



STATE LIBRARY
VICTORIA
What's your story?

Library Board of Victoria Annual Report 2018-19



Library Board of Victoria Annual Report 2018–19

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President's report



This is an exciting time in the history of State Library Victoria.

Our \$88.1 million Vision 2020 project to renew and reimagine the Library, and the services it offers, is entering its final stages prior to completion later this year.

Our importance to the cultural, economic and social fabric of Victoria continues to grow. With the challenges of rising inequality and fake news confronting today's society, our role as a free, democratic and independent knowledge resource for the whole community is more important than ever.

We are proud of the fact we rank as the world's fourth busiest public library, no small feat for the world's 54th largest city. It underscores Melbourne's love of books and literature as a UNESCO City of Literature, but also how the State Library is reinventing itself to serve the needs of the modern community. Dire prognostications a few years ago of the death of the public library in the digital era have proven substantially wide of the mark – bearing out once more the wisdom of the old observation that predictions are hard, especially about the future.

Our role as a vital support service for Victoria's education sector continues to grow. International education is now Victoria's largest export industry, so our economic importance to the state continues to rise as well.

The Library also continues to grow in popularity as a cultural tourism destination. This was recognised in being named Gold cultural tourism award winner in the RACV Victorian Tourism Awards for the second year in a row, as well as receiving top honours once again in the National Meetings & Events Australia Awards for a unique event venue.

When Vision 2020 is complete, we are confident that the building's role and patronage will continue to grow. In part, this will be because of 40 per cent more space, 70 per cent more seating, and state-of-the-art facilities that will feature in the redeveloped Library. In part it will be due to the drawcard of the sheer physical beauty of many of the Library rooms, concealed for decades but now lovingly restored. We are confident they will stun many of even our most regular visitors, especially The Ian Potter Queen's Hall. And in part it will be due to imaginative new exhibitions that will be enabled in these beautiful rooms – a good example being the forthcoming visit of cricket's iconic Ashes Urn as the centrepiece of the new Victoria Gallery's inaugural exhibition, *Velvet, Iron, Ashes*. The history of the urn is woven into the history of this state, which the Library will bring to life when Victoria Gallery opens in late 2019 with the generous support of the urn's custodian, the Marylebone Cricket Club.

We've managed to sustain patronage and services during the Vision 2020 redevelopment, despite major works and interruptions, due to superb project management by our staff, project manager Development Victoria and lead contractor Built. The project is on time and on budget, and scheduled for completion pre-Christmas. In September 2018 we were delighted to open permanently the Russell Street entrance to the building for the first time since the Melbourne Museum moved from this site to dedicated premises decades ago. The reopened entrance and adjoining rooms have already proved popular with Library patrons and improved public access to the building.

We were delighted to announce Gandel Philanthropy as our sixth major donor to Vision 2020 with their very generous \$2 million donation



State Library CEO Kate Torney and Board President John Wylie at the Swanston Street entrance construction site.

which will support the delivery of children's literacy programming in the new Pauline Gandel Children's Quarter. This will foster a love of stories and imagination in the next generation of young Victorian readers – a great long-term dividend for the community.

The Library building is important, but it's ultimately not about the building – it's about the services we offer the public. To this end, our collection continues to grow, the resources we offer continue to grow, and we've launched or will shortly launch new services geared to the future needs of the community, such as the Foundry658 creative industries startup incubator in partnership with ACMI, and our StartSpace entrepreneur advice centre.

Any organisation is ultimately a function of its people, and our Library is no different. We are blessed to have a talented and highly competent team, who love our institution. One recognition of this is the 2018 Inclusion Award received this year from Volunteering Victoria for innovation in developing an inclusive and diverse volunteer culture.

I thank Chief Executive Officer Kate Torney and her team for their continued excellent work during the year. They are, to a person, professional, highly capable and unflappable.

I acknowledge several long-standing and valued members of Library staff who retired in recent months – their love for the Library has shone through, and their service has been both substantial and highly valued by Library patrons.

We appreciate all they have done for our institution.

During the year, board members Dennis Goldner and Bruce Akhurst retired after a maximum nine years of service, while Karen Quinlan and Professor Carolyn Evans took up important new career opportunities interstate. Each of them made an outstanding contribution to our Library and in turn to the public of Victoria. We are deeply appreciative of their service and contribution. I welcome our four new board members – Karen Wood, Hugh Williams, Donata Carrazza and Cheri Ong – who are approaching their new roles with enthusiasm and will also make a significant contribution.

My thanks, too, to all fellow board and committee members, Friends of the Library, volunteers, partners, sponsors, donors and our many other supporters. Each of you plays an important role in the Library's work serving the people of Victoria.

In accordance with the *Financial Management Act 1994*, I present the Library Board of Victoria's annual report for the year ending 30 June 2019.

John Wylie AM
President, Library Board of Victoria

Chief Executive Officer's year in review



I am delighted to submit my fourth report as Chief Executive Officer of the State Library.

It's been an extraordinary year of hard work and achievement, as well as construction and planning for the completion of Vision 2020. Following the opening of the new Russell Street Welcome Zone, the Isabella Fraser Room event venue, and two new reading rooms, the Library team is busy preparing the programs, services and exhibitions which will bring further new spaces to life when they open later this year.

With the Swanston Street entrance and ground floor closed for construction since September 2018, the Library has continued to provide uninterrupted service and access to the State Collection. Online, our new search interface launched in August has made navigation, tablet and mobile interactions easier and more enjoyable – visits to our websites this year have again increased.

Across the Library during 2018–19, we had:

- 1,891,093 visits onsite
- 4,906,174 visits online
- 39,316 reference queries
- 34,928 new member registrations
- 150,728 physical collection items accessed
- 1,495,640 uses of digitised collection items.

In February we were thrilled to announce that the Library is to be the new home of the Melbourne Writers Festival, enhancing Melbourne's literary precinct and status as a UNESCO City of Literature. The relocation will allow the festival to pursue new opportunities using the Library's collections, digital technology and creative facilities.

Digital and business literacy have also been a focus this year with the first cohort of creative entrepreneurs coming through the Foundry658 business accelerator program. This innovative collaboration with the Australian Centre for the Moving Image (ACMI) delivers on a key initiative of the Victorian Government's Creative State strategy in providing training and support to kickstart the next generation of cultural and creative enterprises.

The Library also supports new work through our Fellowships Program. We were pleased to add three new fellowships to our Fellowships Program, which remains one of the largest in Australia. This year we are offering a new Photography Fellowship, Regional Fellowship and the Tate Adams Memorial Residency. Since its inception in 2003 more than \$2.5 million has been invested in this program, giving fellows the opportunity to explore and create original new works drawing on the Library's collection.

The Library's collection was also the source of inspiration for the three RMIT students whose original creations have been on show across the Library forecourt throughout the year. While construction is underway at the western end of the building, the hoardings provide a unique opportunity to display these impressive large-scale public artworks that herald a new generation of Victorian artists.

The work of building the State Collection continues and in March we launched a public appeal to raise \$75,000 to acquire the extensive archive of award-winning newspaper photographer Bruce Postle. The archive serves as an invaluable record of some of the most

important moments in Australian history over the past 50 years. With public support the Library will conserve this stunning collection, making it available for future generations to discover, use and enjoy.

As a member library of National and State Libraries of Australia (NSLA), we proudly helped launch the new National eDeposit Service (NED). This national approach to digital collecting is a world first and will ensure that our state and territory libraries can maintain a comprehensive collection of Australia's publishing material, both in print and online.

My sincere thanks to Library Board of Victoria President John Wylie, Foundation Council Chair Maria Myers, Finance Committee Chair Christine Christian, and outgoing Audit and Risk Management Committee Chair Dennis Goldner, and to the Board and committee members for their leadership, generous support and expertise. The Library team and I look forward to working with our newly appointed board members in the coming year.

The Library's work would not be possible without the support of the Victorian Government. I thank Minister for the Creative Industries, Martin Foley MP; Deputy Secretary, Creative, Sport and Visitor Economies and Chief Executive, Creative Victoria, Andrew Abbott; and Secretary, Department of Jobs, Precincts and Regions, Simon Phemister.

To my dedicated colleagues and the Library's volunteers, thank you for your hard work and commitment. It is an honour to work with you to uphold the very best traditions of the State Library, while delivering world-class 21st-century library services.

A handwritten signature in black ink, appearing to read 'Kate Torney', with a long, sweeping horizontal line extending to the right.

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 for the reporting period were completion of the next scheduled stage of Vision 2020, which included opening the first of the redeveloped public spaces, and implementation of a new high-level organisational structure developed by Library staff.

The Russell Street Welcome Zone and two new reading rooms opened as planned in September 2018, timed to coincide with the closure of the ground floor and Swanston Street entrance for the next stage of Vision 2020 construction. The launch of the Victoria Gallery has been rescheduled to spring 2019, opening with the inaugural exhibition *Velvet, Iron, Ashes*.

The first phase of the workforce plan was completed in September 2018 with implementation of restructured business units in a design developed by a staff advisory committee. The second phase of the workforce plan will focus on redesigning team structures and processes within the new business units.

Key initiatives for 2019–20 will be:

- completion of the Vision 2020 redevelopment project, with all new spaces open and operational
- implementation of new team structures and processes in a second phase of workforce transformation
- 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.

As the reimagined Library unfolds, we have continued to welcome visitors and provide access to free spaces,

services, programming and the world-class State Collection. The year's visitation again exceeded targets, both onsite and online.

Vision 2020

The Vision 2020 redevelopment is now in its final phase and remains on schedule for completion in late 2019. The project reached a significant milestone in September with the official opening of the first of our redeveloped public spaces, marking the halfway point of the \$88.1 million transformation of our historic buildings.

We unveiled two new reading rooms in heritage galleries previously closed to the public. These new reading rooms house the newspapers, family history and arts collections. We also opened a dedicated special-events venue, the Isabella Fraser Room (named after the Library's first listed female staff member), supported by a new state-of-the-art production kitchen.

The newly reopened entrance on Russell Street and a new accessible entrance on La Trobe Street now open onto a vibrant lounge and meeting area – complete with a new cafe, Guild, and a bigger, relocated Readings bookshop. A 29-metre original artwork by Melbourne artist Tai Snaith spans an entire wall. This impressive large-scale work, *Open book*, was inspired by titles found on the shelves in the adjacent Redmond Barry Reading Room, and has been shortlisted for the World Illustration Awards.

Work continues on the world-class Victoria Gallery, endowed by the John and Myriam Wylie Foundation. In March 2019, we announced that the iconic Ashes Urn, on loan from its home at London's Marylebone Cricket Club, will be the centrepiece of the Victoria Gallery's inaugural exhibition, *Velvet, Iron, Ashes*, which opens in late 2019.

Vision 2020 received a significant gift in January when Gandel Philanthropy donated \$2 million to provide dedicated literacy programs for 5 to 12 year olds, designed by children, for children. This generous donation will also help deliver the Pauline Gandel Children's Quarter, a specially built space six times larger

than the previous space for children's programming, which will include a two-level storybook castle, a running track, a maker-space and a new children's book collection.

Gandel Philanthropy joins The Ian Potter Foundation, the John and Myriam Wylie Foundation, the Hansen Little Foundation, Maria Myers AC and Allan Myers AC QC and Christine Christian as Vision 2020 major donors. Along with contributions from public donations, the Library's supporters have helped us reach our \$27.7 million fundraising target. This support, together with the Victorian Government's \$60.4 million investment, makes Vision 2020 possible.

Community engagement programs

The Library delivered 1443 program sessions in 2018–19, including onsite, offsite and online events.

The Library offered tours of the conservation lab as part of our participation in July's annual Open Melbourne weekend, when significant buildings and sites across the city open to the public. Many tour participants were visiting the Library for the first time.

Rare Book Week, also in July, is a much anticipated annual event among lovers of words and print. The 2018 program featured a series of presentations and talks by the History of the Book team. Highlights included a booked-out session on pop-up books from the 19th century to today, and opportunities to view limited edition 20th-century artist books from the Library's collection.

Melbourne-based poet Wāni Le Frère was crowned Victorian slam poetry champion at the Australian Poetry Slam state final held at the Library in September. Thirteen poets from across Melbourne and regional Victoria performed their original works. One of Australia's top performance poets, Joel McKerrow, hosted the event. The performers ranged in age from 11 to a poet in her late 70s.

In October the Lexus Melbourne Cup was displayed at the Library, offering a chance to see the legendary cup up close and be guided by expert Library staff through Victoria's eventful horseracing history.

Author Alexis Wright, the 2018 Stella Prize winner and Boisbouvier Chair in Australian Literature, delivered the 2018 Stephen Murray-Smith Memorial Lecture in December. Titled *Censorship and telling the untold stories*, the lecture canvassed what might become of humankind if we stopped telling stories about who we are, or if our stories were diminished in a censored world.

The groundbreaking mid-century designs of Melbourne-born artist Clement Meadmore were explored in a series of events in December and February featuring State Library Creative Fellows Jeromie Maver and Dean Keep, curators of The Ian Potter Museum of Art's exhibition *Clement Meadmore: the art of mid-century design*. The exhibition was the result of 10 years of research and an honorary fellowship at the Library.

In February, Louise Anemaat, author and Executive Director at the State Library of New South Wales, gave the Foxcroft Lecture on the unseen art of the First Fleet, showcasing six volumes from a private aristocratic library in England filled with 745 previously unseen botanical and zoological drawings dating from the 1790s.

With large parts of the Library under construction, we took the opportunity to take our visitors out into the city surrounds. Award-winning author Lucy Sussex led a series of tours on *The mean streets of old Melbourne*, which uncovered the nefarious heritage of Marvellous Melbourne. State Library Creative Fellow and *Blue Lake* author David Sornig also led walking expeditions through an area to the west of Melbourne's CBD that was once a saltwater lagoon, swamp and the location of the Depression-era shanty town Dudley Flats.

In March and April, we partnered with Royal Botanic Gardens Victoria to present two Rhyme Time sessions for babies and young children in the glorious Royal Botanic Gardens, and delivered offsite early years programming sessions at Moonee Valley Library Service and Vision Australia.

Two great American thinkers who have spent years immersed in the world of libraries joined the Library's CEO Kate Torney in May for a public discussion, co-hosted with the Wheeler Centre, about what libraries mean to us. Susan Orlean is author of *The library book*, about the unsolved Los Angeles Public Library fire of 1986, and Paul Holdengräber is the former director of public programming at the New York Public Library.

In another joint venture, with partners Schwartz Media and Aesop we invited the public to join us for a look inside the news at a Saturday morning session in May with the editor-in-chief of *The Saturday Paper*, Maddison Connaughton. The big stories of the week and the major themes of the year were discussed and debated over free coffee, with free copies of *The Saturday Paper* for attendees.

Our fortnightly Dome at Dusk series of curator floor talks in the *World of the book* and *Changing face of Victoria* permanent exhibitions continued to draw repeat visitors. These popular events featured talks on everything from the 20th-century literary collaboration between author

Charmian Cliff and her husband George Johnston to the medieval art of dying, and the art and science of the ill-fated Burke and Wills expedition.

Connecting with the community

Amid the year's building activity, onsite visitation was above target while online engagement continued to set new records. Our total visitation numbers – onsite and online – reached almost 6.8 million, well ahead of the year's 6.2 million target.

We hosted 1,891,093 onsite visits for the year, well above the target of 1.5 million set in line with limited space availability and the temporary closure of the Swanston Street entrance for Vision 2020 construction.

The Library was again recognised with a Gold award in the cultural tourism category of the RACV Victorian Tourism Awards, for the second year in a row. The category recognises visitor destinations that foster an appreciation of culture, history, heritage and the arts.

The Library's websites hosted 4,906,174 visits – a substantial increase on the previous year's 4,483,662 visits. This new benchmark follows the launch of our new online search interface in August 2018. It provides cleaner, more intuitive navigation and vastly improved experience on mobile and tablet devices.

We relaunched one of the Library's most popular websites, *Inside a Dog*, in February. The redesigned site hosts new features to encourage reading for pleasure and peer-to-peer engagement among teens aged 12–18.

Social media platforms continued to attract new followers, with Facebook growing 4.5 per cent to 69,188 and Twitter by 6 per cent to 32,549. Our Instagram following jumped by 39 per cent to 34,049, helping take our total online social community on these platforms, plus Flickr and YouTube, to 137,297.

Our social media content reached 8,731,142 news feeds in 2018–19, resulting in 534,559 engagements and an overall 6.17 per cent engagement rate, up from 4.97 per cent in 2017–18.

The year's highest reaching tweet, with 105,000 impressions and 5000 engagements, contained a pie chart showing the various ways Shakespeare's characters meet sticky ends. The Bard was also at the centre of the year's most popular Instagram post, with a reach of 32,956 and 2985 engagements. It featured a piece from the Library's collection: a tiny bookshelf filled with miniature volumes of Shakespeare's works, published around 1930. On Facebook the miniature

Shakespeare library had the highest reach at 60,000, with 8000 engagements.

Media coverage of the Library and its activities in 2018–19 was valued at \$46,895,134 and reached an audience of 213,717,832. This represents a 53 per cent increase in the value of coverage achieved compared to 2017–18 and a 49 per cent increase in audiences reached compared to 2017–18.

The September opening of the first of our Vision 2020 public spaces, officially marking the redevelopment's halfway point, attracted widespread media coverage. Other widely covered events and announcements included Gandel Philanthropy's \$2 million contribution for the Pauline Gandel Children's Quarter, our new partnership with the Melbourne Writers Festival, and the news that the Library will be bringing the Ashes Urn back to Melbourne for display in the Victoria Gallery.

In January the Library hosted Channel Ten's flagship reality program, *MasterChef Australia*, in an episode highlighting our new full-scale production kitchen and featuring recipes from the Library's collection that inspired the royalty-themed feast. British writer and cook Nigella Lawson co-hosted the segment, which aired in May to audiences around Australia and the world.

Digital delivery

The Library's Digital Experience Transformation Strategy continues to refine and enhance experience and services for online visitors. Implementation of the Rosetta digital object management and preservation system reached a milestone in February when our digital image pool switched to serving images from Rosetta instead of from the previous system, DigiTool. This is the first major use of Rosetta in production, making images, maps and plans available through a refreshed and more intuitive interface.

2018–19 ICT expenditure

BAU expenditure Total	Non-BAU expenditure Total = A+B	Operational expenditure A	Capital expenditure B
\$3,716,270	\$1,346,399	\$1,275,854	\$70,545

Customer service

Professional development programs throughout the year supported the Library team as we prepared to open and operate the new areas.

Onsite visitor satisfaction, as measured by the annual intercept survey, was above target at 92 per cent. Our volunteer greeter program, launched in 2017–18, continued to enhance visitor experience onsite.

Volunteers

For more than 30 years the Library has benefited from the expertise and generosity of volunteers who work alongside staff to support programs and collection projects. Throughout the year, volunteers contributed 12,324 hours, exceeding annual targets.

The past year was the first full 12-month period in which volunteers worked front-of-house to welcome and guide visitors under the Volunteer Greeters initiative, part of our revitalised volunteer program. Volunteer greeters come from a wide range of backgrounds and speak more than 15 languages. New rounds of recruitment for greeters were held throughout the year, bringing the total number of trained greeters to approximately 150.

As well as improving visitors' experience of the Library, the Volunteer Greeters initiative benefits volunteers who find themselves a long way from home – such as international students – by welcoming and valuing the many different perspectives and personal attributes they bring.

This program won the Inclusion Award at the 2018 Volunteering Victoria state awards. The award recognises the Library's innovative approach in recruiting volunteers with a wide range of ages and cultural backgrounds, who are often excluded from mainstream volunteering.

Front-of-house volunteers also led 816 building and exhibition tours for 6021 attendees. Back-of-house volunteers continue to play a vital role in supporting staff across a range of areas. Examples of their contributions include cataloguing the Library's zine collection, the largest in Australia, making zines available to the public more quickly than would otherwise be possible; and working with the Preservation team to rehouse our book binding archive, helping ensure its long-term survival.

No barriers

We are accessible to everyone and welcoming to all.

The Library continued our commitment to delivering inclusive services across all age groups, cultures and abilities. Under our Diversity and Social Inclusion Action Plan 2017–20, we set out ways to better engage with and serve 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.

Cultural and linguistic diversity

Our recruitment and training of volunteers fluent in a range of languages has helped us better serve Victorians of different cultural and language backgrounds, and our many international visitors.

More than 34 per cent of visits originate from overseas, and 33 per cent of visitors described themselves as having a CALD background.

Students comprise more than a quarter of our onsite audience and 60 per cent of these are international students. During the year we formed an international student advisory committee to help us better understand what kinds of programs members of this community would like us to offer. We held workshops with students in November and December and have begun developing relevant programming to enhance their experience of the Library.

Aboriginal and Torres Strait Islanders

The Library acknowledges the heritage and culture of Victoria's First Peoples. We are committed to supporting nationally and internationally recognised protocols and are working to ensure that the voices of Victoria's Aboriginal and Torres Strait Islanders are heard, and that the community is involved in the development of our Indigenous programs, services and collections.

Our inaugural Aboriginal family history day in August was booked out. We invited members of Victoria's Aboriginal community to unlock the tools to research their family history, using resources in the Library's collection including word lists, mission reports, massacre maps, and burial lists. The day included sessions with highly regarded Aboriginal family historian Aunty Sandra Smith, a presentation from the Library's Family History team and a demonstration by Allara Pattison from the Koori Unit on the online keeping place, Mukurtu. Aboriginal community organisations Link Up, Connecting Home and the Koorie Heritage Trust gave presentations about Stolen Generations, and the Stolen Generations yarning circle was a highlight, described by one participant as 'a healing experience'.

Our July school holiday programs for children and families included fully booked workshops facilitated by Indigenous artist Lisa Kennedy, who illustrated the picture book *Welcome to Country*, and Ron Murray, an internationally respected didgeridoo musician, cultural educator and storyteller.

The year's acquisitions included a work from emerging artist Hayler Millar-Baker, a Gunditjmara woman from south-west Victoria. Her 2018 work *Untitled (So he mixed arsenic with half the flour and a raging thirst was created)* is from her series *Unwarranted Events*, which portrays stories of the Gunditjmara people during the colonisation of western Victoria.

Visual and performance artist Hartley Briggs was the Library's inaugural Indigenous Victorian Aboriginal

Cultural Research Fellow in 2018–19. His research project focused on developing publications that provide a more accessible format for cultural material to be used by the Indigenous Victorian Aboriginal community. The Library is again offering an Indigenous Victorian Aboriginal Cultural Research Fellowship in 2019–20, which has been awarded to Mandy Nicholson for a project using the Library's collections to investigate Wurundjeri seasons and ceremony related to the feminine stars.

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 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.

NSLA's Cultural Learning Project is part of a national effort to provide culturally safe public spaces and services in libraries for Aboriginal and Torres Strait Islander peoples, and a supportive workplace for Aboriginal and Torres Strait Islander staff where they are able to confidently draw strength in their identity, culture and community. It is a long-term commitment from all NSLA libraries. During the first half of 2019 a number of the Library's staff participated in a pilot to test the online Core Cultural Learning program developed by AIATSIS. This program will be now be completed by all staff in NSLA libraries over 2019–21. It represents a practical commitment to respectful interactions and collaborations with Aboriginal and Torres Strait Islander individuals, families, community groups and organisations, and complements other activities undertaken by the Library to support these communities.

We are currently preparing to open the new Victorian Indigenous Resource Centre next year. This centre will be adjacent to the domed La Trobe Reading Room, in the heart of the Library, and will provide a dedicated service to welcome and encourage Aboriginal Australian peoples to access Indigenous materials in the collection.

Universal access and regional engagement

The Library maintained an active presence in outer metropolitan areas and regional Victoria. Our busy schedule of school and holiday programs included creative workshops for students from socio-economically disadvantaged schools, as well as our successful Foundry658 regional roadshows.

Foundry658, our new creative industries accelerator in partnership with ACMI, teamed with 10 regional councils, libraries and galleries in Kyneton, Morwell,

Melbourne, Bendigo, Narre Warren and Wodonga to host Roadshow information sessions, generating hundreds of registrations of interest from artists, creatives and entrepreneurs keen to increase their business skills.

In Bendigo, more than 60,000 partygoers flocked to White Night Bendigo in September. The Library provided historic digital images of the town for a spectacular projection screened on the historic Colonial Mutual Life Building.

Bendigo also hosted the August shortlist announcement for the 2018 Inky Awards for young adult literature during the Bendigo Writers Festival schools' day. The shortlist was selected by a panel of nine teen judges from around Australia and included 10 titles across two categories: the Gold Inky for Australian fiction and the Silver Inky for international fiction. The announcement was made in partnership with Bendigo Writers Festival, City of Greater Bendigo and La Trobe University.

The Library's popular *Self-made: zines and artist books* exhibition – developed in partnership with Sticky Institute – continues its regional tour, which has been made possible with funding from Visions of Australia. During the reporting period it was on display at the Mildura Arts Centre in Victoria, before moving to Murray Bridge Regional Gallery in South Australia, and then to the New England Regional Arts Museum and Tweed Regional Gallery in New South Wales. *Self-made* is currently on display in Toowoomba Regional Art Gallery, Queensland, and will finish its two-year tour at the Latrobe Regional Gallery in Morwell, Victoria, in the second half of 2019. It has so far reached more than 30,000 visitors.

In July, the Story Camp program for students aged 12–15 years presented 27 workshop sessions across three days, with 64 talented teen participants. Facilitators provided opportunities to develop creative skills through audio-storytelling, world-building and writing to a theme. This philanthropically funded program, which concludes in July 2019, gives priority to students from schools that are at a socio-economic disadvantage. The program has been made possible through the generous support of the Packer Foundation and Crown Resorts, and delivered in partnership with Express Media.

A Vision Australia audit of the Library's assistive technology helped us identify ways in which the Library can improve our services for people who are blind or have low vision, who have dyslexia or cognition difficulties, or limited English language skills. Advice and recommendations from the audit are being considered as we prepare to update assistive technology equipment as part of Vision 2020.

Digital inclusion

Exploring new creative technologies, building digital literacy and providing fast and easy access to digital information are key elements of the Library's mission to minimise and ultimately eliminate online barriers for Victorians of every age, across the state.

In September, the Kindergarten IT Program and Family Programs teams conducted their first live virtual tour of the Library for a class of four-year-old kindergarten students from Campbellfield Preschool in the City of Hume. The virtual tour allowed them to experience the Library's spaces in real time remotely from their kindergarten. The following week the same class visited the Library and participated as the live audience for our Storytime live stream, with travel costs covered by the Library and a picture book gift for each visiting child. The ongoing development of integrated online and onsite programming will enable us to offer flexible options for our audiences and increase our outreach potential.

Engaging and educating

Our learning programs – onsite, online and through the statewide public library network – inspire and enable learners at every stage of life.

Overall, 4844 attendees took part in young learner and family programs during the year. Education programming for schoolchildren, both primary and secondary, catered to 19,761 students. We offered streaming Storytime sessions while the children's area is being redeveloped to create new spaces specially designed for young learners and families.

Celebrated Australian children's authors Andy Griffiths, Leigh Hobbs, Gabrielle Wang and Ailsa Wild facilitated the first of a number of co-design workshops with children aged 5 to 12 to create programming ideas and inspiration for the new Pauline Gandel Children's Quarter, opening in late 2019. The workshops formed part of a broader programming framework developed jointly with Gandel Philanthropy, which incorporates Auslan, languages other than English and livestreaming to enable greater access to literacy programming for children across Victoria.

The 1000 Books Before School campaign, run by the State Library in partnership with public libraries, began the 2018–19 year on a high note with the number of books read by participants having passed four million since launching in late 2016. The campaign aims to develop the reading habit and pre-literacy skills of children from infancy to the age of five, setting them up for success at school and throughout life. At the time of its conclusion as a statewide initiative in December, 43 Victorian public library services participated (90 per cent of the total), 59,373 children

were enrolled across the state, and 5,421,700 books had been read. Many libraries continue to run this campaign independently.

More than 250 people came to our inaugural VCE Top Talks event in February. Library Board member Maxine McKew was master of ceremonies for this TED Talks-style event, which showcased the top-performing VCE Extended Investigation students of 2018.

Other activities for secondary students included August's program of science-based activities for year 9–12 students, for National Science Week. Thirty-six students and their teachers from Lalor Secondary, Upwey High School and Lilydale Heights explored science resources in the collection and conservation science at the Library, including workshops in the conservation lab and viewing of rare scientific texts.

In October we announced the winners of the 2018 Inky Awards, Australia's national teen choice prize for young adult literature. The 2018 Gold Inky was awarded to *Paper cranes don't fly* by Peter Vu. The Gold Inky is awarded each year to an Australian author. The Silver Inky is awarded each year to an international author. The Silver Inky winner was US-based Angie Thomas for her novel *The hate U give*. Six teen Inky judges also featured at the Melbourne Writers Festival in August–September, chairing seven sessions attended by 1803 people.

We had the honour of awarding the 2018 Dromkeen medal for outstanding contributions to Australian children's literature to John Marsden at a ceremony at the Library in December. The author of more than 40 books, including the enduring 'Tomorrow' series, John Marsden is also a distinguished educator and advocate for young people.

In August and September we presented 16 sessions showcasing the Library's rare books collections to 184 students, academics and scholars, and the general public. We also offered three specialist Rare Books Summer School intensives in January–February, with expert guest and staff speakers holding three- and five-day courses on medieval books, the transmission of photographic images and rare book cataloguing.

Our joint project with the Koshland Innovation Fund, the Australian Learning Lecture (ALL), seeks to bring big ideas in education to national attention and strengthen the importance of learning in Australia for all Australians. This year, in collaboration with 10 Victorian public libraries, ALL presented 'Joy and Data' case-study seminars for educators from September to November. The six case studies, filmed in a range of Australian schools, demonstrated how innovative

educators use data to help learners find joy in learning, to flourish and tackle life's opportunities.

We delivered adult learning and professional development for 4767 attendees during the year. Throughout the year, a regular calendar of programming included practical classes and workshops on topics ranging from discovering ebooks and exploring the newspaper collection to researching family history and accessing the Library's vast resources from home.

Open and inviting

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

As we unveil new spaces we are able to offer greater access to our collection, both onsite and online. New exhibition spaces will encourage visitors to explore our collection in new ways, while changes to national copyright laws that took effect in January significantly raised the proportion of our collection that Victorians and members of our broader community can use for their own purposes. The new laws end perpetual copyright for unpublished works, meaning most works in our collection will have a copyright term limited to 70 years after the author's death. This brings many works – for example, letters and diaries by public figures or by World War I soldiers – into the public domain, and available for use.

Collection development

Over the year, 67,423 items were added to the Library's collection and 59,779 new bibliographic records were added to the catalogue. Our electronic book collection comprises 18,195 titles, on track for our target of 20,000 ebooks by 2020. Our collection of licensed electronic resources for onsite research and for registered Victorians to use at home continued to grow.

Significant electronic resources acquired during the year include:

- *The New York Times* and index
- *The Wall Street Journal*
- *The Washington Post*
- *The Boston Globe*
- *The Guardian*
- *The Observer*
- *The Irish Times* and *Weekly Irish Times*
- ProQuest historical newspaper titles, including the *Times of India*, *South China Morning Post* and *San Francisco Chronicle*
- US and UK editions of the *Harper's Bazaar* archive
- *Migration to new worlds*, a resource exploring the movement of peoples from Great Britain, Ireland, mainland Europe and Asia to the New World and Australasia
- *Age of Exploration*, focusing on maritime exploration from the earliest voyages of Vasco da Gama and

Christopher Columbus, through to the establishment of European settlements on every continent

- *First World War: A Global Conflict*, exploring the war as a conflict across the world that involved countries rarely mentioned in published histories,
- *Gender: Identity & Social Change*, looking at gender roles and relations from traditional femininity and masculinity to the struggle for women's rights and the emergence of the men's movement.

In March we launched a public appeal to raise \$75,000 to acquire the extensive archive of award-winning photographer Bruce Postle. The Bruce Postle Archive will offer an important and compelling insight into images that have captured the social, political and sporting history of Australia. For more than 50 years working as a photojournalist for *Queensland Country Life*, *The Courier-Mail* and *The Age*, Bruce Postle gained rare access to significant people, places and events.

Postle's personal archive contains nearly 100,000 items including prints, transparencies and ephemera. The collection will join the Library's photographic archive of more than one million images, and is the largest of its kind to be acquired by the Library. Highlights of the archive include the 1970 Vietnam War moratorium rallies, the aftermath of the 1970 West Gate Bridge collapse and the 2009 Black Saturday bushfires. The archive also contains photographs from the Rolling Stones' first tour of Australia in 1965 and the iconic image of former Prime Minister Malcolm Fraser in his Windsor Hotel bed on the morning after his 1980 re-election.

Visual arts were strongly represented in the year's significant acquisitions. They included the purchase of two goldfields watercolours by Maryborough apothecary George Mussell. Original watercolours from the colonial period are increasingly rare so it is important to secure and preserve these representations of living and working conditions on the Victorian goldfields.

The Library has been fortunate to receive the donation of the Peter Corlett Archive. Peter Corlett is one of Australia's finest figurative sculptors. His commissioned works adorn Australia's iconic public spaces including the Australia War Memorial, the National Gallery of Victoria, and the State Library forecourt, with his statue of Charles La Trobe. This extraordinary archive contains more than 40 small-scale models created in metal, wax and wood, providing a unique insight into the process of creative design and technical implementation of one of Victoria's most acclaimed artists. The archive, donated in August, also includes paperwork connected with his commissions, slides and business records.

Another significant donation was made by the Vali Myers Art Gallery Trust. Vali Myers was a flamboyant

fantasy artist who worked in pen and ink as well as in watercolour. The Trust agreed to donate her archive, including diaries, photographs, original artworks, correspondence, annotated books and personal items such as jewellery and textiles.

We also received a donation of drawings by modernist architect Best Overend covering work from the 1930s to the 1960s related to his design of cinemas, houses, hotels, schools and commercial buildings.

Albert Ullin, who died in September, founded Australia's first specialist children's bookshop, The Little Book Room, in Melbourne in October 1960. His lifelong association with children's authors and book illustrators saw him acquire a significant collection of original art works, some containing personal messages from their creators. The collection, which has been donated to the Library and adds to our internationally significant collection of children's book art and illustrations, features works by illustrators such as Terry Denton, Raymond Briggs and Pamela Mullins.

We have also made significant literary acquisitions, filling a gap in our notable collection of editions of James Joyce's *Ulysses* with the purchase of a 1934 edition, the first published in the United States after a censorship ban was lifted. *Ulysses* is one of the most significant works of literature ever written, hence the importance of our collection, which includes the very rare first edition published in France in 1922.

The Library acquired digital drafts, correspondence, reviews, editor's comments, and related digital documents relating to Ouyang Yu's English-language novel *Billy Sing*, a 2017 work inspired by the celebrated World War I Australian-Chinese AIF sniper of the same name. This collection makes a welcome addition to the Library's digital literary holdings of important Australian writers. Its digital format, largely Word documents and Mac files, will complement other significant digital collections from authors such as Sonya Hartnett and Peter Carey.

The Library also acquired the papers of Alison Summers, the editor and theatre director who edited many of Peter Carey's novels between 1985 and 2001, including two Booker Prize winners. The collection includes drafts, typescripts, digital content, photographs, books and personal items relating to Summers and Carey.

The Library now holds a complete set of the rare Victorian publication *The Footballer*, the earliest annual on the game of Australian rules football, and the only such set in Australia. We acquired five volumes at auction, spanning 1877–81, to add to our two volumes already held, for 1875–76.

Digital collection discovery

A total of 786,207 digitised items were available on the Library's website at year's end and via the National Library of Australia's Trove database, to which the Library continued to contribute pages from Victorian newspapers.

Significant collections digitised include 19th-century Victorian journals, Sands & McDougall directories, pre-1920 theatre programs, Committee for Urban Action photographs showing 1970s streetscapes of South Melbourne and Fitzroy, and the Rosenberg collection – glass plate negatives by photographer Vincent Kelly of studio portraits from Bendigo between 1900 and 1940.

Migration of digitised and 'born digital' materials from DigiTool to Rosetta continues with nearly 5,250,000 files ingested to date. In this first phase, launched in January, more than 170,000 non-culturally sensitive, out-of-copyright images in the Library's digital image pool became accessible through Rosetta via new viewers that offer an improved interface and mobile experience, and International Image Interoperability Framework (IIIF) support to encourage sharing and re-use.

The Library's legacy data project seeks to improve the discoverability of the Library's collections. During the year the Library team created an inventory of collections requiring description or data enhancement. The inventory is helping us plan for projects that make these collections available for use, review current collection workflows from acquisition to delivery, and aids planning for future collecting.

At the end of 2018–19, approximately 112,500 of the 170,000 records we identified as substandard (66 per cent) had been upgraded and are now discoverable via our own catalogue interface, Primo, through the national public interface, Trove, and through the global database WorldCat. Overall, 60,624 records were upgraded in 2017–18 and 51,876 in 2018–19, in addition to new records added to the catalogue.

Collection storage

The offsite storage expansion project (BOSS2) – which is a deliverable under the Victorian Government's *Creative State* strategy – reached a significant milestone with the handover of the new building in May. The next stage of the project includes procurement and installation of specialist collection storage systems for the Large Objects, Cool/Cold and Heritage and Exhibition Furniture stores.

Moves of collection material to support the second phase of Vision 2020 construction were completed

in late 2018. Preparation is underway for collection material to move into The Ian Potter Queen's Hall in late spring 2019. Fourteen crates of oversized paintings were moved to climate-controlled offsite storage. The paintings, which were too large for onsite storage, remained in commercial storage until early June and are now stored at the Library's Ballarat Offsite Storage facility (BOSS). We moved 10.76 kilometres of collection material during 2018–19, including 450 metres of internal collection adjustments within BOSS.

Conservation and preservation

In 2018–19 the Library preserved and conserved 57,391 items. Newly acquired items assessed and treated through the quarantine store totalled 169 collections, with approximately 987 items and boxes of collection material in a wide variety of formats – manuscripts, books, records, pictures, textiles, objects, photographs.

We processed 23,842 items into the collection, and treated and prepared 581 items for exhibition at the Library.

Our specialist conservators treat an enormously broad range of items from the Library's collection, ranging from textiles and photographs to paper, artworks and books. The conservation lab, where collection items are expertly preserved for future generations, was the focal point of the Library's Open House Melbourne tours in July. Conservation science was also a key element of the Library's science-focused activities for Year 10 to 12 students during Science Week in August.

Our ability to assess and treat artworks was further refined during the year with the introduction of infrared imaging and ultraviolet light imaging. These non-invasive methods can be used to examine the surface and the underlying drawings and paint layers of collection items, to detect inscriptions and modifications, and identify deterioration. These methods were trialled on the 1860 painted photograph of Williamstown from Hobsons Bay by Andrew Rider, which has received major conservation treatment.

One of the year's most complex and challenging conservation projects was the preparation of the Pageant of Nations fancy-dress costume worn by advocate and entrepreneur Jessie Clarke in 1934 and 1935. Each part of the costume represents part of Victoria, from the state's irrigation scheme to the Yallourn Power Station to scenes from around Melbourne. During the year our conservation team completed treatment of the costume with the help of specialists from the UK. The costume will go on display in the *Velvet, Iron, Ashes* exhibition, when it opens in Victoria Gallery in late 2019.

The Marion Page Archive spans decades and includes personal correspondence, photographs, textiles and objects, financial records and business correspondence relating to the family's pastoral properties and business interests. A bequest from the estate of businessman Sir Clive McPherson supported the preservation housing and listing of his daughter's collection.

The Library successfully secured a grant to preserve and list the records of the Children's Protection Society of Australia, now known as Kids First Australia, which dates to 1896 and is one of the few secular non-government agencies working in child welfare. Access to the collection is restricted due to its sensitive nature. The grant will help the Library improve identification and retrieval of records where appropriate.

One of the ways in which the Library shares the collection with audiences who cannot visit the Library in person is through loans to other institutions. In 2018–19, exhibitions featuring items from our collections attracted more than one million visitors. We loaned 335 items to the following institutions:

- National Library of Australia, *Cook and the Pacific*
- Australian War Memorial, *Aftermath: the consequence of war*
- Bendigo Art Gallery, *Gothic beauty: Victorian notions of love, loss and spirituality*; also *Daughters of the sun and Tudors to Windsors: British royal portraits from the National Portrait Gallery London*
- The Ian Potter Museum of Art, *State of the union and Clement Meadmore: the art of mid-century design*
- McClelland Sculpture Park and Gallery, *Atlas of memory of Ford's natural Australian garden*
- Museums Victoria, *Make believe: the story of the Myer Christmas windows*
- Monash University Library, Sir Louis Matheson Library, *Indigenous rights: protest in print*
- The Old Treasury Building, *Wayward women*
- Creswick Museum, *The magic pudding*
- Counihan Gallery, *Fantastic worlds*
- RMIT Gallery, *Melbourne modern: European art and design at RMIT since 1945*
- Mildura Arts Centre, *Wes Walters*.

We made longer-term loans to St Patrick's Cathedral and to the Red Cliffs Library, Mildura, as well as loans for the touring exhibitions *Self-made: zines and artist books* and the National Gallery of Australia's *The national picture: the art of Tasmania's Black War*.

Exhibitions

In October, the *World of the book* exhibition – one of the Library's permanent exhibitions – reopened with more than 300 new items on display, including some never-before-exhibited material. This exhibition, housed in the Library's heritage Dome Galleries, explores the history of

writing, books and book design with items dating from 2050 BC to the present day. Some of the new items on display are recent donations and acquisitions: highlights include a display exploring the medieval art of dying, a rare south-east Asian manuscript, and surveys of writing and design by trailblazing women.

New items in our perennially popular *Changing face of Victoria* exhibition included photographs, drawings and testimonials of the Chinese miners of the gold rush; playbills and images that tell the story of Cremorne Gardens, Victoria's first amusement park; the personal papers of Detective John Christie, detailing his crime-busting work between 1866 and 1910; and the sketches, photographs and written accounts of World War I nurse Jessie Traill.

Photographs of Melbourne's mid-century architecture went on display for the first time in December for the exhibition *Peter Wille: out driving*. 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 showcase a period of experimental design. The groundbreaking work of architects including Robin Boyd, Peter McIntyre, Kevin Borland, and John and Phyllis Murphy ranges from post-war austerity to the heights of modernism, giving a unique and candid insight into a period of pioneering Australian architecture.

The Library's exhibition offering will be significantly expanded in 2020 and beyond with the opening of the new Victoria Gallery and refreshed Keith Murdoch Gallery, delivered as part of the Vision 2020 redevelopment.

Fellowships program

The Library continues to offer specialist fellowships to support scholarly endeavour and creative use of the collection in areas ranging from children's literature and social history to visual arts, theatre, 19th-century Victoria, photography and digital technology.

This year's fellowships program will deliver a total of 16 fellowships, collectively worth \$210,000. Three new fellowships were offered in 2019 – the Photography Fellowship, the Regional Fellowship and the Tate Adams Memorial Residency.

The inaugural Photography Fellowship was awarded to Hayley Millar-Baker for a project titled *Australia: B-Side*, an investigation of our histories with a focus on south-east Victoria from an Aboriginal perspective. It will weave new narratives on old 'truths' by reconstructing written, verbal and visual histories from the Library archives.

The Regional Fellowship was awarded to Robert Hudson & Dr Shannon Woodcock for *Shared histories of Gunai/Kurnai country: Finding 'Gippsland' in the State Library Victoria collections*. The project identifies and accesses primary Library sources concerning the European colonisation of Gunai/Kurnai country and will lead to a community-curated exhibition of these sources at the Krowathunkooloong Keeping Place in Gippsland.

The Regional Fellowship (Honorary) was awarded to Dr Christine Vickers for a project that requires translation from Hungarian to English of the papers of Clara Lazar Geroe, Australia's first training psychoanalyst. The translations will be a valuable contribution from regional Victoria to local and international scholars of the psychoanalytic diaspora.

The Tate Adams Memorial Residency at Baldessin Press and Studio was awarded to August Carpenter for *Terra incognita*, a series of large-scale monoprints depicting the rapidly changing glacial landscapes of the Antarctic ice shelf. Cartographic material and early exploration photographs from the Library collection will help this project provide an emotive visualisation of the importance of this still largely unknown landscape that is currently deteriorating at an unprecedented rate.

The Library awarded the following Creative Fellowships for 2019–20:

- Alison Croggon, for a middle-grade novel for children aged eight to 12 years, a magical adventure story that explores class and politics in Australia during the Great Depression, set in Melbourne's lively theatre district
- Kelly Jackson, Dr Luke Jackson and Maya Graham for *The brownout murders: An original graphic novel*, based on events during the Pacific War
- Professor Julian Meyrick, for *Immigrant artists in Melbourne theatre in the interwar years: the case of Dolia and Rosa Ribush*, to research the character and activities of these culturally influential theatre artists
- Dr Grace Yee, for *The Chinese question*, a poetry collection responding to historical and current narratives by and about Chinese people in Australia.

The Amor Residency at Baldessin Press and Studio was awarded to Judith Martinez for *Australis grandiflora*, a speculative historical narrative of fictional botanist Eleanor Nightingale and her quest to discover a mythical bloom – the *Australis grandiflora*. The project will be a visual narrative outlining the life and work of Nightingale.

The Children's Literature Fellowship was awarded to Matt Chun for a picture book for children aged eight to 12 years; his research will examine the history of

Australian children's books as reflecting or contributing to the visual culture and semiotics of settler colonialism and White Australia Policy, and the significance attached to boats, safe passage and our relationship with the sea.

The Digital Fellowship was awarded to Justin Kelly, to use state-of-the-art computer vision to enrich the Library's entire digital image collection, bringing a new depth and possibilities for improving image discovery and re-use via computer vision.

The Emerging Writers' Fellowship was awarded to Claire Albrecht for her manuscript *Handshake*, a project examining artists' books, printing techniques and media, searching for works combining poetry and photography. The work will investigate, among other things, the relationship between image and text.

The Georges Mora Fellowship was awarded to Ruth Höflisch for *Reality is only a word*, research that will result in a new time-based, visual art work that draws on the relationship between digital and analogue image culture and information processing, and a printed artwork for the Library collection.

The Indigenous Victorian Aboriginal Cultural Research Fellowship was awarded to Mandy Nicholson, whose project *Baggarrook-al Biik-u (She is of Country)* will focus on Victorian Aboriginal women, specifically Wurundjeri women. She will use the Library's collections to investigate Wurundjeri seasons and ceremony related to the feminine stars.

The La Trobe Society Fellowship was awarded to Megan Anderson for a project exploring the significance, history, tradition and symbolism encompassed in the uniform of Lieutenant-Governor Charles La Trobe. The outcome of the research will include an impeccably tailored suit with accents of gold and silver.

The Redmond Barry Fellowship was awarded to Dr Nanette Carter and Robyn Oswald-Jacobs for work focusing on Frances Burke's importance as a textile designer and champion of modernist design from the late 1930s. Burke was also a Melbourne tastemaker, communicator and educator; this project will highlight her influence and legacy, and lead to a monograph and exhibition.

The Russell Beedles Performing Arts Fellowship was awarded to Daniel Keene for a play, *Playing the Tiv*, which centres on a cast of characters who are performers at Melbourne's fabled Tivoli theatre in the inter-war years (1919–39). The play will explore their relationships with each other and their audiences.

Publications

We launched the fifth book in the Writers on Writers series, *On David Malouf* by Nam Le, in May. Our fourth, in October, was *On JM Coetzee* by Ceridwen Dovey. The series is published by Black Inc. in association with the Library and the University of Melbourne. Previous titles include *On John Marsden* by Alice Pung, *On Kate Jennings* by Erik Jensen (both 2017) and *On Patrick White* by Christos Tsiolkas (2018).

The *La Trobe Journal* no. 102 was published in September. First published in April 1968, the journal features articles written by researchers who have drawn on the Library's collections as source material. Issue 102 featured a beautifully illustrated set of articles on arts and popular culture, and was John Arnold's final issue after 11 years as the volunteer General Editor. Sally Heath was appointed as the new volunteer General Editor, commencing in early 2019. Sally brings extensive experience in publishing and the media to this next chapter for the journal.

The State Library Victoria 2019 diary was released in August and, like its 2018 predecessor, was a sold-out success. The 2019 diary showcases artworks exclusively from the Library's rare books collection of original 18th- and 19th-century natural history illustrations, focusing on the fine details of flora and fauna illustrations.

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.

New and longstanding partners and supporters play a pivotal role in maintaining the Library's standing as a global leader in delivering great library experiences and services. As the Vision 2020 project nears its final stages, our partners and supporters are helping us achieve and further reimagine what a library can do and be.

Public libraries partnership

Victoria's active, far-reaching public library network plays a vital role in fostering learning, access and engagement at the local level. Our partnership with public libraries across the state allows us to share resources with the broader community to build engagement with learning.

With Public Libraries Victoria, we launched the Libraries Change Lives campaign at Bargoonga Nganjin, North Fitzroy Library, in September. Libraries Change Lives is a conversation about the value and impact of Victoria's public libraries and the role they play in building literate, productive and engaged communities. The campaign is part of a broader advocacy program the Library is delivering under the banner of the Statewide Public Library Development Projects.

In the first half of 2019, our work with Victoria's public libraries focused on:

- Revising *Reading and literacy for all: a strategic framework for Victorian public libraries*
- Running a small grants program to encourage public libraries to develop projects that address gaps in adult literacy in their communities
- Supporting public libraries to implement the Libraries Change Lives advocacy campaign in their communities
- Developing a new sector capability building program in service transformation design
- Commencing preparation for a sector leadership development program. The Board's Advisory Committee on Public Libraries will also start the process of developing a new program of collaboration with Victoria's public libraries for 2020–23.

We continue to build capability in Victoria's public libraries through staff education. In October and November, 461 staff from Victorian public libraries took part in workforce development programs. Advocacy skills workshops were offered in grant application writing, business storytelling and presenting with confidence.

The final round of the Jump Start online training in digital literacy skills was offered and a new online training program for reader development was piloted. Two inspiring seminars, 'Innovation in adult literacy' and 'Libraries, democracy and social inclusion', showcased best practice service delivery.

The year's Dromkeen Librarian's Award was awarded to library worker Sue Wootton, the Eastern Regional Libraries (ERL) Children's Support Officer. The award recognises the central role libraries play in improving literacy and fostering a passion for reading in young people.

In May, the Library hosted the fourth mini-conference for public libraries, attracting nearly 200 participants. Focused on the theme of 'Stronger together', the conference showcased 16 best practice examples of libraries working with each other and with other agencies to deliver enhanced library services to hard-to-reach groups in the community.

Entrepreneurship and partnerships

The new Foundry658 creative industries accelerator program, provided in partnership with ACMI, launched with a statewide roadshow reaching out to independent artists, small arts organisations, not-for-profits, commercial creative enterprises, early-stage entrepreneurs and creative industries practitioners. An initial 33 teams participated in two bootcamps to

receive free training in Lean methodology for start-up businesses. Eight teams then progressed to the accelerator stage where they each received \$20,000 in seed funding and 12 weeks of classes, business coaching and mentor support to help transform their creative ideas into market-ready businesses.

Foundry658 is an initiative of the Victorian Government's *Creative State* strategy (action no. 6: business acceleration) and will be a key component of the Library's new entrepreneur centre, SpartSpace, when it opens in late 2019 as part of Vision 2020. During the year our SpartSpace team represented the Library at several start-up conferences funded by LaunchVic.

Creative and education sector partnerships

In February we announced a major partnership that will see Melbourne's largest literary arts festival, the Melbourne Writers Festival, take up residence at the Library. New public spaces created as part of Vision 2020 make it possible for the Library and adjacent venues to accommodate a festival of this scale. It places the Library at the heart of a new festival precinct that includes the Wheeler Centre, the iconic Capitol Theatre and other nearby spaces.

Our founding partnership with literary podcast The Garret continues to flourish, with Garrett podcasts streaming weekly. The Garrett LIVE at the Library, a series of interviews recorded in front of a live audience, featured writers such as Clementine Ford, Hannah Kent and Alice Pung in November, Stella Prize shortlist nominees Jamie Marina Lau and Jenny Ackland with judge Louise Swinn in March, and the award-winning Maxine Beneba Clarke with poet Magan Magan in May. The Garret was a finalist in the Australian Podcast Awards.

In late 2018 the Australian Learning Lecture (ALL), our joint project with the Koshland Innovation Fund, completed its one-year trial of the Passion Index, a student profile and learning engagement tool, in six Victorian schools. The Australian Council of Educational Research (ACER) is working with the schools and the ALL team to evaluate the trial. Pilot schools were Western Port Secondary College, Mount Alexander College, Bentleigh Secondary College, Eltham High School, Kingswood College and Portland Secondary College.

The Library's education team partnered with the Victorian Curriculum and Assessment Authority to deliver the first of our VCE Top Talks events in February. Selected students who completed VCE Extended Investigations shared their research and findings through short presentations, with a question-and-answer panel discussion afterwards offering the audience an

opportunity to learn more about the students' methods and experience.

The installation of construction hoarding along the Library forecourt on Swanston Street has provided a unique canvas to showcase large-scale original artworks created by students from the schools of architecture, communication design and fashion at RMIT University. Three winning designs were selected from a range of concepts inspired by the Library's history and collection. The first beautiful design – *Transformations* by Caro Pattle – was installed in October. This was followed by Vivian Lim's rousing *Here for you* in February, which will change over in July to the final work – Nikita Castellano's *Changing tides*, which evokes the symbolism of the Yarra River and the history of the Kulin Nation, the traditional owners of the land.

The Library's Chief Executive Officer, Kate Torney, remains chair of National and State Libraries of Australia (NSLA) alongside deputy chair Marie Louise Ayres (Director-General, National Library of Australia). This year NSLA celebrated a major milestone with the launch of the new National eDeposit Service (NED) on 30 May. This was the culmination of more than four years of collaboration between Australia's national, state and territory libraries, and provides a joint response to the challenge of collecting, preserving and sharing the digital documentary heritage of our nation. This shared approach to managing Australia's published digital output creates a nationwide infrastructure that enhances access to digital publications for all Australians.

International relationships

During the year the Library hosted a 17-member Chinese delegation from the Department of the Ministry of Culture and Tourism. Following a tour of the Library's newly opened spaces, the delegation received presentations from Library branch heads covering the Library's strategic directions and Vision 2020 building redevelopment, our work with Public Libraries Victoria, the new customer service model, and programming.

The Library was pleased to host a visit from the Canadian Academic and Research Libraries (CARL) group in June. The delegation of 12 university librarians from institutions across Canada sought out the Library to learn about the Library's engagement activities with our Aboriginal and Torres Strait Islander communities, and our workforce development program, and to experience the iconic Library building.

Jo Ritale, Director of Collections, travelled to the United States where she visited and met with staff at the Free Public Library and Rosenbach Library in Philadelphia, the Library of Congress and the Smithsonian Institute

of the Native American Indian in Washington, and the New York Public Library. In October, Debra Rosenfeldt, Head of Library Sector Engagement, represented the Library at the official opening of Tūranga, the new central library in Christchurch. Tūranga is the largest and most ambitious library on New Zealand's South Island and the visit provided valuable insights into technologies and partnerships that can enhance the library experience.

Commercial partnerships

The Library continued to strengthen its position as a food, beverage and events destination in 2018–19, and in May, at the National Meetings & Events Australia Awards in Brisbane, we received the national award for a unique event venue without accommodation for the second year in a row, consolidating our position as one of Australia's best specialty events venues.

The September opening of the Isabella Fraser Room as a dedicated events space has kept the Library at the forefront in this highly competitive field. Named after the Library's first listed female staff member, it is the Library's first purpose-built function room and is serviced by a new commercial production kitchen.

The new Guild cafe in the Russell Street Welcome Zone has played an important role in making this space vibrant and active while Mr Tulk cafe remains a popular venue on La Trobe Street, with continued enhancements to facilities and offerings. Our longtime partner Readings has flourished in its new, larger location, with frequent bookshop events contributing to activity in this area.

Continuous improvement

The Library's workplace transformation plan underpins effective delivery of Vision 2020. It is critical for delivering workforce initiatives such as organisational structure, job design, learning and development, recruitment, talent management and succession planning.

The staff-led redesign of the Library's high-level structure was implemented in September with the formation of 11 new branches organised into three new process groups, an Office of the CEO and four project-based portfolios.

The second phase of the restructure has involved workshops and ongoing consultation with staff to develop team structures and processes within the new branches. New team structures and processes will be implemented in the second half of 2019.

Other staff-led workplace initiatives include developing policies and strategies to support wellbeing, diversity, learning, communications and leadership.

Professional development

Front-of-house staff provided and received training in delivering nuanced customer service and operating the new Library spaces. This included training on new technologies such as the Library's digital audio collection delivery system, the new Library membership process, and operation of the new staffed service points and self-service points.

State Library staff also took part in training developed for the Victorian public library network that included grant application writing, business storytelling, presenting with confidence and sector leadership.

Foundation Council

Under Maria Myer's leadership, the Foundation Council has continued to build mutually beneficial relationships with the corporate and philanthropic sectors and has attracted strong support for the Library. Under the Council's leadership, the Library has secured further capital support for Vision 2020, received significant bequests, gained support from trusts and foundations for programs, and delivered successful fundraising initiatives.

In April, the Foundation Council hosted the seventh Keith Murdoch Oration, one of the Library's main fundraising events. This year's guest speaker was News Corporation Chief Executive, Robert Thomson, whose speech *Truth, trust and tech* addressed online mob mentalities, the blurring of boundaries between reporting and opinion and the evolution and implications of the relationship between the United States and China. The Oration was one of the most successful yet, exceeding attendance and revenue targets, engaging new corporate contacts and generating extensive media coverage.

Our donors and Friends of the Library are key contributors to the Library's annual appeals and vital to our ongoing work of building and sharing the collection. The Foundation Council's 2019 fundraising appeal to acquire the Bruce Postle Archive was very successful, exceeding target and engaging new and lapsed donors.

The Foundation Council continues to build and drive strong corporate engagement through the Library's Corporate Membership program. This year's Corporate Members Speaker Series again provided an outstanding line-up, rounding out 2018 with a special panel discussion on the US mid-term elections. Emmy award-winning foreign correspondent Sara James joined Dr Gorana Grgic, lecturer in politics and foreign policy at the US Studies Centre, University of Sydney; Joseph Siracusa, Professor of Human Security and International Diplomacy at RMIT University; and Greg Sheridan, Foreign Editor at *The Australian*, to examine the issues

and what the election results may mean. Speakers in the first half of 2019 included Oxford University scholar and author Dr Chris Kutarna, and Dr Geraldine Buckingham, Chair for the Asia Pacific region for global investment firm BlackRock.

Over the year, in addition to the funds raised for Vision 2020, the Foundation Council oversaw the growth in investments and other financial assets from \$19.5 million to \$21.8 million. These funds have grown by 25 per cent over the past two years. This is an important and growing long-term asset for the Library.

Support and sponsorship

Gandel Philanthropy's donation of \$2 million towards children's programming and delivery of the Pauline Gandel Children's Quarter adds to previous major gifts from The Ian Potter Foundation, the John and Myriam Wylie Foundation, the Hansen Little Foundation, Maria Myers AC and Allan Myers AC QC, and the Christine Christian Foundation, alongside the hundreds of donations we received from individual Victorians and Library supporters from around the world. Large or small, all contributions have helped make Vision 2020 a reality.

Our Redmond Barry Society bequestors are special members of our supporter community. Bequests are vital to facilitating collection acquisitions, as well as conservation and preservation programs that help provide free access to knowledge and learning for future generations.

This year we acknowledge the legacies of Roger Bramwell Heslop; Marion Orme Page; Dr Norman George Curry; Dr Colin Peter Holden; Lloyd Wesley Rogers, a keen user of the Library's strong railways and railway signals collections; Joan Winsome Maslen, a longtime, dedicated former staff member of the Library; and Anthea Robinson, an active proponent of lifelong learning and dedicated user of the Library through her lifetime.

We thank all our members, both new and of long standing, for their support and commitment:

ANZ Banking Group
Architectus
BHP
Deloitte
Deutsche Bank
Ellerston Capital
George and Rosa Morstyn
GHD
Herbert Smith Freehills
Jenny Young Cost Lawyer
K&L Gates
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 Ruralco Holdings
 Showtime Event Group
 Tanarra
 The Catalyst Network
 The Saturday Paper
 The University of Melbourne

Donors and sponsors

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

Donors

\$100,000+

The Christine Christian Foundation
 The Hansen Little Foundation
 Maria Myers AC and Allan Myers AC QC
 Estate of Marion Orme Page
 Estate of Lloyd Wesley Rogers
 The John and Myriam Wylie Foundation

\$25,000+

Estate of William George Alma
 Percy Baxter Charitable Trust
 Robin Campbell Foundation
 Estate of Roger Bramwell Heslop
 Koshland Innovation Extension Fund
 Estate of Anthea Robinson
 Karen Wood and Alex Sloan
 Anonymous (2)

\$10,000+

The Calvert-Jones Foundation
 Charles and Cornelia Goode Foundation
 The Estate of Dr Colin Holden
 The Stuart Leslie Foundation
 Andrew Sisson AO
 Jason Yeap OAM and Min Lee Wong

\$5000+

James Flintoff
 Leon Gorr
 Anna Kaufman
 Lewin Family Foundation
 Marquill Foundation
 Michael Nossal

Greg Shalit and Miriam Faine
 The Brenda Shanahan Charitable Foundation
 Dr Beverley Wood

\$1000+

The Hon. Justice Peter Almond
 Judith Amery
 Anita and Graham Anderson
 Christine Bell
 Colin Bell
 The Sir Wilfred & CH (Roger) Brookes Charitable Foundation
 Rhonda Brown
 David Byrne
 Nicolas Callinan AO and Libby Callinan
 Charles G Clark
 Dr Anne Colman and Professor Peter Colman AC
 David Condon and Catherine Tanna
 Vicki Cooper
 Julie Ann Cox AM and Laurie Cox AO
 Rev. Fr Michael Elligate AM
 Margaret Eva
 Chris Fox
 Prof. Ros Gleadow and Prof. Andy Gleadow AO
 Louise Gourley OAM
 Keith and Alison Head
 Terry Henderson
 In honour of Vernon Henderson
 Natalie Hickey
 Carolyn Hooper
 Clare Hopkins
 Robin Hunt
 Prof. Wallace and Joan Kirsop
 Peter and Margaret Lothian
 Michael and Diana Lempriere
 Shirley Lesh
 Ian and Margaret McKellar
 Ross McPherson AM
 Howard Maddock and Jenny Brown
 Estate of Joan Winsome Maslen
 Bruce Miller and Meg Paul
 Andrew Monotti
 Baillieu Myer AC
 Cheri Ong and William Lye OAM QC
 Keith Richards OAM
 Dr Robert Richardson
 Elizabeth Ring
 John Rosenbloom and Kathryn Earp
 Bob Ross
 Sharon Rowell
 Ron Rowley
 Phillip Schudmak
 Prof. Em. Robert and Mrs Josephine Shanks
 Liga Smith
 The Sirius Foundation Ltd
 Fran Thorn
 Ruth Trait

Noel and Jenny Turnbull
 Frank Van Straten AM
 Tony Wheeler AO and Maureen Wheeler
 Anonymous (10)

\$500+

Elizabeth Bachman
 Philippe and Sherryn Batters
 Marc Besen AC and Eva Besen AO
 Poy Leng Chan and Foong Sai Cheong
 Jeffrey Clark
 Brian and Pamela Cook
 Shona Dewar
 John Drury OAM and Dr Dianne Reilly AM
 John and Margaret Harrison
 Stephen Hawke
 Dr Anthea Hyslop
 Rosalie Jacobs
 Prof. Anne Kelso AO FAA
 Robert and Katy Laird
 Dr Andrew Lemon AM and Judith Cordingley
 Alison Leslie
 Janet McDonald
 Warren McGregor and Andrea Kaldi

The Melbourne Camera Club
 Erika Mohoric
 John and Betty Pizzey
 Ian Renard AM
 Ralph and Ruth Renard
 Robert Richter QC and Ann Richter
 James Ruddock
 Frank Schooneveldt
 Prof. Michael Smith and Sonnia Fuenteseca
 Kate Torney
 Margaret Webster

Trusts and Foundations

Crown Resorts Limited
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 Percy Baxter Charitable Trust
 The J Permsew Foundation
 The Ian Potter Foundation
 The Pratt Foundation
 Paul Ramsey Foundation
 The RE Ross Trust
 The Sir Wilfred and CH (Roger) Brookes
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Financial summary

Summary of financial results with five-year comparatives

	2019 \$'000	2018 \$'000	2017 \$'000	2016 \$'000	2015 \$'000
Revenue from government	84,472	81,324	81,081	77,223	83,410
Other revenue	18,765	21,188	19,886	18,664	15,302
TOTAL REVENUE	103,237	102,512	100,967	95,887	98,712
TOTAL EXPENSES (excluding depreciation)	(91,535)	(89,596)	(86,082)	(85,870)	(92,806)
NET RESULT FOR THE YEAR BEFORE DEPRECIATION	11,702	12,916	14,885	10,017	5,906
DEPRECIATION	(13,794)	(13,056)	(13,654)	(12,980)	(12,971)
TOTAL EXPENSES	(105,329)	(102,652)	(99,736)	(98,850)	(105,777)
NET RESULT FOR THE YEAR AFTER DEPRECIATION	(2,092)	(140)	1,231	(2,963)	(7,065)
CASH FLOW FROM OPERATING ACTIVITIES	9,396	7,728	13,752	9,058	(305)
TOTAL ASSETS	961,778	931,808	891,857	860,627	893,808
TOTAL LIABILITIES	12,521	12,323	12,609	11,468	10,216

Notes

Revenue from government includes \$39.284m in operating funding and \$42.243m of capital assets charge.

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

Total expenses include \$42.243m 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 2018–19 of \$2.092m deficit compared to \$0.140m deficit for 2017–18.
- The Library Board achieved a net result before depreciation for 2018–19 of \$11.702m surplus compared to \$12.916m surplus for 2017–18.

Factors contributing to the net result are outlined below.

- Total revenue has increased by \$725k to \$103.2m and has been affected by the following items:
 - operating funding from government decreased by \$0.221m to \$39.284m in recurrent funding
 - donations include philanthropic donations of \$3.94m received for the redevelopment project (\$3.8m in 2017–18)
 - donations include items donated to the Library collection in 2018–19, valued at \$2.502m (\$4.647m in 2017–18)
 - bequests of \$3.189m were received in 2018–19 (\$0.191m in 2017–18).
- Funding of \$32.850m received from government for the redevelopment and BOSS2 projects is shown as an increase in contributed capital rather than capital revenue.
- Payments made to Development Victoria (\$45.377m) for the Vision 2020 redevelopment and BOSS2 projects are shown as capital works in progress and furniture & equipment at 30 June 2019.
- The revaluation of long-service leave liability due to changes in bond rates resulted in an expense of \$510k (\$11k in 2017–18).
- Net assets have increased by \$29.8m, primarily as a result of capital works in progress.
- Total liabilities have increased by \$198k to \$12.5m, mainly due to the increase in leave provisions of \$0.5m.

2018–19 Key performance indicators

The Library's 2018–19 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	Target 2018–19	Actual 2018–19
Net Promoter Score (NPS) ¹	Number	+53	+54	+52	+52	+58
Visitation ²	Number	6.252m	6.101m	6.421m	6.200m	6.797m
Collection use ³	Number	new measure		11.461m	12.000m	12.021m
Programming attendance	Number	144,020	155,074	156,238	76,681	79,140
Membership	Number	1,301	1,061	858	1,000	931
Media value ⁴	\$	\$24.1m	\$27.7m	\$30.7m	\$30.0m	\$46.9m

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 1349 onsite visitors captured between October 2018 and June 2019.
- 2 Visitation is the onsite visitation and online visitation aggregated. The Library set a target of 1.5 million visits for 2018–19 (compared to 2 million in 2017–18 in anticipation of a decrease in visitation due to limited space availability and the temporary closure of the Swanston Street entrance associated with Vision 2020 construction). Visitation decreased, however the impact was not as significant as anticipated and was partially offset by the introduction of new people-counting technology, which is presenting a more accurate record of visitation.
Online performance was driven by the launch of a new online search interface in August 2018. It provides cleaner, more intuitive navigation and vastly improved experience on mobile and tablet devices.
- 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. Usage data is provided by the NLA. Collection use statistics exclude the use of licensed resources.
- 4 Media value is determined by the Library's external media monitoring provider.

Service Agreement with the Minister for Creative Industries

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

Output framework

Description	Unit of measure	Target 2018-19	Actual 2018-19
OUTPUT GROUP 1 – Guardianship of the State Collection			
OG1a Collection development			
Acquisitions and deaccessions in accordance with collection development policies / strategic directions	%	100%	100%
OG1b Collection management			
New acquisitions (received in current period), electronically registered to agreed standards and targets	%	95%	92%
BP3 Agency collections storage meeting industry standard ¹	%	99%	97%
OUTPUT GROUP 2 – Access and participation			
Events ²	Number	1,083	1,443
BP3 Access – attendances/users ³	Number	1,500,000	1,891,093
Touring / outreach program attendances ⁴	Number	1,620	41,292
BP3 Volunteer hours ⁵	Number	6,000	12,324
Volunteers	Number	213	269
BP3 Members and Friends ⁶	Number	1,000	931
OG2b Community use of facilities			
Events	Number	373	394
OG2c Education programs			
Events – sessions, performances, workshops ⁷	Number	284	445
BP3 Students attending educational programs ⁷	Number	14,000	19,763
OG2d Exhibitions and displays			
Events – new, (permanent or temporary) exhibitions	Number	6	6
Attendees	Number	673,184	694,784
OG2h Public access to collection / information			
Virtual access to Collection	%	95%	95%
BP3 Access – Library website visitation	No. of user sessions	4,000,000	4,906,174
OG2i Visitor experience activities			
BP3 Visitors satisfied with visit	%	90%	92%

Description	Unit of measure	Target 2018-19	Actual 2018-19
OUTPUT GROUP 3 – Sector development			
OG3a Professional development and other services			
Collaborative projects with NGOs/agencies ⁸	Number	38	42
Touring programs/exhibitions available from the arts body in reporting period ⁹	Number	35	262
Regional centres receiving touring programs/exhibitions offered by the arts body ⁹	Number	7	20
Loans to NGOs/agencies from the Collection	Number	2,050	2,081
Investment in staff training	\$/FTE	643	649
OUTPUT GROUP 4 – Cultural infrastructure and facilities			
OG4a BP3 All facility safety audits conducted			
Conduct yearly safety audit and advise CV audit has taken place by 31 May	Number	1	1

Notes

- 1 The Library's collection storage is 2 percentage points below target. An increase in risk to onsite collections due to Vision 2020 is responsible for the temporary lower result. The Library has strong risk controls and will continue to monitor throughout construction. BOSS 2 becoming operational in 2019-20 will address the storage conditions shortfall.
- 2 Above-target performance has been driven by delivery of a number of programs in partnership with other organisations, including ACMI for Foundry658, a program designed to grow ready-to-scale business ideas, week-long programming with Melbourne Music Week, and participation in National Science Week.
- 3 Refer note 2 on page 26.
- 4 Exceptional performance is largely driven by the popularity of regional White Night in Geelong and Bendigo, where an estimated 33,000 visitors enjoyed the Library's light projections as part of the Festival.
- 5 The Library has grown its volunteer base, building on the greeter initiative introduced in 2017-18. The Library now has over 250 volunteers supporting visitor experience, tour delivery and collection projects.
- 6 The Friends of the Library membership base grew 9% during the year. Despite this, the total number of members was 7% below target. The Library will implement a new membership program in 2019-20, which is expected to widen the membership offer in key audience sectors.
- 7 The Library delivered an offsite program stream to continue to engage with schools while Vision 2020 construction is underway. Performance is driven by this as well as streaming programs to kindergartens.
- 8 New opportunities for partnerships arose in 2018-19. Projects included week-long programming with Melbourne Music Week, Writers on Writers with Melbourne University and cross-institutional mentoring program with Monash University.
- 9 Strong performance in offsite programming was driven by Foundry 658, delivered in partnership with ACMI.

Acquisitions statistics 2018–19

VOLUMES ADDED TO STOCK JULY 2018 – JUNE 2019

	Method of acquisition				Total 2018–19	Total 2017–18
	Purchase	Donation	Govt donation	Legal deposit		
Monographs	6,937	8,643	940	3,607	20,134	18,960
Newspapers	149	97	22	405	673	468
Other serials	940	194	504	2,651	4,289	3,962
TOTAL VOLUMES	8,026	8,934	1,466	6,663	25,096	23,390

CONSOLIDATED STOCK HOLDINGS 2017–19

Stock holdings (volumes)	30 June 2017	30 June 2018	30 June 2019
Newspapers	110,514	110,982	111,655
Monographs and serials	2,251,944	2,274,866	2,299,289
TOTAL	2,362,458	2,385,848	2,410,944
Maps	114,556	114,834	115,277
Sound recordings	62,173	64,211	66,513
Video recordings	6,436	6,558	6,695
Exhibition catalogues (AAA)	176,148	180,216	181,524
Theatre programmes (linear metres)	100.84	104.36	105.17
Ephemera (linear metres)	94.39	94.42	95.16
Manuscripts (linear metres)	8,196	8,224	8,321
Pictures	1,114,672	1,176,028	1,212,619

CONSOLIDATED ELECTRONIC STATISTICS 2017–19

	30 June 2017	30 June 2018	30 June 2019
PANDORA (online titles & websites)	15,365	16,589	18,135
Ebooks (titles)	11,383	15,821	18,195
Born digital serials (titles)	96	216	290
Born digital monographs (titles)	22	630	944
Electronic collections	53	71	81

Notes

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
 Maxine McKew
 Maria Myers AC
 Adam Lewis
 Carolyn Evans (end of appointment February 2019)
 Karen Quinlan (end of appointment February 2019)
 Dennis Goldner (end of appointment May 2019)
 Bruce Akhurst (end of appointment May 2019)
 Cheri Ong (appointed May 2019)
 Karen Wood (appointed May 2019)
 Donata Carrazza (appointed May 2019)
 Hugh Williams (appointed May 2019)

About Board members

John Wylie AM, President

John Wylie was appointed President of the Library Board in May 2012, and reappointed in May 2015 and May 2018. He chairs the Executive 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

Christine Christian was appointed to the Board in August 2013 and reappointed in May 2016. She is the Board's Deputy President, Chair of the Finance Committee, and member of the Executive Appointments and Remuneration Committee, and the Foundation Council. Christine is Chair of Kirwood Capital, a Director of FlexiGroup Limited, ME Bank Limited, Lonsec Fiscal Group, the Victorian Managed Insurance Authority and New York-based Powerlinx Inc., an innovator in the emerging partner economy. She serves on the boards of La Trobe University and the Cranlana Programme. Christine is past-president of Chief Executive Women. 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. Donata is a graduate of Italian language and literature from the University of Melbourne, and has been chair of the Mildura Writers Festival since 1995. Donata has more than 20 years' experience in the hospitality industry, notably at the Mildura Grand Hotel working with Stefano de Pieri. 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* and *Imprint*. She has been on the Committee of Management with Writers Victoria since 2017.

Adam Lewis

Adam Lewis was appointed to the Board in May 2018 and is a member of the Redevelopment Project Steering 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 Message Media, Chair of Southern Innovation, Chair of Palette 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. He holds a Bachelor of Engineering (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 an honorary fellow of 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. Leaving journalism for politics, Maxine defeated Prime Minister John Howard in the Sydney seat of Bennelong. In government she was Parliamentary Secretary for Early Childhood and, later, for Infrastructure, Transport, Regional Development and Local Government. Maxine is also a board member of Per Capita and the John Cain Foundation.

Maria Myers AC

Maria Myers 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 also Chair of the Kimberley Foundation Australia and a board member of the Australian String Quartet, the Loreto Ballarat School Board and the St Mary's College Council at the University of Melbourne. In addition, Maria is a member of the Nature Conservancy Australia Advisory Board.

Cheri Ong

Cheri Ong was appointed to the Library Board in May 2019. Cheri is the founder and chair of the Asian Australian Foundation. She is 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 Master of Law from Monash University, and is also a graduate of the Australian Institute of Company Directors. She presents regularly, including previously at the World Chinese Economic Summit.

Hugh Williams

Hugh Williams was appointed to the Library Board in May 2019. Hugh is a technology entrepreneur and academic who co-founded CS in Schools, a philanthropic program that helps teachers to teach coding. He is also an adjunct professor and distinguished fellow at the Melbourne Business School, an adjunct professor at RMIT University, and an experienced non-executive director and company advisor. He was previously the vice president of Google Maps, and has held executive roles at eBay, Microsoft, Tinder and Pivotal. Early in his career he spent more than 10 years researching and developing search technologies, and five years running his own startup and consultancy. Hugh has published around 120 works, mostly in the field of information retrieval. He is one of the inventors of Infinite Scroll and holds 33 US patents, with another 25 pending. He has a PhD from RMIT University.

Karen Wood

Karen Wood was appointed to the Library Board in May 2019 and has been a member of the Library's Foundation Council since 2016. Karen is the chair of South 32 Limited and a non-executive director of Djerrivarr Investments Limited. She serves on the board of the Robert Salzer Foundation and is a 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.

Dennis Goldner, Chair
Sally Both, external member
Michael Byrne, external member
Patti Manolis, external member
Cr Rod Fyffe, external member
MAV Rep, ex officio, external member
Jenny Ruffy, external member
President PLVN, ex-officio, external member

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. A number of Board members' terms concluded during the reporting period, affecting the composition of the Audit Committee. This will be rectified in the new reporting period.

Dennis Goldner, Chair (to 23 May 2019)
Anne Jackson, external member, Chair (from 24 May 2019)
Maxine McKew
Michael Hill, external member
Carolyn Evans

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 (formerly Major Projects Victoria) project managers, Department of Treasury and Finance, and Department of Premier and Cabinet.

John Wylie, Chair
Bruce Akhurst
Dennis Goldner
Adam Lewis

Executive Appointments and Remuneration Committee

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

John Wylie, Chair
Bruce Akhurst
Christine Christian

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, Chair

Bruce Akhurst

Anne Jackson, external member

Marina Kelman, external member

Glenn Mescher, external member

State Library of 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 Foundation Capital Fund.

Maria Myers, Chair

Christine Christian

Robin Campbell, external member

Peter Hay, external member

Jennifer Hutchison, external member

Howard Obst, external member

Dianne Reilly, external member

Karen Wood, external member

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, 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.

Sarah is also responsible for delivering the Vision 2020 and BOSS2 capital projects.

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.

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

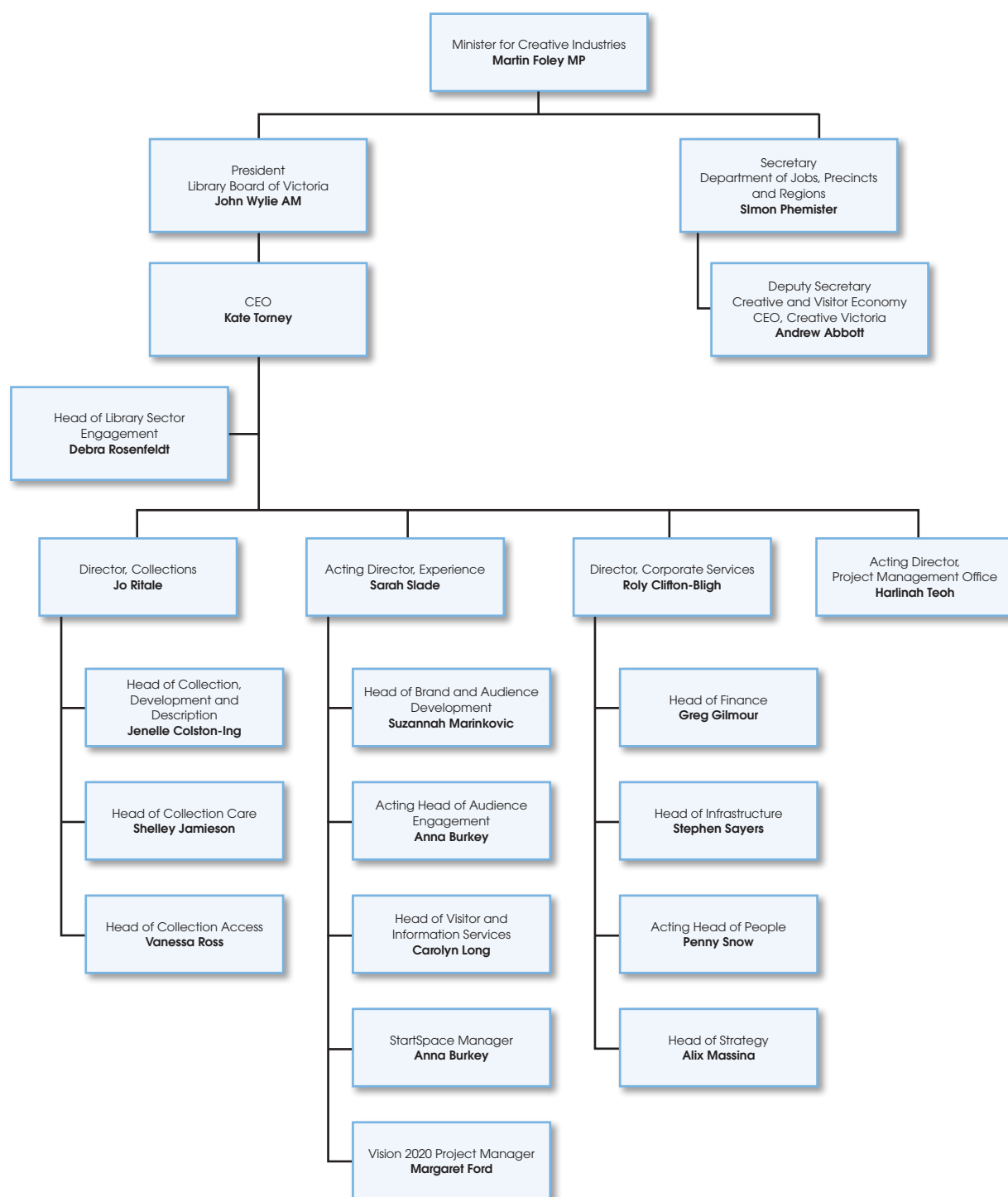
- business and fiscal planning
- financial and corporate governance
- commercial activities and corporate partnerships
- infrastructure planning
- workforce strategy and planning
- policy and evaluation.

Harlinah Teoh, Acting Director, Project Management Office is responsible for coordinating major projects including 2020 Ready and 3D Ready.

During the reporting period:

- Nicola Chanen held the position of Director, Partnerships
- Justine Hyde held the position of Director, Experience.

Organisational structure (as at 30 June 2019)



Occupational health and safety performance measures

The Library continues to experience a satisfactory WorkCover claims performance rate, with one active claim at the end of the year. The claims performance rating continues to show a position of sector leadership at 17 per cent above the industry average.

Category	Measure	2015-16	2016-17	2017-18	2018-19
Incidents	No. of incidents	72	135	220	160
	Rate per 100 FTE	26.5	47.4	74.8	56.2
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	2	0	0	2
	Notices received	0	0	0	0
	Visits (including as a result of notifiable incidents)	0	0	0	0
	% of identifiable issues actioned	2	–	–	–
WorkCover claims management	Number of standard* claims	1 (continued from 2014-15)	0	1	1 (lodged 2017-18)
	Rate per 100 FTE	0.37	–	0.34	0.28
	Number of lost time claims	1	1	0	0
	Rate per 100 FTE	0.37	0.35	0	0
	Number claims exceeding 13 weeks	0	1	1 (continued from 2016-17)	0
	Rate per 100 FTE	0	0.35	0.34	0
	Fatality claims	0	0	0	0
	Average cost per standard claim	\$2307 (continued from 2014-15)	–	\$622.20	\$1192 (lodged 2017-18)
Consultation and participation	% claims with a RTW plan > 30 days	0	100%	50%	0
	Evidence of agreed structure of designated (DWGs), health and safety representatives (HSRs), and issue resolution procedures (IRPs)				Completed
	Compliance with agreed structure on DWGs, HSRs and IPRs				Completed
	Number of OHS Committee meetings				6

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

OCCUPATIONAL HEALTH AND SAFETY (CONT'D)

Incident management

Incidents across the library decreased by 27% in 2018–19. Incidents include injuries, and other hazards (non-injury) related incidents. In real terms this equates to 60 fewer reported incidents compared with the previous years.

The majority of incidents (78%) involve visitors. Many of these incidents relate to behaviour by visitors towards staff or other visitors.

There were two notifiable incidents that occurred across the Library. Notifiable incidents are those which require the OHS Regulator to be notified if they occur.

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 provide 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.

Public sector values and employment principles

During 2018–19, 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 reinforce 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.

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 2019							June 2018						
		All employees		Ongoing			Fixed-term and casual		All employees		Ongoing			Fixed-term and casual	
		Number (head-count)	FTE	Full-time (head-count)	Part-time (head-count)	FTE	Number (head-count)	FTE	Number (head-count)	FTE	Full-time (head-count)	Part-time (head-count)	FTE	Number (head-count)	FTE
Demographic data	Gender														
	Male	126	105.2	72	24	89.9	30	15.4	135	109.8	75	23	91.8	37	18.0
	Female	214	179.1	120	49	154.0	45	25.1	227	183.9	123	48	155.2	56	28.7
	Self-described	1	0.3	0	0	0.0	1	0.3	1	0.3	0.0	0.0	0.0	1.0	0.3
	Age														
	15–24	9	3.0	1	0	1.0	8	2.0	10	3.3	1	0	1.0	9	2.3
	25–34	50	35.9	17	7	22.3	26	13.6	68	46.9	25	4	27.6	39	19.3
	35–44	87	75.0	48	15	58.7	24	16.3	81	67.5	42	13	51.3	26	16.2
	45–54	88	77.2	57	21	72.5	10	4.8	92	80.0	58	21	73.1	13	7.0
55–64	71	65.9	55	14	64.1	2	1.8	80	73.4	64	14	72.3	2	1.1	
65+	36	27.6	13	17	25.3	6	2.3	32	23.0	8	19	21.7	5	1.3	
Classification data	VPS 1–6 grades	335	278.5	189	73	240.8	73	37.7	357	288.0	193	71	242.0	93	46.0
	VPS 1	0	0.0	0	0	0.0	0	0.0	0	0.0	0	0	0.0	0	0.0
	VPS 2	91	56.9	28	23	43.2	40	13.7	109	66.5	27	24	42.8	58	23.7
	VPS 3	106	91.6	71	23	85.4	12	6.2	115	96.0	68	27	86.0	20	10.0
	VPS 4	63	57.6	37	16	50.1	10	7.6	57	52.3	36	13	45.8	8	6.5
	VPS 5	48	46.2	33	10	41.2	5	5.0	50	48.0	39	6	43.4	5	4.6
	VPS 6	27	26.2	20	1	21.0	6	5.3	26	25.2	23	1	24.0	2	1.3
	Senior employees	6	6.0	3	0	3.0	3	3.0	6	6.0	5	0	5.0	1	1.0
	STS	3	3.0	3	0	3.0	0	0.0	3	3.0	2	0	2.0	1	1.0
	PS	0	0.0	0	0	0.0	0	0.0	0	0.0	0	0	0.0	0	0.0
	SMA	0	0.0	0	0	0.0	0	0.0	0	0.0	0	0	0.0	0	0.0
	SRA	0	0.0	0	0	0.0	0	0.0	0	0.0	0	0	0.0	0	0.0
	Executives	3	3.0	0	0	0.0	3	3.0	3	3.0	3	0	3.0	0	0.0
	Other	0	0.0	0	0	0.0	0	0.0	0	0.0	0	0	0.0	0	0.0
	Total employees		341	284.5	192	73	243.8	76	40.7	363	294.0	198	71	247.0	94

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

		2019	2018
	Executives (Financial Statement Note 8.4)	5	3
	Accountable Officer (CEO)	1	1
Less	Separations	0	1
	Total executive numbers at 30 June	6	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		^2				
\$200,000 – \$219,999		^1				
\$220,000 – \$239,999						
\$240,000 – \$259,999	2					
\$260,000 – \$279,999						
\$280,000 – \$299,999						
\$300,000 – \$319,999						
\$320,000 – \$339,999						
\$340,000 – \$359,999						
\$360,000 – \$379,999	1					
\$380,000 – \$399,999						
\$400,000 – \$419,999						
\$420,000 – \$439,999						
\$440,000 – \$459,999						
\$460,000 – \$479,999						
\$480,000 – \$499,999						
TOTAL	3	3	0	0	0	0

Notes

The salaries reported above are for the full financial year, at a 1-FTE rate, and excludes superannuation.

^ These are non-executive staff paid above to maximum of a VPS Grade 6 – \$159,124 recognising senior technical speciality required in role.

Environmental performance

Energy		2018-19		
Indicator	Electricity	Natural gas	Green power	Total
Total energy usage segmented by primary source (MJ)	22,363,547	17,687,260	5,591	40,056,398
Greenhouse gas emissions associated with energy use, segmented by primary source and offsets tonnes (CO ₂ e)	5,591			5,591
Percentage of electricity purchased as green power	25			25
Units of energy used per FTE (MJ/FTE)	79,870			79,870
Units of energy used per unit of office area (MJ/m ²)	324			324
Waste				
Indicator	Landfill	Commingled recycling		Total
Total units of waste disposed of by destination (kg/yr)	24,284	17,967		42,254
Units of waste disposed of per FTE by destinations (kg/FTE)	87	64		151
Recycling rate (percentage of total waste)	57	43		
Greenhouse gas emissions associated with waste disposal (CO ₂ e)	24	18		42
Paper		Total		
Total units of copy paper used (reams)	1,790			
Units of copy paper used per FTE (reams/FTE)	6			
Percentage of 100% recycled content copy paper	100			
Water		Total		
Total units of metered water consumed by usage types (kilolitres)	33,692			
Units of metered water consumed in offices per FTE (kilolitres/FTE)	120			
Units of metered water consumed in offices per unit of office area	0			
Greenhouse gas emissions		Total		
Total greenhouse gas emissions associated with energy use (CO ₂ e)	5,591			
Total greenhouse gas emissions associated with vehicle fleet (CO ₂ e)	3			
Total greenhouse gas emissions associated with waste production (CO ₂ e)	42			
	sqm Melb	50,000		
	sqm BOSS 1	9,461		
	sqm BOSS 2	9,461	68,922	
	Staff FTE	280		

The Library consumes energy for a number of different uses including office facilities, commercial operations and construction activities. Construction works in Ballarat consumed more gas and electricity than anticipated and water was a significant increase which is being investigated.

2017-18				2016-17			
Electricity	Natural gas	Green power	Total	Electricity	Natural gas	Green power	Total
20,331,000	14,170,000	5,350,000	39,851,000	20,205,450	11,397,000	1,409,905	33,012,355
5,350			5,350	5,163			5,163
25			25	25			25
72,000			72,000	73,474			73,474
410			410	404			404
Landfill	Commingled recycling		Total	Landfill	Commingled recycling		Total
32,260	26,850		59,110	42,350	13,830		56,170
114	94		208	154	50		
45	36						
42	16		58	42	14		56
Total				Total			
1,620				2,510			
5.7				8.8			
100				100			
Total				Total			
25,287				22,587			
91				82			
0.51				0.9			
Total				Total			
5,350				5,163			
2.7				4.1			
58				56.2			

Diversity and access

State Library Victoria is committed to removing barriers to access for people of all abilities. One in five Australians and more than one million Victorians are living with some form of disability, encompassing both physical and mental conditions. People living with a disability frequently experience barriers that impact their life opportunities, including access to education and employment, health and wellbeing.

Under Victoria's *Disability Act* (2006) the Library is required to lodge and implement a Disability Action Plan outlining initiatives to break down barriers to employment, promote social inclusion and changes in cultural attitudes and practices. The Library's Social Inclusion Plan 2017–20 has replaced our previous stand-alone Disability Action Plan, and continues to address the requirements of the Disability Act through programming, infrastructure, research and policy.

The Library's services for people with a disability include individualised support and a range of adaptive technologies including audio loops for programs and tours. During the year our family programming team partnered with Vision Australia to deliver a sensory Storytime for children with low vision. Also, a new accessible entrance on La Trobe Street was opened as part of the first Vision 2020 spaces and facilities to be delivered, and accessibility user testing is underway to address potential barriers in the Library's membership process.

Extending the Library's reach to offsite audiences was facilitated through live-streamed Storytime sessions and virtual tours for children in remote or disadvantaged areas. Offsite children's programming was also delivered through partnerships with Community Hubs Australia, MPavilion and Royal Botanic Gardens Victoria. The Foundry658 creative accelerator program held six roadshows in regional Victoria and 30 per cent of the bootcamp participants hailed from regional areas.

Greater cultural access was supported through providing tailored guides to the Library for international students, and conducting regular visitor surveys in additional languages including Korean, Vietnamese and Simplified Chinese. Library maps with self-guided highlight tours are also provided in Simplified Chinese and Japanese, as well as English.

The Library's collecting policies have been updated to include guidelines for collecting materials in languages other than English, materials for low-vision readers and content that better reflects the social diversity of contemporary Australia. The Library is also participating in an ARC project run by RMIT. 'Representing multicultural Australia in national and state libraries' will connect cultural policy and library and information studies through analysing library policy and practices, assessing how libraries reflect and document Australia's cultural and linguistic diversity. Also drawing on the National Library and the state libraries of New South Wales and South Australia, the project will develop and test strategies to enhance library collections.

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.

Within the year ending 30 June 2019, the Library received one application and a determination was made within the 30-day timeframe set by the law. The requested document was released in full.

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 of Victoria
328 Swanston Street
Melbourne Victoria 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 foi.vic.gov.au

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

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

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

Literature available by subscription or mailing lists

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

- *SLV Monthly* newsletter
- Education News newsletter
- Friends of the Library newsletter
- Venue hire newsletter
- *What's On* brochure
- *The La Trobe Journal*.

Protected Disclosure Act 2012

The Library is committed to the objectives of the *Protected Disclosure Act 2012*. In particular, the Library does not tolerate improper conduct by its staff or the taking of reprisals against those who come forward to disclose such conduct.

Compliance with the *Protected Disclosure 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

Internet: www.ibac.vic.gov.au

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.

The Library is currently undertaking two major infrastructure projects:

- Vision 2020, Melbourne (\$88m)
- BOSS2, Ballarat (\$23m).

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

Local jobs first

The Library continues to fulfil its requirements under the *Victorian Industry Participation Policy Act 2003* (VIPPA).

During 2018-19, 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 VIPPA.

Competitive Neutrality Policy

The Library continues to fulfil its requirements on competitive neutrality.

The annual review of the Library's Pricing (fees and charges) Policy was completed during the year. All 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 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

Consultancies

Details of consultancies under \$10,000

In 2018–19 there were 12 consultancies where the total fees payable to the consultants were less than \$10,000. The total amount spent on consultancies less than \$10,000 was \$54,338.

Details of consultancies over \$10,000

In 2018–19, there were 12 consultancies where the total fees payable to the consultants were \$10,000 or more. The total expenditure incurred during 2018–19 in relation to these consultancies was \$576,804 (excl. GST).

Consulting fees over \$10,000

Consultant	Details	Start date	End date	Total approved fee (excl GST) \$	Expenditure in 2018–19 (excl GST) \$	Future expenditure (excl GST) \$
MEGAN O'CONNELL CONSULTING	ATAR Pathways Project 2019	01/03/19	30/04/19	13,200	13,200	nil
HARTPURY CONSULTING	Theory of Change Project	31/4/18	20/09/18	14,800	14,800	nil
VALERIE HANNON	Australian Learning Lecture Research	12/04/19	30/06/19	15,000	15,000	nil
THE TRUSTEE FOR BAKOWSKI FAMILY TRUST	Business Continuity Project	11/10/18	14/03/19	18,401	18,401	nil
I&J MANAGEMENT SERVICES	Reading and Literacy for All Strategic Framework Update	11/12/18	12/06/19	20,100	20,100	nil
MELD STUDIOS PTY LTD	Research Room Project	30/10/18	13/12/18	29,800	29,800	nil
GABRIELLE DOLAN CONSULTING	Business Story Telling Workshop	01/10/18	21/02/19	32,000	32,000	nil
ACER	Evulation of the ALL Passion Index Trial 2018 School Pilot	24/07/18	07/05/19	30,000	30,000	nil
COLMAR BRUNTON PTY LIMITED	Membership and Donor Research	05/04/19	30/06/19	49,260	49,260	nil
SWEET CREATIVE PTY LTD	Libraries Change Lives	06/09/18	17/05/19	79,290	79,290	nil
CPR COMMUNICATIONS & PUBLIC RELATIONS PTY LTD	Public Libraries Advocate Project	01/09/18	30/06/19	98,203	98,203	nil
REMIX SUMMITS PTY LTD	Partnership Opportunity Advice	01/07/18	30/06/19	176,750	176,750	nil
				576,804		

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.

Financial management attestation



STATE LIBRARY
VICTORIA
What's your story?

LIBRARY BOARD
OF VICTORIA

328 Swanston Street
Melbourne VIC 3000
Australia

Tel: +61 3 8664 7505
ABN 73 190 237 854
slv.vic.gov.au

Attestation for financial management compliance with Ministerial Standing Direction 5.1.4

I, John Wylie AM, on behalf of the Library Board of Victoria, as Responsible Body, certify that the Library Board of Victoria has complied with the applicable Standing Directions 2018 under the *Financial Management Act 1994* and Instructions.

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

John Wylie AM
President
2 September 2019

Library Board of Victoria financial report for the financial year ended 30 June 2019

The Library Board of Victoria has pleasure in presenting its audited general purpose financial statements for the financial year ended 30 June 2019 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:

FINANCIAL STATEMENTS	Page
Comprehensive operating statement	56
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Cash flow statement	58
Statement of changes in equity	59
 NOTES TO THE FINANCIAL STATEMENTS	
Note 1 About this report The basis on which the financial statements have been prepared and compliance with reporting regulations	60
Note 2 Funding delivery of our services Revenue recognised in respect of appropriations and other income sources	61
Note 3 The cost of delivering services Expenditure of the State Library of Victoria	64
Note 4 Key assets available to support output delivery Property, plant and equipment, cultural assets, financial assets classified as available-for-sale	68
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Library Board of Victoria letter



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

**LIBRARY BOARD
OF VICTORIA**

328 Swanston Street
Melbourne VIC 3000
Australia

Tel: +61 3 8664 7505
ABN 73 190 237 854
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.

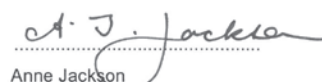
We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2019 and financial position of the Board at 30 June 2019.

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 2 September 2019.


John Wylie AM
President

Melbourne
2 September 2019


Anne Jackson
Chair, Audit and Risk Management
Committee
Melbourne
2 September 2019


Jo Ritale
Acting Chief Executive Officer
Melbourne
2 September 2019


Roly Clifton-Bligh
Director Corporate Services
Melbourne
2 September 2019

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 2019 • 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 • declaration by the President, the Acting Chief Executive Officer, the Director Corporate Services and the Chair, Audit and Risk Management Committee. In my opinion the financial report presents fairly, in all material respects, the financial position of the entity as at 30 June 2019 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.
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 *Audit Act 1994*, 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.



Simone Bohan

as delegate for the Auditor-General of Victoria

MELBOURNE
5 September 2019

COMPREHENSIVE OPERATING STATEMENT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

		2019	2018
Continuing Operations	Note	\$'000	\$'000
Income from transactions			
State Government – government appropriation	2.2.1	39,284	39,505
State Government – capital funding	2.2.1	1,945	528
State Government – capital asset charge	2.2.1	43,243	42,291
Other grants from State Government entities	2.3	2,334	4,082
Operating activities income	2.4	1,383	1,734
Other grants	2.3	2,624	2,835
Donations and bequests	2.5	10,606	9,635
Investment income	2.6	1,818	1,902
Total income from transactions		103,237	102,512
Expenses from transactions			
Employee expenses	3.1	33,918	32,812
Depreciation	4.1.1	13,794	13,056
Supplies and services	3.1	14,374	14,493
Capital asset charge	3.1	43,243	42,291
Total expenses from transactions		105,329	102,652
Net result from transactions (net operating balance)		(2,092)	(140)
Other economic flows included in net result			
Net gain/(loss) on non-financial assets ^(a)	8.2.1	24	2
Net gain/(loss) on financial instruments ^(b)		-	-
Other gains/(losses) from other economic flows	8.2.2	(510)	(11)
Changes to the fair value of investments measured at fair value through net result	8.2.3	(500)	-
Total other economic flows included in net result		(986)	(9)
Net result for the year		(3,078)	(149)
Other economic flows – other comprehensive income			
<i>Items that will not be reclassified to net result</i>			
Changes in physical asset revaluation surplus	8.7.3	-	-
<i>Items that may be reclassified subsequently to net result</i>			
Fair value re-measurement gains on available-for-sale financial assets	8.7.6	-	750
Total other economic flows – other comprehensive income		-	750
Comprehensive result		(3,078)	601

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 asset revaluation surplus.
- (b) 'Net gain/(loss) on financial instruments' includes bad and doubtful debts 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 (2018: Financial assets revaluation reserve).

BALANCE SHEET AS AT 30 JUNE 2019

		2019	2018
Assets	Note	\$'000	\$'000
Financial assets			
Cash and deposits	6.1	15,893	25,621
Receivables	5.1	1,564	1,898
Investments and other financial assets	4.3.1	21,784	19,535
Total financial assets		39,241	47,054
Non-financial assets			
Prepayments	5.2	625	773
Property, plant and equipment	4.1	519,045	482,944
Library collections	4.2	402,866	401,036
Deferred expenditure	5.3	1	1
Total non-financial assets		922,537	884,754
Total assets		961,778	931,808
Liabilities			
Payables	5.4	2,741	3,119
Employee related provisions	3.1.2	9,780	9,204
Total liabilities		12,521	12,323
Net assets		949,257	919,485
Equity			
Accumulated surplus/(deficit)	8.7.2	(24,900)	(19,917)
Donations and bequests reserve	8.7.4	11,245	8,016
Specific purpose grants reserve	8.7.5	2,879	2,698
Physical asset revaluation surplus	8.7.3	314,980	314,980
Financial assets valuation reserve	8.7.6	-	1,505
Contributed capital	8.7.1	645,053	612,203
Net worth		949,257	919,485

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

CASH FLOW STATEMENT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

	Note	2019 \$'000	2018 \$'000
Cash flows from operating activities			
Receipts			
Grants from State Government – appropriation		82,527	82,324
Receipts from other entities		16,764	14,787
Interest received		439	378
Dividends received ^(a)		1,976	1,155
GST recovered from the ATO ^(b)		5,764	5,053
Total receipts		107,470	103,697
Payments			
Payments to suppliers and employees		(54,831)	(53,678)
Capital asset charge payments		(43,243)	(42,291)
Total payments		(98,074)	(95,969)
Net cash flows from operating activities	6.2.1	9,396	7,728
Cash flows from investing activities			
Proceeds from/(payments for) investments ^(c)		(2,749)	(1,206)
Proceeds from sale of property, plant and equipment		58	2
Payment for property, plant and equipment		(47,398)	(38,155)
Payment for Library collection		(1,859)	(2,236)
Net cash flows from/(used in) investing activities		(51,948)	(41,595)
Cash flows from financing activities			
Repayment of finance lease		(26)	(15)
Contributed capital		32,850	39,636
Net cash flows from/(used in) financing activities		32,824	39,621
Net increase/(decrease) in cash and cash equivalents		(9,728)	5,754
Cash and cash equivalents at beginning of year		25,621	19,867
Cash and cash equivalents at end of financial year	6.1	15,893	25,621

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

Notes:

(a) 'Dividends received' is recognised as 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.

STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

	Physical asset revaluation surplus	Cultural assets revaluation surplus	Donations and bequests reserve	Specific purpose grants reserve	Financial assets valuation reserve	Accumulated surplus / (deficit)	Contributed Capital	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance 30 June 2017	110,492	204,488	7,030	1,292	755	(17,376)	572,567	879,248
Net result for the year	-	-	-	-	-	(149)	-	(149)
Other comprehensive income for the year	-	-	-	-	750	-	-	750
Transfer to/(from) accumulated surplus	-	-	986	1,406	-	(2,392)	-	-
Capital appropriation	-	-	-	-	-	-	39,636	39,636
Balance 30 June 2018	110,492	204,488	8,016	2,698	1,505	(19,917)	612,203	919,485
Change in accounting policy (note 8.9)					(1,505)	1,505		-
Restated balance at 1 July 2018	110,492	204,488	8,016	2,698	-	(18,412)	612,203	919,485
Net result for the year	-	-	-	-	-	(3,078)	-	(3,078)
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)	645,053	949,257
Note	8.7.3	8.7.3	8.7.4	8.7.5	8.7.6	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 2019

1 ABOUT THIS REPORT

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

The purpose of the report is to provide users with information about the Board's stewardship of resources entrusted to it.

To gain a better understanding of the terminology used in this report, a glossary of terms and style conventions can be found in Note 8.11.

Reporting entity

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

Its principal address is:
328 Swanston Street
Melbourne VIC 3000

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

The State Library of Victoria is one of seven cultural agencies of the Victorian Government and was established in 1852. These agencies are overseen by Creative Victoria, a division of the Department of Jobs, Precincts and Regions. Creative Victoria is responsible for implementing the government's arts policies. The Library Board of Victoria 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 Board'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.

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 Board.

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 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 Board of Victoria as an individual reporting entity and include all the controlled activities of the Board.

All amounts in the financial statements have been rounded to the nearest \$1000 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 2 September 2019.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2019 and the comparative information presented for the year ended 30 June 2018. 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 2019

2 FUNDING DELIVERY OF OUR SERVICES

Introduction

The Board receives revenue from the Victorian State Government, commercial activities and philanthropic sources to meet its objectives. The State Government funding principally comprises the Government appropriation, grants for exhibitions, capital funding and other ad hoc grants. The Board also receives a capital asset charge grant from the State Government as outlined in 2.2.2. The broad revenue streams are outlined from 2.1 to 2.6.

Structure

- 2.1 Summary of income that funds the delivery of our services
- 2.2 Grants from State Government entities
 - 2.2.1 State Government – recurrent appropriation and other grants
 - 2.2.2 State Government – capital assets charge grant
- 2.3 Other grants
- 2.4 Operating activities income
 - 2.4.1 Operating activities income recognition
- 2.5 Donations and bequests
 - 2.5.1 Donations, bequests and philanthropic income
 - 2.5.2 Donated cultural assets
- 2.6 Investment income

2.1 Summary of income that funds the delivery of our services

	Notes	2019 \$'000	2018 \$'000
Recurrent appropriation	2.2.1	39,284	39,505
Capital grants	2.2.1	1,945	528
Capital assets charge grant	2.2.2	43,243	42,291
Other grants	2.3	4,958	6,917
Operating activities	2.4	1,383	1,734
Donations and bequests	2.5	10,606	9,635
Investment income	2.6	1,818	1,902
Total income from transactions		103,237	102,512

Income is recognised to the extent it is probable the economic benefits will flow to the Board and the income can be reliably measured at fair value. Where applicable, amounts disclosed as income are net of returns, allowances, duties and taxes. Income is recognised for each of the Board's major activities as follows:

2.2 Grants from State Government entities

2.2.1 State Government – recurrent appropriation and other grants

State Government appropriation and other grants from State Government entities are recognised on receipt in accordance with AASB 1004 *Contributions*.

	Notes	2019 \$'000	2018 \$'000
State Government – Recurrent appropriation	2.1	39,284	39,505
State Government – Capital grants	2.1	1,945	528
State Government – Capital assets charge grant	2.2.2	43,243	42,291
Other grants			
Department of Education and Training – grants		2,035	1,625
Department of Environment, Land, Water & Planning – grant		–	50
Creative Victoria		299	2,407
Total grants from State Government entities		86,806	86,406

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

2 FUNDING DELIVERY OF OUR SERVICES (Cont'd)

2.2.2 State Government – capital assets charge grant

The State Government capital assets 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 Other grants

Grant income arises from transactions in which a party provides goods or assets (or extinguishes a liability) to the Board 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 Board recognises income when it has satisfied its performance obligations under the terms of the grant.

For non-reciprocal grants, the Board 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	2019 \$'000	2018 \$'000
Other grants from State Government entities	2.2.1	2,334	4,082
Other specific purpose grants		2,624	2,835
Total other grants	2.1	4,958	6,917

2.4 Operating activities income

	Notes	2019 \$'000	2018 \$'000
Venue hire	2.4.1	1,215	1,571
Other	2.4.1	168	163
Total operating activities income	2.1	1,383	1,734

2.4.1 Operating activities income recognition

Income from **operating activities** is recognised when:

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

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

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

Under this method, income is recognised by reference to labour hours supplied or to labour hours supplied as a percentage of total services to be performed in each annual reporting period. Other income includes lease rental, ticket sales, direct delivery, Vicnet and cost recoveries.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

2 FUNDING DELIVERY OF OUR SERVICES (Cont'd)

2.5 Donations and bequests

	Notes	2019 \$'000	2018 \$'000
Donated cultural assets at fair value	2.5.2	2,502	4,647
Donations – redevelopment	2.5.1	3,940	3,850
Bequests received	2.5.1	3,203	191
Memberships	2.5.1	213	159
Other donations		748	788
Total donations and bequests	2.1	10,606	9,635

2.5.1 Donations, bequests and philanthropic income

Donations and bequests for specific purposes have been brought to account as revenue upon receipt. Memberships are recognised on receipt. The balance of unexpended donations is transferred to the donations and bequests reserve on an annual basis. Subsequent expenditure is recorded as an expense in the Comprehensive Operating Statement and results in a transfer from the reserve.

2.5.2 Donated cultural assets

Donated cultural assets are recognised when the gift is accepted by the State Library of Victoria and control of the contribution or right to receive the contribution exists and the donor has signed a Deed of Gift. Donated cultural assets are recorded at fair value which is determined by either independent valuations, or for works donated under the Cultural Gifts Program, by a curatorial or other assessment by the Library Board of Victoria.

2.6 Investment income

	Notes	2019 \$'000	2018 \$'000
Interest		439	378
Distributions		1,251	1,435
Other investment income		128	89
Total investment income	2.1	1,818	1,902

Interest revenue is recognised when due and dividend revenue is recognised when the right to receive payment is established. Franking credits are recognised on receipt.

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

3 THE COST OF DELIVERING SERVICES

Introduction

This section provides an account of the expenses incurred by the Board 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 Board 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 assets charge

3.1 Expenses incurred in the delivery of services

	Notes	2019 \$'000	2018 \$'000
Employee benefit expenses	3.1.1	33,918	32,812
Supplies and services	3.2	14,374	14,493
Capital assets charge	3.3	43,243	42,291
Total expenses incurred in delivery of services		91,535	89,596

3.1.1 Employee benefits in the comprehensive operating statement

	Notes	2019 \$'000	2018 \$'000
Salaries		25,769	25,016
Superannuation	3.1.3	2,620	2,516
Other salary-related costs		5,529	5,280
Total employee expenses	3.1	33,918	32,812

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 Board to the superannuation funds of employees. The Board does not recognise any accrued defined benefit liability in respect of the plan(s).

3.1.2 Employee benefits in the balance sheet

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long-service leave for services rendered to the reporting date and recorded as an expense during the period the services are delivered.

Provisions are recognised when the Board has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

3 THE COST OF DELIVERING SERVICES (Cont'd)**3.1.2 Employee benefits in the balance sheet (cont'd)**

The amount recognised as a liability is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows, using a discount rate that reflects the time value of money and risks specific to the provision. When some or all of the economic benefits required to settle a provision are expected to be received from a third party, the receivable is recognised as an asset if it is virtually certain that recovery will be received and the amount of the receivable can be measured reliably.

	2019	2018
	\$'000	\$'000
Current provisions		
Annual leave		
– Unconditional and expected to be settled within 12 months	1,228	1,392
– Unconditional and expected to be settled after 12 months	576	686
Long-service leave		
– Unconditional and expected to be settled within 12 months	617	643
– Unconditional and expected to be settled after 12 months	5,567	4,904
	7,988	7,625
Provisions for on-costs		
– Unconditional and expected to be settled within 12 months	236	265
– Unconditional and expected to be settled after 12 months	941	855
	1,177	1,120
Total current provisions for employee benefits	9,165	8,745
Non-current provisions		
Conditional long-service leave entitlements	533	398
Provisions related to benefit on-costs	82	61
Total non-current provisions for employee benefits	615	459
Total provisions for employee benefits	9,780	9,204
Employee benefits and related on-costs		
Current employee benefits		
Annual leave entitlements	1,804	2,078
Unconditional long-service entitlements	6,184	5,547
Non-current employee benefits		
Conditional long-service entitlements	533	398
Total employee benefits	8,521	8,023
Current on-costs	1,177	1,120
Non-current on-costs	82	61
Total on-costs	1,259	1,181
Total provisions for employee benefits	9,780	9,204

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

3 THE COST OF DELIVERING SERVICES (Cont'd)

3.1.2 Employee benefits in the balance sheet (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 Board 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 Board expects the liabilities to be wholly settled within 12 months of 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 Board 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 statement of Comprehensive Income 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.

Reconciliation of movement in long-service leave provision

	2019 \$'000	2018 \$'000
Opening balance	6,858	6,436
Additional provisions recognised	1,601	927
Reductions arising from payments	(710)	(505)
Closing balance	7,749	6,858

Long-service leave

Unconditional long-service leave (LSL) is disclosed as a current liability, even where the Board does not expect to settle the liability within 12 months because it will not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months.

The components of this current LSL liability are measured at:

- Undiscounted value – if the Board expects to wholly settle within 12 months; or
- Present value – if the Board 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

3 THE COST OF DELIVERING SERVICES (Cont'd)

3.1.3 Superannuation contributions

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

The name, details and amounts expensed in relation to the major employee superannuation funds and contributions paid or payable by the Board are as follows:

	Notes	2019 \$'000	2018 \$'000
Defined benefit plan^(a)			
State Superannuation Fund		438	526
Defined contribution plans			
VicSuper		1,504	1,494
Private superannuation funds		678	496
Total superannuation	3.1.1	2,620	2,516

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 2019 (2018: nil). The Library Board of Victoria has no responsibility for unfunded liabilities associated with any of the above-mentioned superannuation schemes. Employer contributions vary from 7.5% to 17% depending on employee fund membership.

3.2 Other operating expenses

Supplies and services expenses are recognised as an expense in the reporting period in which they are incurred. Expenses from transactions are recognised as they are incurred, and reported in the financial year to which they relate.

	Notes	2019 \$'000	2018 \$'000
Buildings and facilities		5,846	6,543
Professional and finance		1,426	1,527
Borrowing costs		1	2
Grants distributed		583	113
Information technology		3,682	3,360
Marketing and promotion		1,553	1,558
Other expenses from ordinary activities		1,283	1,390
Total supplies and services	3.1	14,374	14,493

3.3 Capital assets charge

A charge levied on the written-down value of controlled non-current physical assets (excluding heritage and cultural assets) in the Board's balance sheet which aims to attribute to the Board's outputs the opportunity cost of capital used in service delivery and provide incentives to the Board 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

4 KEY ASSETS AVAILABLE TO SUPPORT OUTPUT DELIVERY

Introduction

The Board controls assets for the delivery of its services. The key assets identified in delivering these services are:

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 Ageing analysis of investments and financial assets
 - 4.3.2 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		Net carrying amount	
			Accumulated depreciation			
	2019	2018	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Land at fair value	132,992	132,992	–	–	132,992	132,992
Buildings at fair value	318,691	318,691	(31,985)	(21,281)	286,706	297,410
Equipment at fair value	17,993	16,067	(15,004)	(14,489)	2,989	1,578
Equipment under lease at fair value	63	81	(6)	(41)	57	40
Work in progress at cost	96,301	50,924	–	–	96,301	50,924
Closing balance	566,040	518,755	(46,995)	(35,811)	519,045	482,944

Initial recognition

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

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

4.1 Total property, plant and equipment (cont'd)

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.

Restrictive nature of land, cultural and heritage assets

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

Non-financial physical assets constructed by the Board

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

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 Board of Victoria'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 costs reflects reproduction cost after applying depreciation on a useful-life basis.

Equipment

General plant and equipment is held at fair value which has been determined using the current replacement cost method.

4.1.1 Depreciation

	Notes	2019 \$'000	2018 \$'000
Depreciation charge for the period			
Buildings	4.1.3	10,704	10,284
Equipment	4.1.3	547	349
Equipment under lease	4.1.3	12	14
Non-heritage collection	4.2.1	2,531	2,409
Total depreciation		13,794	13,056

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. Leasehold improvements are depreciated over the period of the lease or the asset's estimated useful life, whichever is the shorter, using the straight-line method.

The following are typical estimated useful lives for the different asset classes, used in the calculation of depreciation for current and prior year

Asset class	Useful life
Buildings	100 years
Plant and equipment	5–20 years
Non-heritage collection assets	50 years

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

4 KEY ASSETS AVAILABLE TO SUPPORT OUTPUT DELIVERY (Cont'd)**4.1.1 Depreciation (cont'd)**

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.

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.

4.1.2 Impairment

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 values 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
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
2018						
Opening balance	132,992	307,694	1,150	54	13,546	455,436
Additions	-	-	777	-	37,378	38,155
Depreciation	-	(10,284)	(349)	(14)	-	(10,647)
Closing balance	132,992	297,410	1,578	40	50,924	482,944

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

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

4.2 Cultural assets

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

	Gross carrying amount		Public administration Accumulated depreciation		Net carrying amount	
	2019	2018	2019	2018	2019	2018
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Heritage collection at fair value	279,678	279,228	–	–	279,678	279,228
Non-heritage collection at fair value	117,833	117,833	(7,069)	(4,713)	110,764	113,120
Donated material at fair value	6,753	5,883	(142)	(25)	6,611	5,858
Donated material WIP at fair value	1,631	–	–	–	1,631	–
Non-heritage collection at fair value	4,267	2,858	(85)	(28)	4,182	2,830
Closing balance	410,162	405,802	(7,296)	(4,766)	402,866	401,036

Cultural assets comprise works in the State Library Collection and other cultural assets. Control of the State Library Collection is vested in the Library Board of Victoria by virtue of the *Libraries Act 1988*. Additions to the State Collection may take the form of either a purchase by the State Library of Victoria 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.

Purchased cultural assets are initially carried at cost and revalued subsequently at fair value. Donated or bequeathed cultural assets are carried at fair value. Heritage cultural assets are not depreciated as they do not have a finite useful life. The current use is considered the highest and best use.

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.

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

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

4.2.1 Reconciliation of movements in 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
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
2018							
Opening balance	277,952	516	115,476	1,236	1,382	-	396,562
Purchases	-	760	-	-	1,476	-	2,236
Donated materials	-	-	-	4,647	-	-	4,647
Depreciation	-	-	(2,356)	(25)	(28)	-	(2,409)
Closing balance	277,952	1,276	113,120	5,858	2,830	-	401,036

4.3 Investments and other financial assets

The Board holds cash, deposits and investments to provide for future operating and capital purposes, including the purchase of works of art for the State Collection. 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.

Investments held by the Board are classified as available-for-sale and are measured at fair value in the manner 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 2019

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

4.3.1 Ageing analysis of investments and other financial assets

	Carrying amount \$'000	Not past due and not impaired \$'000	Past due but not impaired			
			Less than 1 mth \$'000	1-3 mths \$'000	3 mths- 1 yr \$'000	1-5 yrs \$'000
2019						
Investments and other financial assets						
Investment in externally managed unitised funds	21,784	21,784	-	-	-	-
Total investments and other financial assets	21,784	21,784	-	-	-	-
2018						
Investments and other financial assets						
Investment in externally managed unitised funds	19,535	19,535	-	-	-	-
Total investments and other financial assets	19,535	19,535	-	-	-	-

4.3.2 Analysis and purpose of financial assets

		General funds 2019 \$'000	Dedicated funds 2019 \$'000	Total funds 2019 \$'000	General funds 2018 \$'000	Dedicated funds 2018 \$'000	Total funds 2018 \$'000
	Notes						
Cash and deposits	6.1	2,337	13,556	15,893	3,144	22,477	25,621
Receivables	5.1	1,564	-	1,564	1,898	-	1,898
Investments and other financial assets	4.3.1	-	21,784	21,784	-	19,535	19,535
Total financial assets		3,901	35,340	39,241	5,042	42,012	47,054

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

Dedicated funds have been granted, donated or bequeathed to the Library Board of Victoria via the Foundation Council. These funds are dedicated to specific purposes, as expressed by the original grantor, donor or testator. Dedicated funds shown as "Investments and other financial assets" are categorised as follows:

		2019 \$'000	2018 \$'000
	Notes		
Dedicated funds shown as investments and other financial assets			
Corpus		14,092	14,499
Bequests/donations – non-endowed		2,783	2,849
Bequests/donations – endowed		4,909	2,187
Total investments and other financial assets	4.3.1	21,784	19,535

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

5 OTHER ASSETS AND LIABILITIES

Introduction

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

Structure

- 5.1 Receivables
 - 5.1.1 Ageing analysis of contractual receivables
- 5.2 Other non-financial assets
- 5.3 Deferred expenditure
- 5.4 Payables
 - 5.4.1 Maturity analysis of financial liabilities

5.1 Receivables

	Notes	2019 \$'000	2018 \$'000
Current contractual			
Debtors – external		1,439	1,794
Accrued interest receivable		3	1
		1,442	1,795
Statutory GST recoverable		122	103
Total current receivables	4.3.2	1,564	1,898

Receivables consist of:

- Contractual receivables, such as debtors in relation to goods and services and franking credits recoverable; and
- Statutory receivables include Goods and Services Tax input tax credits recoverable.

Contractual receivables are classified as financial instruments and categorised as receivables, 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.

Doubtful debts

Receivables are assessed for bad and doubtful debts on a regular basis. A provision for doubtful receivables is recognised when there is objective evidence that the debts may not be collected, and bad debts are written off when identified.

Those bad debts considered as written off by mutual consent are classified as a transaction expense. Bad debts not written off, including the allowance for doubtful receivables, are classified as other economic flows in the net result.

Credit quality of contractual receivables at amortised cost

The Board 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 Board has grouped contractual receivables on shared credit risk characteristics and days past due and select the expected credit loss rate based on the Board's past history, existing market conditions, as well as forwardlooking estimates at the end of the financial year.

On this basis, the Board has assessed the opening loss allowance on initial application date of AASB 9 and the closing loss allowance at end of the financial year as nil.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

5 OTHER ASSETS AND LIABILITIES (Cont'd)

5.1.1 Ageing analysis of contractual receivables

	Carrying amount	Not past due and not impaired	Past due but not impaired			
	\$'000	\$'000	Less than 1 mth \$'000	1-3 mths \$'000	3 mths- 1 yr \$'000	1-5 yrs \$'000
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	-
2018						
Contractual financial assets						
Receivables						
Debtors	1,794	1,284	471	39	-	-
Accrued investment income	1	1	-	-	-	-
Total contractual financial assets	1,795	1,285	471	39	-	-

There are no material financial assets that are individually determined to be impaired. The Board does not hold any collateral as security nor credit enhancements relating to any of its financial assets. There are no financial assets that have had their terms renegotiated so as to prevent them from being past due or impaired, and they are stated at the carrying amounts as indicated. The ageing analysis table above discloses the ageing only of contractual financial assets that are past due but not impaired.

5.2 Other non-financial assets

	2019 \$'000	2018 \$'000
Prepayments	625	773
Total prepayments	625	773

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

5 OTHER ASSETS AND LIABILITIES (Cont'd)

5.3 Deferred expenditure

The value of deferred expenditure represents the remaining value of the CAVAL Archival and Research Materials (CARM) Centre after the Library write-down in 2004-05.

		2019 \$'000	2018 \$'000
CARM Centre, Bundoora		1,000	1,000
less: accumulated amortisation		(999)	(999)
Total deferred expenditure		1	1

5.4 Payables

	Notes	2019 \$'000	2018 \$'000
Contractual financial liabilities			
Payables			
Supplies and services		1,604	1,201
Accrued expense		748	997
Lease liabilities	6.3.1	58	40
Prepaid revenue		109	230
Amounts payable to other government agencies		89	523
		2,608	2,991
Statutory			
Amounts payable to other government agencies		133	128
Total payables	5.4.1	2,741	3,119

Payables consist of:

- Contractual payables, such as accounts payable and prepaid revenue. Accounts payable represent liabilities for goods and services provided to the State Library of Victoria prior to the end of the financial year that are unpaid, and arise when the State Library of Victoria 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 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

5 OTHER ASSETS AND LIABILITIES (Cont'd)

5.4.1 Maturity analysis of financial liabilities

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

	Carrying amount	Nominal amount	Maturity dates				
			Less than 1 mth	1-3 mths	3 mths- 1 yr	1-5 yrs	5+ yrs
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2019							
Contractual financial liabilities							
Payables							
Supplies and services	1,604	1,604	1,604	-	-	-	-
Accrued expense	748	748	748	-	-	-	-
Finance lease liabilities	58	58	1	2	8	47	-
Prepaid revenue	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	-
2018							
Contractual financial liabilities							
Payables							
Supplies and services	1,201	1,201	1,201	-	-	-	-
Accrued expense	997	997	997	-	-	-	-
Finance lease liabilities	40	40	12	2	26	-	-
Prepaid revenue	230	113	50	26	39	2	-
Amounts payable to other government agencies	651	651	651	-	-	-	-
Total contractual financial liabilities	3,119	3,002	2,911	28	65	2	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

6 HOW WE FINANCED OUR OPERATIONS

Introduction

This section provides information on sources of finance used by the Board during its operations.

Structure

- 6.1 Cash and deposits
- 6.2 Cash flow information and balances
 - 6.2.1 Reconciliation of net result for the period to net cash flow from operating activities
 - 6.2.2 Non-cash financing and investing activities
- 6.3 Leases
 - 6.3.1 Finance lease liabilities (Board as lessee)
 - 6.3.2 Operating leases (Board as lessee)
- 6.4 Commitments for future expenditure

6.1 Cash and deposits

	Notes	2019 \$'000	2018 \$'000
Cash on hand		10	10
Cash at bank		2,327	3,134
Bank deposits at call		13,556	22,477
Total cash and deposits	4.3.2	15,893	25,621

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	2019 \$'000	2018 \$'000
Net result for the year		(3,078)	(149)
Non-cash movements			
Depreciation	4.1.1	13,794	13,056
Donations in kind	2.5	(2,502)	(4,647)
Loss/(gain) on sale non-financial assets		(24)	(2)
Changes to the fair value of investments measured at fair value through net result		500	–
Loss on revaluation of long-service leave liability due to changes in bond rates		510	11
Movements in assets and liabilities			
Increase in provisions		66	569
Decrease/(increase) in receivables		334	131
Decrease/(increase) in prepayments		148	(390)
Increase/(decrease) in payables		(352)	(851)
Net cash flows from/(used in) operating activities		9,396	7,728

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

6 HOW WE FINANCED OUR OPERATIONS (Cont'd)

6.2.2 Non-cash financing and investing activities

Acquisition of collections

During the year the Board received collections with an aggregate fair value of \$2,502,115 (2018: \$4,646,807) through public donations. These acquisitions are not reflected in the cash flow statement.

Leased assets

During the year the Board acquired leased motor vehicles of \$62,896 (2018: nil). These acquisitions are not reflected in the cash flow statement.

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.

6.3.1 Finance lease liabilities (Board as lessee)

	Notes	Minimum future lease payments		Present value of minimum future lease payments	
		2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Finance lease liabilities payable					
No longer than 1 year		9	40	9	40
Longer than 1 year but not longer than 5 years		49	–	49	–
Minimum future lease payments		58	40	58	40
Less future finance charges		–	–	–	–
Present value of minimum future lease payments		58	40	58	40
Included in financial statements as:					
Current lease liabilities		–	–	9	40
Non-current lease liabilities		–	–	49	–
	5.4	–	–	58	40

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

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

Finance leases include motor vehicles.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

6 HOW WE FINANCED OUR OPERATIONS (Cont'd)

6.3.2 Operating leases (Board as lessee)

Operating lease payments, including any contingent rentals, are recognised as an expense in the comprehensive operating statement on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern of the benefits derived from the use of the leased asset. The leased asset is not recognised in the balance sheet.

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

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

Operating leases include ICT equipment.

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 Goods and Services Tax 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.

	2019 \$'000	2018 \$'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 Ballarat offsite storage site, payable as follows:		
Not later than one year	2,019	3,846
Later than one year, not later than five years	688	2,530
Later than five years	558	608
	3,265	6,984
Operating leases		
Commitments for minimum-lease payments in relation to non-cancellable operating leases are payable as follows:		
Not later than one year	531	539
Later than one year, not later than five years	671	1,025
	1,202	1,564
Total commitments for expenditure (GST inclusive)	16,096	8,548
Less GST recoverable from the ATO	(1,463)	(777)
Total commitments for expenditure (GST exclusive)	14,633	7,771

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

7 RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS

Introduction

The Board 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 Board relate mainly to fair value determination.

Structure

- 7.1 Financial instruments specific disclosures
 - 7.1.1 Categorisation of financial instruments
 - 7.1.2 Net holding gain/(loss) on financial instruments by category
 - 7.1.3 Credit risk
 - 7.1.4 Liquidity risk
 - 7.1.5 Market risk
 - 7.1.6 Interest-rate risk
 - 7.1.7 Equity-price risk
 - 7.1.8 Foreign-currency risk
- 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 Board's principal financial instruments comprise cash assets, term deposits, receivables, cash management funds, 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 Board's activities, certain financial assets and financial liabilities arise under statute rather than a contract. Such financial assets and financial liabilities do not meet the definition of financial instruments in AASB 132 *Financial Instruments: Presentation*. For example, statutory receivables arising from taxes do not meet the definition of financial instruments as they do not arise under contract. Where relevant, for note disclosure purposes, a distinction is made between those financial assets and financial liabilities that meet the definition of financial instruments in accordance with AASB 132 and those that do not.

From 1 July 2018, the Board applies AASB 9 and classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms. The following refers to financial instruments unless otherwise stated.

Categories of financial assets under AASB 9

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 Board 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 Board recognises the following assets in this category:

- cash and deposits;
- receivables (excluding statutory receivables);
- term deposits; and
- certain debt securities.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

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

7.1 Financial instruments specific disclosures (cont'd)

Financial assets at fair value through other comprehensive income

Debt investments are measured at fair value through other comprehensive income 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 Board to achieve its objective both by collecting the contractual cash flows and by selling the financial assets, and
- the assets' contractual terms give rise to cash flows that are solely payments of principal and interests.

Equity investments are measured at fair value through other comprehensive income if the assets are not held for trading and the Board has irrevocably elected at initial recognition to recognise in this category.

These assets are initially recognised at fair value with subsequent change in fair value in other comprehensive income.

Upon disposal of these debt instruments, any related balance in the fair value reserve is reclassified to profit or loss. However, upon disposal of these equity instruments, any related balance in fair value reserve is reclassified to retained earnings.

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

Categories of financial assets previously under AASB 139

Loans and receivables and cash are financial instrument assets with fixed and determinable payments that are not quoted on an active market. These assets and liabilities are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial measurement, loans and receivables are measured at amortised cost using the effective interest method (and for assets, less any impairment). The Board recognises the following assets in this category:

- cash and deposits;
- receivables (excluding statutory receivables);
- term deposits; and
- certain debt securities.

Available-for-sale financial instrument assets are those designated as available-for-sale or not classified in any other category of financial instrument asset. Such assets are initially recognised at fair value. Subsequent to initial recognition, they are measured at fair value with gains and losses arising from changes in fair value, recognised in 'Other economic flows – other comprehensive income' until the investment is disposed. Movements resulting from impairment and foreign currency changes are recognised in the net result as other economic flows. On disposal, the cumulative gain or loss previously recognised in 'Other economic flows – other comprehensive income' is transferred to other economic flows in the net result. The Board recognises investments in equities and managed investment schemes in this category.

Held to maturity financial assets: If the Board has the positive intent and ability to hold nominated investments to maturity, then such financial assets may be classified as held to maturity. These are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, held to maturity financial assets are measured at amortised cost using the effective interest method, less any impairment losses.

The Board makes limited use of this classification because any sale or reclassification of more than an insignificant amount of held to maturity investments not close to their maturity, would result in the whole category being reclassified as available-for-sale. The held to maturity category includes term deposits and debt securities for which the Board intends to hold to maturity.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

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

7.1 Financial instruments specific disclosures (cont'd)

Categories of financial instruments under AASB 9 and previously under AASB 139

Financial assets and liabilities at fair value through net result are categorised as such at trade date, or if they are classified as held for trading or designated as such upon initial recognition. Financial instrument assets are designated at fair value through net result on the basis that the financial assets form part of a group of financial assets that are managed based on their fair values and have their performance evaluated in accordance with documented risk management and investment strategies. Financial instruments at fair value through net result are initially measured at fair value; attributable transaction costs are expensed as incurred. Subsequently, any changes in fair value are recognised in the net result as other economic flows unless the changes in fair value relate to changes in the Board's own credit risk. In this case, the portion of the change attributable to changes in the Board's own credit risk is recognised in other comprehensive income with no subsequent recycling to net result when the financial liability is derecognised. The Board recognises some debt securities that are held for trading in this category and designated certain debt securities as fair value through net result in this category.

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 profit and loss over the period of the interest bearing liability, using the effective interest rate method. The Board recognises the following liabilities in this category:

- payables (excluding statutory payables); and
- borrowings (including finance lease liabilities).

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

Some master netting arrangements do not result in an offset of balance sheet assets and liabilities. Where the Board does not have a legally enforceable right to offset recognised amounts, because the right to offset is enforceable only on the occurrence of future events such as default, insolvency or bankruptcy, they are reported on a gross basis.

Derecognition of financial assets: A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired; or
- the Board retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- the Board has transferred its rights to receive cash flows from the asset and either:
 - 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 Board has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of the Board's continuing involvement in the asset.

Derecognition 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 derecognition 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 Board's business model for managing its financial assets has changes such that its previous model would no longer apply.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

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

7.1 Financial instruments specific disclosures (cont'd)

7.1.1 Categorisation of financial instruments

The carrying amount of the Board's contractual financial assets and contractual financial liabilities by category are disclosed as follows:

2019	Financial assets mandatorily measured at fair value through profit/loss (FVTPL) \$'000	Financial assets at amortised cost (AC) \$'000	Financial liabilities at amortised cost (AC) \$'000	Total \$'000
Contractual financial assets				
Cash and deposits	-	15,893	-	15,893
Receivables				
Debtors	-	1,439	-	1,439
Accrued investment income	-	3	-	3
Investments and other contractual financial assets				
Managed investment	21,784	-	-	21,784
Total contractual financial assets	21,784	17,335	-	39,119
Contractual financial liabilities				
Payables				
Supplies and services	-	-	1,604	1,604
Accrued expense	-	-	748	748
Finance lease liabilities	-	-	58	58
Prepaid revenue	-	-	109	109
Amounts payable to other government agencies	-	-	89	89
Total contractual financial liabilities	-	-	2,608	2,608
2018				
	Contractual financial assets - available-for-sale \$'000	Contractual financial assets - loans and receivables \$'000	Contractual financial liabilities at amortised cost \$'000	Total \$'000
Contractual financial assets				
Cash and deposits	-	25,621	-	25,621
Receivables				
Debtors	-	1,794	-	1,794
Accrued investment income	-	1	-	1
Investments and other contractual financial assets				
Managed investment	19,535	-	-	19,535
Total contractual financial assets	19,535	27,416	-	46,951
Contractual financial liabilities				
Payables				
Supplies and services	-	-	1,201	1,201
Accrued expense	-	-	997	997
Finance lease liabilities	-	-	40	40
Prepaid revenue	-	-	230	230
Amounts payable to other government agencies	-	-	523	523
Total contractual financial liabilities	-	-	2,991	2,991

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

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

7.1 Financial instruments specific disclosures (cont'd)

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

2019	Net holding gain \$'000	Total interest income/ (expense) \$'000	Fee income/ (expense) \$'000	Impairment loss \$'000	Total \$'000
Contractual financial assets					
Financial assets at amortised cost	-	439	-	-	439
Managed investments designated at fair value through profit/loss	-	1,379	-	-	1,379
Managed investments mandatorily measured at fair value through profit/loss	(500)	-	-	-	(500)
Total contractual financial assets	(500)	1,818	-	-	1,318
Contractual financial liabilities					
Financial liabilities at amortised cost	-	-	-	-	-
Total contractual financial liabilities	-	-	-	-	-
2018					
Contractual financial assets					
Financial assets at amortised cost	-	378	-	-	378
Contractual financial assets – loans and receivables	-	1,524	-	-	1,524
Contractual financial assets available-for-sale recognised in net result	750	-	-	-	750
Total contractual financial assets	750	1,902	-	-	2,652
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.) 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 2019

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

7.1 Financial instruments specific disclosures (cont'd)

7.1.3 Credit risk

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

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

The Board does not engage in hedging for its contractual financial assets and the Board does not hold any collateral as security nor credit enhancements relating to any of their financial assets. Except as noted in the following table, the carrying amount of contractual financial assets recorded in the financial statements represents the Board's maximum exposure to credit risk.

There has been no material change to the Board's credit risk profile in 2018-19.

7.1.3(a) Credit quality of financial assets that are neither past due nor impaired^(a)

	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
2019					
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
Investments and other financial assets (with no impairment loss recognised)	–	21,784	–	–	21,784
Total contractual financial assets	2,452	35,824	–	965	39,241
2018					
Contractual financial assets					
Cash and deposits	3,134	22,477	–	10	25,621
Receivables	1	1,080	–	714	1,795
Investments and other financial assets	–	19,535	–	–	19,535
Total contractual financial assets	3,135	43,092	–	724	46,951

(a) The total amounts disclosed here exclude statutory amounts (e.g. amounts owing from Victorian Government and GST input tax credit recoverable).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

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

7.1 Financial instruments specific disclosures (cont'd)

7.1.4 Liquidity risk

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

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

The Board manages its liquidity risk by:

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

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

7.1.5 Market risk

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

7.1.6 Interest-rate risk

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

Cash flow interest-rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Board has minimal exposure to cash flow interest-rate risks through its cash and deposits, term deposits that are at fixed interest rates. Exposure to cash flow interest-rate risk arises primarily through the Board's interest-bearing assets (term deposits) at the time of expiration of one term and renegotiation for a new term. The Board manages this risk by mainly undertaking fixed-rate or non-interest-bearing financial instruments with relatively even maturity profiles, with only insignificant amounts of financial instruments at floating rate. Management has concluded that cash at bank can be left at floating rate without necessarily exposing the Board to significant risk: management monitors movement in interest rates on a daily basis.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

7 RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS (Cont'd)**7.1 Financial instruments specific disclosures (cont'd)**

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

7.1.6(a) Interest-rate analysis of financial instruments

	Weighted average interest rate %	Carrying amount \$'000	Interest rate exposure		
			Fixed interest rate \$'000	Variable interest rate \$'000	Non- interest bearing \$'000
2019	%	\$'000	\$'000	\$'000	\$'000
Contractual financial assets					
Cash and deposits	1.6%	15,893	–	15,893	–
Receivables					
Debtors	–	1,439	–	–	1,439
Accrued investment income	–	3	3	–	–
Investments and other contractual financial assets					
Managed investment	–	21,784	–	21,784	–
Total contractual financial assets		39,119	3	37,677	1,439
Contractual financial liabilities					
Payables					
Supplies and services		1,604	–	–	1,604
Accrued expense		748	–	–	748
Finance lease liabilities	3.3%	58	58	–	–
Prepaid revenue		109	–	–	109
Amounts payable to other government agencies		89	–	–	89
Total contractual financial liabilities		2,608	58	–	2,550
2018					
Contractual financial assets					
Cash and deposits	1.6%	25,621	–	25,621	–
Receivables					
Debtors	–	1,794	–	–	1,794
Accrued investment income	–	1	1	–	–
Investments and other contractual financial assets					
Managed investment	–	19,535	–	19,535	–
Total contractual financial assets		46,951	1	45,156	1,794
Contractual financial liabilities					
Payables					
Supplies and services		1,201	–	–	1,201
Accrued expense		997	–	–	997
Finance lease liabilities	3.9%	40	40	–	–
Prepaid revenue		230	–	–	230
Amounts payable to other government agencies		523	–	–	523
Total contractual financial liabilities		2,991	40	–	2,951

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

7 RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS (Cont'd)**7.1 Financial instruments specific disclosures (cont'd)****7.1.6(b) Interest-rate risk sensitivity of financial assets****Sensitivity disclosure analysis and assumptions**

The Board's fund manager cannot be expected to predict movements in market rates and prices. Taking into account past performance, future expectations, economic forecasts and fund manager's knowledge and experience, the Board believes that the following movements are 'reasonably possible' over the next 12 months;

- a parallel shift of +/- 100bp in market interest rates (AUD) from year end.

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

2019	Carrying amount	Interest rate			
		-1%	-1%	+1%	+1%
		Net result	FVOCI revaluation surplus	Net result	FVOCI revaluation surplus
	\$'000	\$'000	\$'000	\$'000	\$'000
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	-	-	-	-
Finance lease liabilities	58	-	-	-	-
Prepaid revenue	109	-	-	-	-
Amounts payable to other government agencies	89	-	-	-	-
Total contractual financial liabilities	2,608	-	-	-	-
2018	Carrying amount	-1%	Interest rate -1%	+1%	+1%
		Net result	Available- for-sale revaluation surplus	Net result	Available- for-sale revaluation surplus
	\$'000	\$'000	\$'000	\$'000	\$'000
Contractual financial assets					
Cash and deposits	25,621	(199)	-	199	-
Receivables					
Debtors	1,794	-	-	-	-
Accrued investment income	1	-	-	-	-
Total contractual financial assets	27,416	(199)	-	199	-
Contractual financial liabilities					
Payables					
Supplies and services	1,201	-	-	-	-
Accrued expense	997	-	-	-	-
Finance lease liabilities	40	-	-	-	-
Prepaid revenue	230	-	-	-	-
Amounts payable to other government agencies	523	-	-	-	-
Total contractual financial liabilities	2,991	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

7 RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS (Cont'd)**7.1 Financial instruments specific disclosures (cont'd)****7.1.7 Equity-price risk**

Exposure to equity-market risk arises only from the Board's indirect investments in equities quoted on the Australian Stock Exchange. The Board 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 Board closely monitors performance and manages the equity-price risk through diversification of its investment portfolio, in accordance with the Board's investment policy. The Board 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 Board's exposure to losses from adverse price movements is not hedged. The carrying amount of equity investments recorded in the financial report represents the Board's maximum exposure to equity market risk.

2019	Carrying amount	Equity price			
		-1%	-1%	+1%	+1%
		Net result	FVOCI revaluation surplus	Net result	FVOCI revaluation surplus
	\$'000	\$'000	\$'000	\$'000	\$'000
Contractual financial assets					
Investments and other contractual financial assets	21,784	(218)	-	218	-
Total contractual financial assets	21,784	(218)	-	218	-
2018	Carrying amount	Equity price			
		-1%	-1%	+1%	+1%
		Net result	Available- for-sale revaluation surplus	Net result	Available- for-sale revaluation surplus
	\$'000	\$'000	\$'000	\$'000	\$'000
Contractual financial assets					
Investments and other contractual financial assets	19,535	-	(195)	-	195
Total contractual financial assets	19,535	-	(195)	-	195

7.1.8 Foreign-currency risk

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

7.2 Contingent assets and contingent liabilities**Contingent assets**

As at 30 June 2018 and 2019, the Board has been pledged donations which are expected to be honoured in the future, although they are not legally enforceable. The Board 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 Board of Victoria's control.

Contingent liabilities

The Library Board of Victoria is not aware of any contingent liability as at 30 June 2019 (2018: nil).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

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 Board of Victoria.

This section sets out information on how the Library Board of Victoria determined 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:

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

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

- Level 1 – the fair value of financial instruments with standard terms and conditions, traded in active liquid markets are determined with reference to quoted market prices;
- Level 2 – the fair value is determined using inputs other than quoted prices that are observable for the financial asset or liability, either directly or indirectly; and
- Level 3 – the fair value is determined in accordance with generally accepted pricing models based on discounted cashflow analysis using unobservable market inputs.

The Board 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 2019-20 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		Prepaid revenue Amounts payable to other government agencies
Investments and other financial assets	Externally managed unitised funds		

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

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

7.3.1 Fair value determination of financial assets and liabilities (cont'd)

Financial assets measured at fair value

	Fair value measurement at 30 June using:	Carrying amount	Fair value	Carrying amount	Fair value
		2019	2019	2018	2018
	Level	\$'000	\$'000	\$'000	\$'000
Financial assets at fair value through net result					
Managed investment	1	21,784	21,784	19,535	19,535
Total		21,784	21,784	19,535	19,535

7.3.2 Fair value determination of non-current physical assets

Restricted assets

The Board holds \$691.5m (2018: \$701.3m) worth of property 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	Fair value measurement at end of reporting period using:		
		Level 1	Level 2	Level 3
	\$'000	\$'000	\$'000	\$'000
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
Equipment at fair value	2,989	-	2,989	-
Equipment under lease at fair value	57	-	57	-
Cultural assets at fair value	402,866	-	43,824	359,042
Closing balance	825,610	-	46,870	778,740
2018				
Land at fair value	132,992	-	-	132,992
Buildings at fair value				
Specialised buildings	8,326	-	-	8,326
Heritage buildings	289,084	-	-	289,084
Total buildings at fair value	297,410	-	-	297,410
Equipment at fair value	1,578	-	1,578	-
Equipment under lease at fair value	40	-	40	-
Cultural assets at fair value	401,036	-	43,824	357,212
Closing balance	833,056	-	45,442	787,614

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

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

7.3.2 Fair value determination of non-current physical assets (cont'd)

Cultural assets

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

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

Land

The market approach is also used for land, although the value is adjusted for the community service obligation (30%) to reflect the specialised nature of the land being valued. An independent valuation of the Board's land was performed by the ValuerGeneral Victoria. The valuation was performed using the market approach adjusted for CSO. The effective date of the valuation was 30 June 2016. A management valuation of the Board's land was made using the VGV land indices to determine the fair value. The valuation, which conforms to FRD 103H was performed using the market approach adjusted for CSO. The effective date of the valuation was 30 June 2017.

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 would be classified as Level 3 assets.

Specialised buildings and heritage buildings

For the Board'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 Board's specialised buildings was performed by the ValuerGeneral Victoria. The valuation was performed using the current replacement cost method. The effective date of the valuation was 30 June 2016.

Leased assets

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

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 throughout the period to 30 June 2019.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

7 RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS (Cont'd)**7.3.2 Fair value determination of non-current physical assets (cont'd)****7.3.2(b) Reconciliation of Level 3 fair value**

	Specialised land \$'000	Specialised buildings \$'000	Heritage buildings \$'000	Cultural assets \$'000
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
2018				
Opening balance	132,992	8,740	298,954	352,738
Additions	–	–	–	6,883
Depreciation	–	(414)	(9,870)	(2,409)
Closing balance	132,992	8,326	289,084	357,212

7.3.2(c) Description of significant unobservable inputs to Level 3 valuations for 2019 and 2018

Asset	Valuation technique	Significant unobservable inputs
Land	Market approach	Community Service Obligation (CSO) adjustment 30%
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 TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

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 Subsequent events
- 8.2 Other economic flows included in net result
 - 8.2.1 Net gain/(loss) on non-financial assets
 - 8.2.2 Other losses from other economic flows
 - 8.2.3 Changes to the fair value of investments measured at fair value through 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 Physical asset revaluation surplus
 - 8.7.4 Donation and bequests reserve
 - 8.7.5 Specific purpose grants reserve
 - 8.7.6 Financial assets valuation reserve
- 8.8 Ex-gratia expenses
- 8.9 Change in accounting policies
 - 8.9.1 Changes to classification and measurement
 - 8.9.2 Transition impact
- 8.10 Australian Accounting Standards issued that are not yet effective
- 8.11 Glossary

8.1 Subsequent events

On 15 August 2019 the Library Board of Victoria issued a final decision to proceed with a major restructure of the Library. Included in the restructure are potential redundancies for 21 positions. All efforts will be made to deploy affected staff into new roles, however anticipated separation costs are estimated to be \$1.3m. This liability has not been recognised in these financial statements. The Library Board of Victoria is not aware of any other events occurring subsequent to 30 June 2019 that may have a material effect on the financial statements (2018: nil).

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.

	2019	2018
	\$'000	\$'000
8.2.1 Net gain/(loss) on non-financial assets		
Net gain/(loss) in disposal of non-financial assets	24	2
8.2.2 Other losses from other economic flows		
Gain/(loss) on revaluation of long-service leave liability due to changes in bond rates	(510)	(11)
8.2.3 Changes to the fair value of investments measured at fair value through net result		
Gain/(loss) on revaluation of investments due to changes in market values	(500)	-
	(986)	(9)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

8 OTHER DISCLOSURES (Cont'd)

8.3 Responsible persons

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

Names

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

Minister for the Creative Industries	The Hon. Martin Foley MP	1 July 2018 to 30 June 2019
Chief Executive Officer	Kate Torney	1 July 2018 to 30 June 2019

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 \$390,000–399,999 (\$380,000–389,999 in 2018).

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

Mr John Wylie AM (President)	Ms Karen Quinlan (to 19 Feb 2019)	Ms Cheri Ong (from 24 May 2019)
Ms Christine Christian	Prof Carolyn Evans (to 19 Feb 2019)	Ms Karen Wood (from 24 May 2019)
Ms Maria Myers AC	Mr Dennis Goldner (to 23 May 2019)	Ms Donata Carrazza (from 24 May 2019)
Ms Maxine McKew	Mr Bruce Akhurst (to 23 May 2019)	Mr Hugh Williams (from 24 May 2019)
Mr Adam Lewis		

No member of the Board has received remuneration or retirement benefits during 2018–19 (2018: 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, in the past year three new executive officers were appointed. This has had a significant impact on remuneration figures for 2019.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

8 OTHER DISCLOSURES (Cont'd)

8.4 Remuneration of executives (cont'd)

	2019 \$'000	2018 \$'000
Remuneration of executive officers		
Short-term employee benefits	1,035	466
Post-employment benefits	98	44
Other long-term benefits	53	10
Termination benefits	–	–
Total remuneration^(a)	1,186	520
Total number of executives	5	3
Total annualised employee equivalents	4.3	2.7

Note:

(a) The total number of executive officers includes persons who meet the definition of Key Management Personnel (KMP) of the entity under AASB 124 Related Party Disclosures and are also reported within the related parties note disclosure (Note 8.5).

8.5 Related party transactions

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

	Notes	2019 \$'000	2018 \$'000
Receipts			
Department of Education and Training; grant funding	2.2.1	2,035	1,787
Department of Jobs, Precincts and Regions*; recurrent appropriation	2.2.1	39,284	39,505
Department of Jobs, Precincts and Regions*; capital funding for State Library Redevelopment and BOSS2	8.7.1	32,850	39,636
Department of Jobs, Precincts and Regions*; capital funding	2.2.1	1,945	528
Department of Jobs, Precincts and Regions*; grant funding	2.2.1	299	2,408
Development Victoria; cost recoveries for State Library Redevelopment and BOSS2		1,580	1,407
Treasury Corporation of Victoria; funds withdrawn		52,967	55,783
Payments			
Development Victoria; Payments for State Library Redevelopment and BOSS2		47,263	43,210
Victorian Funds Management Corporation; funds invested		2,750	800
Treasury Corporation of Victoria; funds deposited		41,723	65,292
State Revenue Office; payroll tax paid		1,441	1,381

* Due to the machinery of government changes from 1 January 2019, the previous Department of Economic Development, Jobs, Transport and Resources (DEDJTR) transitioned into the Department of Transport (DoT) and a new department of Jobs, Precincts and Regions (DJPR) was created.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

8 OTHER DISCLOSURES (Cont'd)**8.5 Related party transactions (cont'd)**

Key management personnel of the Library Board of Victoria include the Minister for Creative Industries, members of the Library Board of Victoria and the Executive team. The compensation detailed below excludes the salaries and benefits that the Portfolio Minister 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.

	2019	2018
	\$'000	\$'000
Compensation of KMPs		
Short-term employee benefits	1,387	812
Post-employment benefits	132	76
Other long-term benefits	57	14
Termination benefits	–	–
Total^(a)	1,576	902

Note:

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

Transactions with key management personnel and other related parties

A number of 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 Non-Executive Director of the Victorian Managed Insurance Authority for which insurance premiums paid by the Board in 2018–19 were \$616,141 (2018: \$567,758) exclusive of GST and stamp duty.

Donations totalling \$2,380,000 (2018: \$3,776,900) were received from the Library Board of Victoria members and their related parties. Independent scrutiny of the proposed donations by the Library Board of Victoria members and their related parties was conducted by the Audit and Risk Management Committee with the addition of a respected independent expert.

All other transactions that have occurred with KMPs and their related parties have not been considered material for disclosure.

8.6 Remuneration of auditors

	2019	2018
	\$'000	\$'000
Fees paid and payable to the Victorian Auditor-General's Office for auditing the financial statements.	40	39

The Auditor-General provided no other service.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

8 OTHER DISCLOSURES (Cont'd)

8.7 Equity and reserves

8.7.1 Contributions 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	2019 \$'000	2018 \$'000
Contributed capital			
Balance at beginning of the year		612,203	572,567
Equity contribution from government	8.5	32,850	39,636
Balance at end of the year		645,053	612,203

8.7.2 Accumulated surplus/(deficit)

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

	Notes	2019 \$'000	2018 \$'000
Accumulated surplus			
Balance at beginning of the year		(19,917)	(17,376)
Change in accounting policy	8.9.1	1,505	–
Net result for the year		(3,078)	(149)
Net transfer (to)/from donations and bequests reserve	8.7.4	(3,229)	(986)
Net transfer (to)/from specific purpose grants reserve	8.7.5	(181)	(1,406)
Balance at end of the year		(24,900)	(19,917)

8.7.3 Physical asset revaluation surplus

Represents increments arising from the revaluation of collection, land, buildings and plant and equipment.

	Notes	2019 \$'000	2018 \$'000
Land asset revaluation surplus			
Balance at beginning of the year		110,492	110,492
Movement	4.1.3	–	–
Balance at end of the year		110,492	110,492
Collection asset revaluation surplus			
Balance at beginning of the year		204,488	204,488
Movement		–	–
Balance at end of the year		204,488	204,488
Total of the physical asset revaluation surplus			
Balance at beginning of the year		314,980	314,980
Movement	4.1.3	–	–
Balance at end of the year		314,980	314,980

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

8 OTHER DISCLOSURES (Cont'd)

8.7.4 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 2019.

	Notes	2019 \$'000	2018 \$'000
Donation and bequests reserve			
Balance at beginning of the year		8,016	7,030
Transfer (to)/from accumulated surplus	8.7.2	3,229	986
Balance at end of the year		11,245	8,016

8.7.5 Special purpose grants reserve

Represents the balance of funds received from external organisations to be applied to specific purposes and is unexpended at 30 June 2019.

	Notes	2019 \$'000	2018 \$'000
Special purpose grants reserve			
Balance at beginning of the year		2,698	1,292
Transfer (to)/from accumulated surplus	8.7.2	181	1,406
Balance at end of the year		2,879	2,698

8.7.6 Financial assets valuation reserve

Represents increments arising from the revaluation of financial assets.

	Notes	2019 \$'000	2018 \$'000
Financial assets valuation reserve			
Balance at beginning of the year		1,505	755
Change in accounting policy	8.9.1	(1,505)	-
Fair value remeasurement gains/(losses) on investments	7.1.2	-	750
Balance at end of the year		-	1,505
Total equity at end of the year		949,257	919,485

8.8 Ex-gratia expenses

There were no ex-gratia expenses in aggregate or individually in excess of \$5,000. (2018: nil).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

8 OTHER DISCLOSURES (Cont'd)

8.9 Change in accounting policies

The Board has elected to apply the limited exemption in AASB 9 paragraph 7.2.15 relating to transition for classification and measurement and impairment, and accordingly has not restated comparative periods in the year of initial application. As a result:

- (a) any adjustments to carrying amounts of financial assets or liabilities are recognised at beginning of the current reporting period with difference recognised in opening retained earnings; and
- (b) financial assets and provision for impairment have not been reclassified and/or restated in the comparative period.

AASB 9 introduces a major change to hedge accounting. However, it is the Board's policy not to apply hedge accounting. This note explains the impact of the adoption of AASB 9 Financial Instruments on the Board's financial statements.

8.9.1 Changes to classification and measurement

On initial application of AASB 9 on 1 July 2018, the Board's management has assessed for all financial assets based on the Board's business models for managing the assets. The following are the changes in the classification of the Board's financial assets:

- (a) Unlisted managed investments previously classified as available-for-sale under AASB 139 are now classified as fair value through net result under AASB 9 because their cash flows do not represent solely payments of principal and interest, thus not meeting the AASB 9 criteria for classification at amortised cost. As the result of the above-mentioned changes in classification, the related fair value gain of \$1,504,935 was transferred from the financial assets valuation reserve to retained earnings on 1 July 2018.
- (b) Term deposits previously classified as held to maturity under AASB 139 are now reclassified as financial assets at amortised cost under AASB 9. There was no difference between the previous carrying amount and the revised carrying amount at 1 July 2018 to be recognised in opening retained earnings.
- (c) Contractual receivables previously classified as other loans and receivables under AASB 139 are now reclassified as financial assets at amortised cost under AASB 9. There was no difference between the previous carrying amount and the revised carrying amount at 1 July 2018 to be recognised in opening retained earnings.

The accounting for financial liabilities remains largely the same as it was under AASB 139, except for the treatment of gains or losses arising from the Board's own credit risk relating to liabilities designated at fair value through net result. Such movements are presented in other comprehensive income with no subsequent recycle through profit or loss.

The Board's accounting policies for financial assets and liabilities are set out in note 7.1. The following table summarises the required and elected reclassification upon adoption of AASB 9. The main effects resulting from the reclassification are as follows:

As at 30 June 2018	Notes	AASB 9 Measurement categories		
		AASB 139 Measurement categories	Fair value through net result (mandatory)	Amortised cost
		\$'000	\$'000	\$'000
Loans and receivables				
Cash and deposits	8.9.1 (b)	25,621	–	25,621
Debtors	8.9.1 (c)	1,794	–	1,794
Accrued investment income	8.9.1 (c)	1	–	1
Available for sale				
Investments and other financial assets	8.9.1 (a)	19,535	19,535	–
As at 1 July 2018		46,951	19,535	27,416

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

8 OTHER DISCLOSURES (Cont'd)**8.9 Change in accounting policies (cont'd)****8.9.2 Transition Impact**

The transition impact of first-time adoption of AASB 9 on Comprehensive Operating Statement and Balance Sheet has been summarised in the following tables. The impact on Comprehensive Income Statement as at 1 July 2018 is as follows:

Comprehensive operating statement	Notes	30/06/2018		
		\$'000		
Other economic flows included in net result				
Changes to financial assets available for sale revaluation surplus	8.9.1(a)		(1,505)	
Other economic flows - other comprehensive income				
Changes to financial assets at fair value through other comprehensive income revaluation surplus	8.9.1(a)		1,505	
Comprehensive income			-	

Balance sheet	Notes	Amount at 30/06/2018	Reclassifi- cation	Restated amount at 1/7/2018
		\$'000	\$'000	\$'000
Loans and receivables	8.9.1(b),(c)	27,519	(27,519)	-
Available for sale	8.9.1(a)	19,535	(19,535)	-
Financial assets at fair value through net result	8.9.1(a)	-	19,535	19,535
Financial assets at amortised cost	8.9.1(b),(c)	-	27,519	27,519
Total financial assets		47,054	-	47,054
Total financial liabilities		12,323	-	12,323
Accumulated surplus / (deficit)	8.9.1(a)	(19,917)	1,505	(18,412)
Donations and bequests reserve		8,016	-	8,016
Specific purpose grants reserve		2,698	-	2,698
Physical asset revaluation surplus		314,980	-	314,980
Financial assets revaluation reserve	8.9.1(a)	1,505	(1,505)	-
Contributed capital		612,203	-	612,203
Total equity		919,485	-	919,485

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

8 OTHER DISCLOSURES (Cont'd)

8.10 Australian Accounting Standards issued that are not yet effective

Certain new Australian Accounting Standards have been published that are not mandatory for the 30 June 2019 reporting period. DTF assesses the impact of all these new standards and advises the Board of their applicability and early adoption where applicable.

As at 30 June 2019, the following standards and interpretations that are applicable to the Board had been issued but are not mandatory for the financial year ending 30 June 2019. Standards and interpretations that are not applicable to the Board have been omitted. The Board has not early adopted these standards. The following standards may have a significant impact on the financial statements.

AASB 15 Revenue from contracts with customers

This standard is effective for reporting periods commencing after 1 January 2019. The changes in revenue recognition requirements in AASB 15 may result in changes to the timing and amount of revenue recorded in the financial statements. The standard will also require additional disclosures on service revenue and contract modifications. As at 30 June 2019, this standard is not expected to have a material impact on the financial statements.

AASB 16 Leases

This standard is effective from 1 January 2019. The changes in AASB 16 require most operating leases to be shown on balance sheet, the recognition of lease assets and lease liabilities will cause net debt to increase. Depreciation of lease assets and interest on lease liabilities will be recognised in the income statement with marginal impact on the operating surplus/(deficit). Amounts paid for the principal portion of the lease liability will be presented within financing activities and the amounts paid for the interest portion will be presented within operating activities in the cash flow statement. As at 30 June 2019, the impact of this standard on the financial statements is expected to result in the recognition of right-of-use assets and a corresponding lease liability of approximately \$593,000. It is estimated that there will be no material impact on opening accumulated deficit nor on the 2019 income statement. The Board has performed an impact assessment of AASB 16 and the potential impact in the initial year of application has been estimated as follows:

- increase in right-of-use assets (\$593,000),
- increase in related depreciation (\$200,000),
- increase in lease liability (\$593,000),
- increase in related interest (\$40,000)
- decrease in rental expense (\$240,000).

AASB 1058 Income of not-for-profit entities

This standard is effective from 1 January 2019. The changes in AASB 1058 require that revenue from capital grants that are provided under an enforceable agreement that have sufficiently specific obligations, will now be deferred and recognised as performance obligations are satisfied. As a result, the timing recognition of revenue will change. As at 30 June 2019, this standard is not expected to have a material impact on the financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

8 OTHER DISCLOSURES (Cont'd)

8.11 Glossary of terms

AAS

Australian Accounting Standards

AASB

Australian Accounting Standards Board

ABS

Australian Bureau of Statistics

ATO

Australian Taxation Office

Amortisation

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

Capital asset charge

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

Bequests/Donations (endowed) and Bequests/Donations (non-endowed)

Bequest endowed are where the capital of the bequest must be preserved in perpetuity but where interest can be spent in accordance with donor conditions. Bequest/Donations (non-endowed) are where capital can be expended in full in accordance with conditions.

BOSS

Ballarat Offsite Storage. The 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.

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

DEDJTR

Department of Economic Development, Jobs, Transport and Resources (now called Department of Jobs, Precincts and Regions)

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 2019

8 OTHER DISCLOSURES (Cont'd)

8.11 Glossary of terms (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 leases repayments.

Interest revenue

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

8 OTHER DISCLOSURES (Cont'd)

8.11 Glossary of terms (cont'd)

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 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 represent 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 Directions of the Minister for Finance. This index has been prepared to facilitate identification of compliance with statutory disclosure requirements.

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