



# Libraries Board of South Australia

## 2016-17 Annual Report

Libraries Board of South Australia

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**Date presented to Minister:** 29 September 2017

To:  
Hon Jay Weatherill MP  
Minister for the Arts

This annual report is presented to Parliament to meet the statutory reporting requirements of the *Libraries Act 1982* and the *Public Sector Act 2009* and meets the requirements of Premier and Cabinet Circular *PC013 Annual Reporting*.

This report is verified to be accurate for the purposes of annual reporting to the Parliament of South Australia.

Submitted on behalf of the Libraries Board of South Australia by:

James Bruce

Chairman, Libraries Board of South Australia



Signature



Date

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## Section A: Reporting required under the *Public Sector Act 2009*, the *Public Sector Regulations 2010* and the *Public Finance and Audit Act 1987*

### Agency purpose or role

The purpose of the Libraries Board of South Australia is to promote, create and maintain statewide library services that are provided to the benefit of the people of South Australia. The Libraries Board achieves this via two administrative branches – Public Library Services and the State Library of South Australia. The role of Public Library Services is to work with local councils via a Memorandum of Agreement to create libraries that are valued as institutions of civil democracy and community engagement, and serve as hubs for knowledge, creativity and innovation to provide opportunities for learning and leisure along with linking South Australians to each other and the world. The role of the State Library of South Australia is to ensure current and future generations enjoy, experience and learn from its South Australian collections and world knowledge collected and preserved for the use of the community, and provide research and information services, events and programs to enrich access.

### Objectives

- Achieve and maintain a coordinated system of libraries and library services that adequately meets the needs of the whole community.
- Promote and facilitate the establishment and maintenance of libraries and library services by councils and other appropriate bodies, ensuring equitable and free access for all South Australians to public library collections, internet and services that span across council boundaries.
- Promote a cooperative approach to the provision of library services.
- Ensure that the community has available to it adequate research and information services providing access to library materials and information stored in libraries and other institutions both within and outside the State.

### Key strategies and their relationship to SA Government objectives

Key strategy	SA Government objective
Implement the Public Library Network's strategic plan - Tomorrow's Libraries: Future Directions of the South Australian Public Library Network	Supports SA Strategic Plan - "Our communities are vibrant places to live, work, play and visit" and "We are connected to our communities and give everyone a fair go"
Collect and maintain the documented history of South Australia and provide access that connects people with resources and world knowledge	Supports SA Strategic Plan - "Every member of the community can equally participate in learning opportunities" and "We have a sense of place, identity, belonging and purpose"

<b>Key strategy</b>	<b>SA Government objective</b>
Maximise access to information	Supports SA Strategic Plan – “We overcome distance by using digital technology” and “we have a zest for lifelong learning”
Contribute to the wellbeing of the State by providing culturally enriching opportunities to our communities	Supports SA Strategic Plan - “We are proud of South Australia and celebrate our diverse culture and people” and “increase the number of attendances at SA’s cultural institutions”

### **Agency programs and initiatives and their effectiveness and efficiency**

<b>Program name</b>	<b>Indicators of performance/effectiveness/efficiency</b>	<b>Comments</b>
Develop and implement a three year program of exhibition, education and outreach activities	<p>332 State Library education programs were conducted, showcasing collections. This is an increase of 75% from 2015-16.</p> <p>8,469 school children attended a State Library program aligned to the Australian Curriculum and Teaching for Effective Learning Framework. This is an increase of 82% from 2015-16.</p> <p>175,595 people attended a State Library exhibition. This is an increase of 43% from 2015-16.</p>	Increased and improved engagement with collections and greater use of State Library public spaces
Commence renewal of the State Library’s collection management systems	The focus of work on this target has concentrated on research and defining requirements for an Archival Management System. Performance not assessed in this reporting period.	An Archival Management System will provide customers with a research tool that will make it easier for them to discover our rich archival collections.
Launch the new State Library website	The early phases of the project have focussed on planning, scoping and understanding user journeys when interacting with the State Library’s online information, services and collections. The new website is now scheduled to be completed by 30 June 2018. Performance not assessed in this reporting period.	The program will provide a new and engaging website better suited to customer needs.

<b>Program name</b>	<b>Indicators of performance/effectiveness/efficiency</b>	<b>Comments</b>
Improvement and promotion of the One Card Network	142 sites with free access to resources and information 10,269,439 visits to council libraries 15,163,280 loans (including digital) 593,949 One Card members	One Card members have access to 3.4 million library items across the State, delivered to any library branch for free
Implement the strategic objectives outlined Tomorrow's Libraries	Developed digital strategy for the public library network that supports the future of library services as a gateway of information, education and opportunity.  Published a public library workforce strategy that enables councils to better conduct library strategic planning to meet community needs.  Forward planning for School Community Libraries to ensure financial sustainability and assist councils to improve the delivery of library services in regional communities.	Public libraries have a clear and sustainable strategy for the future delivery of library services
Review provision of public library internet services	1,125 internet enabled computers / devices across South Australia  Free wifi at all council libraries	Enables all South Australians to participate in the digital world for free

### **Legislation administered by the agency**

*Libraries Act 1982*

### **Organisation of the agency**

Organisational chart provided in Appendix 1.

#### **Public Library Services**

- Executive
- Strategic Projects and Communication
- Library Applications and Support
- ICT Projects and Infrastructure
- Business Development

#### **State Library of South Australia**

- Finance and Directorate
- Collections
- Customers
- Online and ICT Services
- Marketing
- Organisational Development

### **Other agencies related to this agency (within the Minister's area/s of responsibility)**

Nil

### **Employment opportunity programs**

This information is reported on centrally as part of the Department of State Development reporting requirements

### **Agency performance management and development systems**

This information is reported on centrally as part of the Department of State Development reporting requirements

### **Occupational health, safety and rehabilitation programs of the agency and their effectiveness**

This information is reported on centrally as part of the Department of State Development reporting requirements

### **Fraud detected in the agency**

<b>Category/nature of fraud</b>	<b>Number of instances</b>
Nil detected	0

### **Strategies implemented to control and prevent fraud**

Developed, implemented and regularly review Financial Management Compliance Program.

The Department of State Development's

Data for the past five years is available at: <https://statedevelopment.sa.gov.au/datasa-fraud>

## Whistle-blowers' disclosure

Number of occasions on which public interest information has been disclosed to a responsible officer of the agency under the *Whistle-blowers' Protection Act 1993* 0

Data for the past five years is available at: <https://statedevelopment.sa.gov.au/datasawhistle-blowers>

## Executive employment in the agency

Executive classification	Number of executives
SAES1	3

Data for the past five years is available at: <https://data.sa.gov.au/data/dataset/dsd-executive-employment>

For further information, the [Office for the Public Sector](#) has a [data dashboard](#) for further information on the breakdown of executive gender, salary and tenure by agency.

## Consultants

The following is a summary of external consultants that have been engaged by the agency, the nature of work undertaken and the total cost of the work undertaken.

Consultants	Purpose	Value
All consultancies below \$10,000 each	To provide services and expert advice to Libraries Board agencies	\$16,750
<b>Consultancies above \$10,000 each</b>		
Blue Train Enterprises Pty Ltd	Development of a digital strategy for SA Public Library Network	\$12,000
Judith Sellick Consulting Pty Ltd	Team Management Profiling and support	\$12,000
URPS	Benchmarking audit of library building spaces	\$91,576
KPPM Strategy	School Community Library forward planning	\$42,098
Bonita Kennedy	Records Management	\$14,400
<b>Total all consultancies</b>		<b>\$188,824</b>

Data for the past five years is available at: <https://data.sa.gov.au/data/organization/state-library-of-south-australia> and <https://statedevelopment.sa.gov.au/datasawconsultants>

See also <https://www.tenders.sa.gov.au/tenders/index.do> for a list of all external consultancies, including nature of work and value. See also the Consolidated Financial Report of the Department of Treasury and Finance <http://treasury.sa.gov.au/> for total value of consultancy contracts across the SA Public Sector.



### **Financial performance of the agency**

The following is a brief summary of the overall financial position of the agency. The information is unaudited. Full audited financial statements for 2016-17 are attached to this report.

As at 30 June 2017, the Board had net equity of \$214 million, representing \$220.5 million of assets offset by \$6.5 million of liabilities. The current asset balance of \$9.45 million primarily represented cash and receivables. The non-current asset balance of \$211.05 million mainly represented property plant and equipment and the research and heritage collections. The majority of the liabilities balance reflected \$4.93 million in employee provisions and \$1.49 million payable to suppliers.

### **Other financial information**

Nil to report

### **Other information requested by the Minister(s) or other significant issues affecting the agency or reporting pertaining to independent functions**

Nil to report

## **Section B: Reporting required under any other act or regulation**

<b>Name and date of act or regulation</b>
Nil

## Section C: Reporting of public complaints as requested by the Ombudsman

### Summary of complaints by subject

Public complaints received by the State Library of South Australia	
Category of complaints by subject	Number of instances
Buildings / facilities	43
Collections	12
Equipment (including online access)	19
Other customers	7
Services (including opening hours, tours, etc)	57
Staff	5
Miscellaneous	4

State Library of SA data for the past five years is available at:

<https://data.sa.gov.au/data/organization/state-library-of-south-australia>

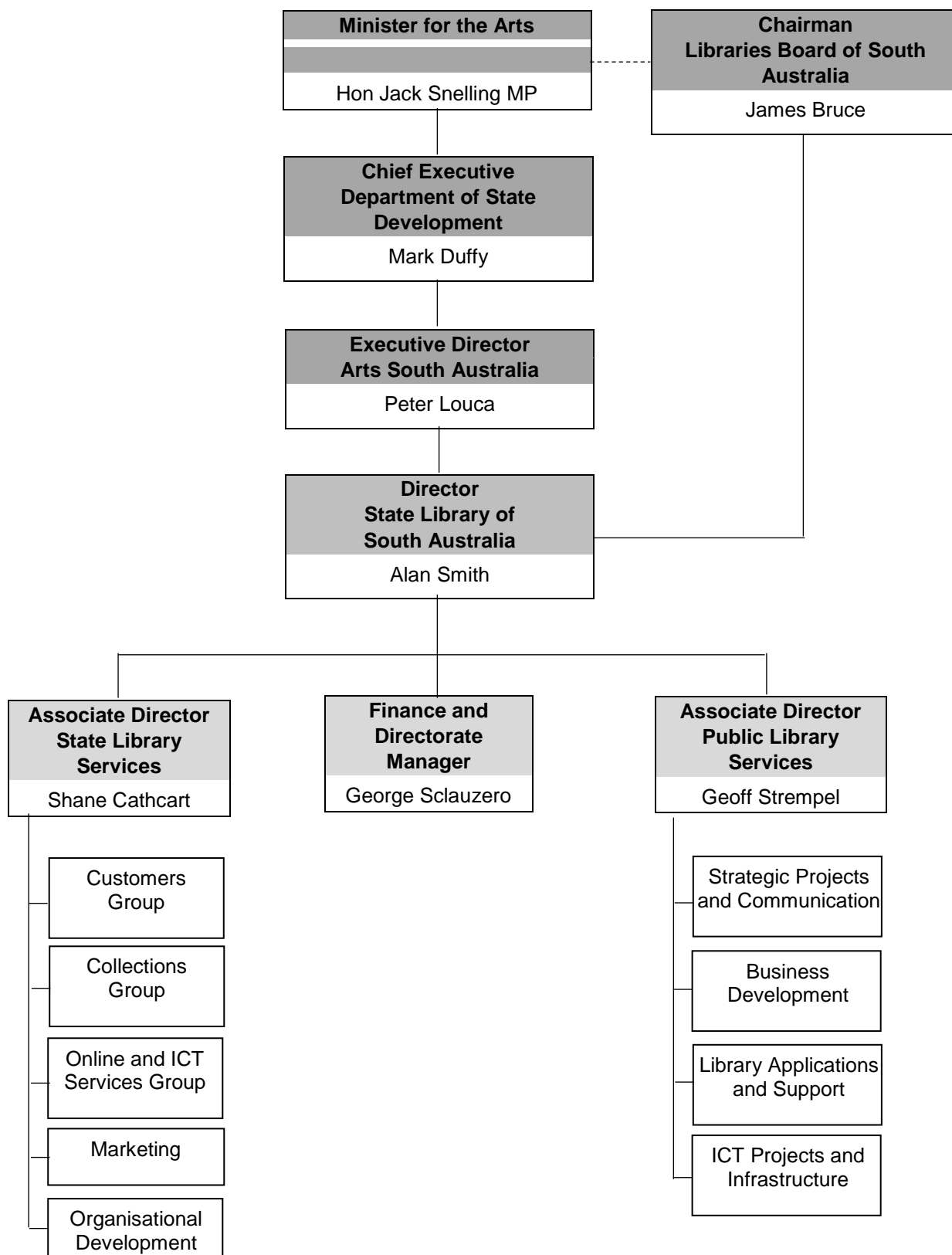
Department of State Development data is available at:

<https://statedevelopment.sa.gov.au/datas-a-public-complaints>

### Complaint outcomes

Nature of complaint or suggestion	Services improved or changes as a result of complaints or consumer suggestions
Need for better directional signage in State Library buildings	Increased and clearer signage displayed in entrance
Queries about needing full registration to access public PCs	Increased flexibility in the issuing and use of Temporary Registration to enable quick access to PCs
Request to make it easier for customers to copy items on their own	Enhanced use of camera and associated electronic copying process in the Somerville Reading Room
Suggestion to involve the Girl Guides in State Library resources	Provided a 'discovery trail' for images held by the State Library for the Girl Guides' SA Day Out In The City event

## Appendix 1: Organisational Chart at 30 June 2017



## **Appendix 2: Audited financial statements 2016-17**



Our ref: A17/115

20 September 2017

Mr A Smith  
Director  
State Library of South Australia  
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Dear Mr Smith

**Audit of the Libraries Board of South Australia  
for the year to 30 June 2017**

We have completed the audit of your accounts for the year ended 30 June 2017. Three key outcomes from the audit are the:

- 1** Independent Auditor's Report on your agency's financial report
- 2** opinion on your financial controls
- 3** audit management letter recommending you address identified weaknesses.

**1 Independent Auditor's Report**

We are returning the financial statements for the Libraries Board of South Australia, with the Independent Auditor's Report. This report is unmodified.

My annual report to Parliament indicates that we have issued an unmodified Independent Auditor's Report on your financial statements.

**2 Opinion on financial controls**

In my opinion, the controls exercised by the Libraries Board of South Australia in relation to the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities except for:

- delegations for approving Public Library Service expenditure had not been approved by the Libraries Board of South Australia
- expenditure delegations were not reflected in the Sierra ordering system
- lack of segregation of duties between the ordering and approving functions in Sierra

are sufficient to provide reasonable assurance that the financial transactions of the libraries Board of South Australia have been conducted properly and in accordance with law.

## **For official use only**

### **3 Audit management letter**

During the year, we sent the agency an audit management letter detailing the weaknesses we noted and improvements we considered you need to make.

We have received a response to these matters and we will follow these up in the 2017-18 audit.

I have also included summary comments about these matters in my annual report. These identify areas we assessed as not meeting a sufficient standard of financial management, accounting and control.

#### **What the audit covered**

Our audit covered the principal areas of the agency's financial operations and included test reviews of systems, processes, internal controls and financial transactions. Some notable areas were:

- revenue and cash
- expenditure
- payroll
- assets
- general ledger
- governance and financial compliance.

Our audits meet statutory audit responsibilities under the *Public Finance and Audit Act 1987* and the Australian Auditing Standards.

I would like to thank the staff and management of your agency for their assistance during this year's audit.

Yours sincerely



Andrew Richardson  
**Auditor-General**

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**To the Chairman**  
**Libraries Board of South Australia**

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987* and section 19(3) of the *Libraries Act 1982*, I have audited the financial report of the Libraries Board of South Australia for the financial year ended 30 June 2017.

**Opinion**

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the Libraries Board of South Australia as at 30 June 2017, its financial performance and its cash flows for the year then ended in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2017
- a Statement of Financial Position as at 30 June 2017
- a Statement of Changes in Equity for the year ended 30 June 2017
- a Statement of Cash Flows for the year ended 30 June 2017
- Disaggregated Disclosures – Expenses and Income for the year ended 30 June 2017
- Disaggregated Disclosures – Assets and Liabilities as at 30 June 2017
- notes, comprising significant accounting policies and other explanatory information
- a Certificate from the Chairman, Libraries Board of South Australia, the Director, State Library of South Australia and the Acting Associate Director, Public Library Services.

**Basis for opinion**

I conducted the audit in accordance with the *Public Finance and Audit Act 1987* and Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of my report. I am independent of the Libraries Board of South Australia. The *Public Finance and Audit Act 1987* establishes the independence of the Auditor-General. In conducting the audit, the relevant ethical requirements of APES 110 Code of Ethics for Professional Accountants have been met.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my opinion.

### **Responsibilities of the Director, State Library of South Australia and the Libraries Board of South Australia for the financial report**

The Director, State Library of South Australia is responsible for the preparation of the financial report that gives a true and fair view in accordance with the Treasurer's Instructions promulgated under the provisions of the *Public Finance and Audit Act 1987* and the Australian Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

The Libraries Board of South Australia is responsible for overseeing the entity's financial reporting process.

### **Auditor's responsibilities for the audit of the financial report**

My objectives 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 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 Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

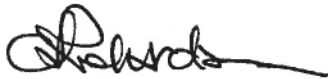
- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material 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
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Director, State Library of South Australia



- 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.

My report refers only to the financial report described above and does not provide assurance over the integrity of electronic publication by the entity on any website nor does it provide an opinion on other information which may have been hyperlinked to/from the report.

I communicate with the Director, State Library of South Australia and 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 the audit.



Andrew Richardson

**Auditor-General**

20 September 2017

# **Libraries Board of South Australia**

## **Financial Statements**

**For the year ended 30 June 2017**

**Libraries Board of South Australia**  
**Certification of Financial Statements**  
*for the year ended 30 June 2017*

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We certify that the attached general purpose financial statements of the Libraries Board of South Australia:

- comply with relevant Treasurer's Instructions issued under section 41 of the *Public Finance and Audit Act 1987* and relevant Australian Accounting Standards
- are in accordance with the accounts and records of the Libraries Board of South Australia
- present a true and fair view of the financial position of the Libraries Board of South Australia as at 30 June 2017 and the results of its operations and cash flows for the financial year.

We certify that the internal controls employed by the Libraries Board of South Australia over its financial reporting and its preparation of the general purpose financial statements have been effective throughout the financial year.



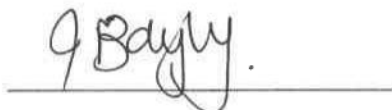
James Bruce  
Chairman  
Libraries Board of South Australia

13<sup>th</sup> September 2017



Alan Smith  
Director  
State Library of South Australia

13 September 2017



Jo Bayly  
Acting Associate Director  
Public Library Services

13<sup>th</sup> September 2017

**Libraries Board of South Australia**  
**Statement of Comprehensive Income**  
*as at 30 June 2017*

	Note	2017 \$'000	2016 \$'000
<b>Expenses</b>			
Staff benefits	5	13 550	13 134
Supplies and services	6	8 594	8 181
Accommodation and facilities	7	2 664	2 518
Depreciation and amortisation	8	2 177	2 120
Subsidies to public libraries	9	10 632	11 204
<b>Total expenses</b>		<b>37 617</b>	<b>37 157</b>
<b>Income</b>			
Fees and charges	10	318	277
Bequests and donations		449	440
Council contributions		126	175
Rent and facilities hire	11	242	278
Resources received free of charge	12	488	412
Investment income	13	576	613
Recoveries		216	252
Other		143	258
Net gain from the disposal of non-current assets	14	99	64
<b>Total income</b>		<b>2 657</b>	<b>2 769</b>
<b>Net cost of providing services</b>		<b>34 960</b>	<b>34 388</b>
<b>Revenues SA Government</b>			
Recurrent operating grant		34 035	33 147
Capital grant		407	-
<b>Total revenues from SA Government</b>	15	<b>34 442</b>	<b>33 147</b>
<b>Net result</b>		<b>( 518)</b>	<b>(1 241)</b>
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified to net result</i>			
Changes in asset revaluation surplus		-	29 160
<b>Total other comprehensive income</b>		<b>-</b>	<b>29 160</b>
<b>Total comprehensive profit / (loss)</b>		<b>( 518)</b>	<b>27 919</b>

The net result and total comprehensive result are attributable to the SA Government as owner.

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

**Libraries Board of South Australia**  
**Statement of Financial Position**  
*for the year ended 30 June 2017*

	Note	2017 \$'000	2016 \$'000
<b>Current assets</b>			
Cash and cash equivalents	16	7 906	5 324
Receivables	17	1 539	1 334
<b>Total current assets</b>		<b>9 445</b>	<b>6 658</b>
<b>Non-current assets</b>			
Receivables	17	27	11
Property, plant and equipment	18	61 429	63 161
Intangible assets	19	161	188
Research and heritage collections	20	141 991	141 675
Investments	21	7 423	8 311
<b>Total non-current assets</b>		<b>211 031</b>	<b>213 346</b>
<b>Total assets</b>		<b>220 476</b>	<b>220 004</b>
<b>Current liabilities</b>			
Payables	22	1 239	883
Staff benefits	23	2 173	1 296
Provisions	24	10	17
Other	25	11	-
<b>Total current liabilities</b>		<b>3 433</b>	<b>2 196</b>
<b>Non-current liabilities</b>			
Payables	22	253	274
Staff benefits	23	2 754	2 965
Provisions	24	17	32
Other	25	10	10
<b>Total non-current liabilities</b>		<b>3 034</b>	<b>3 281</b>
<b>Total liabilities</b>		<b>6 467</b>	<b>5 477</b>
<b>Net assets</b>		<b>214 009</b>	<b>214 527</b>
<b>Equity</b>			
Retained earnings		86 871	87 389
Asset revaluation surplus		127 138	127 138
<b>Total equity</b>		<b>214 009</b>	<b>214 527</b>

**The total equity is attributable to the SA Government as owner**

Unrecognised contractual commitments	26
Contingent assets and liabilities	27

**Libraries Board of South Australia**  
**Statement of Changes in Equity**  
*for the year ended 30 June 2017*

	Note	Asset Revaluation Surplus \$'000	Retained Earnings \$'000	Total \$'000
<b>Balance at 30 June 2015</b>		<b>97 978</b>	<b>88 630</b>	<b>186,608</b>
Net result for 2015-16		-	(1 241)	(1 241)
Gain on revaluation of research and heritage collections		29 160	-	29 160
<b>Total comprehensive result for 2015-16</b>		<b>29 160</b>	<b>(1 241)</b>	<b>27 919</b>
<b>Balance at 30 June 2016</b>		<b>127 138</b>	<b>87 389</b>	<b>214 527</b>
Net result for 2016-17		-	( 518)	( 518)
<b>Total comprehensive result for 2016-17</b>		<b>-</b>	<b>( 518)</b>	<b>( 518)</b>
<b>Balance at 30 June 2017</b>		<b>127 138</b>	<b>86 871</b>	<b>214 009</b>

All changes in equity are attributable to the SA Government as owner.

**Libraries Board of South Australia**  
**Statement of Cash Flows**  
*for the year ended 30 June 2017*

	Note	2017 \$'000	2016 \$'000
<b>Cash flows from operating activities</b>			
<b>Cash outflows</b>			
Staff benefits		(12 906)	(12 751)
Supplies and services		(7 988)	(8 421)
Accommodation and facilities		(2 664)	(2 518)
Subsidies to public libraries		(10 632)	(11 204)
<b>Cash used in operations</b>		<b>(34 190)</b>	<b>(34 894)</b>
<b>Cash inflows</b>			
Fees and charges		318	277
Bequests and donations		428	396
Council contributions		126	175
Rent and facilities hire		257	290
Investment income		556	622
Recoveries		217	252
Other		154	218
<b>Cash generated from operations</b>		<b>2 056</b>	<b>2 230</b>
<b>Cash flows from SA government</b>			
Recurrent operating grant		34 035	33 147
Capital grant		407	-
<b>Cash generated from SA government</b>		<b>34 442</b>	<b>33 147</b>
<b>Net cash provided by operating activities</b>		<b>2 308</b>	<b>483</b>
<b>Cash flows from investing activities</b>			
<b>Cash outflows</b>			
Purchase of heritage collections		( 295)	( 640)
Purchase of investments		( 734)	( 409)
Purchase of property, plant and equipment		( 423)	( 601)
Purchase of land and buildings		-	-
<b>Cash used in investing activities</b>		<b>(1 452)</b>	<b>(1 650)</b>
<b>Cash inflows</b>			
Proceeds from the sale of / maturity of investments		1 726	174
Proceeds from sale of property, plant and equipment		-	3
<b>Cash generated from investing activities</b>		<b>1 726</b>	<b>177</b>
<b>Net cash used in investing activities</b>		<b>274</b>	<b>(1 473)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>2 582</b>	<b>( 990)</b>
Cash and cash equivalents at the beginning of the period		5 324	6 314
<b>Cash and cash equivalents at 30 June</b>		<b>7 906</b>	<b>5 324</b>

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

**Libraries Board of South Australia**  
**Disaggregated Disclosures**  
*for the year ended 30 June 2017*

	Provision of State Library Services		Support of Public Library Services		Eliminations		Total	
	2017	2016	2017	2016	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Expenses</b>								
Staff benefits	10 964	10 879	2 586	2 255	-	-	13 550	13 134
Supplies and services	3 072	3 355	5 566	5 023	( 44)	( 197)	8 594	8 181
Accommodation and facilities	2 662	2 500	2	18	-	-	2 664	2 518
Depreciation and amortisation	2 132	2 074	45	46	-	-	2 177	2 120
Subsidies to public libraries	-	-	10 632	11 204	-	-	10 632	11 204
<b>Total expenses</b>	<b>18 830</b>	<b>18 808</b>	<b>18 831</b>	<b>18 546</b>	<b>( 44)</b>	<b>( 197)</b>	<b>37 617</b>	<b>37 157</b>
<b>Income</b>								
Fees and charges	317	278	1	( 1)	-	-	318	277
Bequests and donations	449	440	-	-	-	-	449	440
Council contributions	-	-	126	175	-	-	126	175
Rent and facilities hire	242	278	-	-	-	-	242	278
Resources received free of charge	431	358	57	54	-	-	488	412
Investment income	503	525	73	88	-	-	576	613
Net gain from the disposal of non-current assets	99	64	-	-	-	-	99	64
Recoveries	140	91	76	161	-	-	216	252
Other	187	365	-	90	( 44)	( 197)	143	258
<b>Total income</b>	<b>2 368</b>	<b>2 399</b>	<b>333</b>	<b>567</b>	<b>( 44)</b>	<b>( 197)</b>	<b>2 657</b>	<b>2 769</b>
<b>Net cost of providing services</b>	<b>16 462</b>	<b>16 409</b>	<b>18 498</b>	<b>17 979</b>	<b>-</b>	<b>-</b>	<b>34 960</b>	<b>34 388</b>
<b>Revenues from (payments to) SA Government</b>								
Recurrent operating grant	15 230	14 797	18 805	18 350	-	-	34 035	33 147
Capital grant	407	-	-	-	-	-	407	-
<b>Total revenues from SA Government</b>	<b>15 637</b>	<b>14 797</b>	<b>18 805</b>	<b>18 350</b>	<b>-</b>	<b>-</b>	<b>34 442</b>	<b>33 147</b>
<b>Net result</b>	<b>( 825)</b>	<b>(1 612)</b>	<b>307</b>	<b>371</b>	<b>-</b>	<b>-</b>	<b>( 518)</b>	<b>(1 241)</b>
<b>Assets</b>								
Assets	215 099	215 594	5 377	4 410	-	-	220 476	220 004
<b>Total assets</b>	<b>215 099</b>	<b>215 594</b>	<b>5 377</b>	<b>4 410</b>	<b>-</b>	<b>-</b>	<b>220 476</b>	<b>220 004</b>
<b>Liabilities</b>								
Liabilities	5 076	4 374	1 391	1 103	-	-	6 467	5 477
<b>Total liabilities</b>	<b>5 076</b>	<b>4 374</b>	<b>1 391</b>	<b>1 103</b>	<b>-</b>	<b>-</b>	<b>6 467</b>	<b>5 477</b>



**Libraries Board of South Australia**  
**Notes to and forming part of the financial statements**  
For the year ended 30 June 2017

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**1 Objectives of the Libraries Board of South Australia**

The Libraries Board of South Australia (the Board) is constituted pursuant to section 8 of the *Libraries Act 1982* (the Act). The Board is charged with the management of the State Library of South Australia (SLSA) and the Public Library Services (PLS) under the Act.

The functions of the Board as prescribed under the Act are as follows

- Formulate policies and guidelines for the provision of public library services
- Establish, maintain and expand collections of library materials
- Administer the State Library
- Promote, encourage and assist in the establishment, operation and expansion of public libraries and public library services by councils and others.

**2 Significant accounting policies**

**(a) Statement of compliance**

The Board has prepared these financial statements in compliance with section 23 of the *Public Finance and Audit Act 1987*.

The financial statements are general purpose financial statements. The accounts have been prepared in accordance with relevant Australian Accounting Standards (Reduced Disclosure Requirements) and comply with Treasurer's Instructions and Accounting Policy Statements promulgated under the provisions of the *Public Finance and Audit Act 1987*.

The Board has applied Australian Accounting Standards that are applicable to not-for-profit entities, as the Board is a not-for-profit entity.

**(b) Basis of preparation**

The preparation of the financial statements requires:

- The use of certain accounting estimates and requires management to exercise its judgment in the process of applying the Board's accounting policies. The areas involving a higher degree of judgment or where assumptions and estimates are significant to the financial statements, are outlined in the applicable notes
- The selection and application of accounting policies in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events are reported
- Compliance with Accounting Policy Statements issued pursuant to section 41 of the *Public Finance and Audit Act 1987*. In the interest of public accountability and transparency the Accounting Policy Statements require the following Note disclosures, which have been included in the financial statements:
  - a) expenses incurred as a result of engaging consultants (as reported in the Statement of Comprehensive Income)
  - b) staff targeted voluntary separation package information
  - c) staff whose normal remuneration is equal to or greater than the base executive remuneration level (within \$10 000 bandwidths) and the aggregate of the remuneration paid or payable or otherwise made available, directly or indirectly, by the entity to those staff
  - d) Board/committee member and remuneration information, where a board/committee member is entitled to receive income from membership other than a direct out-of-pocket reimbursement.

The financial statements have been prepared based on a 12 month period and presented in Australian currency.

**Libraries Board of South Australia**  
**Notes to and forming part of the financial statements**  
**For the year ended 30 June 2017**

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**2 Significant accounting policies (continued)**

**(c) State Government funding**

The financial statements are presented under the assumption of ongoing financial support being provided to the Board by the State Government.

**(d) Comparative information**

The presentation and classification of items in the financial statements are consistent with prior periods except where specific Accounting Standards and/or Accounting Policy Statements have required a change.

The restated comparative amounts do not replace the original financial statements for the preceding period.

**(e) Taxation**

The Board is not subject to Income Tax. The Board is liable for Payroll Tax, Fringe Benefits Tax, Goods and Services Tax (GST) and Emergency Services Levy.

Income, expenses and assets are recognised net of the amount of GST except where the amount of GST incurred by the Board as a purchaser is not recoverable from the Australian Taxation Office (ATO), in which case the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense.

The net GST receivable/payable to the ATO is not recognised as a receivable/payable in the Statement of Financial Position as the Board is a member of an approved GST group of which Arts South Australia, a division of the Department of State Development, is responsible for the remittance and collection of GST. As such, there are no cash flows relating to GST transactions with the ATO in the Statement of Cash Flows.

**(f) Rounding**

All amounts in the financial statements and accompanying notes have been rounded to the nearest thousand dollars (\$'000).

**(g) Events after the reporting period**

There were no events after the reporting period.

**(h) Source of Funds**

The Board's principal source of funds consists of grants from the State Government. In addition, the Board also receives monies from sales, rent, venue hire, investments, donations, bequests and other receipts, and uses the monies for the achievement of its objectives.

**(i) Subsidies to Public Libraries**

Public Library Services receives contributions from Councils to purchase additional materials through the centralised purchasing system. The expenditure for these materials is recorded under Subsidies to Public Libraries in the Statement of Comprehensive Income. The total amount received from councils for the year was \$126 000 (\$175 000).

**(j) Current and non-current classification**

Assets and liabilities that are to be sold, consumed or realised as part of the normal operating cycle even when they are not expected to be realised within twelve months after the reporting date have been classified as current assets or current liabilities. All other assets and liabilities are classified as non-current.

The cost method of accounting is used for the initial recording of all acquisitions of assets. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. Assets donated during the year have been brought to account at fair value.

Non-current assets are subsequently measured at fair value after allowing for accumulated depreciation. Where assets are acquired at no value, or minimal value, they are recorded at fair value in the Statement of Financial Position.

**Libraries Board of South Australia**  
**Notes to and forming part of the financial statements**  
For the year ended 30 June 2017

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**2 Significant accounting policies (continued)**

**(k) Non-current asset acquisition and recognition**

All non-current assets with a value of \$10 000 or greater are capitalised.

Componentisation of complex assets is only performed when the complex asset's fair value at the time of acquisition is greater than \$5 million for infrastructure assets and \$1 million for other assets.

Depreciation and amortisation of non-current assets

All non-current assets, having a limited useful life, are systematically depreciated over their useful lives in a manner that reflects the consumption of their service potential. Assets' residual values, useful lives and depreciation methods are reviewed and adjusted if appropriate, on an annual basis. Land and heritage collections are not depreciated. Depreciation is calculated on a straight line basis over the estimated useful life of the following classes of assets as follows:-

Class of asset	Useful life (years)
Property, plant and equipment:	
Buildings and improvements	10 - 50
Plant and Equipment	5 - 20
Computer Equipment	3 - 10
Compactus and lifts	30
Intangibles	3 -10

The research and heritage collections are kept under special conditions to minimise deterioration and are anticipated to have very long and indeterminate useful lives. No amount for depreciation has been recognised, as their service potential has not, in any material sense, been consumed during the reporting period.

**(l) Valuation of non-current assets**

*Revaluation of non-current assets*

All non-current assets are valued at fair value and a revaluation of non-current assets or a group of assets is only performed when its fair value at the time of acquisition is greater than \$1 million and estimated useful life is greater than three years.

Land and buildings and heritage collections are revalued every five years. However, if at any time management considers the carrying amount of an asset materially differs from its fair value, then the asset will be revalued regardless of when the last valuation took place. Non-current assets that are acquired between revaluations are held at cost until the next valuation, where they are then revalued to fair value.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amounts of the assets and the net amounts are restated to the revalued amounts of the asset. Upon disposal or derecognition, any revaluation surplus relating to that asset is transferred to retained earnings.

*Land and buildings*

An independent valuation of the land and buildings was conducted as at 30 June 2014 by Valcorp Australia Pty Ltd. The valuation of land and buildings as at 30 June 2014 was prepared on a fair value basis in accordance with AASB 116 *Property, Plant and Equipment* and AASB 13 *Fair Value Measurement*.

The valuer used depreciated replacement cost (DRC) for buildings. The depreciated replacement cost considered the need for ongoing provision of government services; specialised nature of the assets, including the restricted use of the assets; the size, condition, location and current use of the assets. The valuation was based on a combination of internal records, specialised knowledge and the acquisition/transfer costs.

The valuation of land was based on recent market transactions for similar land in the area and includes adjustment for factors specific to the land being valued such as size, location and current use.

**Libraries Board of South Australia**  
**Notes to and forming part of the financial statements**  
**For the year ended 30 June 2017**

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**2 Significant accounting policies (continued)**

*Plant and equipment*

All items of plant and equipment including computer equipment and compactus and shelving on acquisition, had a 'fair value at the time of acquisition that was less than \$1 million or had an estimated useful life that was less than three years', and have not been revalued in accordance with APF III. The carrying value of these items are deemed to approximate fair value. These assets are classified in level 3 as there has been no subsequent adjustments to their value, except for management assumptions about the assets' condition and remaining useful life.

*Public Library Services collections*

The film collection is valued at zero value on the basis that this collection is not being added to, is rarely used and may not be disposed under the terms of its original acquisition.

*Research and heritage collections*

The research and heritage collection valuations are independently revalued every five years. The collections were valued as at 30 June 2016 by Mr. P Tinslay, NCJV Registered Valuer, of Aon Risk Solutions (Fine Arts Division).

This valuer specialises in the valuation of heritage assets. This valuation has been carried out in accordance with the principles determined by the International Valuation Standards Committee. These international standards have been followed except where they are altered by Australian Law or by local standards as laid out by the Australian Property Institute.

The market approach has been utilised to determine fair value. The market approach provides an indication of value by comparing the subject asset with identical or similar assets for which price information is available. This approach considers the prices of identical or similar assets that are listed or offered for sale and may necessitate adjusting the price information from other transactions to reflect any differences in the terms of the actual transaction and the basis of value and any assumptions adopted in the valuation being undertaken, as well as differences in the legal, economic or physical characteristics of the assets in other transactions and the asset being valued.

In instances where there were sufficient observable transactions of similar assets to the subject asset (generally in second hand markets) level 1 Inputs have been used. Where inputs to the fair value measurement are considered level 2 in the fair value hierarchy they have been observed from the market and the valuer has made relatively minor adjustments for differences in asset characteristics.

For the valuation of the collections refer to note 20.

*Intangible assets*

An intangible asset is an identifiable non-monetary asset without physical substance. Intangible assets are measured at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The useful lives of intangible assets are assessed to be either finite or indefinite. The Board only has intangible assets with finite lives. The amortisation period and the amortisation method for intangible assets is reviewed on an annual basis.

*Fair value measurement - Non-financial assets*

In determining fair value, the Board has taken into account the characteristic of the asset (e.g. condition and location of the asset and any restrictions on the sale or use of the asset); and the asset's highest and best use (that is physically possible, legally permissible, financially feasible).

The Board's current use is the highest and best use of the asset unless other factors suggest an alternative use is feasible. As the Board did not identify any factors to suggest an alternative use, fair value measurement was based on current use.

**Libraries Board of South Australia**  
**Notes to and forming part of the financial statements**  
For the year ended 30 June 2017

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**2 Significant accounting policies (continued)**

**(m) Impairment of assets**

All non-current tangible and intangible assets are tested for indications of impairment at each reporting date. Where there is an indication of impairment, the recoverable amount is estimated. An amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

For revalued assets, an impairment loss is offset against the asset revaluation surplus.

All non-current tangible assets are valued at fair value. Specialised assets would rarely be sold and typically any costs of disposal would be negligible, accordingly the recoverable amount will be close to or greater than fair value.

The Board also expects for all other non-current tangible assets that any costs of disposal will be negligible and the recoverable amount to be close to or greater than fair value.

There were no indications of impairment of property, plant and equipment and intangibles as at 30 June 2017.

**(n) Staff benefits**

These benefits accrue for staff as a result of services provided up to the reporting date that remain unpaid. Long-term staff benefits are measured at present value and short-term benefits are measured at nominal amounts.

*Salaries, wages, annual leave and skills and experience retention leave and sick leave*

Liabilities for salaries, wages, annual leave and skills and experience retention leave (SERL) have been recognised as the amount unpaid at the reporting date at remuneration rates current at reporting date. The annual leave liability and the SERL liability are expected to be payable within 12 months and are measured at the undiscounted amount expected to be paid.

No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by staff is estimated to be less than the annual entitlement of sick leave.

*Long service leave*

The liability for long service leave is measured as the present value of expected future payments to be made in respect of services provided by staff up to the end of the reporting period using the projected unit credit method.

The estimated liability for long service leave is based on actuarial assumptions over expected future salary and wage levels, experience of staff departures and periods of service. These assumptions are based on employee data over SA Government entities. Expected future payments are discounted using market yields at the end of the reporting period on government bonds with durations that match, as closely as possible, the estimated future cash outflows.

The current portion of long service leave reflects the expected amount of long service leave taken in the next twelve months based on historical data.

**(o) Unrecognised contractual commitments and contingent assets and liabilities**

Commitments include operating and outsourcing commitments arising from contractual or statutory sources and are disclosed at their nominal value.

Contingent assets and contingent liabilities are not recognised in the Statement of Financial Position, but are disclosed by way of a note and, if quantifiable, are measured at nominal value.

Unrecognised contractual commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to the ATO. If GST is not payable to, or recoverable from the ATO, the commitments and contingencies are disclosed on a gross basis.

**Libraries Board of South Australia**  
**Notes to and forming part of the financial statements**  
**For the year ended 30 June 2017**

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**3 New and revised Accounting Standards**

The Board did not voluntarily change any of its accounting policies during 2016-2017.

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective, have not been adopted by the Board for the period ending 30 June 2017.

AASB 16 *Leases* will apply for the first time for the year to reporting periods beginning on or after 1 January 2019. The amended standard introduces a single accounting model for lessees, eliminating the distinction between operating and finance leases. The standard requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.

The lease liability will be initially recognised at an amount equal to the present value of the lease payments during the lease term that are not yet paid. Current operating lease payments will no longer be expensed in the Statement of Comprehensive Income on a straight line basis. Rather, they will be apportioned between a reduction in the recognised lease liability and the implicit finance charge (the effective rate of interest) in the lease. The finance cost will be recognised as an expense. It is anticipated that there will be a marginal impact on net result due to recognition of depreciation and interest on lease liabilities as expenses.

The classification of cash flows will be affected as operating lease payments will be split into a principal and interest portion which will be presented as financing and operating cash flows respectively. Currently, operating lease payments are presented as operating cash flows and recorded as commitments, which are not captured in the Statement of Financial Position.

The Board has not yet quantified the impact of applying AASB 16 *Leases* to its operating lease arrangements and the resulting impact on the Statement of Comprehensive Income, the Statement of Financial Position and the Commitments disclosure in the Notes to the Financial Statements.

**4 Activities of the Libraries Board**

The identity and purpose of each major activity undertaken by the Board during the year ended 30 June 2017 is summarised below (refer to the Disaggregated Disclosures Schedules - Expenses and Income and Assets and Liabilities).

*Activity 1 - Provision of State Library Services*

To provide, through the State Library of South Australia, a comprehensive library and information service for the economic, educational, cultural and social benefit of South Australia and its citizens.

*Activity 2 - Support of Public Library Services*

To provide through Public Library Services and the distribution of State subsidies, an equitable and responsible provision of resources, support and services to public libraries and community information agencies.

**Libraries Board of South Australia**  
**Notes to and forming part of the financial statements**  
For the year ended 30 June 2017

**5 Staff benefits**

	2017	2016
	\$'000	\$'000
Salaries and wages	9 422	9 326
Annual leave	921	923
Board fees	45	43
Long service leave	202	593
Payroll tax	595	611
Skills and experience retention leave	103	107
Superannuation	1 241	1 299
Targeted voluntary separation payments (refer below)	868	22
Workers compensation provision adjustment	( 22)	15
Other staff related expenses	175	195
<b>Total employee benefits expenses</b>	<b>13 550</b>	<b>13 134</b>

The superannuation employment on-cost charge represents the board's contributions to superannuation plans in respect of current services of current employees.

**Remuneration of staff**

The number of employees whose remuneration received or receivable falls within the following bands:

	2017	2016
	Number	Number
\$157 001 to \$167 000	1	1
\$177 001 to \$187 000	-	1
\$187 001 to \$197 000	1	-
\$227 001 to \$237 000 *	1	-
\$237 001 to \$247 000	-	1
\$247 001 to \$257 000	1	-
<b>Total</b>	<b>4</b>	<b>3</b>

The table includes all staff who received remuneration equal to or greater than the base executive remuneration level during the year.

\* This bandwidth in 2016-17 included one staff member who cashed out their long service leave. This has resulted in their disclosure in this table.

Remuneration of staff reflects all costs including salaries and wages, payments in lieu of leave, superannuation contributions, Fringe Benefits Tax and salary sacrifice benefits. The total remuneration received by these staff members for the year was \$832 000 (\$589 000).

**Targeted voluntary separation packages (TVSP's)**

	2017	2016
	\$'000	\$'000
Amounts paid during the reporting period to separated staff:		
TVSPs	114	22
Annual leave, LSL and skills and experience retention leave paid to those staff	10	17
	<b>124</b>	<b>39</b>
<b>Net cost to the Libraries Board</b>	<b>124</b>	<b>39</b>

Number of employees who received a TVSP during the reporting period	2	1
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An additional 13 employees accepted TVSP offers on or before 30 June 2017, but the payments were not processed until July 2017. The total TVSP owed to these employees is \$754 000. This amount is recognised in accrued salaries and wages within note 23 staff benefits. The termination payments for outstanding leave balances owing for these

**Libraries Board of South Australia**  
**Notes to and forming part of the financial statements**  
For the year ended 30 June 2017

TVSPs totalling \$180 000 is also recognised within note 23. These amounts will be included as part of the 2017-18 TVSP disclosure.

**6 Supplies and services**

	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
Business services charge	305	305
Cataloguing and end processing	527	878
Communications	846	941
Consultants' fees	190	192
Contractors	222	149
Electronic resources	319	377
Freight, courier, postage	1 658	1,543
Information technology	1 895	1,364
Insurance & risk management	207	234
Maintenance	103	151
Marketing and promotion	147	240
Minor equipment purchases and leasing	277	185
Preservation activities	225	167
Travel and accommodation	113	139
Other	1 560	1,316
<b>Total supplies and services</b>	<b>8 594</b>	<b>8 181</b>

**Payments to Consultants**

The number and dollar amount of consultancies paid/payable fell within the following bands:

	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	<b>Number</b>	<b>Number</b>	<b>\$'000</b>	<b>\$'000</b>
Below \$10 000	4	5	18	12
Above \$10 000	5	4	172	180
<b>Total paid/payable to consultants engaged</b>	<b>9</b>	<b>9</b>	<b>190</b>	<b>192</b>

**7 Accommodation and facilities**

	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
Accommodation	1 182	1 175
Facilities	979	852
Security	503	491
<b>Total accommodation and facilities</b>	<b>2 664</b>	<b>2 518</b>



**Libraries Board of South Australia**  
**Notes to and forming part of the financial statements**  
For the year ended 30 June 2017

**8 Depreciation and amortisation**

	2017	2016
	\$'000	\$'000
<b>Depreciation</b>		
Buildings and improvements	1 814	1,810
Compactus and lifts	79	79
Computer equipment	110	110
Intangibles	27	26
Plant and equipment	147	95
<b>Total depreciation and amortisation</b>	<b>2 177</b>	<b>2 120</b>

**9 Subsidies to Public Libraries**

	2017	2016
	\$'000	\$'000
Library materials local purchase contribution	691	726
Library materials contribution	5 139	5 606
Operating contribution	4 750	4 821
Community information contribution	32	31
Community information access	20	20
<b>Total subsidies to Public Libraries</b>	<b>10 632</b>	<b>11 204</b>

**10 Fees and charges**

	2017	2016
	\$'000	\$'000
Fees for services	38	22
Lecturing services	179	146
Photocopying services	43	47
Other fees and charges	58	62
<b>Total revenues from fees and charges</b>	<b>318</b>	<b>277</b>

**11 Rent and facilities hire**

	2017	2016
	\$'000	\$'000
Facilities hire	37	64
Rental income	205	214
<b>Total rent and facilities hire</b>	<b>242</b>	<b>278</b>

**12 Resources received free of charge**

	2017	2016
	\$'000	\$'000
Conservation services	123	107
Business services	365	305
<b>Total resources received free of charge</b>	<b>488</b>	<b>412</b>

Resources received free of charge are recognised at their fair value.

**Libraries Board of South Australia**  
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**12 Resources received free of charge (continued)**

Under an arrangement with Arts South Australia and Artlab Australia, both divisions of the Department of State Development, Artlab Australia receives SA Government appropriation to perform conservation services on the heritage collections of the Board. The value of the work performed is recognised as resources received free of charge in income and a corresponding amount included as conservation work expenditure in supplies and services (note 6 ).

Under an arrangement with the Department of State Development, financial services and human resource services are provided free of charge to the Board. The value of these services is recognised as resources received free of charge in income and a corresponding amount included as a business services charge in supplies and services (note 6 ).

**13 Investment income**

	2017	2016
	\$'000	\$'000
Interest income	211	258
Dividends	196	192
Distributions	77	72
Dividend imputation credits	92	91
<b>Total investment income</b>	<b>576</b>	<b>613</b>

Interest revenue is recognised taking into account the interest rates applicable to the financial assets. Dividend income is recognised when the right to receive a dividend has been declared.

**14 Net gain from the disposal of non-current assets**

	2017	2016
	\$'000	\$'000
<b>Investments</b>		
Proceeds from the sale of investments	1 726	174
Less: Net book value of investments	(1 622)	( 113)
<b>Net gain from the disposal of investments</b>	<b>104</b>	<b>61</b>
<b>Property, plant and equipment</b>		
Proceeds from the sale of property, plant and equipment	-	3
Less: Net book value of property, plant and equipment	( 5)	-
<b>Net (loss)/gain from the disposal of property, plant and equipment</b>	<b>( 5)</b>	<b>3</b>
<b>Total assets</b>		
Proceeds from disposal	1 726	177
Less: Net book value of assets disposed	(1 627)	( 113)
<b>Net gain from the disposal of non-current assets</b>	<b>99</b>	<b>64</b>

Gains/losses on disposal of non-current assets are recognised at the date control of the asset is passed to the buyer and are determined after deducting the cost of the asset from the proceeds at that time. When revalued assets are sold, the revaluation surplus is transferred to retained earnings.

**Libraries Board of South Australia**  
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**15 Revenues from SA Government**

	2017	2016
	\$'000	\$'000
<b>Revenues from SA Government</b>		
Recurrent operating grant	34 035	33 147
Capital grant	407	-
<b>Total revenues from SA Government</b>	<b>34 442</b>	<b>33 147</b>

**16 Cash and cash equivalents**

	2017	2016
	\$'000	\$'000
Deposits with the Treasurer	7 899	5 316
Cash on hand	7	8
<b>Total cash and cash equivalents</b>	<b>7 906</b>	<b>5 324</b>

**Deposits with Treasurer**

Deposits with the Treasurer are funds held in the "Libraries Board of South Australia Account", an account held with the Treasurer of South Australia pursuant to section 21 of the *Public Finance and Audit Act 1987*, and funds held in the Premier and Cabinet Operating Account, an account held with the Treasurer of South Australia pursuant to section 8 of the *Public Finance and Audit Act 1987*.

The cash balance includes \$2.05 million of unspent funding allocated to public libraries for the purchase of library materials.

**Cash on hand**

Cash on hand includes petty cash, cheques held on-site and not banked, floats, change machines and an advance account.

**Interest rate risk**

Cash is recorded at nominal value. Interest is calculated based on the average daily balances of the interest bearing funds. The interest bearing funds of the Board are held in a section 21 interest bearing account titled the "*Libraries Board of South Australia Account*".

**Trust Accounts**

Public Library Services hold subsidy payments in trust for the Outback Communities Authority and Aboriginal Lands (Anangu Pitjantjatjara, Maralinga Tjarutja, Nepabunna, Gerard and Yalata). These funds are controlled by the Board and are recorded in the cash balance as at 30 June 2017. The total of these trust accounts is \$180 000 (\$143 000).

**Libraries Board of South Australia**  
**Notes to and forming part of the financial statements**  
For the year ended 30 June 2017

**17 Receivables**

	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Prepayments	1 136	931
Receivables	234	254
Accrued income	169	149
<b>Total current receivables</b>	<b>1 539</b>	<b>1 334</b>
<b>Non-current</b>		
Prepayments	27	10
Receivables	-	1
<b>Total non-current receivables</b>	<b>27</b>	<b>11</b>
<b>Total receivables</b>	<b>1 566</b>	<b>1 345</b>

Receivables include amounts receivable from goods and services, prepayments and other accruals. Receivables arise in the normal course of selling goods and services to the public and other government agencies. Receivables are generally receivable within 30 days after the issue of an invoice or the goods/services have been provided under a contractual arrangement.

Collectability of receivables is reviewed on an ongoing basis. An allowance for doubtful debts is raised when there is objective evidence that the Board will not be able to collect the debt. Bad debts are written off when identified.

**Libraries Board of South Australia**  
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For the year ended 30 June 2017

**18 Property, plant and equipment**

	2017 \$'000	2016 \$'000
<b>Land, buildings and improvements</b>		
Land at valuation	4 530	4 530
Buildings and improvements at valuation	115 522	115 506
Accumulated depreciation	(61 303)	(59 489)
<b>Total land, buildings and improvements</b>	<b>58 749</b>	<b>60 547</b>
<b>Work in progress</b>		
Work in progress at cost	256	6
<b>Total work in progress</b>	<b>256</b>	<b>6</b>
<b>Compactus and lifts</b>		
Compactus and lifts at cost (deemed fair value)	2 469	2 449
Accumulated depreciation	(1 085)	(1 007)
<b>Total compactus and lifts</b>	<b>1 384</b>	<b>1 442</b>
<b>Plant and equipment</b>		
Plant and equipment at cost (deemed fair value)	2 144	2 047
Accumulated depreciation	(1 313)	(1 200)
<b>Total plant and equipment</b>	<b>831</b>	<b>847</b>
<b>Computer equipment</b>		
Computer equipment at cost (deemed fair value)	878	878
Accumulated depreciation	( 669)	( 559)
<b>Total computer equipment</b>	<b>209</b>	<b>319</b>
<b>Total property, plant and equipment</b>	<b>61 429</b>	<b>63 161</b>

**Reconciliation of carrying amounts of property plant and equipment and intangible assets**

	Land	Buildings and improv.	Work in progress	Compactus and lifts	Plant and equip.	Computer equip.	Total tangible assets	Computer Software	Total Intangible assets
2017	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	4 530	56 017	6	1 442	847	319	63 161	188	188
Additions	-	-	407	16	-	-	423	-	-
Depreciation expense	-	(1 814)	-	( 79)	( 147)	( 110)	(2 150)	( 27)	( 27)
Transfers to/(from)									
works in progress	-	16	( 157)	5	136	-	-	-	-
Disposals	-	-	-	-	( 5)	-	( 5)	-	-
<b>Carrying amount at the end of period</b>	<b>4 530</b>	<b>54 219</b>	<b>256</b>	<b>1 384</b>	<b>831</b>	<b>209</b>	<b>61 429</b>	<b>161</b>	<b>161</b>

**Libraries Board of South Australia**  
**Notes to and forming part of the financial statements**  
For the year ended 30 June 2017

**19 Intangible Assets**

	2017	2016
	\$'000	\$'000
<b>Intangibles</b>		
Computer software	252	253
Less accumulated amortisation	( 91)	( 65)
<b>Total intangibles</b>	<b>161</b>	<b>188</b>

**Impairment**

There were no indications of impairment of intangibles as at 30 June 2017.

**20 Research and heritage collections**

	2017			2016		
	At valuation	At cost / additions	Total	At valuation	At cost	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Family history collection	145	-	145	145	-	145
Maps	6 362	13	6 375	6 362	-	6 362
Microfilm serials	57	44	101	57	-	57
Monographs	39 510	30	39 540	39 510	-	39 510
Mortlock audio-visual	894	5	899	894	-	894
Mortlock use collections	10 315	30	10 345	10 315	-	10 315
Newspapers purchased	6 568	64	6 632	6 568	-	6 568
Periodicals	12 606	102	12 708	12 606	-	12 606
Private archives	35 868	12	35 880	35 868	-	35 868
Purchased databases	16	-	16	16	-	16
Rare books and named collections	29 334	16	29 350	29 334	-	29 334
<b>Total research and heritage collections</b>	<b>141 675</b>	<b>316</b>	<b>141 991</b>	<b>141 675</b>	<b>-</b>	<b>141 675</b>

**21 Investments**

	2017	2016
	\$'000	\$'000
<b>Non-current</b>		
Shares and other direct investments in companies	7 423	8 311
<b>Total investments</b>	<b>7 423</b>	<b>8 311</b>

Investments are brought to account at cost in accordance with Accounting Policy Framework IV *Financial Asset and Liability Framework* APS 2.1.

The market value of investments as at 30 June 2017 is \$8.4 million (\$9.2 million).

**Libraries Board of South Australia**  
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**22 Payables**

	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Current</b>		
Creditors and accruals	1 039	702
Staff on-costs	200	181
<b>Total current payables</b>	<b>1 239</b>	<b>883</b>
<b>Non-current</b>		
Staff on-costs	253	274
<b>Total non-current payables</b>	<b>253</b>	<b>274</b>
<b>Total payables</b>	<b>1 492</b>	<b>1 157</b>

Staff on-costs include Payroll Tax, ReturntoWorkSA levies and superannuation contributions. The Board makes contributions to several State Government and externally managed superannuation schemes. These contributions are treated as an expense when they occur. There is no liability for payments to beneficiaries as they have been assumed by the respective superannuation schemes.

As a result of an actuarial assessment performed by the Department of Treasury and Finance, the percentage of long service leave taken as leave remains at the 2016 rate of 40%. The average factor for the calculation of employer superannuation cost on-cost has decreased from the 2016 rate of 10.2% to 10.1%. These rates are used in the staff on-cost calculation. The financial effect of this change on staff on-costs and staff benefits expense is immaterial.

Paid Parental Leave Scheme payable - represents amounts which the board has received from the Commonwealth Government to forward onto eligible employees via the board's standard payroll processes. That is, the Board is acting as a conduit through which the payment to eligible employees is made on behalf of the Family Assistance Office.

Payables are measured at nominal amounts. Creditors and accruals are raised for all amounts owing but unpaid. Sundry creditors are normally settled within 30 days from the date the invoice is first received.

**Libraries Board of South Australia**  
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**23 Staff benefits**

	2017 \$'000	2016 \$'000
<b>Current</b>		
Annual leave	694	632
Long service leave	419	388
Skills and experience retention leave	115	127
Accrued salaries and wages	945	149
<b>Total current staff benefits</b>	<b>2 173</b>	<b>1 296</b>
<b>Non-current</b>		
Long service leave	2 754	2 965
<b>Total non-current staff benefits</b>	<b>2 754</b>	<b>2 965</b>
<b>Total staff benefits</b>	<b>4 927</b>	<b>4 261</b>

AASB 119 *Employee Benefits* contains the calculation methodology for long service leave liability. The actuarial assessment performed by the Department of Treasury and Finance has provided a basis for the measurement of long service leave.

AASB 119 *Employee Benefits* requires the use of the yield on long term Commonwealth Government bonds as the discount rate in the measurement of the long service leave liability. The yield on long term Commonwealth Government bonds has increased from 2016 (2.0%) to 2017 (2.5%).

The increase in the bond yield which is used as the rate to discount future long service leave cash flows, results in an decrease in the reported long service leave liability. The net financial effect of the changes in 2017 is immaterial. In 2016 the net financial effect of the changes is an increase in the long service leave liability of \$207 000 and employee benefits expense of \$207 000. The impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of assumptions.

The salary inflation rate remained unchanged at 4.0% for long service leave. The salary inflation rate applied to annual leave and skills and experience retention leave also remained unchanged at 3.0%. The resulting financial effect of the change is immaterial.

**24 Provisions**

	2017 \$'000	2016 \$'000
<b>Current</b>		
Provision for workers compensation	10	17
<b>Total current provisions</b>	<b>10</b>	<b>17</b>
<b>Non-current</b>		
Provision for workers compensation	17	32
<b>Total non-current provisions</b>	<b>17</b>	<b>32</b>
<b>Total provisions</b>	<b>27</b>	<b>49</b>
<b>Provision movement</b>		
Carrying amount at the beginning of the period	49	34
Decrease / (increase) in provision recognised	( 22)	15
<b>Carrying amount at the end of the period</b>	<b>27</b>	<b>49</b>



**Libraries Board of South Australia**  
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**24 Provisions (continued)**

A liability has been reported to reflect unsettled workers compensation claims. The workers compensation provision is based on an actuarial assessment of the outstanding liability as at 30 June 2017 provided by a consulting actuary engaged through the Office for the Public Sector (a division of the Department of the Premier and Cabinet). The provision is for the estimated cost of ongoing payments to employees as required under current legislation.

The Board is responsible for the payment of workers compensation claims.

**25 Other liabilities**

	2017 \$'000	2016 \$'000
<b>Current</b>		
Revenue received in advance	11	-
<b>Total current other liabilities</b>	<b>11</b>	<b>-</b>
<b>Non-current</b>		
Contractual security deposit	10	10
<b>Total non-current other liabilities</b>	<b>10</b>	<b>10</b>
<b>Total other liabilities</b>	<b>21</b>	<b>10</b>

**26 Unrecognised contractual commitments**

**Operating lease commitments**

Commitments in relation to operating leases contracted for at the reporting date but not recognised as liabilities are payable as follows:

	2017 \$'000	2016 \$'000
Within one year	385	25
Later than one year but not longer than five years	1 443	-
Later than five years	735	-
<b>Total operating lease commitments</b>	<b>2 563</b>	<b>25</b>

The operating lease commitments predominantly comprise the Netley off-site storage. Other lease commitments relates to non-cancellable motor vehicle leases, with rentals payable monthly in arrears.

**Public libraries commitments**

Committed orders placed by public libraries through PLS for libraries materials at the reporting date not recognised as liabilities in the financial statements, are payable as follows:

	2017 \$'000	2016 \$'000
Within one year	1 618	1 129
<b>Total public libraries commitments</b>	<b>1 618</b>	<b>1 129</b>

**Libraries Board of South Australia**  
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**26 Unrecognised contractual commitments (continued)**

**Other commitments**

The Board's other commitments are for contracts for security, cleaning and other.

	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
Within one year	2 993	2 058
Later than one year but not longer than five years	691	280
<b>Total other commitments</b>	<b>3 684</b>	<b>2 338</b>

**27 Contingent assets and liabilities**

The Board is not aware of any contingent assets or liabilities as at 30 June 2017.

**28 Remuneration of board members**

Members that were entitled to receive remuneration for membership during the 2016-17 financial year were:

**Libraries Board**

Mr JFB Bruce (Chairman)

Ms V Ciccarello

Ms JMH Finlay (term expired 18 November 2016, re-appointed 24 November 2016)

Mr SG Hicks

Mr A Luckhurst-Smith

Ms HE Nichols (term expired 8 July 2016)

Ms L Spurling

Ms JY Whittaker (appointed 9 July 2016)

Ms J Wisdom

The number of members whose remuneration received or receivable falls within the following bands:

	<b>2017</b>	<b>2016</b>
	<b>Number of members</b>	<b>Number of members</b>
\$0 - \$9 999	9	8
<b>Total number of board members</b>	<b>9</b>	<b>8</b>

Remuneration of board members reflects all costs of performing board member duties including sitting fees, superannuation contributions, Fringe Benefits Tax and any other salary sacrifice arrangements. Total remuneration received or receivable by members was \$45 000 (\$47 000).

Amounts paid or payable to a superannuation plan for board/committee members were \$4 000 (\$3 000).

Unless otherwise disclosed, transactions between board members and/or their related entities, are on conditions, no more favourable than those that it is reasonable to expect the Board would have adopted if dealing with the related party at arm's length, in the same circumstances.

**Libraries Board of South Australia**  
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For the year ended 30 June 2017

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## **29 Related Party Transactions**

The Board is a statutory authority established pursuant to the *Libraries Act 1982* and is a wholly owned and controlled entity of the Crown.

Related parties of the Board include all key management personnel and their close family members; all Cabinet Ministers and their close family members; and all public authorities that are controlled and consolidated into the whole of government financial statements and other interests of the Government.

### *Key Management Personnel*

Key management personnel of the Board include the Minister for the Arts, the Chairman and Board Members of the Board itself and the Director of the State Library of South Australia, the Associate Director, State Library Services of the State Library of South Australia, and Associate Director, Public Library Services, all who have responsibility for the strategic direction and management of the Board.

Total compensation for the Board's key management personnel was \$648 000. Salaries and other benefits, that the Minister for the Arts receives are excluded from this total. The Minister's remuneration and allowances are set by the *Parliamentary Remuneration Act 1990* and the Remuneration Tribunal of SA respectively and are payable from the Consolidated Account (via the Department of Treasury and Finance) under section 6 of the *Parliamentary Remuneration Act 1990*.

### **Transactions with Key Management Personnel and other related parties**

The Board received an annual recurrent operating grant of \$34.035 million from Arts South Australia, a division of the Department of State Development. The operating grant is the primary source of revenue for the Board as disclosed under note 15.

In addition, the Board receives business services including from the Department of State Development, and conservation services from Artlab Australia, a division of the Department of State Development. These services received free of charge are disclosed under note 12.

## **30 Financial instruments / financial risk management**

### **Financial risk management**

Risk management is managed by the Board's corporate services section and Board risk management policies are in accordance with the *Risk Management Policy Statement* issued by the Premier and Treasurer and the principles established in the Australian Standard *Risk Management Principles and Guidelines*.

The Board's exposure to financial risk (liquidity, credit and market) is insignificant based on past experience and current assessment of risk.

The Board is funded principally from grants from Arts South Australia a division of the Department for State Development. The Board works with Arts SA and the Department of Treasury and Finance to determine the cash flows associated with its Government approved program of work and to ensure funding is provided through SA Government budgetary processes to meet the expected cash flows.

There have been no changes in risk exposure since the last reporting period.

### **Categorisation of financial instruments**

Details of the significant accounting policies and methods adopted including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised with respect to each class of financial asset, financial liability and equity instrument are disclosed in note 2 Significant Accounting Policies.

The carrying amounts of each of the following categories of financial assets and liabilities: held-to-maturity investments; loan and receivables; and financial liabilities measured at cost and fair value are detailed below.

**Libraries Board of South Australia**  
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**30 Financial instruments / financial risk management (continued)**

Category of financial asset and financial liability	Statement of Financial Position	Note	2017		2016	
			Carrying amount \$'000	Fair value \$'000	Carrying amount \$'000	Fair value \$'000
<b>Financial assets</b>						
Cash and cash equivalents	Cash	16	7 906	7 906	5 324	5 324
Loans and receivables	Receivables <sup>(1)(2)</sup>	17	403	403	403	403
Available for sale financial assets	Investments	21	7 423	8 396	8 311	9 232
<b>Financial liabilities</b>						
Financial liabilities (at cost)	Payables <sup>(1)</sup>	22	988	988	652	652
Other	Other	25	21	21	10	10

- (1) Receivable and payable amounts disclosed here exclude amounts relating to statutory receivables and payables. In government, certain rights to receive or pay cash may not be contractual and therefore in these situations, the requirements will not apply. Where rights or obligations have their source in legislation such as levy receivables/payables, tax equivalents, Commonwealth tax, audit payables etc. they would be excluded from the disclosure. The standard defines contract as enforceable by law. All amounts recorded are carried at cost (not materially different from amortised cost).
- (2) Receivables amount disclosed here excludes prepayments. Prepayments are presented in note 17 as trade and other receivables in accordance with paragraph 78(b) of AASB 101 *Presentation of Financial Statements*. However, prepayments are not financial assets as defined in AASB 132 *Financial Instruments: Presentation* as the future economic benefit of these assets is the receipt of goods and services rather than the right to receive cash or another financial asset.

**31 Events after the reporting period**

There were no events after the reporting period.

