visit focused on exchanging professional knowledge around the conservation of manuscripts, which will support the Library's work conserving the Michael Abbott manuscript collection.

The Library was preparing to host a visit for 90 international delegates attending the International Federation of Arts Councils and Culture Agencies (IFACCA) conference in Melbourne in March but, unfortunately, COVID-related travel restrictions saw the cancellation of this visit.

COVID-19 has seen the Library work closely with fellow NSLA member libraries and international libraries – including the British Library, the New York Public Library and the National Library Board of Singapore – exchanging information on the changing needs of Library users and opportunities arising from increased demand for services, programs and collections delivered online.

Commercial and corporate partnerships

With the opening of new event spaces, along with a new commercial kitchen and event infrastructure as part of Vision 2020, the Library looked forward to strong growth in commercial and corporate events. However, due to the COVID-19 pandemic, a number of high profile events scheduled to be hosted at the Library have been unable to proceed. We expect that ongoing restrictions on travel and occupancy numbers will continue to have a significant impact on the Library's commercial activities throughout 2020.

This impact will also be felt by the Library's tenants Mr Tulk cafe, Readings bookshop and Guild cafe, our newest onsite tenant, situated in the redeveloped Russell Street Welcome Zone.

Nonetheless, highlight commercial events during the year include an after-hours gala in July for the Australian premiere of the hit musical theatre show, *Come from away*. Our exclusive catering and events partner, Showtime Event Group, transformed the Russell Street Welcome Zone, Redmond Barry Reading Room and Cowen Gallery to host the spectacular VIP event.

Showtime Events Group also delivered the Library's black-tie Vision 2020 grand opening event in The Ian Potter Queen's Hall, providing themed lighting, live performances, grazing tables and cocktails for more than 300 guests in what was billed by the *Herald Sun* as one of the 'Best events of 2019'.

The Ian Potter Queen's Hall was also the site of the formal welcome for the 2020 Asia Pacific Incentives Meeting Event (AIME), the Melbourne Convention Bureau's major trade event.

Showtime's Laura Readaway was the Victorian winner for 'Business development person of the year' at the 2020 Meetings and Events Australia Industry Awards in

May, with the Library and Showtime finalists in a number of state awards.

Corporate Membership

This year we welcomed WSP as our newest Corporate Member. The Library's Corporate Members enjoy a range of engaging business talks and executive networking events through our exclusive Corporate Member speaker series. In August Professor Daniel Aldrich from Northeastern University in Boston spoke about his latest book, *Black wave: how networks and governance shaped Japan's 3/11 disasters*. The event was presented with the University of Melbourne, the Catalyst Network and Resilient Melbourne. In September Marianne Broadbent, executive advisor and specialist in leadership and executive capabilities, and Melbourne Managing Partner of global executive search firm NGS, spoke about her latest book, *The agile executive: embracing career risks and rewards*.

In October, Greg Bernarda, a business-model and innovation expert based in Zurich and Singapore, delighted audiences with a memorable interactive session on the topic of business-model innovation. Greg Bernarda is co-author of the international bestseller *Value proposition design*, and has worked on strategic innovation and transformation projects for a range of international organisations, including Harvard Business School and Peking University.

In November, the Library hosted an exclusive business lunch with Lord Chris Patten, the last British Governor of Hong Kong, Chancellor of the University of Oxford since 2003 and member of the House of Lords since 2005. Lord Patten delivered an insightful speech on the unrest in Hong Kong and also shared his perspective on Brexit and its consequences for the UK. The sold-out ticketed event was supported by event sponsors Ashurst and Russell Reynolds Associates.

Continuous improvement

The second stage of the Library's workforce transformation was completed during the year with the reshaping of teams within the branch structures and process groups developed by staff in the first stage of the project. This positions the Library for the next stage of operationalising the new organisational design. A key element in the shift to a process-based organisation includes the implementation of Lean methodology across all Library teams and operations.

Initial stages of Lean implementation included defining the Library's main business processes and interactions across the new structure, development of learning programs, and a pilot program of Lean Six Sigma workshops, including Lean Yellow Belt training.

Lean implementation will continue throughout the coming year.

Recognising the unique role of team leaders during a period of transformation, a 'Leading through change and beyond' training program was rolled out to build and strengthen leadership capability. This has stood the Library in good stead, particularly during significant changes wrought by the Library building closure and moving to working from home arrangements.

Other initiatives to support staff during the COVID-19 pandemic include wellbeing initiatives and free confidential counselling.

With this year marking the final year of the *2016–20 Strategic Plan*, our focus also turned to developing the Library's new strategic plan. Scoping began in October, and the plan has since developed responsively to incorporate the ongoing COVID-19 context.

The Library's vision to be a library for all in a changing world will continue to guide our activities over the coming four years, which will build towards four key outcomes for the community by 2024:

- More Victorians will engage with the Library, particularly groups facing geographic, economic or other barriers
- High-impact engagement with Library programs and services will inspire creativity and learning in our audiences
- The State Collection will reflect the diversity and needs of our community, and be trusted, valued and used
- We will ensure that every dollar we spend delivers maximum social, cultural and economic benefit.

The strategic plan is underpinned by a comprehensive planning and reporting framework that includes development of a data strategy and strengthening our analytics capability. A comprehensive and detailed budget build has ensured that every aspect of our expenditure is aligned with the Library's strategy and accountabilities.

During the year we continued to mature the Library's risk management framework, including detailed mapping and assurance, with an emphasis on enterprise risk. A particular focus has been technology compliance and cyber security, with a rigorous review to support remote working arrangements.

Digital innovation, supported by effective infrastructure and business tools, will continue to be a priority. A new enterprise digital and technology plan focusing on customer-centric solutions will be a foundational project in the coming year.

Professional development

Library staff participated in range of professional development opportunities throughout the year, including online training for digital capability, remote working and managing, and cybersecurity.

In partnership with the Australian Library and Information Association, the Library developed a new facilitated online training program – Advocacy for Libraries – designed to build capability in the sector. Launched in October, the program included sector-specific workshops on digital storytelling and social media training for advocacy.

At the biannual VALA – Libraries, Technology and the Future conference in February, three Library staff members presented on the Library's upgrade from a digital object management system to a digital object preservation system, and on object and metadata migration.

Senior Librarian, Dr Anna Welch, was awarded the Harold Wright Scholarship and the Sarah and William Holmes Scholarship, Prints and Drawings Department, at the British Museum, and in February commenced this significant opportunity to further develop curatorial skills working as an historian with printed collections.

Support and sponsorship

The completion of the five-year Vision 2020 redevelopment project has been a remarkable achievement, made possible through the extraordinary support of the Victorian Government and our six major Vision 2020 donors:

- The Ian Potter Foundation
- John and Myriam Wylie Foundation
- Hansen Little Foundation
- Maria Myers AC and Allan Myers AC QC
- Christine Christian Foundation
- Gandel Philanthropy.

We thank each of them for their vision, generosity and passion for the Library's work, which will benefit generations of Victorians to come.

Under Maria Myers' leadership, the Foundation Council has continued to build mutually beneficial relationships with the corporate and philanthropic sectors. To mark the completion of Vision 2020, the Foundation Council launched the new Collection and Conservation Fund – an evergreen fund that will support acquisitions for and conservation, preservation, digitisation and description of the State Collection. In light of the social and economic impact of COVID-19, the Library decided not to hold a full-scale fundraising appeal but instead offered an opportunity to donate to the Collection and Conservation Fund for those in a position to give

at this time. We are grateful for all contributions, great or small.

Our Redmond Barry Society bequestors are special members of our supporter community. Bequests provide vital support for collection acquisitions, as well as conservation and preservation programs that help protect and share the treasures of the collection now and for future generations. This year we acknowledge the legacies of the Norma Ruth Atwell Estate and long-time Friend of the Library, Esther Isabel Stump.

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

Corporate Members 2019-20

ANZ Banking Group
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BHP
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Deutsche Bank
George and Rosa Morstyn
GHD
Herbert Smith Freehills
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RMIT University
Showtime Event Group
Tanarra
The Catalyst Network
The Saturday Paper
The University of Melbourne
WSP

Donors and sponsors

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

Donors

\$100,000+

Estate of Marion Orme Page
John Gandel AC & Pauline Gandel AC, Gandel Philanthropy
Koshland Innovation Extension Fund
The Christine Christian Foundation
The Hansen Little Foundation
Maria Myers AC and Allan Myers AC QC
The John and Myriam Wylie Foundation
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\$25,000+

Estate of William George Alma
Robin Campbell Foundation
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The EW Cole Foundation
The Percy Baxter Charitable Trust
Karen Wood and Alex Sloan
Anonymous (2)

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Dr Anne Colman and Professor Peter Colman AC
Adrienne Conway
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John Drury OAM and Dianne Reilly AM
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Prof. Gary Field
Elisabeth Kerdelhué and Mark Mountford
Zara Kimpton OAM
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 Margaret Webster
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Ian and Margaret McKellar
 Mary Lush
 Irene Kearsey and John Ridley
 Nigel and Sheena Broughton
 Prof. Peter Sherlock
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 Daryl Ross Family Trust
 Rosemary Miller
 Margaret Waller
 Liga Smith
 Bill Bowness AO
 Anonymous (1)

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Financial summary

Summary of financial results with five-year comparatives

	2020 \$'000	2019 \$'000	2018 \$'000	2017 \$'000	2016 \$'000
Revenue from government	87,192	84,472	81,324	81,081	77,223
Other revenue	12,733	18,765	21,188	19,886	18,664
TOTAL REVENUE	99,924	103,237	102,512	100,967	95,887
TOTAL EXPENSES (excluding depreciation)	(89,453)	(91,535)	(89,596)	(86,082)	(85,870)
NET RESULT FOR THE YEAR BEFORE DEPRECIATION	10,472	11,702	12,916	14,885	10,017
DEPRECIATION	(14,510)	(13,794)	(13,056)	(13,654)	(12,980)
TOTAL EXPENSES	(103,963)	(105,329)	(102,652)	(99,736)	(98,850)
NET RESULT FOR THE YEAR AFTER DEPRECIATION	(4,038)	(2,092)	(140)	1,231	(2,963)
CASH FLOW FROM OPERATING ACTIVITIES	10,980	9,396	7,728	13,752	9,058
TOTAL ASSETS	960,055	961,778	931,808	891,857	860,627
TOTAL LIABILITIES	14,140	12,521	12,323	12,609	11,468

Notes

Revenue from government includes \$41.909m in operating funding and \$43.357m of capital assets charge.

Other revenue includes revenues from commercial, donations, bequests, investment and other external sources.

Total expenses include \$43.357m 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 2019–20 of \$4.038m deficit compared to \$2.092m deficit for 2018–19.
- The Library Board achieved a net result before depreciation for 2019–20 of \$10.472m surplus compared to \$11.702m surplus for 2018–19.
- Payments made to Development Victoria (\$20.494m) for the Vision 2020 redevelopment shown as buildings, furniture and equipment at 30 June 2020.
- The long-service leave liability (LSL) was revalued by \$496k due to redundancies related to the major organisational restructure undertaken during 2019–20. The revaluation drove a reduction in the 2019–20 LSL balance to \$6.898m and was reported as a subsequent event in the 2018–19 annual report.
- Net assets have decreased by \$3.342m, primarily as a result of the payout of restricted cash from philanthropic donations that was held at the end of last financial year for the Vision 2020 redevelopment.
- Total liabilities increased by \$1.579m to \$14.140m, mainly due the recognition of an unearned capital grant for the upgrade of the Library's collection repository in Ballart (BOSS2) next financial year for grant funding received in advance. On 1 July 2019 the Board adopted two new accounting standards, including AASB1058 *Income of Not-for-Profit Entities*, which requires capital grants to be deferred if they relate to unmet performance obligations and AASB 15 *Revenue from Contracts with Customers* which requires that grants with unmet specific performance obligations be deferred until the obligations are met. Previously, the Library would recognise both revenue as earned when they were received.

Factors contributing to the net result are outlined below.

- Total revenue has fallen by \$2.775m to \$99.924m and has been affected by the following items:
 - operating funding from government includes capital assets charge (\$43.4m) and other grants from state government (\$1.9m). Excluding these two items, grants from government have increased by \$2.625m to \$41.909m. The increase mainly reflects the difference between a reduction in grant funding from government compared to the prior year and additional grant revenue received which has been recognised as consistent with the introduction of AASB1058 *Income of Not-for-Profit Entities* (AASB 1058). For further detail refer to Note 2 in the financial statements.
 - donations include philanthropic donations received for the Vision 2020 redevelopment project \$3.106m (\$3.94m in 2018–19)
 - donations include items donated to the Library collection in 2019–20, valued at \$1.328m (\$2.502m in 2018–19)
 - bequests of \$777k were received in 2019–20 (\$3.189m in 2018–19)
 - funding of \$1.467m received from government to support the finalisation of the Vision 2020 redevelopment shown as an increase in contributed capital rather than capital revenue.

2019–20 Key performance indicators

The Library's 2019–20 planning framework was designed to achieve outcomes articulated in the *Strategic Plan 2016–20*.

Description	Unit of measure	Actual 2015–16	Actual 2016–17	Actual 2017–18	Actual 2018–19	Target 2019–20	Actual 2019–20
Net Promoter Score (NPS) ¹	Number	+53	+54	+52	+58	+58	+67
Visitation ²	Number	6.252m	6.101m	6.421m	6.797m	7.350m	7.025m
Collection use ³	Number	new measure		11.461m	12.021m	12.100m	13.048m
Programming attendance ⁴	Number	144,020	155,074	156,238	79,140	112,000	62,883
Membership ⁵	Number	1,301	1,061	858	931	1,250	739
Media value ⁶	\$	\$24.1m	\$27.7m	\$30.7m	\$46.9m	\$36.0m	\$43.5m

Notes

- 1 Net Promoter Score (NPS) methodology measures a visitor's willingness to recommend the Library measured on a 10-point scale. The % of those rating 0–6 willingness to recommend (detractors) is subtracted from those rating 9 or 10. Those rating 7 and 8 don't contribute to the result. The Library's NPS is based on a sample of 1274 onsite visitors captured between August 2019 and March 2020.
- 2 Visitation is the onsite visitation and online visitation aggregated. Overall visitation for FY20 was impacted by the Library closure in response to COVID-19. This was offset to an extent with above target (+5%) visitation to the Library's websites.
- 3 Collection use measures growth in access to the Library's collection through usage of physical resources, usage of digital collection items and access via Trove, a collaboration between the National Library (NLA), Australia's state and territory libraries and hundreds of cultural and research institutions around Australia. Trove usage data is provided by the NLA. Collection use statistics exclude the use of licensed resources.
- 4 Programming attendance includes participation in onsite and offsite events and programs. It includes online programs where participation can be measured through registration or live viewing numbers. This shifted to digital-first programming in March 2020. Engagement with content or videos after the event is captured through the Library's online visitation and social media statistics.
- 5 Membership refers to consumer membership programs and currently includes Friends of the Library. The Library set a stretch target for membership in 2019–20 based on a new membership offer. The planned launch was delayed due to the COVID-19 pandemic and associated lockdown, impacting performance against this KPI.
- 6 Media value is determined by the Library's external media monitoring provider.

Creative Industries portfolio service agreement

The Creative Industries portfolio service agreement establishes a range of performance indicators under the Creative Industries Portfolio performance framework including Budget Paper 3 and Creative State deliverables.

2019-20 Budget Paper 3 (BP3) performance indicators

Description	Unit of measure	Actual 2016-17	Actual 2017-18	Actual 2018-19	Target 2019-20	Actual 2019-20
Agency website visitation ¹	Number	4,241,307	4,483,662	4,906,174	4,500,000	5,370,382
Users/attendances at all agencies ²	Number	2,071,250	1,937,643	1,891,093	2,250,000	1,654,715
Members & friends of agencies ³	Number	1,061	858	931	1,000	739
Volunteer hours ⁴	Number	7,151	9,280	12,324	10,000	7,938
Students participating in agency education ⁵	Number	24,473	22,208	19,763	19,850	14,878
Agency collections storage meeting industry ⁶	%	99%	97%	97%	99%	95.40%
Visitors satisfied with visit	%	92%	90%	92%	90%	93%

Notes

- 1 Agency website visitation was above target. The Library refreshed its main website to coincide with the completion of the Vision 2020 renewal project.
- 2 Onsite attendance was impacted by the Library closure in response to COVID-19. The Library was on track to meet its visitation target of 2.25 million prior to closure.
- 3 A new membership offer developed to launch in early 2020 was delayed due to the pandemic and associated lockdown. This impacted performance against this measure.
- 4 Volunteer hours fell short of the annual target due to the Library's closure in March.
- 5 In the first half of the year the number of students participating in agency education was performance was impacted by Vision 2020 construction and physical capacity to deliver programs. In the second half of the year, the Library's closure occurred not long after the school year commenced.
- 6 More than 95% of the Library's collection storage meets industry standards due to investment in the two Ballarat Off Site Stores (BOSS 1 and 2). The end of year result is just below target and impacted by some onsite collection storage areas requiring attention and improvement works being undertaken at BOSS 1 during the year.

CREATIVE INDUSTRIES PORTFOLIO SERVICE AGREEMENT (Cont'd)

Creative Industries portfolio performance indicators 2019-20

Description	Unit of measure	Target 2019-20	Actual 2019-20
Community connection / inclusion			
Total number of Volunteers	Number	250	218
Programming			
Exhibitions			
New exhibitions on site (permanent or temporary)	Number	4	4
Exhibition attendance ¹	Number	529,890	690,619
Sector engagement			
Loans to other organisations from the collection ²	Number	1,950	1,191
Regional venues in receipt of touring programs / exhibitions	Number	10	11
Collections and infrastructure			
Collection electronically registered	Number	4,100,000	4,083,695
Newly acquired collection electronically registered ³	Number	70,000	52,478
Collection on public display	Number	145,000	192,999
Collection publicly accessible online	Number	3,724,000	3,723,620
Collection publicly accessible online with digitised elements	Number	640,000	640,085
All facility safety audits conducted	Yes/No	Yes	Yes
Cultural facilities maintenance fund projects delivered within agreed timeframes	%	100%	100%

Notes

- ¹ *Velvet, Iron, Ashes*, the Library's inaugural exhibition in the Victoria Gallery hosted over 139,000 visits during 2019-20.
- ² The ability to loan to other organisations has been disrupted by the closure of the Library.
- ³ Budgeting constraints have impacted electronic acquisitions in 2019-20.

Acquisitions statistics

Volumes added to stock July 2019 – June 2020

	Method of acquisition				Total 2019-20	Total 2018-19
	Purchase	Donation	Govt donation	Legal deposit		
Monographs	5,184	7,141	430	2,442	15,197	20,134
Newspapers	61	34	14	308	417	673
Other serials	752	354	464	1,638	3,208	4,289
TOTAL VOLUMES	5,997	7,529	908	4,388	18,822	25,096

Consolidated stock holdings 2018-20

Stock holdings (volumes)	30 June 2018	30 June 2019	30 June 2020
Newspapers	110,982	111,655	112,072
Monographs and serials	2,274,866	2,299,289	2,317,694
TOTAL	2,385,848	2,410,944	2,429,766
Maps	114,834	115,277	115,675
Sound recordings	64,211	66,513	68,393
Video recordings	6,558	6,695	6,775
Exhibition catalogues	180,216	181,524	181,524
Theatre programmes (linear metres)	104.36	105.17	106.00
Ephemera (linear metres)	94.42	95.16	95.34
Manuscripts (linear metres)	8,224.00	8,321.00	8,425.00
Pictures	1,176,028	1,212,619	1,238,988
TOTAL	3,927,695	3,993,572	4,041,121

ACQUISITIONS STATISTICS (Cont'd)

Consolidated electronic holdings 2018–20

	30 June 2018	30 June 2019	30 June 2020
PANDORA (online titles & websites)	16,589	18,135	19,764
Ebooks (titles)	15,821	18,195	19,505
Born digital serials (titles) (NED)	216	290	366
Born digital monographs (titles) (NED)	630	944	2,858
Electronic collections	71	81	81
TOTAL	33,327	37,645	42,574
COMBINED TOTAL (PHYSICAL & DIGITAL)	3,961,022	4,031,217	4,083,695

Notes

Due to COVID-19 disruption and building closure, no collection data was processed between 16 March and 15 June.

Exhibition catalogues – no additions for year, area inaccessible due to Vision 2020 redevelopment.

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

Ebooks represent ebook titles purchased as single titles and accessible via the catalogue; collecting began 2012.

Electronic collections represent themed or single-format collections purchased by the library.

Collecting of Victorian published, born-digital serial titles began 2015–16; data to February 2019; move to NED from June 2019.

Collecting of Victorian published, born-digital monograph titles began 2016–17; data to February 2019; move to NED from June 2019.

Does not include eresource subscriptions.

Library Board and governance

State Library Victoria sits within the Creative Industries Portfolio and is overseen by Creative Victoria, part of the Department of Jobs, Precincts and Regions.

The affairs of the Library are governed by the Library Board of Victoria. The Board is a statutory body established under Section 16 of the *Libraries Act 1988*.

The Library Board of Victoria governs the activities and operation of the Library and reports to the Victorian Minister for Creative Industries. Under the direction of the Board, the Chief Executive Officer manages the Library, including its collections, services, programs and responsibilities.

Functions of the Library Board of Victoria

The Functions of the Board are set out in Section 18 of the *Libraries Act*:

- 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.

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. Board members have business, educational, finance, humanities, information technology, legal and marketing backgrounds and skills.

John Wylie AM, President
Christine Christian AO
Donata Carrazza
Adam Lewis
Maxine McKew
Maria Myers AC
Cheri Ong
Hugh Williams
Karen Wood

About Board members

John Wylie AM, President

John Wylie AM was appointed President of the Library Board in May 2012, and reappointed in May 2015 and May 2018. He chairs the Appointments and Remuneration Committee, and is Chair of the Vision 2020 Redevelopment Project Steering Committee. John is principal of investment firm Tanarra Group. He was formerly CEO of financial services firm Lazard Australia, co-founded advisory and investment firm Carnegie Wylie & Company, and was Chair of Investment Banking at Credit Suisse Australia. John is involved in a wide range of not-for-profit community activities. He is Chair of the Australian Sports Commission and Chair of Tanarra Philanthropic Advisors. Previous roles include serving as a trustee of the global Rhodes Scholarship Trust, Chair of the Melbourne Cricket Ground Trust, and board member and honorary treasurer of the Florey Neurosciences Institutes. 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.

Christine Christian AO

Christine Christian AO was appointed to the Board in August 2013 and reappointed in May 2019. She is the Board's Deputy President, Chair of the Finance Committee, and member of the Appointments and Remuneration Committee, and the Foundation Council. Christine is Chair of Kirwood Capital, a Director of FlexiGroup Limited, ME Bank Limited and Lonsec Fiscal Group. She serves on the boards of La Trobe University

LIBRARY BOARD AND GOVERNANCE (Cont'd)

and the Cranlana Program. Christine is past-president of Chief Executive Women and a former board member of the Victorian Managed Insurance Authority. Previously, Christine was Chief Executive Officer of Dun & Bradstreet Australia and New Zealand from 1997 to 2011. In 2006, she was appointed to the additional roles of Chair of D&B Consumer Credit Services and the D&B Worldwide Board, and in 2011 was appointed Executive Director of Dun & Bradstreet India. Christine was a board member and committee chair of UNICEF Australia, a member of the state government appointed TAFE Assessment Panel and the ASIC Business Advisory Council. She was the Founding Chair of the Business Information Industry Association – Hong Kong and Middle East, and Director until 2012.

Donata Carrazza

Donata Carrazza was appointed to the Board in May 2019 and is also a member of the Advisory Committee on Public Libraries. Donata is a graduate of Italian language and literature from the University of Melbourne and recently graduated from Professional Writing and Editing at RMIT. Donata has more than 20 years' experience in the hospitality industry, notably at the Mildura Grand Hotel working with Stefano de Pieri. She is one of the founding members of the Mildura Writers Festival that will celebrate 25 years in 2020. She has edited two books with New York poet and academic Paul Kane: *Vintage: a celebration of ten years of the Mildura Writers Festival* (2004) and *Letters to Les* (2005). Her writing has been published in *Australian Book Review*, *PEN Quarterly*, *Antipodes*, *The Big Issue* and *Imprint*.

Adam Lewis

Adam Lewis was appointed to the Board in May 2018 and is a member of the Redevelopment Project Steering Committee, the Audit and Risk Management Committee and the Appointments and Remuneration Committee. Adam is an alumnus of McKinsey & Company, where he spent 20 years as an advisor to major firms and governments around the world. He was a partner for 14 years, a managing partner for Australia and New Zealand for seven years, and a member of McKinsey's Asia council and global Senior Partner election committees. Since leaving McKinsey in 2010, Adam's roles have included Chair of Palette, Deliciou, Deep Blue Company and Southern Innovation and Director of FIIG Securities. Adam has previously been a Director of the Melbourne International Film Festival, a member of the Australia Council for the Arts, and an advisory board member of the Smith Family. He is also the former Chair of Aconex Pty Ltd and Message Media Limited. He holds a B. Eng (Hon.) from Curtin University and an MBA (Hon.) from the University of Illinois.

Maxine McKew

Maxine McKew was appointed to the Board in 2015 and reappointed in May 2018. Maxine is Honorable Enterprise Professor in the Melbourne Graduate School of Education at the University of Melbourne. A published

author, her books include *Class act*, a study of the key challenges in Australian schooling, and *Tales from the political trenches*. As a journalist, for many years Maxine was anchor of ABC TV's 7.30 report and *Lateline*. Her work has been recognised by her peers with both Walkley and Logie awards. In 2007, Maxine made the switch to politics and defeated Prime Minister John Howard in the Sydney seat of Bennelong. In government she was Parliamentary Secretary for Early Childhood and, later, for Infrastructure, Transport, Regional Development and Local Government. Maxine is a board member of New Energy Solar, an ASX listed company, and a member of the Australian Institute of Company Directors.

Maria Myers AC

Maria Myers AC was appointed to the Board in 2015 and reappointed in May 2018, 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 on the board of the Kimberley Foundation Australia and the Museum for Australian Democracy at Old Parliament House. She is a member of the St Mary's College Council at the University of Melbourne. She is also a member of the Nature Conservancy Australia Advisory Board.

Cheri Ong

Cheri Ong was appointed to the Library Board in May 2019. Cheri is a member of the Audit and Risk Management Committee, and Foundation Council. Cheri is the founder and chair of the Asian Australian Foundation. She was a member of the governing council of International House, University of Melbourne, and the chair of its risk committee. Cheri was previously a board member and chair of the finance, audit and risk committee of Multicultural Arts Victoria. She was formerly head of regulation and compliance at KPMG Australia and the Asia Pacific chief operating officer for KPMG Risk Management. She has held various legal counsel roles at a number of financial institutions. Cheri has a Bachelor of Arts and Masters of Law from Monash University, and is also a graduate of the Australian Institute of Company Directors.

Hugh Williams

Professor Hugh Williams was appointed to the Library Board in May 2019 and serves as a member of the Finance Committee. Hugh is an advisor, investor, and former technology executive. He is a venture partner at Melbourne venture capital firm Rampersand, and an advisor at several companies including Doordash, Moonpig, and Ocado. He is the co-founder of CS in Schools, a philanthropic organisation that is creating sustainable change in digital technology education in schools. He is also an Enterprise Professor at the Melbourne Business School and the University of Melbourne, and an Adjunct Professor at RMIT University. He was formerly a vice president at Google, where

LIBRARY BOARD AND GOVERNANCE (Cont'd)

he led Google Maps, and has also previously held senior roles at eBay and Microsoft. Hugh has a PhD in Computer Science from RMIT University.

Karen Wood

Karen Wood was appointed to the Board in May 2019 and has been a member of the Library's Foundation Council since 2016. Karen also serves as a member of the Audit and Risk Management Committee and the Appointments and Remuneration Committee. Karen is the chair of South 32 Limited and a non-executive director of Djerriwarrh Investments Limited. She serves on the board of the Robert Salzer Foundation and is vice president of the Melbourne Cricket Club. Karen had a distinguished career at BHP with global roles in the senior executive team. She joined the company in 2001 as group company secretary and served on the senior executive team from 2006 until her retirement in 2014. She served as chair of the BHP Foundation from 2015 until 2019. Karen was general counsel and company secretary at Bonlac Foods Limited before joining BHP. She is a fellow of Monash University and served as a member of the Takeovers Panel from 2000 to 2012.

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.

Maxine McKew, Chair

Donata Carrazza

Kate Torney, CEO, State Library Victoria

Carolyn Long, Head of Visitor and Information Services, State Library Victoria

Christopher Buckingham, President of PLV and CEO, Casey Cardinia Libraries

Patti Manolis OAM, CEO of Geelong Regional Libraries

Melanie McCarten, Senior Coordinator, Darebin Libraries (from 17 October 2019)

Michael Byrne, Manager Arts, Community Learning and Libraries, Maribyrnong City Council (reappointed 26 February 2020)

Audit and Risk Management Committee

The Audit and Risk Management Committee assists the Board in establishing and maintaining effective financial governance by providing oversight and assurance. No member of the Audit and Risk Management Committee fills an executive management position at the Library.

Anne Jackson, Chair

Adam Lewis

Cheri Ong

Karen Wood

Clare Gibney, external member (from 2 July 2019)

Michael Hill, external member

Redevelopment Project Steering Committee

This committee forms a key part of the governance structure of the Library building redevelopment project. It acts as a cross-agency working group to monitor and assist achieving project tasks and outcomes. Committee membership includes representatives from the Board (including Chair), Creative Victoria, the Library's executive leadership team, Development Victoria project managers, Department of Treasury and Finance, and Department of Premier and Cabinet.

John Wylie AM, Chair

Adam Lewis

Appointments and Remuneration Committee

The 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.

John Wylie AM, Chair

Christine Christian AO

Adam Lewis (from 10 June 2020)

Karen Wood (from 10 June 2020)

Finance Committee

The Finance Committee provides a point of review for financial information placed before the Board. The Committee seeks to confirm that Library management has processes in place to ensure that financial reports, budgets and forecasts of operations for which the Board is responsible are accurate, concise and timely.

Christine Christian AO, Chair

Hugh Williams

Anne Jackson, external member

Marina Kelman, external member

Glenn Mescher, external member

State Library Victoria Foundation Council

The objective of the Foundation Council is to support the strategic objectives of State Library Victoria and to secure donations to the Collection and Conservation Fund.

Maria Myers AC, Chair

Christine Christian AO

Cheri Ong

Karen Wood

Peter Hay, external member

Jennifer Hutchison, external member

Dianne Reilly, external member

Howard Obst, external member (end of appointment 29 January 2020)

Robin Campbell, external member (end of appointment 10 February 2020)

Library Executive

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

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

Sarah Slade, Director, Project Management Office is responsible for coordinating major projects including:

- Vision 2020
- BOSS2
- 3D Ready
- Continuous Improvement
- Building Blocks.

Sarah also held the positions of Acting Director, Experience and Acting CEO

Roly Clifton-Bligh, Director, Corporate Services is responsible for the Library's corporate functions, including:

- business and fiscal planning
- financial and corporate governance
- commercial activities and corporate partnerships
- infrastructure planning
- workforce strategy and planning
- policy and evaluation.

Suzannah Marinkovic, Acting Director, Experience is responsible for the strategic development of library services and the customer experience, including:

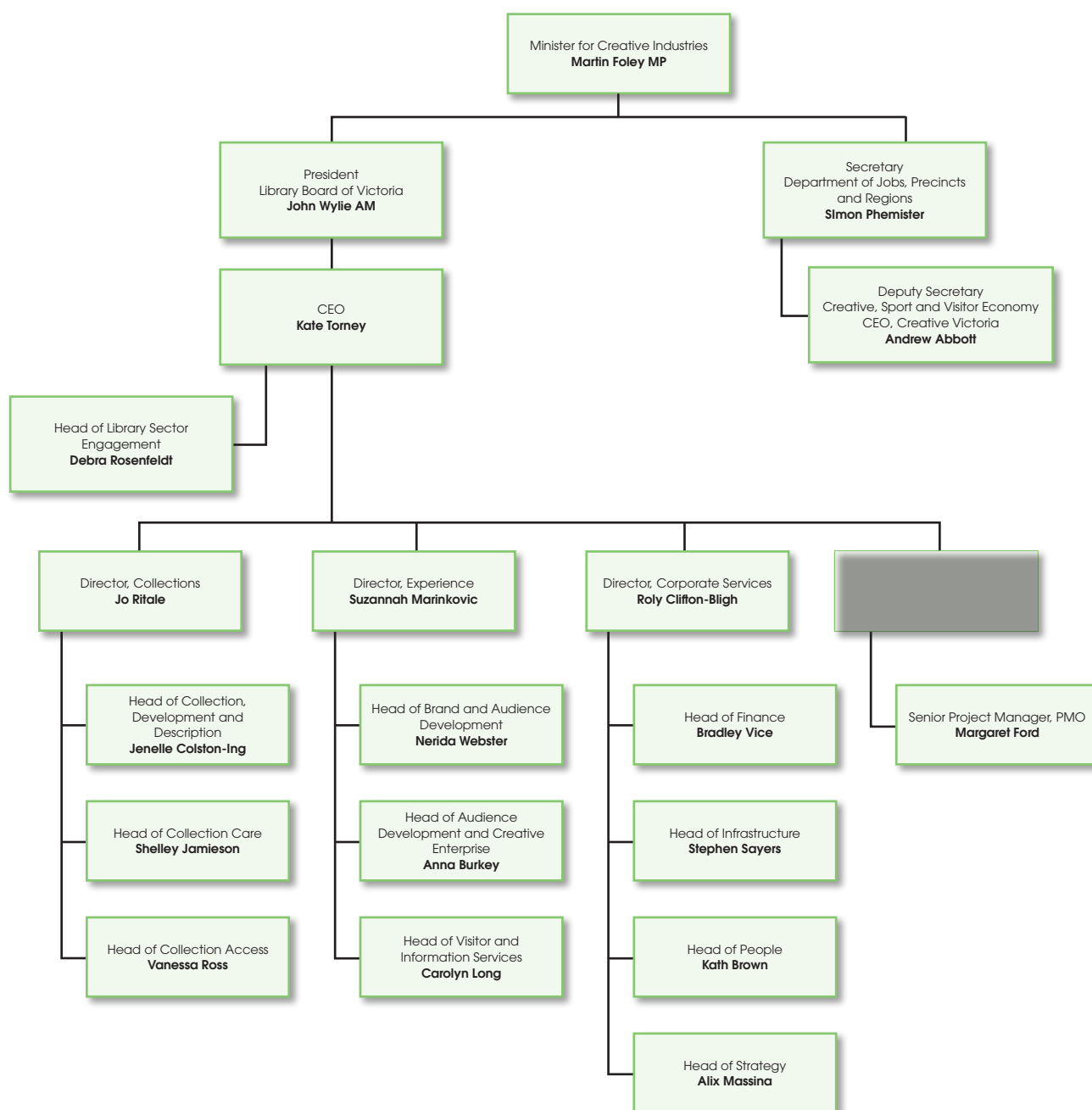
- the visitor experience
- information and customer service
- digital experience
- brand and audience engagement
- membership and philanthropy
- exhibitions and programs.

Jo Ritale, Director, Collections is responsible for the development, description and preservation of the State Collection including:

- collection development and description
- collection preservation and conservation
- collection digitisation, storage, access and discovery.

During the reporting period Harlinah Teoh held the position of Acting Director, Project Management Office, and was appointed as Director, Experience. Ms Teoh will take up the Director, Experience role after returning from extended leave in November 2020.

Organisational structure (as at 30 June 2020)



Occupational health and safety performance measures

The goal of the Library's occupational health and safety (OH&S) strategy is to ensure all staff remain safe and healthy at work and a safe environment for visitors. The Library was recommended for recertification under the Australian and New Zealand Standard 4801:2001 following a successful recertification audit in October–November 2018. The Library continues to provide a number of initiatives to support employee health and wellbeing, including a comprehensive Employee Assistance Program, influenza vaccinations, emergency preparedness training, onsite bicycle storage facilities and support for a bicycle users group. Wellbeing initiatives were introduced to support staff through the COVID-19 pandemic period, including a monthly themed wellbeing calendar and weekly wellbeing advice and information.

Incident management

Incidents across the library decreased by 30.6 per cent in 2019–20, 49 fewer than the previous year. The majority of incidents (80 per cent) involve visitors; many of these incidents relate to behaviour by visitors towards staff or other visitors.

The following have contributed to the decrease in incident numbers:

- the smaller public footprint due to the Library's Vision 2020 redevelopment. The refurbished public spaces were opened to the public on 5 December 2019, creating an additional 40% of public space.
- additional staff training in customer service
- implementation of preventative security measures
- closure of public spaces on 16 March with reopening of limited spaces on 15 June 2020, due to government restrictions in response to the COVID-19 pandemic.

Category	Measure	2016-17	2017-18	2018-19	2019-20
Incidents	No. of incidents	135	220	160	111
	Rate per 100 FTE	47.4	74.8	56.2	38.3
Policy currency (review cycle 3 years)	OH&S Policy current	Yes	Yes	Yes	Yes
Provisional Improvement Notices (PINs)	No. of PINs issued by HSRs	0	0	0	0
	No. of identified issues actioned	N/A	N/A	N/A	N/A
HSR Training	% of HSRs trained	100%	100%	100%	100%
Worksafe interactions	Notifiable incidents	0	0	2	0
	Notices received	0	0	0	0
	Visits (including as a result of notifiable incidents)	0	0	0	0
	% of identifiable issues actioned	-	-	-	-
WorkCover claims management	Number of standard* claims	0	1	1 (lodged 2017-18)	1 (lodged 2017-18)
	Rate per 100 FTE	-	0.34	0.28	0.30
	Number of lost time claims	1	0	0	0
	Rate per 100 FTE	0.35	0	0	0
	Number claims exceeding 13 weeks	1	1 (continued from 2016-17)	0	0
	Rate per 100 FTE	0.35	0.34	0	0
	Fatality claims	0	0	0	0
	Average cost per standard claim	-	\$622.20	\$1192 (lodged 2017-18)	\$1098.11 (lodged 2017-18)
Consultation and participation	% claims with a RTW plan > 30 days	100%	50%	0	0
	Evidence of agreed structure of designated work groups (DWGs), health and safety representatives (HSRs), and issue resolution procedures (IRPs)			completed	completed
	Compliance with agreed structure on DWGs, HSRs and IPRs			completed	
	Number of OHS Committee meetings			6	6

* A claim becomes standard when you pay 10 days' time loss or medical expenses reach \$707.

Statement of workforce data and merit and equity

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

Workforce data

June 2020									June 2019						
		All employees		Ongoing			Fixed-term and casual		All employees		Ongoing			Fixed-term and casual	
		Num-ber (head-count)	FTE	Full-time (head-count)	Part-time (head-count)	FTE	Num-ber (head-count)	FTE	Num-ber (head-count)	FTE	Full-time (head-count)	Part-time (head-count)	FTE	Num-ber (head-count)	FTE
Demographic data	Gender														
	Male	135	107.2	72	26	91.2	37	16	126	105.2	72	24	89.9	30	15.4
	Female	223	182.36	114	53	148.56	56	33.8	214	179.1	120	49	154.0	45	25.1
	Self-described	1	0.4	-	1	0.4	-	-	1	0.3	0	0	0.0	1	0.3
	Age														
	15-24	11	3.5	0	0	0	11	3.5	9	3.0	1	0	1.0	8	2.0
	25-34	67	46.9	23	6	27.3	38	19.6	50	35.9	17	7	22.3	26	13.6
	35-44	97	82.13	52	20	65.23	23	14.9	87	75.0	48	15	58.7	24	16.3
	45-54	88	76.03	56	23	71.53	9	4.5	88	77.2	57	21	72.5	10	4.8
	55-64	65	56.9	43	16	53.2	6	4.3	71	65.9	55	14	64.1	2	1.8
65+	30	23.1	12	14	22.1	4	1	36	27.6	13	17	25.3	6	2.3	
Classification data	VPS 1-6	352	283.71	185	79	240.36	89	46.35	335	278.5	189	73	240.8	73	37.7
	VPS 1	-	-	-	-	-	-	-	0	0.0	0	0	0.0	0	0.0
	VPS 2	110	62.46	24	32	44.66	54	17.8	91	56.9	28	23	43.2	40	13.7
	VPS 3	109	94.5	62	28	80.4	19	14.1	106	91.6	71	23	85.4	12	6.2
	VPS 4	61	56.75	42	11	50.1	8	6.65	63	57.6	37	16	50.1	10	7.6
	VPS 5	48	46.2	37	8	43.2	4	4	48	46.2	33	10	41.2	5	5.0
	VPS 6	24	23.8	20	0	20	4	3.8	27	26.2	20	1	21.0	6	5.3
	Senior employees	5	5.0	2	0	2.0	3	3.0	6	6.0	3	0	3.0	3	3.0
	STS	2	2.0	2.0	0	2.0	0	0	3	3.0	3	0	3.0	0	0.0
	Executives	3	3.0	0	0	0	3	3.0	3	3.0	0	0	0.0	3	3.0
Total employees		357	288.71	187	79	242.36	92	49.35	341	284.5	192	73	243.8	76	40.7

Reconciliation of executive officers

Table 1 Total number of EOs, broken down into gender

Class	All		Male		Female	
	No.	Var.	No.	Var.	No.	Var.
EO-1	0	0	0	0	0	0
EO-2	1	0	0	0	1	0
EO-3	2	0	1	0	1	0
TOTAL	3	0	1	0	2	0

Table 2 Reconciliation of executive numbers

		2020	2019
	Executives (Financial Statement Note 9.4)	2	2
	Accountable Officer (CEO)	1	1
Less	Separations	0	1
	Total executive numbers at 30 June	3	3

Table 3 Annualised total salary, by \$20,000 bands, for executives and other senior non-executive staff

Income band (salary)	Executives	STS	PS	SMA	SRA	Other
< \$160,000						
\$160,000 – \$179,999						
\$180,000 – \$199,999						
\$200,000 – \$219,999	1	2				
\$220,000 – \$239,999						
\$240,000 – \$259,999						
\$260,000 – \$279,999	1					
\$280,000 – \$299,999						
\$300,000 – \$319,999						
\$320,000 – \$339,999						
\$340,000 – \$359,999						
\$360,000 – \$379,999						
\$380,000 – \$399,999	1					
\$400,000 – \$419,999						
\$420,000 – \$439,999						
\$440,000 – \$459,999						
\$460,000 – \$479,999						
\$480,000 – \$499,999						
TOTAL	3	2	0	0	0	0

The Library consumes energy for a number of different uses including office facilities, commercial operations and construction activities.

2018-19				2017-18			
Electricity	Natural gas	Green power	Total	Electricity	Natural gas	Green power	Total
22,363,547	17,687,260	5,591	40,056,398	20,331,000	14,170,000	5,350,000	39,851,000
5,591			5,591	5,350			5,350
25			25	25			25
79,870			79,870	72,000			72,000
324			324	410			410
Landfill	Commingled recycling		Total	Landfill	Commingled recycling		Total
24,284	17,967		42,254	32,260	26,850		59,110
87	64		151	114	94		208
57	43			45	36		
24	18		42	42	16		58
Total				Total			
1,790				1,620			
6				5.7			
100				100			
Total				Total			
33,692				25,287			
120				91			
0				0.51			
Total				Total			
5,591				5,350			
3				2.7			
42				58			
50,000							
9,461							
9,461	68,922						
280							

Freedom of information

The Library embraces the objectives of the *Freedom of Information Act 1982*, allowing the public a right of access to documents held. The purpose of the Act is to extend as far as possible the right of the community to access information held by government departments, local councils, Ministers and other bodies subject to the Act.

An applicant has a right to apply for access to documents held by the Library. This comprises documents which may include maps, films, microfiche, photographs, computer printouts, computer discs, tape recordings and videotapes. Information about the type of material produced by the Library can be found on the website: <https://www.slv.vic.gov.au/about-us/policies-guidelines/general/freedom-information-statement>

The Act allows the Library to refuse access, either fully or partially, to certain documents. Examples of documents that may not be accessed include: cabinet documents, some internal working documents, law enforcement documents, documents covered by legal professional privilege (such as legal advice), personal information about other people and information provided in confidence.

Requests processed

Within the year ending 30 June 2020 the Library did not receive any requests for documents under the Act.

Making a request

An application for access to documents under the Freedom of Information Act can be made in writing to the Freedom of Information Officer.

Email

foi@slv.vic.gov.au

Address

Freedom of Information Officer
State Library Victoria
328 Swanston Street
Melbourne VIC 3000

Depending on the nature and complexity of your request, you may be required to pay a small application fee and additional charges for searching, retrieving and copying documents.

You can find further information on the operation of the Freedom of Information Act at <https://ovic.vic.gov.au/freedom-of-information/for-the-public/>

Categories of documents

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

- documents prepared for briefing government
- internal working papers of the Library
- correspondence from ministers and members of parliament, government departments and agencies, members of the public and the private sector
- records relating to accounts
- personnel and salary records
- organisation and accommodation records.

Availability of additional information

The following information can be requested by the relevant minister, members of parliament and the public:

- 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
- details of all consultancies and contractors including consultants/contractors engaged, services provided and expenditure committed to for each engagement.

Literature available by subscription or mailing lists

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

- SLV Monthly eNewsletter
- Education News eNewsletter
- Friends of the Library eNewsletter
- Venue hire eNewsletter
- *The La Trobe Journal*.

Public Interest Disclosures Act 2012

The *Public Interest Disclosures Act 2012* encourages and assists people in making disclosures of improper conduct by public officers and public bodies. The Act provides protection to people who make disclosures in accordance with the Act and establishes a system for the matters disclosed to be investigated and rectifying action to be taken.

The Library is committed to the objectives of the Act. In particular, the Library does not tolerate improper conduct by its staff and 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 to the extent it is legally possible.

Compliance with the *Public Interest Disclosures Act 2012*

Procedures outlining the system for reporting disclosures of improper conduct or detrimental action by the Library or any of its employees and/or officers are available on the Library's website.

Disclosures can be made directly to the Independent Broad-based Anti-corruption Commission:

Level 1, North Tower
459 Collins Street
Melbourne VIC 3000
Phone: 1300 735 135

Further information about making disclosures to the IBAC can be found at www.ibac.vic.gov.au.

Compliance with the Building Act 1993

The Library is compliant with the National Construction Code of Australia and with the relevant Australian standards for all buildings and building works. Essential services and building maintenance requirements are maintained in accordance with the National Construction Code and the relevant Australian standards specific to each discipline: mechanical, fire, electrical, lifts.

During the period, the Library completed two major infrastructure projects:

- Vision 2020, Melbourne (\$88m)
- BOSS2, Ballarat (\$21.4m).

There have been no emergency or building orders received by the Library.

Throughout 2019–20, the Library issued the following permits and certificates relating to Library-owned buildings:

- Building permits – 4
- Occupancy permits – 1
- Certificates of final inspection – 2

One Library building was brought into conformity with building standards during the year – The Ian Potter Queen’s Hall was refurbished as part of the Library’s Vision 2020 redevelopment.

Local Jobs First

The *Local Jobs First Act 2003* introduced in August 2018 brings together the Victorian Industry Participation Policy (VIPP) and Major Project Skills Guarantee (MPSG) policy which were previously administered separately.

The Library is required to apply the Local Jobs First policy in all projects valued at \$3 million or more in Metropolitan Melbourne or for statewide projects, or \$1 million or more for projects in regional Victoria. MPSG applies to all construction projects valued at \$20 million or more.

During 2019–20, 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. Procurement relating to the Vision 2020 State Library Victoria redevelopment and the construction of Ballarat Off-Site Storage Module 2 (BOSS2) are managed by Development Victoria.

Competitive Neutrality Policy

The Library continues to fulfil its requirements on competitive neutrality.

The Library follows its Pricing (fees and charges) Policy to ensure that products, fees and charges identified as profitable are assessed according to the Government Competitive Neutrality Policy.

Government advertising expenditure

There were no advertising campaigns with a media spend of \$100,000 or greater.

Major contracts

There were no major contracts in excess of \$10 million at the Library. Major contracts relating to the Vision 2020 State Library Victoria redevelopment and the construction of Ballarat Off-Site Storage Module 2 (BOSS2) are managed by Development Victoria.

Details of contracts that have been disclosed in the Victorian Government contracts publishing system can be viewed at www.procurement.vic.gov.au.

Public sector values and employment principles

During 2019-20, the Library complied with the *Public Administration Act 2004*. We have adopted the Code of Conduct for Victorian Public Sector Employees and recognise our obligation to make staff aware of the requirements of the public sector values and employment principles.

Key documents are made available to staff prior to their employment commencing, and our policies and procedures are explained through the induction program and are readily accessible through the Library's intranet. Staff are also required to complete regular additional online learning modules linked with key policies and procedures, including equal opportunity, harassment and discrimination, child safety principles and our grievance process.

Employment principles

The Library continues our commitment to applying merit and equity principles when appointing staff. Members of selection panels are trained to ensure that selection decisions are based on merit, equity, transparency and open competition.

Our selection processes ensure that an applicant's work-related qualities are assessed fairly and equitably against the qualities required to perform the role without discrimination.

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

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 Library adheres to and upholds the Victorian Public Sector Values and Code of Conduct (Public Administration Act 2004). The public sector values – responsiveness, integrity, impartiality, accountability, respect, leadership and human rights – complement the Library's organisational values – innovation, collaboration, engagement, excellence and respect.

The Library's leadership compact, which aligns with the Library's organisational values, outlines a set of qualities required of all leadership roles within the Library and further reinforces a commitment to the public sector values.

The Library has developed a two-year plan to increase diversity in the workforce as well as a Diversity and Social Inclusion Action Plan to increase participation and inclusion across all sectors of the community, in all aspects of the Library.

Consultancies

Details of consultancies under \$10,000

In 2019–20 there were 7 consultancies where the total fees payable to the consultants were less than \$10,000. The total amount spent on these consultancies was \$40,769.

Details of consultancies over \$10,000

In 2019–20, there were 8 consultancies where the total fees payable to the consultants were \$10,000 or more. The total expenditure incurred during 2019–20 in relation to these consultancies was \$362,657.

Consultant	Details	Start date	End date	Total approved fee (ex. GST) \$	Expenditure in 2019–20 (ex. GST) \$	Future expenditure (ex. GST) \$
I&J MANAGEMENT SERVICES	Facilitation of the 2020–23 Statewide Public Library Development Projects Planning Summit	8/03/2019	7/07/2019	13,530	15,600	0
BASTION REPUTATION MANAGEMENT PTY LTD	Media training	23/05/2019	25/07/2019	19,950	19,950	0
DR GILLIAN HALLAM	Statewide public library skills audit	21/06/2019	20/03/2020	32,116	20,883	0
SHK ASIA PACIFIC PTY LTD	People management and recruitment services	6/11/2019	12/12/2019	25,940	25,940	0
ATWORK CONSULTING	State Library Victoria leadership development	3/05/2019	2/06/2020	76,900	48,500	0
LARA MCKINLEY	Digital and community storytelling workshops	5/01/2019	30/09/2020	57,000	57,830	0
SWEET CREATIVE PTY LTD	Libraries Change Lives campaign	1/07/2018	31/12/2020	72,620	71,585	0
CPR COMMUNICATIONS & PUBLIC RELATIONS PTY LTD	Public Libraries Advocate Project	1/07/2019	31/10/2020	142,400	102,369	31,680
				440,456	362,657	31,680

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 2020 that will have an impact on the 2020-21 reporting period.

Library Board of Victoria financial report for the financial year ended 30 June 2020

The Library Board of Victoria has pleasure in presenting its audited general purpose financial statements for the financial year ended 30 June 2020 and providing users with the information about the Library Board of Victoria's stewardship of resources entrusted to it. It is presented in the following structure:

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Financial management attestation



328 Swanston Street
Melbourne VIC 3000
Australia

Tel: +61 3 8664 7000
ABN 73 190 237 854
slv.vic.gov.au

Library Board of Victoria

Attestation for financial management compliance with Ministerial Standing Direction 5.1.4

I, John Wylie AM, on behalf of the Library Board of Victoria, certify that the State Library Victoria has no Material Compliance Deficiency with respect to the applicable Standing Directions under the Financial Management Act 1994 and Instructions.

A handwritten signature in black ink, appearing to read 'John Wylie'.

.....
John Wylie AM
President
16 September 2020

Library Board of Victoria letter



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

328 Swanston Street Tel: +61 3 8664 7000
Melbourne VIC 3000 ABN 73 190 237 854
Australia slv.vic.gov.au

Library Board of Victoria

The attached financial statements for the Library Board of Victoria have been prepared in accordance with Direction 5.2 of the Standing Directions of the Assistant Treasurer under the Financial Management Act 1994, applicable Financial Reporting Directions, Australian Accounting Standards including interpretations, and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2020 and financial position of the Board at 30 June 2020.

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

We authorise the attached financial statements for issue on 16 September 2020.

John Wylie AM
President
16 September 2020

Anne Jackson
Chair, Audit and Risk Management Committee
16 September 2020

Kate Torney
Chief Executive Officer
16 September 2020

Roly Clifton-Bligh
Director, Corporate Services
16 September 2020

Auditor-General's report

Independent Auditor's Report

To the Board of the Library Board of Victoria



Opinion	I have audited the financial report of the Library Board of Victoria (the entity) which comprises the: • balance sheet as at 30 June 2020 • comprehensive operating statement for the year then ended • statement of changes in equity for the year then ended • cash flow statement for the year then ended • notes to the financial statements, including significant accounting policies • Library Board of Victoria letter. In my opinion the financial report presents fairly, in all material respects, the financial position of the entity as at 30 June 2020 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards.
Basis for Opinion	I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report. My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.
Other information	The Board of the entity is responsible for the other information, which comprises the information in the entity's annual report for the year ended 30 June 2020 but does not include the financial report and my auditor's report thereon. My opinion on the financial report does not cover the other information and accordingly, I do not express any form of assurance conclusion on the other information. However, in connection with my audit of the financial report, my responsibility is to read the other information and in doing so, consider whether it is materially inconsistent with the financial report or the knowledge I obtained during the audit, or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude there is a material misstatement of the other information, I am required to report that fact. I have nothing to report in this regard.
Board's responsibilities for the financial report	The Board of the entity is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Financial Management Act 1994</i>, and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error. In preparing the financial report, the Board is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.

Auditor's responsibilities for the audit of the financial report	As required by the <i>Audit Act 1994</i>, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report. As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also: • identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. • obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control • evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board • conclude on the appropriateness of the Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern. • evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation. I communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
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MELBOURNE
22 September 2020



Simone Bohan
as delegate for the Auditor-General of Victoria

COMPREHENSIVE OPERATING STATEMENT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

	Notes	2020 \$'000	2019 \$'000
Continuing operations			
Revenue and income from transactions			
State Government – recurrent appropriation	2.1	41,909	39,284
State Government – capital grants	2.1	-	1,945
State Government – capital asset charge grant	2.2	43,357	43,243
State Government – other grants	2.3	1,926	2,334
Other grants	2.3	3,719	2,624
Operating activities	2.4	897	1,383
Donations and bequests	2.5	6,607	10,606
Investment income	2.6	1,509	1,818
Total revenue and income from transactions		99,924	103,237
Expenses from transactions			
Employee expenses	3.1	32,613	33,918
Depreciation	4.1.1	14,510	13,794
Supplies and services	3.1	13,483	14,374
Capital asset charge	3.1	43,357	43,243
Total expenses from transactions		103,963	105,329
Net result from transactions (net operating balance)		(4,038)	(2,092)
Other economic flows included in net result			
Net gain/(loss) on non-financial assets ^(a)	8.2	-	24
Net gain/(loss) on financial instruments ^(b)	8.2	(852)	(500)
Other gains/(losses) from other economic flows	8.2	81	(510)
Total other economic flows included in net result		(771)	(986)
Net result for the year		(4,809)	(3,078)
Other economic flows – other comprehensive income			
<i>Item that may be reclassified subsequently to net result</i>			
Changes to financial assets available-for-sale revaluation surplus	8.7.5	-	-
Total other economic flows – other comprehensive income		-	-
Comprehensive net result from continuing operations		(4,809)	(3,078)

The above comprehensive operating statement should be read in conjunction with the accompanying notes.

Notes:

- (a) 'Net gain/(loss) on non-financial assets' includes unrealised and realised gains/(losses) from revaluations, impairments, and disposals of all physical assets and intangible assets, except when these are taken through the physical asset revaluation surplus reserve.
- (b) 'Net gain/(loss) on financial instruments' includes a loss allowance from other economic flows, unrealised and realised gains/(losses) from revaluations, impairments and reversals of impairment, and gains/(losses) from disposals of financial instruments, except when these are taken through the financial assets at fair value through other comprehensive income revaluation surplus.

BALANCE SHEET AS AT 30 JUNE 2020

	Notes	2020 \$'000	2019 \$'000
Assets			
Financial assets			
Cash and deposits	6.1	5,914	15,893
Receivables	5.1	1,858	1,564
Investments and other financial assets		20,933	21,784
Total financial assets		28,705	39,241
Non-financial assets			
Property, plant and equipment	4.1	528,173	519,045
Cultural assets	4.2	402,771	402,866
Prepayments and deferred expenditure	5.2	406	626
Total non-financial assets		931,351	922,537
Total assets		960,055	961,778
Liabilities			
Payables	5.3	5,241	2,741
Employee-related provisions	3.1.2	8,899	9,780
Total liabilities		14,140	12,521
Net assets		945,916	949,257
Equity			
Accumulated surplus/(deficit)	8.7.2	(27,376)	(24,900)
Donations and bequests reserve	8.7.3	10,936	11,245
Specific purpose grants reserve	8.7.4	856	2,879
Physical asset revaluation surplus		314,980	314,980
Financial assets valuation reserve	8.7.5	-	-
Contributed capital	8.7.1	646,521	645,053
Net worth		945,916	949,257

The above balance sheet should be read in conjunction with the accompanying notes.

CASH FLOW STATEMENT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

	Notes	2020 \$'000	2019 \$'000
Cash flows from operating activities			
Receipts			
Grants from State Government – recurrent appropriation		85,266	82,527
Grants from State Government – capital		-	1,945
Receipts from other entities		13,034	14,819
Interest received		80	439
Dividends received ^(a)		1,429	1,976
GST recovered from the ATO ^(b)		2,919	5,764
Total receipts		102,728	107,470
Payments			
Payments to suppliers and employees		(48,391)	(54,831)
Capital asset charge payments		(43,357)	(43,243)
Total payments		(91,748)	(98,074)
Net cash flows from operating activities	6.2.1	10,980	9,396
Cash flows from investing activities			
Proceeds from/(payments for) investments ^(c)		-	(2,749)
Proceeds from sale of property, plant and equipment		-	58
Payments for property, plant and equipment		(21,048)	(47,398)
Payments for cultural assets		(1,171)	(1,859)
Net cash flows from/(used in) investing activities		(22,219)	(51,948)
Cash flows from financing activities			
Repayment of borrowings and principal portion of lease liabilities (2019: finance leases) ^(d)		(207)	(26)
Contributed capital		1,467	32,850
Net cash flows from/(used in) financing activities		1,260	32,824
Net increase/(decrease) in cash and cash equivalents		(9,979)	(9,728)
Cash and cash equivalents at the beginning of the year		15,893	25,621
Cash and cash equivalents at end of financial year	6.1	5,914	15,893

The above cash flow statement should be read in conjunction with the accompanying notes.

Notes:

(a) 'Dividends received' is recognised as a cash flow from operating activities.

(b) GST recovered from the Australian Taxation Office is presented on a net basis.

(c) Includes equity instruments other than for those instruments considered to be cash equivalents.

(d) The Library has recognised cash payments for the principal portion of lease payments as financing activities; recognition of cash payments for the interest portion as operating activities is consistent with the presentation of interest payments, short-term lease payments for leases and low-value assets.

STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

	Physical assets revaluation surplus \$'000	Cultural assets revaluation surplus \$'000	Donations and bequests reserve \$'000	Specific purpose grants reserve \$'000	Financial assets valuation reserve \$'000	Accumulated surplus / (deficit) \$'000	Contributed capital \$'000	Total \$'000
Balance 30 June 2018	110,492	204,488	8,016	2,698	-	(18,412)	612,203	919,485
Net result for the year	-	-	-	-	-	(3,078)	-	(3,078)
Net transfer to / (from) accumulated surplus	-	-	3,229	181	-	(3,410)	-	-
Capital appropriation	-	-	-	-	-	-	32,850	32,850
Balance 30 June 2019	110,492	204,488	11,245	2,879	-	(24,900)	645,054	949,257
Net result for the year	-	-	-	-	-	(4,809)	-	(4,809)
Net transfer to / (from) accumulated surplus	-	-	(309)	(2,023)	-	2,332	-	-
Capital appropriation	-	-	-	-	-	-	1,467	1,467
Balance 30 June 2020	110,492	204,488	10,936	856	-	(27,376)	646,521	945,916
Notes			8.7.3	8.7.4	8.7.5	8.7.2	8.7.1	

The above statement of changes in equity should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

1 ABOUT THIS REPORT

The annual financial statements represent the audited general purpose financial statements for the Library Board of Victoria (the Library).

The purpose of the report is to provide users with information about the Library'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 8.11.

Reporting entity

The financial statements cover the Library as an individual reporting entity. The Library is a statutory agency of the State of Victoria, established under Section 16 of the *Libraries Act 1988 (as amended)*.

Its principal address is:
328 Swanston Street
Melbourne VIC 3000

The financial statements include all the controlled activities of the Library. The Library'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 Library is predominantly funded by accrual-based Parliamentary appropriations for the provision of outputs.

The Library is one of nine cultural agencies of the Victorian Government and was established in 1852. These agencies are overseen by Creative Victoria, a division of the Department of Jobs, Precincts and Regions (DJPR). Creative Victoria is responsible for supporting, championing and growing the state's creative industries. The Library governs the activities and operation of the State Library and reports to the Victorian Minister for Creative Industries.

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

Basis of preparation

These financial statements are in Australian dollars and the historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured on a different basis.

The accrual basis of accounting has been applied in preparing 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.

On 16 March 2020, all public spaces at State Library Victoria were closed in response to growing public safety concerns related to the spread of COVID-19. The Library temporarily reopened in mid-June with limited capacity and in line with social distancing rules.

As part of the preparation of the financial statements, the Library has undertaken a detailed assessment of its ability to continue as a going concern for the next 12 months. Apart from the impact of COVID-19, the Library did not identify any events or conditions that cast significant doubt upon its ability to continue as a going concern.

The COVID-19 pandemic had a sudden and substantial impact on the arts and cultural heritage sectors. The global health crisis and the uncertainty resulting from it profoundly affected organisations as well as individuals – both employed and independent – across the sector. Arts and culture sector organisations attempted to uphold their (often publicly funded) mission to provide access to cultural heritage to the community, as well as maintain the safety of their employees, collections and the public while reacting to the unexpected change in their business model with an unknown end.

The Library is providing alternative services through digital platforms, leveraging digital tools to adapt to the new way of working. COVID-19 poses some uncertainty to the Library because the length of the current statewide lockdown remains uncertain. The Library has included the expected impact of COVID-19 in its revenue and cost estimates. The Library has assessed the impact of COVID-19 on the fair value of its financial and fixed assets. Also, the Library has factored the fluctuations in the performance of financial markets into its assessment.

Despite the uncertainty, the Library's going concern assumptions remains valid. The Library relies on grants, donations and bequests for most of its income. Also, if required, the Library has access to one-off additional supplementary grant funding from government of up to \$5.0 million.

The Department of Jobs, Precincts and Regions (DJPR), Creative Victoria (CV) and the Department of Treasury and Finance (DTF) is working closely with the Library to consider and assess any additional funding requirements. To provide comfort that funding will be available if needed, the Minister for Creative Industries has provided a letter of support to the Library to give it confidence that it can prepare its Annual Financial Report for 2019–20 on a going-concern basis to meet the requirements of Australian accounting standard AASB 101 *Presentation of Financial Statements*.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

1 ABOUT THIS REPORT (Cont'd)

Consistent with the requirements of AASB 1004 *Contributions*, contributions by owners (that is, contributed capital and its repayment) are treated as equity transactions and, therefore, do not form part of the income and expenses of the Library.

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

Judgements, estimates and assumptions are required to be made about financial information being presented. The significant judgements made in the preparation of these financial statements are disclosed in the notes where amounts affected by those judgements are disclosed (refer to Notes 2, 3.1.2 and 7.3). 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.

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.

These financial statements cover the Library as an individual reporting entity and include all the controlled activities of the Library.

All amounts in the financial statements have been rounded to the nearest \$1,000 unless otherwise stated.

Compliance Information

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). In particular, they are presented in a manner consistent with the requirements of AASB 1049 *Whole of Government and General Government Sector Financial Reporting*. Where appropriate, those AAS paragraphs applicable to not-for-profit entities have been applied.

The annual financial statements were authorised for issue by the Library Board of Victoria on 16 September 2020.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2020 and the comparative information presented for the year ended 30 June 2019. 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

2 FUNDING DELIVERY OF OUR SERVICES

Introduction

The Library receives revenue from the State Government of Victoria, commercial activities and philanthropic sources to meet its objectives. The State Government funding principally comprises the government appropriation, capital funding and other grants for specific purposes. The Library also receives a capital asset charge grant from the State Government as outlined in 2.2. These revenue streams are described in more detail in Notes 2.1 to 2.6.

Significant judgement: revenue recognition

The Library recognises revenue in line with Australian Accounting Standards.

The primary assessment is based on its status as a not-for-profit entity. The following revenue types are immediately recognised on receipt:

- grants from government
- grants from other government agencies
- grants from third parties
- cash, other assets, donations
- bequests from donors.

Where a grant includes an enforceable agreement with specific performance obligations, the Library recognises the grant revenue when it achieves the applicable performance obligations.

A capital grant to construct an asset that is controlled by the Library is recognised as the asset is developed using the 'progressive percentage costs incurred method' because it most closely reflects the progress to complete the asset.

Structure

- 2.1 Summary of revenue and income that funds the delivery of our services
- 2.2 Revenue and grants from State Government
- 2.3 Grants
- 2.4 Operating activities
- 2.5 Donations, bequests and philanthropic income
 - 2.5.1 Donated cultural assets
 - 2.5.2 Voluntary services
- 2.6 Investment income

2.1 Summary of revenue and income that funds the delivery of our services

	Notes	2020 \$'000	2019 \$'000
State Government – recurrent appropriation		41,909	39,284
State Government – capital grants		-	1,945
State Government – capital asset charge	2.2	43,357	43,243
State Government – other grants	2.3	1,926	2,334
Other grants	2.3	3,719	2,624
Operating activities	2.4	897	1,383
Donations and bequests	2.5	6,607	10,606
Investment income	2.6	1,509	1,818
Total revenue and income from transactions		99,924	103,237

The revenue and income that fund the delivery of the Library's services are accounted for consistently with the requirements of the relevant accounting standards disclosed in the following notes.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

2 FUNDING DELIVERY OF OUR SERVICES (Cont'd)

2.2 Revenue and grants from State Government

State Government – recurrent appropriations and other grants

State Government appropriation and other grants from State Government entities are recognised on receipt in accordance with AASB 1058 *Income of Not-for-Profit Entities* (AASB 1058).

State Government – capital asset charge

The State Government capital asset charge grant represents the opportunity cost of capital invested in the non-current physical assets used in the provision of outputs. The grant is calculated on the carrying amount of non-current physical assets (excluding heritage and cultural assets) and is matched by an equivalent government charge.

2.3 Grants

The Library has determined that all grant income is recognised as income of not-for-profit entities in accordance with AASB 1058 *Income of Not-for-Profit Entities* (AASB 1058), except for grants that are enforceable and with sufficiently specific performance obligations and accounted for as revenue from contracts with customers in accordance with AASB 15 *Revenue from Contracts with Customers* (AASB 15).

Income from grants that are enforceable and **with sufficiently specific performance obligations** are accounted for as revenue from contracts with customers (AASB 15). These grants relate to the delivery of specific programs and are normally received in advance. Revenue is recognised when the Library satisfies the performance obligation. This recognition is based on the consideration specified in the funding agreement to the extent that it is highly probable a significant reversal of the revenue will not occur.

Income from grants **without sufficiently specific performance obligations**, or that are not enforceable, is recognised when the Library has an unconditional right to receive cash which usually coincides with the receipt of cash. On initial recognition of the income, the Library recognises any related amounts in accordance with AASB 1058. Such related amounts may take the form of:

- (a) contributions by owners, in accordance with AASB 1004
- (b) revenue or a contract liability arising from a contract with a customer, in accordance with AASB 15
- (c) a lease liability in accordance with AASB 16 *Leases*
- (d) a financial instrument, in accordance with AASB 9 *Financial Instruments*, or
- (e) a provision, in accordance with AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*.

There is no transitional impact of adopting AASB 1058 or AASB 15. However, capital grant revenue received during the current reporting period which is related to work not yet commenced has been deferred. This contribution has been recognised as deferred grant revenue (Note 8.9.1). Grant income with specific performance obligations received during the current reporting period is accounted for in accordance with AASB 15. The Library has recognised contract liabilities under AASB 15 where performance obligations have not been met. Previously, all grant revenue would have been accounted for under AASB 1004, and it would have been recognised when it was received in full in 2019–20.

Income from grants to construct a second collection repository in Ballarat (BOSS2) will be recognised progressively as the asset is constructed. Income will be recognised as construction progresses and as costs are incurred as the works are done.

Income in respect of the recurrent appropriation from the State Government is based on the output provided by the Library to the government and is recognised when the output has been delivered and the Minister has certified delivery of the output in accordance with specified performance criteria.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

2 FUNDING DELIVERY OF OUR SERVICES (Cont'd)

Previous accounting policy for 30 June 2019

Grant income arises from transactions in which a party provides goods or assets (or extinguishes a liability) to the Library without receiving approximately equal value in return. While grants may result in the provision of some goods or services to the transferring party, they do not provide a claim to receive benefits directly of approximately equal value and are termed 'non-reciprocal' transfers. Receipt and sacrifice of approximately equal value may occur, but only by coincidence.

Some grants are **reciprocal** in nature (i.e. equal value is given back by the recipient of the grant to the provider). The Library recognises income when it has satisfied its performance obligations under the terms of the grant.

For non-reciprocal grants, the Library recognises revenue when the grant is received.

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

Grants for on-passing are grants paid to one institutional sector (e.g. a state-based general government entity) to be passed on to another institutional sector (e.g. local government or a private non-profit institution).

	Notes	2020 \$'000	2019 \$'000
Other grants from State Government entities ^(a)	2.1	1,926	2,334
Other specific purpose grants	2.1	3,719	2,624
Total other grants		5,645	4,958

Note: (a) Refer to Note 8.5 for further details of grants from State Government entities.

2.4 Other operating activities

	Notes	2020 \$'000	2019 \$'000
Venue hire ^(a)	2.4	855	1,215
Other	2.4	42	168
Total operating activities income	2.1	897	1,383

Note: (a) Venue hire incorporate all activities generating revenue from use of the building including contractual assets.

The sale of goods and services included in the table above are transactions that the Library has determined to be classified as revenue from contracts with customers in accordance with AASB 15. The impact of initially applying AASB 15 on the Library's revenue from contracts with customers is described in Note 8.9. Due to the modified retrospective transition method chosen in applying AASB 15, comparative information has not been restated to reflect the new requirements.

The following practical expedient has been used for uncompleted contracts when applying AASB 15 retrospectively under the modified approach:

- For contracts modified before the date of initial application, the Library has reflected the aggregate of all past contract modifications that occurred before the date of initial application when identifying performance obligations and determining and allocating the transaction price.
- The practical expedient has been consistently applied to all contracts within the current reporting period and the effect of applying the practical expedient is disclosed in Note 5.4.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

2 FUNDING DELIVERY OF OUR SERVICES (Cont'd)

Revenue is measured based on the consideration specified in the contract with the customer. The Library recognises revenue when it transfers control of a good or service to the customer, i.e. when or as the performance obligations for the sale of goods and services to the customer are satisfied.

- Customers obtain control of the supplies and consumables at a point in time when the goods are delivered to and have been accepted at their premises.
- Revenue from the sale of goods are recognised when the goods are delivered and have been accepted by the customer at their premises.
- Revenue from the rendering of services is recognised at a point in time when the performance obligation is satisfied when the service is completed, and over time when the customer simultaneously receives and consumes the services as it is provided.

Customers are invoiced and revenue is recognised when the goods are delivered and accepted by customers. For services rendered, where customers simultaneously receive and consume the service as it is provided, revenue is recognised progressively as contract assets until the customer is subsequently invoiced in accordance with the terms of the service agreement. For other customers that are only able to consume the services when they have been completed, revenue is only recognised upon completion and delivery of the services. In rare circumstance where there may be a change in the scope of services provided, the customer will be provided with a new contract for the additional services to be rendered and revenue is recognised consistent with accounting policy above.

Consideration received in advance of recognising the associated revenue from the customer is recorded as a contract liability (Note 7.1).

Previous accounting policy for 30 June 2019

Revenue from the sale of goods and services was recognised when:

- the Library no longer had any of the significant risks and rewards of ownership of the goods transferred to the buyer
- the Library no longer had continuing managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold
- the amount of revenue, and the costs incurred or to be incurred in respect of the transactions, could be reliably measured, and
- it was probable that the economic benefits associated with the transaction would flow to the Library. (AASB 118.14,20).

Revenue from the supply of services was recognised by reference to the stage of completion of the services performed. The income was recognised when:

- the amount of the revenue, stage of completion and transaction costs incurred could be reliably measured, and
- it was probable that the economic benefits associated with the transaction would flow to the Library.

Under this method, revenue 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. Other income includes ticket sales, direct delivery and cost recoveries.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

2 FUNDING DELIVERY OF OUR SERVICES (Cont'd)

2.5 Donations, bequests and philanthropic income

	Notes	2020 \$'000	2019 \$'000
Donations redevelopment	2.5.1	3,125	3,940
Donated cultural assets at fair value	2.5.1	1,328	2,502
Other donations	2.5.1	1,265	748
Bequests	2.5.1	777	3,203
Memberships	2.5.1	112	213
Total donations and bequests	2.1	6,607	10,606

Donations, bequests and philanthropic income

Donations and bequests are recognised as revenue upon receipt at their fair value when the recipient obtains control over the resources, irrespective of whether restrictions or conditions are imposed over the use of the contributions. Memberships are recognised on receipt. The balance of unexpended donations and bequests is transferred from the accumulated surplus/deficit to the donations and bequests reserve on an annual basis. Related expenditure is recorded as an expense in the comprehensive operating statement as incurred and results in a subsequent compensatory transfer from the accumulated surplus/deficit to the donations and bequests reserve.

2.5.1 Donated cultural assets

Donated assets are recognised when they are accepted by the Library, control of the contribution or right to receive the gift exists, and the donor has signed a deed of gift. Donated assets are recorded at fair value which is determined by either independent valuation for items donated under the Cultural Gifts Program, or by an independent valuation or internal curatorial assessment undertaken by the Library. Where accessioning into the collection is complex, certain donated cultural assets are held as 'work in progress' before they are accepted into the collection.

2.5.2 Voluntary services

The Library receives contributions in the form of volunteer services. However, consistent with its policy on volunteers, the Library's service delivery does not depend on volunteers and these services would not be purchased if they were not donated. On this basis these contributions have not been recognised as services received free of charge.

2.6 Investment income

	Notes	2020 \$'000	2019 \$'000
Distributions from managed investment schemes		1,100	1,251
Other investment income		329	128
Interest		80	439
Total investment income	2.1	1,509	1,818

Interest revenue is recognised when due and dividend revenue is recognised when the right to receive payment is established. Other investment income includes franking credits which are recognised on receipt.

Net realised and unrealised gains and losses on the revaluation of managed investment schemes 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

3 THE COST OF DELIVERING OUR SERVICES**Introduction**

This section provides an account of the expenses incurred by the Library in delivering its objectives. In section 2, the funds that enable the provision of services were disclosed and, in this note, the costs associated with the provision of services are recorded. Expenses incurred in delivering the objectives of the Library are outlined from 3.1 to 3.3 below:

Structure

- 3.1 Expenses incurred in the delivery of services
 - 3.1.1 Employee benefits in the comprehensive operating statement
 - 3.1.2 Employee benefits in the balance sheet
 - 3.1.3 Superannuation contributions
- 3.2 Other operating expenses
- 3.3 Capital asset charge

3.1 Expenses incurred in the delivery of services

	Notes	2020 \$'000	2019 \$'000
Employee benefit expenses	3.1.1	32,613	33,918
Other operating expenses	3.2	13,483	14,374
Capital asset charge	3.3	43,357	43,243
Total expenses incurred in delivery of services		89,453	91,535

3.1.1 Employee benefits in the comprehensive operating statement

	Notes	2020 \$'000	2019 \$'000
Salaries		24,827	25,769
Superannuation	3.1.3	2,518	2,620
Other salary-related costs		5,268	5,529
	3.1	32,613	33,918

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

The amount recognised in the comprehensive operating statement in respect of superannuation represents the contribution paid or payable by the Library to the superannuation funds of employees. The Library does not recognise any accrued defined benefit liability in respect of the plan(s).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

3 THE COST OF DELIVERING OUR SERVICES (Cont'd)

3.1.2 Employee benefits in the balance sheet

	2020 \$'000	2019 \$'000
Current provisions		
Annual leave		
– Unconditional and expected to be settled within 12 months	1,099	1,228
– Unconditional and expected to be settled after 12 months	649	576
Long-service leave		
– Unconditional and expected to be settled within 12 months	624	617
– Unconditional and expected to be settled after 12 months	4,990	5,567
	7,362	7,988
Provisions for on-costs		
– Unconditional and expected to be settled within 12 months	253	236
– Unconditional and expected to be settled after 12 months	863	941
	1,116	1,177
Total current provisions for employee benefits	8,477	9,165
Non-current provisions		
Conditional long-service leave entitlements	366	533
Provisions related to benefit on-costs	56	82
Total non-current provisions for employee benefits	422	615
Total provisions for employee benefits	8,899	9,780
	2020	
Reconciliation of movement in on-cost provision	\$'000	
Opening balance	1,259	
Additions due to acquisitions	576	
Reductions arising from payments/other sacrifices of future economic benefits	(582)	
Reductions resulting from remeasurement or settlement without cost	(81)	
Closing balance	1,172	
Current	1,116	
Non-current	56	

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

3 THE COST OF DELIVERING OUR SERVICES (Cont'd)

Wages and salaries, annual leave and sick leave

Liabilities for wages and salaries (including non-monetary benefits, annual leave and on-costs) are recognised as part of the employee benefit provision as current liabilities, because the Library does not have an unconditional right to defer settlements of these liabilities. The liability of salaries and wages are recognised in the balance sheet at remuneration rates which are current at the reporting date. As the Library expects the liabilities to be wholly settled within 12 months of the reporting date, they are measured at undiscounted amounts.

The annual leave liability is classified as a current liability and measured at the undiscounted amount expected to be paid, as the Library does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

No provision has been made for sick leave as all sick leave is non-vesting and it is not considered probable that the average sick leave taken in the future will be greater than the benefits accrued in the future. As sick leave is non-vesting, an expense is recognised in the comprehensive operating statement as it is taken.

Employment on-costs such as payroll tax, workers' compensation and superannuation are not employee benefits. They are disclosed separately as a component of the provision for employee benefits when the employment to which they relate has occurred.

Long-service leave

Unconditional long-service leave (LSL) is disclosed as a current liability, even where the Library 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:

- undiscounted value – if the Library expects to wholly settle within 12 months, or
- present value – if the Library does not expect to wholly 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 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' in the net result.

3.1.3 Superannuation contributions

The Library has made superannuation contributions for employees who are members of the public sector superannuation schemes listed below:

	Notes	2020 \$'000	2019 \$'000
Defined benefit plan^(a)			
State Superannuation Fund		385	438
Defined contribution plans			
VicSuper		1,426	1,504
Other superannuation funds		707	678
Total superannuation	3.1.1	2,518	2,620

Note:

(a) The basis for determining the level of contributions is determined by the various actuaries of the defined benefit superannuation plans.

There are no superannuation contributions outstanding as at 30 June 2020 (2019: nil). The Library 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

3 THE COST OF DELIVERING OUR SERVICES (Cont'd)

3.2 Other operating expenses

	Notes	2020 \$'000	2019 \$'000
Buildings and facilities		6,023	5,846
Information technology		3,211	3,682
Marketing and promotion		1,986	1,553
Other expenses from ordinary activities		1,024	1,283
Professional and finance		1,150	1,426
Lease interest payments		63	1
Grants distributed		25	583
Total other operating expenses	3.1	13,483	14,374

Other operating expenses generally represent the day-to-day running costs incurred in normal operations. It also includes a loss allowance from transactions that are mutually agreed.

Grant expenses are contributions of Library resources to another party for specific or general purposes where there is no expectation that the amount will be repaid in equal value (either by money, goods or services). Grants can either be operating or capital in nature. 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 which are paid for a particular purpose and/or have conditions attached regarding their use. Grant expenses are recognised in the reporting period in which they are paid or payable. Grants can take the form of money, assets, goods, services or forgiveness of liabilities.

Operating lease payments up until 30 June 2019 are recognised 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.

From 1 July 2019, the following lease payments are recognised on a straight line basis:

- short-term leases – leases with less than 12 months, and
- low-value leases – leases with an underlying asset value (when new, regardless of age of the asset being leased) of no more than \$10,000.

3.3 Capital asset charge

The capital asset charge is levied on the written-down value of controlled non-current physical assets (excluding heritage and cultural assets) in the Library's balance sheet and aims to attribute to the Library's outputs the opportunity cost of capital used in service delivery and provide incentives to the Library to identify and dispose of underutilised or surplus assets in a timely manner. The capital asset charge is calculated on the budgeted carrying amount of applicable non-financial physical assets at the beginning of each financial year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

4 KEY ASSETS AVAILABLE TO SUPPORT OUTPUT DELIVERY

Introduction

The Library controls assets that are utilised in the delivery of its services. The key assets include property, plant and equipment, cultural assets, managed investment schemes and financial assets.

Structure

- 4.1 Total property, plant and equipment
 - 4.1.1 Depreciation
 - 4.1.2 Impairment
 - 4.1.3 Reconciliation of movement in carrying values of property, plant and equipment
- 4.2 Cultural assets
 - 4.2.1 Reconciliation of movements of cultural assets
- 4.3 Investments and other financial assets
 - 4.3.1 Analysis and purpose of financial assets

Additional information is provided in Note 7.3.2 in relation to fair value and how fair value of property, plant and equipment and cultural assets was determined.

4.1 Total property, plant and equipment

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

	Gross carrying amount		Public administration Accumulated depreciation		Net carrying amount	
	2020	2019	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Land at fair value	132,992	132,992	-	-	132,992	132,992
Buildings at fair value	406,504	318,691	(42,754)	(31,985)	363,750	286,706
Equipment at fair value	25,944	18,056	(16,152)	(15,010)	9,791	3,046
Work in progress at cost	21,640	96,301	-	-	21,640	96,301
Closing balance	587,080	566,040	(58,906)	(46,995)	528,173	519,045

AASB 16 Leases has been applied for the first time from 1 July 2019. As a result, the asset classes of buildings and equipment now incorporate right-of-use assets as described in Note 4.1(a).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

4 KEY ASSETS AVAILABLE TO SUPPORT OUTPUT DELIVERY (Cont'd)

4.1(a) Total right-of-use buildings and equipment

	Gross carrying amount	Accumulated depreciation	Net carrying amount
	2020	2020	2020
	\$'000	\$'000	\$'000
Buildings at fair value	294	(18)	276
Equipment at fair value	470	(125)	345
Net carrying amount	764	(143)	621

	Buildings	Plant, equipment and vehicles at fair value	Total
	\$'000	\$'000	\$'000
Opening balance - 1 July 2019 ^(a)	294	470	764
Additions	-	-	-
Disposals	-	-	-
Depreciation	(18)	(125)	(143)
Closing balance - 30 June 2020	276	345	621

(a) This balance represents the initial recognition of right-of-use assets recorded on the balance sheet on 1 July 2019 (recognised under AASB 16 at 1 July 2019).

Initial recognition

Property, plant and equipment are measured initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment.

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.

Right-of-use asset acquired by lessee (under AASB 16 from 1 July 2019) - initial recognition

The Library recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost which comprises the initial amount of the lease liability adjusted for:

- any lease payments made at or before the commencement date less any lease incentive received, plus
- any initial direct costs incurred, and
- an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

Right-of-use asset - subsequent measurement

Right-of-use assets are depreciated on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. Right-of-use assets are also subject to revaluation.

Land, buildings and equipment

Land, buildings and equipment are measured at fair value. The management revaluation considerations with respect to land and building gives regard to their 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. Refer to Note 7.3.2 for a more detailed discussion of the fair value determination of these assets. 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

4 KEY ASSETS AVAILABLE TO SUPPORT OUTPUT DELIVERY (Cont'd)

Land

The market approach is used for specialised land, although it is adjusted for the community service obligation (CSO) to reflect the specialised nature of the land being valued. Under the market approach the land is compared to recent comparable sales. The CSO adjustment is a reflection of the valuer's assessment of the impact of restrictions associated with the land to the extent that is also equally applicable to market participants.

Buildings

The depreciated reproduction cost is the valuation method used for the Library's buildings, adjusted for the associated depreciation. Reproduction cost represents the cost of reconstruction including professional fees and escalation, however excludes the cost of demolition and removal of debris of the existing building. It also assumes destruction occurs on the date for financial reporting. Depreciated reproduction cost reflects reproduction cost after applying depreciation on a useful life basis.

Equipment

Equipment – including plant, equipment and motor vehicles – is held at fair value which has been determined using the current replacement cost method.

4.1.1 Depreciation

	Notes	2020 \$'000	2019 \$'000
Depreciation charge for the period			
Buildings	4.1.3	10,769	10,704
Equipment	4.1.3	1,143	547
Equipment – under lease	4.1.3	-	12
Cultural assets non-heritage collection	4.2	2,599	2,531
Total depreciation		14,510	13,794

Property, plant and equipment, including freehold buildings but excluding land, have finite lives and are depreciated. Depreciation is calculated on a straight-line basis at rates that allocate the asset's value, less any estimated useful life.

The following are typical estimated useful lives for the different asset classes, including right-of-use assets, used in the calculation of depreciation for current and prior year.

Asset class	Useful life
Buildings	100 years
Buildings right-of-use assets	30 years
Equipment	5–20 years
Equipment right-of-use assets	3–5 years
Cultural assets – non-heritage collection	50 years

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. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period. Where it is determined that the estimated useful life of an asset has changed, the depreciation rate for the asset is adjusted accordingly.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term. Where the Library obtains ownership of the underlying leased asset or if the cost of the right-of-use asset reflects that the entity will exercise a purchase option, the entity depreciates the right-of-use asset over its useful life.

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

4 KEY ASSETS AVAILABLE TO SUPPORT OUTPUT DELIVERY (Cont'd)

4.1.2 Impairment

The recoverable amount of property, plant and equipment of not-for-profit entities, which are typically specialised in nature and held for continuing use of their service capacity, is expected to be materially the same as fair value determined under AASB 13 *Fair Value Measurement*, with the consequence that AASB 136 does not apply to such assets that are regularly revalued.

Property, plant and equipment are assessed annually for indications of impairment. 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 another 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 reversal in impairment, the carrying amount shall be increased to its recoverable amount. However, this reversal should not increase the asset's carrying amount above what would have been determined, net of depreciation or amortisation, if no impairment loss has been recognised in prior years.

The recoverable amount for most assets is measured at the higher of current replacement cost and fair value costs to sell. Recoverable amount for assets held primarily to generate net cash inflows is measured at the higher of the present value of the future cash flows expected to be obtained from the asset and fair value less costs to sell.

4.1.3 Reconciliation of movement in carrying value of property, plant and equipment

	Land at fair value	Buildings 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
2020						
Opening balance	132,992	286,706	3,046	-	96,301	519,045
Recognition of right-of-use assets on initial application of AASB 16 ^(a)	-	294	470	-	-	764
Adjusted balance at 1 July 2019	132,992	287,000	3,516	-	96,301	519,809
Additions	-	87,519	7,418	-	-	94,936
Transfers	-	-	-	-	(74,660)	(74,660)
Disposals	-	-	-	-	-	-
Depreciation	-	(10,769)	(1,143)	-	-	(11,911)
Closing balance	132,992	363,750	9,791	-	21,641	528,173
2019						
Opening balance	132,992	297,410	1,578	40	50,924	482,944
Additions	-	-	72	63	47,263	47,398
Transfers	-	-	1,886	-	(1,886)	-
Disposals	-	-	-	(34)	-	(34)
Depreciation	-	(10,704)	(547)	(12)	-	(11,263)
Closing balance	132,992	286,706	2,989	57	96,301	519,045

(a) This balance represents the initial recognition of right-of-use assets recorded on the balance sheet on 1 July relating to operating leases.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

4 KEY ASSETS AVAILABLE TO SUPPORT OUTPUT DELIVERY (Cont'd)

4.2 Cultural assets

Classification by 'purpose groups' – gross carrying amount and accumulated depreciation

	Gross carrying amount		Public administration Accumulated depreciation		Net carrying amount	
	2020	2019	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Heritage collection at fair value	280,031	279,678	-	-	280,031	279,678
Non-heritage collection at fair value	117,834	117,833	(9,325)	(7,069)	108,508	110,764
Donated material at fair value	8,082	6,753	(399)	(142)	7,683	6,611
Donated material WIP at fair value	1,631	1,631	-	-	1,631	1,631
Non-heritage collection at fair value	5,089	4,267	(171)	(85)	4,918	4,182
Closing balance	412,667	410,162	(9,896)	(7,296)	402,771	402,866

Cultural assets comprise items in the State Library Collection and other cultural assets. Control of the State Library Collection is vested in the Library by virtue of the *Libraries Act 1988*. Additions to the State Collection may take the form of either a purchase by the Library or a donation from a third party.

All cultural assets are held for exhibition, education, research and historical interest. Such assets are deemed worthy of preservation because of the social rather than financial benefits they provide to the community. The nature of these assets means that there are certain limitations and restrictions imposed on their use and/or disposal.

The fair value of cultural assets and collections, heritage assets and other non-financial physical assets that the State of Victoria 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.

Purchased cultural assets are initially carried at cost and revalued subsequently at fair value. Donated or bequeathed cultural assets are carried at fair value; this is determined by either independent valuation for items donated under the Cultural Gifts Program, or by an internal curatorial or other assessment undertaken by the Library. Items in the heritage collection are not depreciated as they do not have a finite useful life. The current use is considered the highest and best use. Refer to Note 7.3.2 for a more detailed discussion of the fair value determination of collections.

An external revaluation process is required every five years, based upon the asset's Government Purpose Classification but may occur more frequently if material movements in fair value are identified.

The last independent comprehensive valuation of the Library's collections was performed by Australian Valuation Solutions Pty Ltd on behalf of the Valuer-General Victoria, to determine the fair value of the collections at the effective date on 30 June 2016. The valuation, which conformed 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. In 2019 the Library conducted an interim valuation of its collection and confirmed that there were no material movements in the fair value of the collection. During the current reporting period, the Library, in consultation with other agencies in the creative industries portfolio, assessed the fair value of the collection in line with *Financial Reporting Direction 103H – Non-financial physical assets* (FRD 103H) and determined that there has been no material movement in the valuation of the collection since 2016.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

4 KEY ASSETS AVAILABLE TO SUPPORT OUTPUT DELIVERY (Cont'd)

4.2.1 Reconciliation of movements of cultural assets

	Heritage collection at independent fair value \$'000	Heritage collection at management fair value \$'000	Non-heritage collection at independent fair value \$'000	Donated material at fair value \$'000	Non-heritage collection at management fair value \$'000	Work in progress \$'000	Total \$'000
2020							
Opening balance	277,952	1,726	110,764	6,611	4,182	1,631	402,866
Purchases	353	-	-	-	822	-	1,175
Donated materials	-	-	-	1,328	-	-	1,328
Depreciation	-	-	(2,255)	(257)	(86)	-	(2,599)
Closing balance	278,305	1,726	108,509	7,683	4,918	1,631	402,771
2019							
Opening balance	277,952	1,276	113,120	5,858	2,830	-	401,036
Purchases	-	450	-	-	1,409	-	1,859
Donated materials	-	-	-	871	-	1,631	2,502
Depreciation	-	-	(2,356)	(118)	(57)	-	(2,531)
Closing balance	277,952	1,726	110,764	6,611	4,182	1,631	402,866

4.3 Investments and other financial assets

The Library holds cash, deposits and managed investment schemes to provide for future operating and capital purposes, including the purchase of cultural assets. Funds are classified as current or non-current.

Current funds represent funds held either in transactional bank accounts, or invested in order to reduce volatility in value and optimise the investment income earned.

Non-current funds represent funds held in perpetuity (endowed funds) and invested with the intent of maximising their long term value. As a result, these funds may experience more volatility in value.

Managed investment schemes held by the Library are measured at fair value through net result and as described in Note 7.3.1.

Gains on individual assets arising from differences between carrying amount and fair value are credited directly to the 'Financial assets available-for-sale surplus', except that, to the extent that an increment reverses a revaluation decrement in respect of that asset previously recognised as an expense in the net result, the increment is recognised immediately as revenue in the net result.

Losses on individual assets arising from differences between carrying amount and fair value are recognised immediately as an expense in the net result, except that, to the extent that a credit balance exists in the 'Financial assets available-for-sale surplus' in respect of the same asset, are debited directly to the 'Financial assets available-for-sale surplus'. Revaluation increases and decreases of different assets are not offset against one another.

Movements resulting from impairment are recognised as an expense in the net result. On disposal, the cumulative gain or loss previously recognised in 'Other economic flows - other comprehensive income' is transferred to 'Other economic flows included in net result'.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

4 KEY ASSETS AVAILABLE TO SUPPORT OUTPUT DELIVERY (Cont'd)

4.3.1 Analysis and purpose of financial assets

		General funds	Dedicated funds	Total funds	General funds	Dedicated funds	Total funds
	Notes	2020	2020	2020	2019	2019	2019
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash and deposits	6.1	4,252	1,662	5,914	2,337	13,556	15,893
Receivables	5.1	1,858	-	1,858	1,564	-	1,564
Managed investment schemes and other financial assets		-	20,933	20,933	-	21,784	21,784
Total financial assets		6,110	22,594	28,705	3,901	35,340	39,241

General funds have been generated by the Library from operating activities and are applied to the achievement of the Library's future strategic objectives, including expenditure on property, plant and equipment.

Dedicated funds have been granted, donated or bequeathed to the Library. These funds are dedicated to specific purposes, as expressed by the original grantor, donor or testator. The change in value of dedicated funds reflects the economic downturn impacting securities held in actively traded markets. For further detail refer to Note 7.1.3.

Dedicated funds shown as 'managed investment schemes and other financial assets' are categorised as follows:

	Notes	2020	2019
		\$'000	\$'000
Dedicated funds shown as managed investment schemes and other financial assets			
Corpus		13,539	14,092
Bequests/donations – non-endowed		2,675	2,783
Bequests/donations – endowed		4,719	4,909
Total managed investment schemes and other financial assets		20,933	21,784

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

5 OTHER ASSETS AND LIABILITIES

Introduction

This section sets out those assets and liabilities that arose from the Library's operations.

Structure

- 5.1 Receivables
 - 5.1.1 Ageing analysis of contractual receivables
- 5.2 Prepayments and deferred expenditure
- 5.3 Payables
- 5.4 Maturity analysis of financial liabilities

5.1 Receivables

	Notes	2020 \$'000	2019 \$'000
Current contractual			
Debtors – external		1,700	1,439
Allowance for impairment losses of contractual receivables		(40)	-
Accrued interest receivable		-	3
		1,660	1,442
Current statutory			
Statutory GST recoverable		198	122
Total current receivables	4.3.1	1,858	1,564

Receivables consist of:

- contractual receivables, such as debtors in relation to goods and services and franking credits recoverable, and
- statutory receivables include GST input tax credits recoverable.

Contractual receivables are classified as financial instruments. They are initially recognised at fair value plus any directly attributable transaction costs. The Library holds the contractual receivables with the objective to collect the contractual cash flows and therefore subsequently measured at amortised cost using the effective interest method, less any impairment.

Statutory receivables are recognised and measured similarly to contractual receivables (except for impairment), but are not classified as financial instruments because they do not arise from a contract.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

5 OTHER ASSETS AND LIABILITIES (Cont'd)

5.1.1 Ageing analysis of contractual receivables

	Carrying amount \$'000	Not past due and not impaired \$'000	Less than 1 month \$'000	Past due but not impaired 1-3 months \$'000	3 months - 1 year \$'000	1-5 years \$'000
2020						
Contractual financial assets						
Receivables						
Debtors	1,660	1,383	-	89	189	-
Accrued investment income	-	-	-	-	-	-
Total contractual financial assets	1,660	1,383	-	89	189	-
2019						
Contractual financial assets						
Receivables						
Debtors	1,439	1,332	16	57	34	-
Accrued investment income	3	3	-	-	-	-
Total contractual financial assets	1,442	1,335	16	57	34	-

There are no material financial assets that are individually determined to be impaired. The Library 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.

5.2 Prepayments and deferred expenditure

	2020 \$'000	2019 \$'000
Prepayments	405	625
Deferred expenditure		
CARM Centre Bundoora	1,000	1,000
less: accumulated depreciation	(999)	(999)
Total prepayments and deferred expenditure	406	626

Prepayments 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 the period. Prepayments include collection serials and ICT licences.

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

5 OTHER ASSETS AND LIABILITIES (Cont'd)

5.3 Payables

	Notes	2020 \$'000	2019 \$'000
Contractual financial liabilities			
Payables			
Supplies and services		1,908	1,604
Accrued expense		985	748
Lease liabilities	6.3	615	58
Contract liability		1,631	109
Amounts payable to other government agencies		2	89
		5,141	2,608
Statutory			
Amounts payable to other government agencies ^(a)		100	133
Total payables	5.3	5,241	2,741

Note: (a) Statutory payables owed to the Victorian State Revenue Office and Australian Tax Office

Accounts payable and accrued expenses represent liabilities for goods and services provided to the Library prior to the end of the financial year that are unpaid and arise when the Library 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 (refer to Note 7.1.1). Statutory payables are recognised and measured similarly to contractual payables, but are not classified as financial instruments because they do not arise from a contract.

- **Contractual payables** are classified as financial instruments and measured at amortised cost. Accounts payable represent liabilities for goods and services provided to the Library prior to the end of the financial year that are unpaid.
- **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 contracts.

Payables for supplies and services have an average credit period of 30 days. No interest is charged on the Library's payables for the first 30 days from the date of the invoice.

Contract liabilities

Contract liabilities include deferred capital grant revenue. Grant consideration was received from the State Government to support the construction of a second collection repository in Ballarat (BOSS2). Grant revenue is recognised progressively as the asset is constructed, since this is the time when the Library satisfies its obligations under the transfer by controlling the asset as and when it is constructed. Income is progressively recognised as the work is completed (see Note 2.3). As a result, the Library has deferred the grant consideration received as a liability for the outstanding obligations.

The Library received grant consideration in late May and is expected to recognise all of the grant revenue for capital works in the following year as it progressively completes the upgrade of BOSS2.

Contract liabilities also include consideration received in advance from funding agencies to deliver programs and library services to target clients. The Library receives upfront payment which is drawn based on the achievement of specific performance obligations. Funding is acquitted at the end of the reporting program and unused or unearned income is returned to the funding agencies or held in trust by the Library until the funding agency directs the Library as to use.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

5 OTHER ASSETS AND LIABILITIES (Cont'd)

Programs funded as part of this arrangement were impacted during the reporting period due the Library's closure in March 2020 during the COVID-19 pandemic. In addition, some grant consideration was also received from the State Government with specific performance obligations to support program delivery. This grant income is subject to an acquittal process and is returned if obligations are not achieved or if funding is not spent.

	2020 \$'000
Grant consideration for capital works and revenue from performance obligations satisfied in the previous period (adjusted for AASB 1058) at the beginning of the year	-
Grant consideration for capital works received during the year	854
Transaction price allocated to the remaining performance obligations from contracts with customers	777
Grant revenue for capital works recognised consistent with the capital works undertaken during the year	-
Closing balance of deferred grant consideration received for capital works	1,631

5.4 Maturity analysis of financial liabilities

	Maturity dates						
	Carrying amount	Nominal amount	Less than 1 month	1-3 months	3 months - 1 year	1-5 years	5+ years
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2020							
Contractual financial liabilities							
Payables							
Supplies and services	1,908	1,908	1,432	359	117	-	-
Accrued expense	985	985	985	-	-	-	-
Lease liabilities ^(a)	615	615	1	2	163	198	251
Contract liabilities	1,631	1,631	-	85	1,091	455	-
Amounts payable to other government agencies	102	102	1	101	-	-	-
Total contractual financial liabilities	5,241	5,241	2,420	547	1,370	652	250
2019							
Contractual financial liabilities							
Payables							
Supplies and services	1,604	1,604	1,604	-	-	-	-
Accrued expense	748	748	748	-	-	-	-
Lease liabilities	58	58	1	2	8	47	-
Contract liabilities	109	109	23	29	57	-	-
Amounts payable to other government agencies	222	222	137	48	37	-	-
Total contractual financial liabilities	2,741	2,741	2,513	79	102	47	-

Note: (a) As part of the adoption of AASB 16 from 1 July 2019, the Library recognised two right-of-use assets comprising the lease of IT equipment and the lease of land from a university in Ballarat. For further information, refer to Note 6.3.2.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

6 HOW WE FINANCED OUR OPERATIONS

Introduction

This section provides information on the sources of finance utilised by the Library to deliver its services.

Structure

- 6.1 Cash and deposits
- 6.2 Cash flow information and balances
 - 6.2.1 Reconciliation of net result for the period to cash flow from operating activities
 - 6.2.2 Non-cash financing and investing activities
- 6.3 Leases
- 6.4 Commitments for future expenditure
 - 6.4.1 Commitments

6.1 Cash and deposits

	Notes	2020 \$'000	2019 \$'000
Cash on hand		4	10
Cash at bank		4,248	2,327
Bank deposits at call		1,662	13,556
Total cash and deposits	4.3.2	5,914	15,893

Cash and deposits recognised on the balance sheet comprise cash on hand and cash at bank, deposits at call and 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 readily convertible to known amounts of cash with an insignificant risk of changes in value.

6.2 Cash flow information and balances

6.2.1 Reconciliation of net result for the period to net cash flows from operating activities

	Notes	2020 \$'000	2019 \$'000
Net result for the year		(4,809)	(3,078)
Non-cash movements			
Depreciation	4.1.1	14,510	13,794
Donated cultural assets	2.5	(1,328)	(2,502)
Loss/(gain) on sale of non-financial assets		-	(24)
Changes to the fair value of managed investment schemes measured at fair value through net result		852	500
Gain on revaluation of long-service leave liability due to changes in bond rates		(81)	510
Movements in assets and liabilities			
Increase/(decrease) in payables		2,711	(352)
Decrease/(increase) in prepayments		220	148
Decrease/(increase) in receivables		(294)	334
(Decrease)/increase in provisions		(800)	66
Net cash flow from/(used in) operating activities		10,980	9,396

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

6 HOW WE FINANCED OUR OPERATIONS (Cont'd)

6.2.2 Non-cash financing and investing activities

Acquisition of collections

During the year the Library acquired collections with an aggregate fair value of \$1,328,470 (2019: \$2,502,115) through public donation. These acquisitions are not reflected in the cash flow statement.

Leased assets

During the year the Library did not acquire any new leased motor vehicles (2019: \$62,896).

6.3 Leases

A lease is a right to use an asset for an agreed period of time in exchange for payment. Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and rewards incidental to ownership. Leases of property, plant and equipment are classified as finance infrastructure leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership from the lessor to the lessee. All other leases are classified as operating leases.

The Library has an overarching agreement to lease IT equipment. Each piece of equipment has an individual lease contract of 3–5 years with an option to renew, extend or rent the equipment after that contract end date. Also, the Library has a 30-year operating lease for the use of land from Federation University in Ballarat. The contract end date on this lease is in December 2035. The lease has a 30-year extension option, however, the Library cannot be reasonably certain that it will exercise this option. The decision to extend this lease will be required in 15 years' time and will require the pre-approval of the University Council and the Federal Minister for Education before the option can be exercised.

Some of the IT equipment has a remaining life of less than 12 months and/or acquisition value of less than \$10,000. This equipment has not been recognised as right-of-use assets and lease liabilities.

6.3. (a) Right-of-use assets

Right-of-use assets are presented in note 4.1

	2020
	\$'000
Interest expense on lease liabilities	61
Expenses relating to short term leases or low value assets	326
Variable lease payments, not included in the measurement of lease liabilities	-
Total amount	387

6.3. (b) Amounts recognised in the cash flow statement

The following amounts are recognised in the cash flow statement for the year ending 30 June 2020 relating to leases.

	2020
	\$'000
Total cash outflow for leases	585

For any new contracts entered into on or after 1 July 2019, the Library considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition the Library assesses whether the contract meets three key evaluations:

- whether the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Library and for which the supplier does not have substantive substitution rights

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

6 HOW WE FINANCED OUR OPERATIONS (Cont'd)

- whether the Library has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract and the Library has the right to direct the use of the identified asset throughout the period of use, and
- whether the Library has the right to take decisions in respect of 'how and for what purpose' the asset is used throughout the period of use.

This policy is applied to contracts entered into, or changed, on or after 1 July 2019.

Separation of lease and non-lease components

At inception or on reassessment of a contract that contains a lease component, the lessee is required to separate out and account separately for non-lease components within a lease contract and exclude these amounts when determining the lease liability and right-of-use asset amount.

Recognition and measurement of leases as a lessee

Lease liability – initial measurement

The lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease if that rate is readily determinable or the Library's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments (including in-substance fixed payments) less any lease incentive receivable
- variable payments based on an index or rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable under a residual value guarantee, and
- payments arising from purchase and termination options reasonably certain to be exercised.

Lease liability – subsequent measurement

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes to in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

Short-term leases and leases of low-value assets

The Library has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

Presentation of right-of-use assets and lease liabilities

The Library presents right-of-use assets as 'property plant equipment' in the balance sheet. Lease liabilities are presented as 'payables' in the balance sheet.

Recognition and measurement of leases (under AASB 117 until 30 June 2019)

In the comparative period, leases of property, plant and equipment were classified as either finance leases or operating leases.

The Library determined whether an arrangement was or contained a lease based on the substance of the arrangement, and required an assessment of whether fulfilment of the arrangement is dependent on the use of the specific asset(s) and conveyed a right to use the asset(s).

Leases of property, plant and equipment where the Library as a lessee had substantially all of the risks and rewards of ownership were classified as finance leases. Finance leases were initially recognised as assets and liabilities at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payment, each determined at the inception of the lease. The leased asset is accounted for as a non-financial physical asset and depreciated over the shorter of the estimated useful life of the asset or the term of the lease. Minimum finance lease payments were apportioned between the reduction of the outstanding lease liability and the periodic finance expense, which is calculated using the interest rate implicit in the lease and charged directly to the consolidated comprehensive operating statement.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

6 HOW WE FINANCED OUR OPERATIONS (Cont'd)

Contingent rentals associated with finance leases were recognised as an expense in the period in which they are incurred.

Assets held under other leases were classified as operating leases and were not recognised in the Library's balance sheet. Operating lease payments were recognised as an operating expense in the comprehensive operating statement on a straight-line basis over the lease term.

6.4 Commitments for future expenditure

Commitments for future expenditure include operating and capital commitments arising from contracts. The following commitments are disclosed at their nominal value and inclusive of the GST payable and are not included in the balance sheet. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised in the balance sheet.

	2020 \$'000	2019 \$'000
Capital expenditure commitments		
Capital expenditure includes building redevelopment, payable as follows:		
Not later than one year	-	11,629
	-	11,629
Other expenditure commitments		
Other expenditure includes mechanical and lift maintenance, security, cleaning and rental of the Library's Ballarat offsite storage site payable as follows:		
Not later than one year	4,429	2,019
Later than one year, not later than five years	4,106	688
Later than five years	-	558
Total commitments for expenditure (inclusive of GST)	8,535	3,265
Less GST recoverable from the ATO	(776)	(1,463)
Total commitments for expenditure (exclusive of GST)	7,759	14,633

6.4.1 Commitments

	2020 \$'000	2019 \$'000
	Nominal Value Excl. GST	Nominal Value Excl. GST
Capital expenditure: plant, equipment and vehicles	-	11,629
Operating expenditure ^(a)	7,759	3,004
Total commitments	7,759	14,633

Notes: (a) Commitments related to prior period which previously reflected operating leases adjusted to reflect the introduction of AASB 16 from 1 July 2019. Refer to Note 8.9 for further detail.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

7 RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS

Introduction

The Library is exposed to risk from its activities and outside factors. It is often necessary to make judgements and estimates associated with recognition and measurement of items in the financial statements. This section sets out financial instrument specific information (including exposure to financial risks) as well as those items that are contingent in nature or require a higher level of judgement to be applied, which for the Library relate mainly to fair value determination.

Structure

- 7.1 Financial instruments specific disclosures
 - 7.1.1 Financial instruments: categorisation
 - 7.1.2 Net holding gain/(loss) on financial instruments by category
 - 7.1.3 Financial risk management objectives and policies
- 7.2 Contingent assets and contingent liabilities
- 7.3 Fair value determination
 - 7.3.1 Fair value determination of financial assets and liabilities
 - 7.3.2 Fair value determination of non-financial physical assets

7.1 Financial instruments specific disclosures

Introduction

The Library's principal financial instruments comprise cash assets, term deposits, receivables, managed investment schemes, payables and finance lease payables. 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 Library'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.

Financial assets at amortised cost

Financial assets are measured at amortised costs if both of the following criteria are met and the assets are not designated as fair value through net result:

- the assets are held by the Library to collect the contractual cash flows, and
- the assets' contractual terms give rise to cash flows that are solely payments of principal and interests.

These assets are initially recognised at fair value plus any directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method less any impairment.

The Library recognises the following assets in this category:

- cash and deposits
- receivables (excluding statutory receivables)
- term deposits.

Financial assets at fair value through net result

Equity instruments that are held for trading are classified as fair value through net result. Other financial assets are required to be measured at fair value through net result unless they are measured at amortised cost or fair value through other comprehensive income as explained above.

However, as an exception to those rules above, the Library may, at initial recognition, irrevocably designate financial assets as measured at fair value through net result if doing so eliminates or significantly reduces a measurement or recognition inconsistency ('accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

The Library recognises listed equity securities as mandatorily measured at fair value through net result and designates all of its managed investment schemes as fair value through net result.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

7 RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS (Cont'd)

Financial liabilities at amortised cost 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 the net result over the period of the interest bearing liability, using the effective interest rate method. The Library recognises the following liabilities in this category:

- payables (excluding statutory payables)
- borrowings (including lease liabilities).

De-recognition 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 Library 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 Library has transferred its rights to receive cash flows from the asset and either:
 - has transferred substantially all the risks and rewards of the asset, or
 - has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

De-recognition of financial liabilities: A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised as an 'other economic flow' in the comprehensive operating statement.

Reclassification of financial instruments: Subsequent to initial recognition reclassification of financial liabilities is not permitted. Financial assets are required to be reclassified between fair value through net result, fair value through other comprehensive income and amortised cost when and only when the Library's business model for managing its financial assets has changed such that its previous model would no longer apply.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

7 RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS (Cont'd)

7.1.1 Financial instruments: categorisation

The categorisation of the Library's contractual financial assets and contractual financial liabilities by category are disclosed as follows:

2020	Cash and deposits \$'000	Financial assets mandatorily measured at fair value through profit/loss (FVTPL) \$'000	Financial liabilities at amortised cost (AC) \$'000	Total \$'000
Contractual financial assets				
Cash and deposits				
Cash and deposits	5,914	-	-	5,914
Receivables				
Debtors	1,660	-	-	1,660
Accrued investment income	-	-	-	-
Managed investment schemes and other contractual financial assets	-		-	-
Managed investment schemes	-	20,933	-	20,933
Total contractual financial assets	7,574	20,933	-	28,507
Contractual financial liabilities				
Payables				
Supplies and services	-	-	1,908	1,908
Accrued expense	-	-	985	985
Lease liabilities ^(a)	-	-	615	615
Contract liabilities	-	-	1,631	1,631
Amounts payable to other government agencies	-	-	2	2
Total contractual financial liabilities	-	-	5,141	5,141
2019				
Contractual financial assets				
Cash and deposits	15,893	-	-	15,893
Receivables				
Debtors	1,439	-	-	1,439
Accrued investment income	3	-	-	3
Managed investment schemes and other contractual financial assets				0
Managed investment schemes	-	21,784	-	21,784
Total contractual financial assets	17,335	21,784	-	39,119
Contractual financial liabilities				
Payables				
Supplies and services	-	-	1,604	1,604
Accrued expense	-	-	748	748
Lease liabilities	-	-	58	58
Contract liabilities	-	-	109	109
Amounts payable to other government agencies	-	-	89	89
Total contractual financial liabilities	-	-	2,608	2,608

(Note: Amounts disclosed in this table exclude holding gains and losses related to statutory financial assets and liabilities.)

(a) Lease liabilities reported in 2019-20 include liabilities created by 'right-of-use assets' and finance leases.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

7 RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS (Cont'd)

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

2020	Net holding gain \$'000	Total Income (expense) \$'000	Fee income (expense) \$'000	Impairment loss \$'000	Total \$'000
Contractual financial assets					
Financial assets at amortised cost	-	80	-	-	80
Managed investment schemes designated at fair value through profit/loss	-	1,429	-	-	1,429
Changes to the fair value of managed investment schemes measured at fair value through net result	(852)	-	-	-	(852)
Total contractual financial assets	(852)	1,509	-	-	657
Contractual financial liabilities					
Financial liabilities at amortised cost	-	-	-	-	-
Total contractual financial liabilities	-	-	-	-	-
2019	Net holding gain \$'000	Total Income (expense) \$'000	Fee income (expense) \$'000	Impairment loss \$'000	Total \$'000
Contractual financial assets					
Financial assets at amortised cost	-	439	-	-	439
Managed investments schemes designated at fair value through profit/loss	-	1,379	-	-	1,379
Changes to the fair value of investments measured at fair value through net result	(500)	-	-	-	(500)
Total contractual financial assets	(500)	1,818	-	-	1,318
Contractual financial liabilities					
Financial liabilities at amortised cost	-	-	-	-	-
Total contractual financial liabilities	-	-	-	-	-

(Note: Amounts disclosed in this table exclude holding gains and losses related to statutory financial assets and liabilities.)

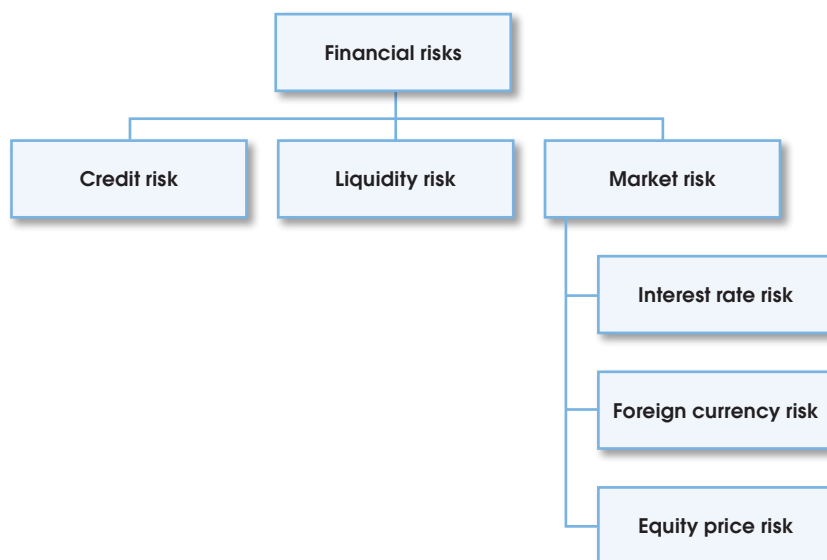
Note: the net holding gains or losses disclosed above are determined as follows:

- 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
- for financial asset and liabilities that are mandatorily measured at or designated at fair value through net result, the net gain or loss is calculated by taking the movement in the fair value of the financial asset or liability.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

7 RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS (Cont'd)

7.1.3 Financial risk management objectives and policies



As a whole, the Library's financial risk management program seeks to manage these risks and the associated volatility of its financial performance.

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 above are disclosed in Note 7.3 to the financial statements.

The main purpose in holding financial instruments is to prudentially manage the Library's financial risks within government policy parameters.

The Library's main financial risks include credit risk, liquidity risk, interest rate risk, foreign currency risk and equity price risk. The Library manages these financial risks in accordance with its financial risk management policy.

The Library 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 Library's Accountable Officer.

Credit risk

Credit risk arises from the contractual financial assets of the Library, which comprise cash and cash equivalents, term deposits, non-statutory receivables and available-for-sale contractual financial assets. The Library's exposure to credit risk arises from the potential default of counterparties on their contractual obligations resulting in financial loss to the Library. Credit risk is measured at fair value and is monitored on a regular basis.

Credit risk associated with the Library's contractual financial assets is minimal because the main counterparties are Victorian government departments, ANZ Banking Group Limited, National Australia Bank Limited, Treasury Corporation of Victoria and Victorian Funds Management Corporation.

The Library does not engage in hedging for its contractual financial assets and the Library 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 Library's maximum exposure to credit risk. There has been no material change to the Library's credit risk profile in 2019-20.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

7 RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS (Cont'd)

Credit quality of financial assets ^(a)

2020	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
Financial assets					
Cash and deposits (not assessed for impairment)	4,248	1,662	-	4	5,914
Contractual receivables (with no impairment loss recognised)	-	667	-	1,033	1,700
Statutory receivables (with no impairment loss recognised) ^(a)	-	-	-	-	-
Managed investment schemes and other financial assets (with no impairment loss recognised)	-	20,933	-	-	20,933
Financial assets with loss allowance measured at lifetime expected credit loss					
Contractual receivables applying the simplified approach for impairment				(40)	(40)
Total contractual financial assets	4,248	23,262	-	997	28,507

(a) The total amounts disclosed here exclude statutory amounts (e.g. amounts owing from Victorian Government and GST recoverable: \$197,852). GST recoverable is reported against this line in the previous reporting period.

Credit quality of contractual financial assets that are neither past due nor impaired ^(b)

2019	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
Financial assets					
Cash and deposits (not assessed for impairment)	2,327	13,556	-	10	15,893
Contractual receivables (with no impairment loss recognised)	3	484	-	955	1,442
Statutory receivables (with no impairment loss recognised)	122	-	-	-	122
Managed investment schemes and other financial assets (with no impairment loss recognised)	-	21,784	-	-	21,784
Total contractual financial assets	2,452	35,824	-	965	39,241

(b) The total amounts disclosed in the table above exclude statutory amounts (e.g. amounts owing from Victorian Government and GST recoverable). However, GST was reported against this line in the table above.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

7 RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS (Cont'd)

Contractual receivables at amortised cost

The Library applies AASB 9 simplified approach for all contractual receivables to measure expected credit losses using a lifetime expected loss allowance based on the assumptions about risk of default and expected loss rates. The Library has grouped contractual receivables on shared credit risk characteristics and days past due and selected the expected credit loss rate based on the Library's past history, existing market conditions, as well as forward-looking estimates at the end of the financial year.

On this basis, the Library determined the closing loss allowance at end of the financial year as follows:

	Current	Less than 1 month	1-3 months	3 mths - 1 year	1-5 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
30 June 2020 ^(a)						
Expected loss rate (%)	1	-	6	11	-	
Gross carrying amount of contractual receivables	1,393	-	95	213	-	1,700
Loss allowance	10	-	6	24	-	40

(a) The loss allowance for the previous financial year 2019 was nil. Generally, the Library considers contractual receivables to have a low credit risk as the majority of these receivables are with other State Government agencies.

Reconciliation of the movement in the loss allowance for contractual receivables is shown as follows:

	2020 \$'000	2019 \$'000
Balance at beginning of the year	-	-
Opening loss allowance	-	-
Transfers in/acquired outputs	-	-
Transfers out/disposed outputs	-	-
Modification of contractual cash flows on financial assets	-	-
Increase in provision recognised in the net result	40	-
Reversal of provision receivables written off during the year as uncollectable	-	-
Reversal of unused provision recognised in net result	-	-
Balance at the end of the year	40	-

Credit loss allowance is classified as other economic flows in the net result. Contractual receivables are written off when there is no reasonable expectation of recovery and impairment losses are classified as a transaction expense. Subsequent recoveries of amounts previously written off are credited against the same line.

In prior years, a provision for doubtful debts is recognised when there is objective evidence that the debts may not be collected and bad debts are written off when identified. A provision is made for estimated irrecoverable amounts from the sale of goods when there is objective evidence that an individual receivable is impaired. Bad debts are considered as written off by mutual consent.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

7 RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS (Cont'd)

Liquidity risk

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

Market risk

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

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 Library has minimal exposure to cash flow interest-rate risks through its cash and deposits and term deposits that are at fixed interest rates. Exposure to cash flow interest-rate risk arises primarily through the Library's interest-bearing assets (term deposits) at the time of expiration of one term and renegotiation for a new term. The Library 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 Library 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 table on page 94.

Sensitivity disclosure analysis and assumptions

The impacts of COVID-19 are being felt all around the world. Performance of the financial markets may continue to fluctuate and impact the fair value of investments and other financial assets in future reporting periods.

The Library's fund manager cannot be expected to predict movements in market rates and prices. The Library's investments are based on securities traded on active public exchanges and are valued based on the quoted price for the investment and the quantity held (AASB 13.80). Taking into account past performance, future expectations, economic forecasts and fund manager knowledge and experience, the Library believes that the following movements are 'reasonably possible' over the next 12 months, assuming a possible parallel shift of +/- 100 basis points in market interest rates (AUD) from year end.

The following tables disclose the impact on net operating result and net worth for each category of financial instrument held by the Library at year end if the above movements were to occur. Sensitivity analyses shown are for illustrative purposes only.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

7 RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS (Cont'd)

Interest-rate analysis of financial instruments

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 Library's sensitivity to interest-rate risk is set out below.

2020	Weighted average interest rate %	Carrying amount \$'000	Interest rate exposure		
	%		Fixed interest rate \$'000	Variable interest rate \$'000	Non-interest bearing \$'000
Contractual financial assets					
Cash and deposits	1.0%	5,914	-	5,914	-
Receivables					
Debtors		1,660	-	-	1,660
Accrued investment income		-	-	-	-
Managed investment schemes and other contractual financial assets					
Managed investment schemes		20,933	-	-	20,933
Total contractual financial assets		28,507	-	5,914	22,593
Contractual financial liabilities					
Payables					
Supplies and services		1,908	-	-	1,908
Accrued expense		985	-	-	985
Lease liabilities	3.3%	615	615	-	0
Amounts payable to other government agencies		2	-	-	2
Total contractual financial liabilities		3,510	615	-	2,895
2019					
Contractual financial assets					
Cash and deposits	1.6%	15,893	-	15,893	-
Receivables					
Debtors		1,439	-	-	1,439
Accrued investment income		3	3	-	-
Managed investment schemes and other contractual financial assets					
Managed investment schemes		21,784	-	-	21,784
Total contractual financial assets		39,119	3	15,893	23,223
Contractual financial liabilities					
Payables					
Supplies and services		1,604	-	-	1,604
Accrued expense		748	-	-	748
Lease liabilities	3.3%	58	58	-	0
Amounts payable to other government agencies		89	-	-	89
Total contractual financial liabilities		2,499	58	-	2,441

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

7 RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS (Cont'd)

Interest-rate risk sensitivity

2020	Carrying amount \$'000	-1% Net result \$'000	+1% Net result \$'000
Contractual financial assets			
Cash and deposits	5,914	(59)	59
Receivables			
Debtors	1,660	-	-
Total contractual financial assets	7,574	(59)	59
Contractual financial liabilities			
Payables			
Supplies and services	1,908	-	-
Accrued expense	985	-	-
Lease liabilities	615	-	-
Amounts payable to other government agencies	2	-	-
Total contractual financial liabilities	3,510	-	-
2019			
Contractual financial assets			
Cash and deposits	15,893	(159)	159
Receivables			
Debtors	1,439	-	-
Accrued investment income	3	-	-
Total contractual financial assets	17,335	(159)	159
Contractual financial liabilities			
Payables			
Supplies and services	1,604	-	-
Accrued expense	748	-	-
Lease liabilities	58	-	-
Amounts payable to other government agencies	89	-	-
Total contractual financial liabilities	2,499	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

7 RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS (Cont'd)

Equity-price risk

Exposure to equity-market risk arises only from the Library's indirect investments in equities quoted on the Australian Stock Exchange. The Library holds units of trusts invested in Australian and international equities in the growth and balanced funds managed by VFMC. The fund manager on behalf of the Library closely monitors performance and manages the equity-price risk through diversification of its investment portfolio, in accordance with the Library's investment policy. The Library recognises that market activity, particularly in equity markets, can give rise to significant volatility in the value of financial assets and this risk is accepted and managed within the objectives of the investment policy. The Library's exposure to losses from adverse price movements is not hedged. The carrying amount of equity investments recorded in the financial report represents the Library's maximum exposure to equity market risk.

2020	Carrying amount \$'000	-1% Net result \$'000	+1% Net result \$'000
Contractual financial assets			
Managed investment schemes and other financial contractual financial assets	20,933	(209)	209
Total contractual financial assets	20,933	(209)	209
2019			
Contractual financial liabilities			
Managed investment schemes and other financial contractual financial assets	21,784	(218)	218
Total contractual financial assets	21,784	(218)	218

Foreign currency risk

Exposure to foreign-currency risk arises only through the Library'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.

7.2 Contingent assets and contingent liabilities

Contingent assets

As at 30 June 2019 and 2020, the Library has been pledged donations which are expected to be honoured in the future, although they are not legally enforceable. The Library 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, and net assets are realised and distributed to beneficiaries. The timing and value of these future economic flows are contingent on events beyond the Library's control.

Contingent liabilities

The Library has a pending litigation which is ongoing. Detailed terms and damages have not yet reached agreement, and a reasonable assessment of financial impact is currently unknown at 30 June 2020 (2019: nil).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

7 RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS (Cont'd)

7.3 Fair value determination

Significant judgement: fair value measurements of assets and liabilities

Fair value determination requires judgement and the use of assumptions. This section discloses the most significant assumptions used in determining fair values. Changes to assumptions could have a material impact on the results and financial position of the Library.

This section sets out information on how the Library determines fair value for financial reporting purposes. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following assets and liabilities are carried at fair value:

- managed investment schemes and other financial assets
- land and buildings and equipment
- cultural assets.

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 Library 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 Library determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

7.3.1 Fair value determination of financial assets and liabilities

The Library 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 cash flow analysis using unobservable market inputs.

The Library holds a range of financial instruments that are recorded in the financial statements where the carrying amounts approximate to fair value, due to their short-term nature or with the expectation that they will be paid in full by the end of the 2020–21 reporting period. These financial instruments include:

Financial assets		Financial liabilities	
Cash and deposits	Cash on hand Cash at bank Bank deposits at call	Payables	Supplies and services Accrued expenses Lease liabilities
Receivables	Debtors Accrued interest receivable		Amounts payable to other government agencies
Managed investment schemes and other financial assets	Externally managed unitised funds		

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

7 RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS (Cont'd)

Financial assets measured at fair value

	Fair value measurement at 30 June	Carrying amount	Fair value	Carrying amount	Fair value
		2020	2020	2019	2019
	Level	\$'000	\$'000	\$'000	\$'000
Financial assets at fair value through net result					
Managed investment schemes	1	20,933	20,933	21,784	21,784

7.3.2 Fair value determination of non-current physical assets

Restricted assets

The Library holds \$769.0m (2019: \$691.5m) in assets listed as heritage assets (land, buildings and collection). These heritage assets cannot be modified or disposed of without formal ministerial approval.

7.3.2 (a) Fair value measurement hierarchy of non-current physical assets

	Carrying amount as at 30 June 2020	Fair value measurement at end of reporting period using:		
		Level 1	Level 2	Level 3
2020	\$'000	\$'000	\$'000	\$'000
Specialised land at fair value	132,992	-	-	132,992
Buildings at fair value				
Specialised buildings	7,450	-	-	7,450
Heritage buildings	356,024	-	-	356,024
Total buildings at fair value	363,474	-	-	363,474
Other assets at fair value				
Equipment at fair value	9,447	-	9,447	0
Cultural assets at fair value	402,771	-	43,824	358,947
Closing balance	908,683	-	53,271	855,413
2019				
Land at fair value	132,992	-	-	132,992
Buildings at fair value				
Specialised buildings	7,888	-	-	7,888
Heritage buildings	278,818	-	-	278,818
Total buildings at fair value	286,706	-	-	286,706
Other assets at fair value				
Equipment at fair value	3,046	-	3,046	0
Cultural assets at fair value	402,866	-	43,824	359,042
Closing balance	825,610	-	46,870	778,740

Cultural assets

For works of art and other collection items, valuation of the assets is determined by a comparison to similar examples of the artist's work in existence throughout Australia and/or research on prices paid for similar examples offered at auction or otherwise for sale in recent years.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

7 RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS (Cont'd)

During 2016, an independent valuation of the collection was performed to determine its fair value. The valuation conforms to the Australian Valuation Standards. During the current reporting period, the Library, in consultation with other agencies in the creative industries portfolio, undertook an assessment of the fair value of the collection in line with FRD 103G and determined that there has been no material movement in the valuation of the collection since 2016. Refer to Note 4.3 for further details.

Items donated to the Library's collections have been valued by the Library staff except where the donation has been externally valued under the requirements of the Cultural Gifts Program. To the extent that non-specialised artworks do not contain significant unobservable inputs, these assets are classified as Level 2 under the market approach.

A managerial revaluation assessment was undertaken during the current reporting period. The assessment considered the Library's specialist knowledge of the collection, its unique nature and the performance of the Australian dollar relative to other major currencies. The assessment considered the general consensus from other Victorian agencies and other state libraries with collections which confirmed that these agencies consider that the uniqueness of their collections insulates them from market volatility and that a material impact to valuations from COVID-19 is not expected. Given that the managerial revaluation assessment has not resulted in a material (greater than 10 per cent) cumulative fair value change, the Library has determined that the interim valuation conducted last year for the collection remains valid. As part of its routine revaluation cycle the Library will undertake a comprehensive revaluation of the collection during the next reporting period.

Land

The market approach is also used for land, although the value is adjusted for the Community Service Obligation (30 per cent) to reflect the specialised nature of the land being valued. An independent valuation of the Library's land was performed by the Valuer General Victoria (VGV) as at 30 June 2016. The valuation was performed using the market approach adjusted for Community Service Obligation (CSO adjustment).

A managerial revaluation assessment was undertaken for the Library's land during the current reporting period using the VGV land indices and CSO adjustment to determine the fair value of the Library's land. The assessment confirmed that the cumulative movement in the valuation of land since the 30 June 2016 was below the 10 per cent threshold required to revalue land. The effective date of the assessment was 30 June 2020.

The Library's assessment also observed that VGV indices reflect movements in land values pre-COVID-19. The pandemic has created uncertainty around property values, across regional and metropolitan areas which would potentially lead to reductions in values; this uncertainty cannot be quantified.

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.

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 is classified as a Level 3 asset.

Specialised buildings and heritage buildings

For the Library's majority of buildings, the current 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 Library's specialised buildings was performed by the VGV using the current replacement cost method. The effective date of the valuation was 30 June 2016.

A managerial revaluation assessment was undertaken for the Library's buildings during the current reporting period. The assessment considered the completion of extensive redevelopment works to the Library's main facility in December 2019 and the transfer of almost \$90m from 'Work in progress' to buildings during the reporting period. Also, the assessment considered the heritage listing of the building and its restricted, unique and special nature.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

7 RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS (Cont'd)

Based on these factors the Library considers that the carrying amount for its building reflects fair value. The Library will undertake an independent revaluation of its property, plant and equipment (PPE) in 2021–22.

The Library's assessment also considered that VGV indices for buildings were pre-COVID-19. Refer above to discussion on land for further detail.

Leased assets

Vehicles are classified as equipment under lease, valued using the depreciated replacement cost method. The Library 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.

Equipment

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

There were no changes in valuation techniques or transfers between levels in the year ending 30 June 2020.

7.3.2 (b) Reconciliation of Level 3 fair value

	Specialised land \$'000	Specialised buildings \$'000	Heritage buildings \$'000	Cultural assets \$'000
2020				
Opening balance	132,992	7,888	278,818	359,042
Additions	-	-	87,519	2,504
Depreciation	-	(438)	(10,313)	(2,599)
Closing balance	132,992	7,450	356,024	358,947
2019				
Opening balance	132,992	8,326	289,084	357,212
Additions	-	-	-	4,361
Depreciation	-	(438)	(10,266)	(2,531)
Closing balance	132,992	7,888	278,818	359,042

7.3.2 (c) Description of significant unobservable inputs to Level 3 valuations for 2020 and 2019

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

Notes:

(a) The Library holds all non-financial assets primarily for their current service potential rather than to generate net cash inflows.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

8 OTHER DISCLOSURES

Introduction

This section includes additional material disclosures required by accounting standards or otherwise, for the understanding of this financial report.

Structure

- 8.1 Significant and subsequent events
- 8.2 Other economic flows included in net result
- 8.3 Responsible persons
- 8.4 Remuneration of executives
- 8.5 Related party transactions
- 8.6 Remuneration of auditors
- 8.7 Equity and reserves
 - 8.7.1 Contributions by owners
 - 8.7.2 Accumulated surplus/(deficit)
 - 8.7.3 Donations and bequests reserve
 - 8.7.4 Specific purpose grants reserve
 - 8.7.5 Financial assets valuation reserve
- 8.8 Ex-gratia expenses
- 8.9 Change in accounting policy
 - 8.9.1 Changes to classification and measurement
- 8.10 Australian Accounting Standards issued that are not yet effective
- 8.11 Glossary

8.1 Significant and subsequent events

On 7 July 2020, stage 3 restrictions responding to the COVID-19 pandemic were announced and all public spaces at the Library were closed from 9 July. Stage 4 restrictions are now in effect; the Library remains closed.

The Library is committed to public safety and will remain closed until further notice. At this stage, the Library does anticipate that this issue will give rise to a subsequent reporting event that may have a material effect on the financial statements as at 30 June 2020.

The Library is not aware of any other events occurring subsequent to 30 June 2020 that may have a material effect on the financial statements (2019: nil) or its going concern.

Further extension of the lockdown may have an impact on the Library's operations but the impact on the Library's going concern consideration is expected to be mitigated. Refer to Note 1 for further details.

8.2 Other economic flows included in net result

Other economic flows are changes in the volume or value of an asset or liability that do not result from transactions. Other gains/(losses) from other economic flows include the gains or losses from:

- net gain/(loss) on non-financial assets
- net gain/(loss) on financial instruments
- revaluation of the present value of the long-service leave liability due to changes in the bond interest rates, and
- changes to the fair value of managed investment schemes measured at fair value through net result.

	2020 \$'000	2019 \$'000
Net gain/(loss) on non-financial assets		
Net gain/(loss) in disposal of non-financial assets	-	24
Other gains/(losses) from other economic flows		
Gain/(loss) on revaluation of long-service leave liability due to changes in bond rates	81	(510)
Net loss on financial instruments		
Gain/(loss) on revaluation of managed investment schemes due to changes in market value	(852)	(500)
	(771)	(986)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

8 OTHER DISCLOSURES (Cont'd)

8.3 Responsible persons

In accordance with the Ministerial Directions issued by the Assistant Treasurer under the *Financial Management Act 1994*, 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 Creative Industries	The Hon. Martin Foley MP	1 July 2019 to 30 June 2020
Chief Executive Officer	Kate Torney	1 July 2019 to 30 June 2020

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 \$400,000–499,999 (\$390,000–399,999 in 2019).

The names of Board members who have held office throughout the year unless otherwise stated are:

Mr John Wylie AM (President)	Ms Maxine McKew	Ms Karen Wood
Ms Christine Christian AO	Mr Adam Lewis	Ms Donata Carrazza
Ms Maria Myers AC	Ms Cheri Ong	Mr Hugh Williams

No member of the Board has received remuneration or retirement benefits during 2019–20 (2019: nil).

8.4 Remuneration of executives

The number of executive officers, other than ministers and accountable officers, and their total remuneration during the reporting period are shown in the table below. Total annualised employee equivalents provide a measure of full-time equivalent executive officers over the reporting period.

Remuneration comprises employee benefits in all forms of consideration paid, payable or provided by the entity, or on behalf of the entity, in exchange for services rendered, and is disclosed in the following categories.

Short-term employee benefits include amounts such as wages, salaries, annual leave or sick leave that are usually paid or payable on a regular basis, as well as non-monetary benefits such as allowances and free or subsidised goods or services.

Post-employment benefits include pensions and other retirement benefits paid or payable on a discrete basis when employment has ceased.

Other long-term benefits include long-service leave, other long-service benefits or deferred compensation.

Termination benefits include termination of employment payments, such as severance packages.

In the prior year, one executive officer resigned and has not been replaced. This has had an impact on the total remuneration for 2020.

	2020 \$'000	2019 \$'000
Remuneration of executive officers		
Short-term employee benefits	823	1,035
Post-employment benefits	80	98
Other long-term benefits	34	53
Termination benefits	-	-
Total remuneration	938	1,186
Total number of executives	4	5
Total annualised employee equivalents	4	4.3

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

8 OTHER DISCLOSURES (Cont'd)

8.5 Related party transactions

The Library is a wholly owned and controlled entity of the State of Victoria.

All related party transactions have been entered into on an arm's length basis.

Significant transactions with government-related entities

During the year, the Library had the following government-related entity transactions in excess of \$100,000 (GST excl.):

	2020 \$'000	2019 \$'000
Receipts		
Department of Education and Training – grant funding	1,500	2,035
DJPR – recurrent appropriation	41,909	39,284
DJPR – contributed capital for State Library Redevelopment and BOSS2	1,467	32,850
DJPR – other grant funding	426	299
DJPR – capital funding	-	1,945
Development Victoria – cost recoveries for State Library Redevelopment and BOSS2	854	1,580
Treasury Corporation of Victoria – funds withdrawn	15,174	52,967
Payments		
Development Victoria – payments for State Library Redevelopment and BOSS2	20,494	47,263
Victorian Funds Management Corporation – funds invested	685	2,750
Treasury Corporation of Victoria – funds deposited	4,319	41,723
State Revenue Office – payroll tax paid	1,459	1,441

Key management personnel (KMPs) of the Library include the Minister for Creative Industries, members of the Library and the Executive team. The compensation detailed below excludes the salaries and benefits that the Minister for Creative Industries receives. The Minister's remuneration and allowances is set by the *Parliamentary Salaries and Superannuation Act 1968* and is reported within the Department of Parliamentary Service's Financial Report.

	2020 \$'000	2019 \$'000
Compensation of KMPs		
Short-term employee benefits	1,188	1,387
Post-employment benefits	113	132
Other long-term benefits	49	57
Termination benefits	-	-
Total (a)	1,351	1,576

Note:

(a) KMPs include the Accountable Officer and persons who meet the definition of executive officers under FRD 21C. Executive officers are also reported in the disclosure of remuneration of executives (Note 8.4).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

8 OTHER DISCLOSURES (Cont'd)

Transactions with key management personnel and other related parties

A number of the Library's Board members hold or have held positions in other companies where it is considered they control or significantly influence the financial or operating policies of these entities.

Christine Christian is a former non-executive director of the Victorian Managed Insurance Authority (VMIA). VMIA is the mandated insurer for Victorian government agencies to which the Library paid insurance premiums of \$684,700 in 2019-20 (2018-19: \$616,141), exclusive of GST and stamp duty.

In 2019-20, cash donations totalling \$357,100 (2019: \$2,380,000) were received from Board members and their related parties. Independent scrutiny of the proposed donations was conducted by the Library's Audit and Risk Management Committee with advice of a respected independent expert.

8.6 Remuneration of auditors

	2020 \$'000	2019 \$'000
Fees paid and payable to the Victorian Auditor-General's Office for auditing the financial statements.	41	40

The Auditor-General provided no other services to the Library.

8.7 Equity and reserves

8.7.1 Contribution by owners

Additions to net assets which have been designated as contributions by owners (the State of Victoria) are recognised as contributed capital.

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

	Notes	2020 \$'000	2019 \$'000
Contributed capital			
Balance at the beginning of the year		645,054	612,203
Equity contribution from government		1,467	32,850
Balance at the end of the year		646,521	645,053

8.7.2 Accumulated surplus/(deficit)

Represents the cumulative net result from the current year and all prior years.

	Notes	2020 \$'000	2019 \$'000
Accumulated surplus			
Balance at the beginning of the year		(24,900)	(19,917)
Change in accounting policy (AASB 9)		-	1,505
Net result for the year		(4,809)	(3,078)
Net transfer (to)/from donations and bequests reserve	8.7.4	309	(3,229)
Net transfer (to)/from specific purpose grants reserve	8.7.5	2,023	(181)
Balance at the end of the year		(27,376)	(24,900)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

8 OTHER DISCLOSURES (Cont'd)

8.7.3 Donation and bequests reserve

Represents the balance of donations and bequests which have been received to be applied to specific purposes and is unexpended at 30 June 2020.

	Notes	2020 \$'000	2019 \$'000
Donation and bequests reserve			
Balance at the beginning of the year		11,245	8,016
Net transfer (to)/from accumulated surplus	8.7.2	(309)	3,229
Balance at the end of the year		10,936	11,245

8.7.4 Specific purpose grants reserve

Represents the balance of funds received from external organisations to be applied to specific purposes and is unexpended at 30 June 2020.

	Notes	2020 \$'000	2019 \$'000
Special purpose grants reserve			
Balance at the beginning of the year		2,879	2,698
Net transfer (to)/from accumulated surplus	8.7.2	(2,023)	181
Balance at the end of the year		856	2,879

8.7.5 Financial assets valuation reserve

Represents increments arising from the revaluation of financial assets.

	Notes	2020 \$'000	2019 \$'000
Financial assets valuation reserve			
Balance at the beginning of the year		-	1,505
Change in accounting policy – AASB 9		-	(1,505)
Balance at the end of the year		0	0

8.8 Ex-gratia expenses

There were no ex-gratia expenses in aggregate or individually in excess of \$5,000 (2019: nil).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

8 OTHER DISCLOSURES (Cont'd)

8.9 Changes in accounting policy

From 1 July 2019, the Library adopted AASB 15 *Revenue from Contracts with Customers* (AASB 15), AASB 1058 *Income of Not-for-Profit Entities* (AASB 1058) and AASB 16 *Leases* (AASB 16).

Leases

The Library has applied AASB 16 with a date of initial application of 1 July 2019 and is using the modified retrospective approach, as per the transitional provisions of AASB 16 for all leases for which it is a lessee. The cumulative effect of initial application is recognised in retained earnings as at 1 July 2019. Accordingly, the comparative information presented is not restated and is reported under AASB 117 and related interpretations.

Previously, the Library determined at contract inception whether an arrangement is or contains a lease under AASB 117. Under AASB 16, the Library assesses whether a contract is or contains a lease based on the definition of a lease as explained in Note 7.2. On transition to AASB 16, the Library has elected to apply the practical expedient to grandfather the assessment of which transactions are leases. It applied AASB 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under AASB 117 and Interpretation 4 were not reassessed for whether there is a lease. Therefore, the definition of a lease under AASB 16 was applied to contracts entered into or changed on or after 1 July 2019.

Impacts on financial statements

On transition to AASB 16, the Library recognised \$764,067 of right-of-use assets and lease liabilities.

When measuring lease liabilities, the Library discounted lease payments using an incremental borrowing rate at 1 July 2019. The weighted average rate applied was 4.7 per cent.

	\$'000
Total operating lease commitments disclosed at 30 June 2019	1,330
Discounted using the incremental borrowing rate at 1 July 2019	1,032
Finance lease liabilities as at 30 June 2019	58
Short-term leases or low value assets	(326)
Lease liabilities recognised at 1 July 2019	764

Revenue from contracts with customers

In accordance with FRD 121 requirements, the Library applied the transitional provisions of AASB 15, using the modified retrospective approach to recognise income. Comparative information has not been restated. Existing contracts engaged by AASB 15 were recognised from 1 July 2019, and other contracts prior to 1 July 2019 were aggregated. Initial application of AASB 15 did not have a material impact on retained earnings.

Note 2.4 Other operating activities includes details about the transitional application of AASB 15 and how the standard has been applied to revenue transactions.

Income of not-for-profit entities

In accordance with FRD 122 requirements, the Library applied the transitional provision of AASB 1058, under modified retrospective method with the cumulative effect of initially applying this standard against the opening retained earnings at 1 July 2019. Under this transition method, the Library applied this standard retrospectively only to contracts and transactions that are not completed contracts at the date of initial application. Comparative information has not been restated.

Note 2.3 Grants includes details about the transitional application of AASB 1058 and how the standard has been applied to revenue transactions. The adoption of AASB 1058 has impacted the comprehensive operating statement and the cash flow statement for the financial year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

8 OTHER DISCLOSURES (Cont'd)

8.9.1 Changes to classification and measurement

The Library has entered into some agreements with external grant providers to deliver services with specific performance obligations. These agreements have been captured under AASB 15. One grant with funding totalling \$776,610 has been deferred into future years based on the performance obligations specified in the agreement.

The Library also received a capital grant of \$854,000 from the State Government in late May 2020 for the fit-out of BOSS2. These works will be delivered and completed next financial year. Consistent with AASB 1058, this funding has been deferred.

8.10 Australian Accounting Standards issued that are not yet effective

Certain new and revised accounting standards have been issued but are not effective for the 2019-20 reporting period.

These accounting standards have not been applied to the Model Financial Statements. The State is reviewing its existing policies and assessing the potential implications of these accounting standards which includes:

AASB 2018.7 Amendments to Australian Accounting Standards – Definition of Material

This standard principally amends AASB 101 *Presentation of Financial Statements* and AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*. It applies to reporting periods beginning on or after 1 January 2020 with earlier application permitted. The Library has not elected to adopt this standard early.

AASB 2020.1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or NonCurrent

The amendments refine and clarify the definition of material in AASB 101 and its application by improving the wording and aligning the definition across AASB standards and other publications. The amendments also include some supporting requirements in AASB 101 in the definition to give it more prominence and clarify the explanation accompanying the definition of material.

The Library is in the process of analysing the impacts of this standard. However, it is not anticipated to have a material impact.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

8 OTHER DISCLOSURES (Cont'd)

8.11 Glossary

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 nonproduced physical or intangible asset. This expense is classified as another economic flow.

Bequests/Donations (endowed) and Bequests/Donations (non-endowed)

Bequests/Donations (endowed) are where the capital of the bequest must be preserved in perpetuity but where interest can be spent in accordance with donor conditions. Bequests/Donations (non-endowed) are where capital can be expended in full in accordance with conditions.

BOSS

Ballarat Offsite Storage. Building is on land owned by Federation University. BOSS2 refers to the building of a second facility at Ballarat, construction of which commenced in 2017–18.

Capital asset charge

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

Commitments

Commitments include those operating, capital and other outsourcing commitments arising from noncancellable 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.

Corpus

The Library's permanent fund that is preserved in perpetuity and generates funds to support the Library's long term sustainability. It excludes bequests for a specific purpose where capital must be preserved.

CSO

Community Service Obligation

CV

Creative Victoria

DJPR

Department of Jobs, Precincts and Regions (formerly DEDJTR)

DPC

Department of Premier and Cabinet

DTF

Department of Treasury and Finance

DV

Development Victoria (formerly Major Projects Victoria)

Depreciation

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

Effective interest method

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

Employee benefits expenses

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

Ex-gratia expenses

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

Financial asset

A financial asset is any asset that is cash, an equity instrument of another entity, or a contractual right to receive cash or another financial asset from another entity.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

8 OTHER DISCLOSURES (Cont'd)

Financial instrument

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

Financial liability

A financial liability is any liability that is:

- (a) A contractual obligation:
 - (i) to deliver cash or another financial asset to another entity, or
 - (ii) to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity, or
- (b) A contract that will or may be settled in the entity's own equity instruments and is:
 - (i) a nonderivative 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 paragraph 41 of AASB 101.

FMA

Financial Management Act 1994

FVOCI

Fair Value through Other Comprehensive Income

FVTNR

Fair Value through Net Result

FVTPL

Fair Value through Profit/Loss

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 nonmarket 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 nonreciprocal transfers.

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

Grants for 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 nonprofit institution).

GST

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

Intangible assets

Intangible assets represent identifiable nonmonetary assets without physical substance.

Interest expense

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

8 OTHER DISCLOSURES (Cont'd)

Interest revenue

Interest revenue includes interest received on bank term deposits, interest from managed investment schemes, and any other interest received.

KMP

Key management personnel

LSL

Long-service leave

Net result

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

Net result from transactions / net operating balance

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

Non-financial assets

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

Other economic flows included in net result

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

Supplies and services

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

TCV

Treasury Corporation of Victoria

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.

VFMC

Victorian Funds Management Corporation

Disclosure index

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

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