



Libraries Board of South Australia

2017-18 Annual Report

Libraries Board of South Australia

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2017-2018 ANNUAL REPORT for the Libraries Board of South Australia

To:

Hon Steven Marshall MP

Premier

This annual report is to be presented to Parliament to meet the statutory reporting requirements of *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

10 Sept 2018.
Date

Reason for late submission: Audited financial information prepared by Shared Services was not completed until 7 September 2018

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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 Australiana collections and world knowledge collected and preserved for the use of the community, and to 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.
- Collect and maintain the documented history of the State and provide access that connects people with our resources and world knowledge.

Key strategies and their relationship to SA Government objectives

Key strategy	SA Government objective
Collect - build and maximise use of collections and create content	<ul style="list-style-type: none"> - Statewide Digital Access Plan for cultural collections - National Aboriginal Art and Culture Gallery - Facilitate engagement between Arts and other government functions - Support our multicultural community
Maintain - guarantee access for future and present generations through a wide range of preservation strategies	<ul style="list-style-type: none"> - Statewide Digital Access Plan for cultural collections - National Aboriginal Art and Culture Gallery - Facilitate engagement between Arts and other government functions - Support our multicultural community
Connect - support learning and research for the community's social and economic benefit	<ul style="list-style-type: none"> - Statewide Digital Access Plan for cultural collections - Facilitate engagement between Arts and other government functions - Support our multicultural community - Literacy guarantee – the best possible start for all students
Contribute to and enrich the cultural life of the State through our collections, buildings and community events	<ul style="list-style-type: none"> - Statewide Digital Access Plan for cultural collections - Supporting our multicultural community
Capability - develop efficiency, capability and capacity through our skilled people and effective work practices	<ul style="list-style-type: none"> - Arts governance and encouraging resourcefulness - Facilitating engagement between Arts and other government functions

Key strategy	SA Government objective
Connected community places	<ul style="list-style-type: none"> - Supporting regional and rural South Australians - Facilitating engagement between Arts and other government functions - Statewide Digital Access Plan for cultural collections - Supporting our multicultural community
Creative content and knowledge centres	<ul style="list-style-type: none"> - Supporting regional and rural South Australians - Facilitating engagement between Arts and other government functions - Statewide Digital Access Plan for cultural collections - Literacy guarantee - the best possible start for all students - Supporting our multicultural community
Innovation and digital hubs	<ul style="list-style-type: none"> - Supporting regional and rural South Australians - Facilitating engagement between Arts and other government functions
Partnering with intent	<ul style="list-style-type: none"> - Supporting regional and rural South Australians - Facilitating engagement between Arts and other government functions - Literacy guarantee - the best possible start for all students - Supporting our multicultural community
Developing a sustainable future	<ul style="list-style-type: none"> - Supporting regional and rural South Australians - Facilitating engagement between Arts and other government functions - Arts governance and encouraging resourcefulness

Agency programs and initiatives and their effectiveness and efficiency

Program name	Indicators of performance/effectiveness/efficiency	Outcome for South Australia
State Library - Collections Acquisitions	<p>The State Library added 17,461 items, 154 hours of oral history and 82 metres of archives to its collections.</p> <p>In addition, the use of bequest funds supported the purchase of a small collection of 14-16th century French manuscripts. The leaves on vellum complement the existing medieval manuscript collection.</p> <p>The library was also able to purchase through its bequest funds a photographic work titled 'The spirit with Australia' which contains original significant contemporary Australian and South Australian art prints of Australian scenes, people and wildlife. The work was created by a private printing company using letterhead press and the library has a collection aim and strength in this format. This is a limited edition issue number 5 of 15.</p> <p>2017-2018 saw the library acquire a high volume of audio visual collections. 654 published sound recordings were added to the collection compared to 357 in the previous year. 5,250 unpublished film and video formats were also added to the collection compared to 335 in the previous year. These items were mainly from the demolition of the Channel 9 studios at North Adelaide and the closure of the ABC sound library at Collinswood.</p>	<p>The Library's commitment to grow its collections enables the South Australian story to be preserved and facilitates the generation of new knowledge for both current and future generations.</p>

Program name	Indicators of performance/effectiveness/efficiency	Outcome for South Australia
State Library - Collections Digitisation	<p>The State Library continues to digitise its collections and where possible deliver them online.</p> <p>The main digitising categories for 2017-2018 were:</p> <p>Digital imaging (photographs/images) 34,128 (a small increase of .55%).</p> <p>Sound recordings 5,093 (an increase of 46.6%).</p> <p>Films and videos – 519 files (a decrease of 25%).</p> <p>Pages (published and archival collections) 5,852 (not recorded in 2016-2017).</p> <p>The increase in digitisation activity has grown the library's digital collection storage to 104.75 terabytes (an increase of 22% from the previous year).</p>	<p>The Library's commitment to digitise its collections facilitates access to South Australian cultural heritage locally and internationally.</p> <p>The economic benefits of created knowledge derived from digitised collections include the commercial science sectors such as agriculture and the environment and the creative arts. The State Library is a leader on the North Terrace precinct in digitising expertise and is well positioned to support the Government in delivering a strong Digital Access Plan for our cultural collections.</p>

<p>State Library - Collections Access</p>	<p>The State Library continues to deliver its digital collections online using various platforms including Trove, Digital Collections, Flickr and YouTube.</p> <p>Indicators of access:</p> <p>State Library website/digital collections: 1,329,971</p> <p>Facebook: 8,131</p> <p>Twitter: 62,99</p> <p>YouTube: 909</p> <p>Trove (South Australian newspaper views): 5,326,199 (an increase of 1%)</p> <p>The State Library loaned 22 collection items to institutions locally and interstate.</p> <p>The library had 572,000 onsite visitors and responded to 2,674 research queries through the 'Ask Us' service (an 11% increase). In addition to providing a reference information service to our diverse community, the library also provided a comprehensive range of education and learning programs, events and tours which are designed to highlight the breadth and depth of the library's collections.</p> <p>Primary, Secondary and Tertiary curriculum based education programs: 7,500 participants.</p> <p>Live and Learn adult programs: 475 participants.</p> <p>School holiday events for families and children: 290 participants.</p> <p>Regional South East roadshow: 699 participants/interactions.</p> <p>English Language conversation classes and individual tutoring: 4,763 participants</p> <p>Tours of the State Library buildings: 2,164 participants.</p> <p>The State Library is working collaboratively with the National Library of Australia in the development of a National eDeposit (NED) platform and has contributed coordination to user acceptance testing. The final product, to be launched in the first half of 2019, will</p>	<p>Access to the State Library's collections and buildings are open to everyone. The State Library's collections and buildings are integral to supporting the diverse information needs of the South Australian community, championing the foundations of democracy and supporting lifelong learning.</p>
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Program name	Indicators of performance/effectiveness/efficiency	Outcome for South Australia
	allow publishers of e-resources to fulfil their jurisdictional legal deposit responsibilities through a national portal, and depending on rights statements, allow for distribution and access to member libraries across Australia.	

Program name	Indicators of performance/effectiveness/efficiency	Outcome for South Australia
State Library - Programs	<p>The State Library held 3 self-curated exhibitions during the year. The major exhibition event was 'From outback to outerspace: Woomera 1955-1980'. This was a collaboration with the National Archives of Australia and the International Astronautical Congress (IAC) and included a program of high profile speakers and presenters. The exhibition was supported by the 69th IAC as a significant component of the cultural and education program of the Congress.</p> <p>56,250 visitors attended the exhibition.</p> <p>188 visitors attended curator talks.</p> <p>In total 18 events hosted by high profile people from the space industry were held during the exhibition period which included a special event celebrating the 50th anniversary of the launch of Australia's first satellite WRESAT (Weapons Research Establishment Satellite).</p> <p>Attendance: 1,400 from round the world.</p> <p>The State Library worked in partnership with the Department for Education to deliver a week of education programs with topics aligned to the STEM curriculum. Teacher professional development workshops were also developed.</p> <p>1,127 people attended the IAC education programs.</p> <p>262 teachers attended the PD workshops.</p> <p>The Centre of Democracy was launched in May 2017 and is located in the State Library's Institute Building. The Centre is a collaboration between the History Trust and the State Library and highlights the evolution of democracy in South Australia through exhibitions, programs and events. State Library collections are part of the exhibitions.</p>	<p>Guided exploration of the South Australian story through our collections and programs, often in partnership with others, provides the community an opportunity to engage with the State's past, present and future directions.</p> <p>To foster enlightened, resilient and engaged communities, understanding our past helps us to understand change, and how the society we live in today came to be.</p>

Program name	Indicators of performance/effectiveness/efficiency	Outcome for South Australia
Public Library Services - One Card Network	<p>Since the launch of the One Card network in 2012 resource sharing between libraries has increased by more than 40 times.</p> <p>6,000 new people are joining public libraries each month.</p> <p>33% of the South Australian community are active members.</p>	<p>The One Card network promotes efficiencies by providing the infrastructure needed to share the collections held by South Australian public libraries. This ensures that the collection is fully utilised and lowers barriers to community access.</p>
Public Library Services - Digital Services	<p>Focus continued on the development of digital collections in public libraries. Digital is the fastest growing format for South Australian public libraries with nearly 1 million loans provided to customers.</p> <p>Digital eBook loans experienced a 50% growth from the previous year reaching 673,041.</p> <p>Digital magazine loans reached 284,242, an increase of 17% on the previous year.</p> <p>Digital access was improved with the development of the Libraries SA app for public libraries. The new app provides users with the ability to access the library catalogue, find the nearest library, discover library programs and events and manage their library account. The app also links to the local government sector's My Local Services app providing an opportunity for the two sectors to cross promote services.</p> <p>A digitisation policy for local history and heritage collections was developed to assist public libraries to provide access to materials relating to their region and history.</p>	<p>To promote the freeflow of information and ideas to all South Australians, library collection resources are made available to all community members. Digital services and collections underpin social inclusion by enabling community members to access libraries from home or remote locations.</p> <p>Technology continues to evolve and as it does it is becoming more integrated with society. The growth of digital resources supports the Government's focus on a digital economy.</p>

Program name	Indicators of performance/effectiveness/efficiency	Outcome for South Australia
Public Library Services - Collections Acquisitions	<p>An efficient procurement service was provided to all public libraries with consolidated purchasing delivering significant discounts on the purchase of library materials and catalogue records.</p> <p>The centrally managed library materials supply contracts continue to deliver a comprehensive range of library materials for public libraries.</p> <p>\$5.6 million was expended on new materials with 267,000 items purchased at an average unit price of \$21.08.</p> <p>The public library network facilitated the loan of 13,318,500 physical items during the year.</p> <p>Approximately 10% of all new library materials are being sourced in a digital format, with 12,000 eBooks and 1600 eAudiobooks purchased in 2017-18. This brings the public library digital collection to 39,430 titles.</p> <p>Services to multicultural communities included the purchase of 6055 items across 19 languages other than English.</p>	<p>Best value for public money is delivered through the negotiation of volume discounts for public library materials. Public sector productivity is increased through centralised procurement. This enables colleagues in the local government sector to focus on delivering value added programming and services to directly support community needs.</p>

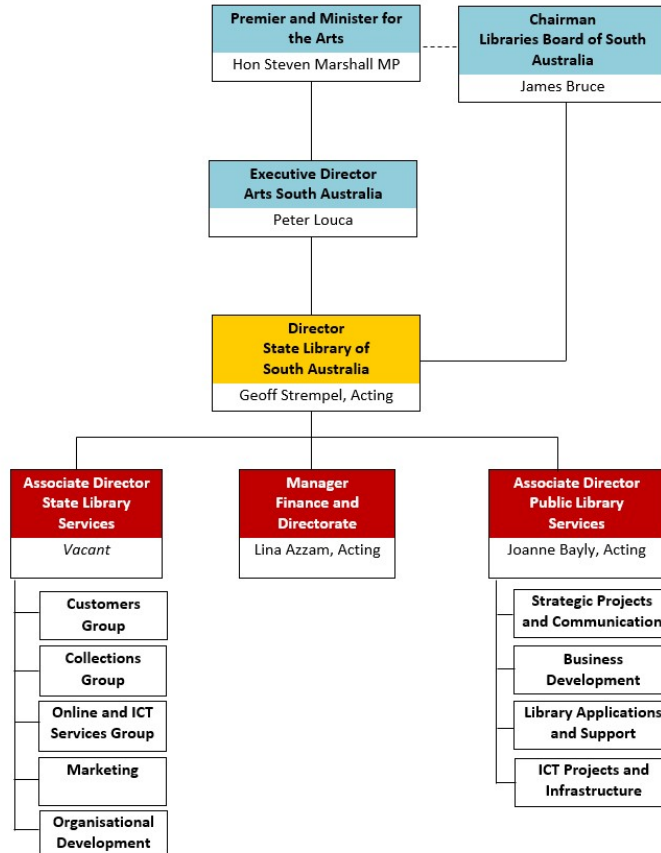
Program name	Indicators of performance/effectiveness/efficiency	Outcome for South Australia
Public Library Services - Partnerships	<p>Funding support was provided to support the Indigenous Literacy Foundation to reduce the disadvantage experienced by children in remote indigenous communities by lifting literacy levels and instilling a lifelong love of reading. The Foundation liaises directly with remote communities and funds are allocated to cover three core programs, Book Supply, Book Buzz and community literacy.</p> <p>The Little Bang STEM program has been expanded through a partnership with Inspiring South Australia and the Children's Discovery Museum. The program focuses on enquiry based play, using the natural curiosity of children to develop skills, knowledge and confidence in exploring and explaining the world. Over 120 public library staff have been trained to deliver the program to pre-schoolers and their parents.</p> <p>A partnership with Telstra, the SA Office for the Ageing, Service SA and the Libraries Board introduced the Tech Savvy Seniors program to 16 regional library services in South Australia. The program provides free digital literacy training for older citizens, encouraging them to embrace information technology and improve digital skills.</p> <p>The Libraries Board partnered with Infoxchange and Google to pilot Digital Springboard, a program to help people learn the digital skills they need to thrive in work and life. The program is being offered at Marion, Prospect, Playford, Onkaparinga and Barossa Library Services.</p>	Public Library Services continues to seek partnerships to achieve scale and greater impact by aligning library service offerings with State and local goals.

Program name	Indicators of performance/effectiveness/efficiency	Outcome for South Australia
Public Library Services - Internet Services	<p>In 2017-2018 free internet services were provided through 1304 devices in public libraries throughout the state. In addition, the provision of wireless access continues to grow through additional wi-fi points to metropolitan public libraries.</p> <p>The capacity of the public library internet gateway met increasing demand with 15 metropolitan libraries connected to the SABRENet optical fibre network, delivering up to a hundred times the current capacity to these sites.</p> <p>9 library sites have been upgraded to the NBN with 43 sites awaiting implementation. Internet traffic has been prioritised to ensure a quality service is provided for both library online services and general internet browsing. Internet filtering has been introduced to 43 school community libraries with a number of councils also requesting a filtered service.</p> <p>Overall the increased system capacity has resulted in greater usage with total downloads increasing from 16 to 25 terabytes each month.</p>	<p>To promote the freeflow of information and ideas for all South Australians, public libraries support the 'right to connect'. Access to a good quality and free internet service enables the South Australian community to participate in digital government and underpins social inclusion initiatives. Public libraries also provide opportunities for the community to develop new skills so that they can participate in the digital economy and understand South Australia's place in the world context.</p>

Legislation administered by the agency

Libraries Act 1982

Organisation of the agency



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

Nil

Employment opportunity programs

Program name	Result of the program
Graduate Program	Public Library Services participated in the Department of State Development's Graduate Program. The graduate was placed with PLS for 6 months.

Agency performance management and development systems

Performance management and development system	Assessment of effectiveness and efficiency
The Department of State Development's 'Performance Development Planning' was in place throughout the year.	<p>Documented review of individual performance management :</p> <p>Within the past 6 months: 81.6% of the workforce</p> <p>A review older than 6 months: 16.9% of the workforce</p> <p>No review: 1.5% of the workforce.</p>

Work health, safety and return to work programs of the agency and their effectiveness

Program name and brief description	Effectiveness
WHS and IM Management System	Developed and maintained by the Department of State Development and reported on centrally.
WHS and IM Training	<p>98% of employees have completed the iLearn module 'Risk Management' and 'Due Diligence'.</p> <p>88% of team leaders/managers have completed the iLearn module 'Incident and Injury Management for Leaders'.</p> <p>100% of employees have completed iLearn 'Your Health Safety and Wellbeing at DSD'.</p> <p>75% of employees have completed iLearn module 'Respect at Work'.</p>

Program name and brief description	Effectiveness
Self-audit program	Public Library Services undertook a self-audit on the Workplace Inspection Procedure. A number of corrective actions were identified with no major corrective actions reported. Public Library Services undertook a self-audit on the Workplace Inspection Procedure. A number of corrective actions were identified with no major corrective actions reported.
Department of State Development Audit Program	Divisional Internal Audits were conducted by DSD WHS. Audited procedures based on their risk priority with the State Library audited against the Emergency Management Procedure. Public Library Services was audited against the Safe Driving Procedure. A number of corrective actions were identified with no major corrective actions reported.

Work health and safety and return to work performance

	2017-18	2016-17	% Change (+ / -)
Workplace injury claims			
Total new workplace injury claims	0	1	0.55%
Fatalities	0	0	0%
Seriously injured workers*	0	0	0%
Significant injuries (where lost time exceeds a working week, expressed as frequency rate per 1000 FTE)	0	0	0%
Work health and safety regulation			
Number of notifiable incidents (<i>WHS Act 2012, Part 3</i>)	0	0	0%
Number of provisional improvement, improvement and prohibition notices (<i>WHS Act 2012 Sections 90, 191 and 195</i>)	0	0	0%
Return to work costs**			
Total gross workers compensation expenditure (\$)	0	0	0%
Income support payments – gross (\$)	0	145.35	-100%

*number of claimants assessed during the reporting period as having a whole person impairment of 30% or more under the *Return to Work Act 2014 (Part 2 Division 5)*

**before third party recovery

Data is available at: <https://industryandskills.sa.gov.au/datasa-WHS-performance>

Fraud detected in the agency

Category/nature of fraud	Number of instances
Nil detected	0
Nil detected	

Strategies implemented to control and prevent fraud

Developed, implemented and regularly review Financial Management Compliance Program.

The Department of State Development's Data is available.

Data is available at: <https://industryandskills.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 is available at: <https://industryandskills.sa.gov.au/datasa-whistle-blowers>

Executive employment in the agency

Executive classification	Number of executives
SAES1	3

Data is available at: <https://industryandskills.sa.gov.au/datasa-executive-employment>

The [Office of the Commissioner of Public Sector Employment](#) 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.

Consultancies below \$10,000 each		
System Solutions Engineering	Accrual Journal	\$2,600
Samantha Wilkinson	State Library - messaging for change process with Consultant Janet Tucker	\$2,400

Bonita Kennedy	State Library - records disposal schedule	\$1,920
Sponsorship Connections	State Library – GST correction	\$400
McPhee Andrewartha	State Library - organisational change process	\$275
	Subtotal	\$7,595
Consultancies above \$10,000 each		
Bitfield Pty Ltd	Public Library Services – online form and web design	\$27,210
KPPM Strategy	Public Library Services - digital strategy workshops, school community library forward planning, review of strategic plan	\$26,375
Judith Sellick Consulting	Public Library Services - staff training, coaching and development	\$17,205
Grieve Gillett Andersen	State Library - architects for concept images	\$11,030
	Subtotal	\$81,820
Total all consultancies		\$89,415

Data is available at: <https://data.sa.gov.au/data/dataset/libraries-board-of-south-australia-annual-report-data> and <https://industryandskills.sa.gov.au/datasas-consultants>

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.

Contractors

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

Contractor	Purpose	Value
PeopleBank Australia	State Library - Windows 10 upgrade	\$72,196
Hays Specialist Recruitment	State Library - Finance Manager	\$65,944
Sponsorship Connections	State Library – sponsorship opportunities	\$62,018

SABRENet	Public Library Services - IT services to 5 public libraries	\$60,764
Editure Technology Pty Ltd	Public Library Services - wireless infrastructure	\$46,750
Andrea Hensing-Matto	State Library - audio engineering	\$40,690
Telstra Corporation	Public Library Services - network and security audit	\$35,038
KDN Services	Public Library Services – procurement project management	\$24,300
Paxus Australia Pty Ltd	State Library - ICT Services	\$17,145
Corporation of the City of Marion	Public Library Services - LMS advanced training program	\$12,574
Info-Osmosis	Public Library Services - records audit and sentencing	\$12,500
City of Burnside	Public Library Services – LMS advanced training program	\$8,754
Freerange Future	Public Library Services - Mailchimp setup	\$4,140
ABC International	State Library - translation services	\$3,722
Interpreting and Translating Centre	State Library - interpreting services	\$3,597
Iain Bond Photography	State Library - collection photography	\$1,982
Expert Data Cabling	Public Library Services - IT services to a public library	\$1,924
Shane Wilkinson	Public Library Services - records management	\$1,725
Imogen Landau Design	State Library - graphic design	\$1,440
Mercury PDS	State Library - installation of APs	\$1,225
Art of staff Pty Ltd	State Library - classification assessment	\$510
Gilles Street Primary School	State Library - programming	\$271

Total all contractors		\$479,209
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Data is available at: <https://data.sa.gov.au/data/dataset/libraries-board-of-south-australia-annual-report-data>

And departmental data can be found at: <https://industryandskills.sa.gov.au/datsa-contractors>

The details of all South Australian Government-awarded contracts for goods, services, and works are displayed on the SA Tenders and Contracts website [here](#).

The website also provides details of Across government contracts [here](#).

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 2017-18 are attached to this report.

As at 30 June 2018, the Board had a net equity of \$215 million, representing \$220.7 million of assets offset by \$5.6 million of liabilities. The current asset balance of \$8.31 million primarily represented cash and receivables. The non-current asset balance of \$212.36 million mainly represented property plant and equipment and the research and heritage collections. The majority of the liabilities balance reflected \$3.87 million in employee provisions and \$1.69 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

Name and date of act or regulation
Nil

Reporting required under the *Carers' Recognition Act 2005*

The *Carers' Recognition Act* is deemed applicable for the following: Department of Human Services, Department for Education, Department for Health and Wellbeing, Department of State Development, Department of Planning, Transport and Infrastructure, South Australia Police and TAFE SA.

Section 7: Compliance or non-compliance with section 6 of the Carers Recognition Act 2005 and (b) if a person or body provides relevant services under a contract with the organisation (other than a contract of employment), that person's or body's compliance or non-compliance with section 6.

Not applicable

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

Summary of complaints by subject

Public complaints received	
Category of complaints by subject	Number of instances
Services (including opening hours, tours etc)	35
Buildings/facilities	59
Equipment (including online access)	20
Collections	10
Other customers	20
Staff	7
Miscellaneous	13

State Library of SA data is available at: <https://data.sa.gov.au/data/dataset/libraries-board-of-south-australia-annual-report-data> Department of State Development data is available at: <https://industryandskills.sa.gov.au/dataset/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 computers	Increased flexibility in the issuing and use of temporary registration to enable quick access
Request to make it easier for customers to copy items on their own	Enhanced use of camera and associated electronic copying process
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: Audited financial statements 2017-18

Libraries Board of South Australia

Financial Statements

For the year ended 30 June 2018

Libraries Board of South Australia
Certification of Financial Statements
for the year ended 30 June 2018

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 2018 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
Chair
Libraries Board of South Australia
10 September 2018



Geoff Strampel
Acting Director
State Library of South Australia
10 September 2018



Jo Bayly
Acting Associate Director
Public Library Services
10 September 2018

Libraries Board of South Australia
Statement of Comprehensive Income
for the year ended 30 June 2018

		2018	2017
	Note	\$'000	\$'000
Expenses			
Employee benefits expenses	3	11 813	13 550
Supplies and services	5	8 555	8 594
Accommodation and facilities	6	3 136	2 064
Depreciation and amortisation expense	7	2 166	2 177
Subsidies to public libraries	8	11 817	10 632
Total expenses		37 487	37 617
Income			
Fees and charges	9	322	318
Bequests and donations		56	449
Council contributions		91	126
Rent and facilities hire	10	274	242
Resources received free of charge	11	385	488
Investment income	12	595	576
Recoveries		324	216
Net gain from the disposal of non-current assets	13	205	99
Other		263	143
Total income		2 515	2 657
Net cost of providing services		34 972	34 960
Revenues from SA Government			
Revenues from SA Government	14	36 022	34 442
Total net revenues from SA Government		36 022	34 442
Net result		1 050	(518)
Total comprehensive result		1 050	(518)

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

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

Libraries Board of South Australia
Statement of Financial Position
as at 30 June 2018

	Note	2018 \$'000	2017 \$'000
Current assets			
Cash and cash equivalents	15	7 551	7 906
Receivables	16	760	1 539
Total current assets		8 311	9 445
Non-current assets			
Receivables	16	3	27
Property, plant and equipment	18	60 608	61 429
Intangible assets	19	134	161
Research and heritage collections	20	142 314	141 991
Investments	21	9 302	7 423
Total non-current assets		212 361	211 031
Total assets		220 672	220 476
Current liabilities			
Payables	22	1 461	1 239
Employee benefits	23	1 418	2 173
Provisions	24	18	10
Other	25	-	11
Total current liabilities		2 897	3 433
Non-current liabilities			
Payables	22	226	253
Employee benefits	23	2 453	2 754
Provisions	24	27	17
Other	25	10	10
Total non-current liabilities		2 716	3 034
Total liabilities		5 613	6 467
Net assets		215 059	214 009
Equity			
Retained earnings		87 921	86 871
Asset revaluation surplus		127 138	127 138
Total equity		215 059	214 009

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

Unrecognised contractual commitments	26
Contingent assets and liabilities	27

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Libraries Board of South Australia
Statement of Changes in Equity
for the year ended 30 June 2018

	Note	Asset revaluation surplus \$'000	Retained earnings \$'000	Total equity \$'000
Balance at 30 June 2016		127 138	87 389	214,527
Net result for 2016-17		-	(518)	(518)
Gain on revaluation of research and heritage collections		-	-	-
Total comprehensive result for 2016-17		-	(518)	(518)
Balance at 30 June 2017		127 138	86 871	214 009
Net result for 2017-18		-	1 050	1 050
Total comprehensive result for 2017-18		-	1 050	1 050
Balance at 30 June 2018		127 138	87 921	215 059

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

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

Libraries Board of South Australia
Statement of Cash Flows
for the year ended 30 June 2018

	2018 (Outflows) Inflows \$'000	2017 (Outflows) Inflows \$'000
Cash flows from operating activities		
Cash outflows		
Employee benefits payments	(12 857)	(12 906)
Payments for supplies and services	(7 229)	(7 988)
Payments for accommodation and facilities	(3 136)	(2 664)
Subsidies to public libraries paid	(11 817)	(10 632)
Cash used in operations	(35 039)	(34 190)
Cash inflows		
Fees and charges	322	318
Bequests and donations	31	428
Council contributions	91	126
Rent and facilities hire	354	257
Investment income	580	556
Recoveries	322	217
Other	252	154
Cash generated from operations	1 952	2 056
Cash flows from SA government		
Receipts from SA Government	36 022	34 442
Cash generated from SA government	36 022	34 442
Net cash provided by operating activities	2 935	2 308
Cash flows from investing activities		
Cash outflows		
Purchase of heritage collections	(298)	(295)
Purchase of investments	(2 309)	(734)
Purchase of property, plant and equipment	(1 318)	(423)
Cash used in investing activities	(3 925)	(1 452)
Cash inflows		
Proceeds from the sale of/maturity of investments	635	1 726
Cash generated from investing activities	635	1 726
Net cash provided by / (used in) investing activities	(3 290)	274
Net increase / (decrease) in cash and cash equivalents	(355)	2 582
Cash and cash equivalents at the beginning of the period	7 906	5 324
Cash and cash equivalents at the end of the reporting period	7 551	7 906

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

Libraries Board of South Australia
Notes to and forming part of the financial statements
for the year ended 30 June 2018

1 Basis of financial statements

1.1 Reporting entity

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.

1.2 Statement of compliance

These financial statements have been prepared 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. 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 2018.

1.3 Basis of preparation

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

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

Assets and liabilities that are to be sold, consumed or realised as part of the normal operating cycle have been classified as current assets or current liabilities. All other assets and liabilities are classified as non-current.

Significant accounting policies are set out in the notes.

1.4 Taxation

The Board is not subject to Income Tax. The Board is liable for Payroll Tax, Fringe Benefits Tax (FBT), Goods and Services Tax (GST), Emergency Services Levy (ESL), land tax equivalents and local government rate equivalents.

Income, expenses and assets are recognised net of the amount of GST except:

- when the amount of GST incurred on a purchase of goods or services 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 the expense item applicable
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is not included as part of receivables or payables 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.

Libraries Board of South Australia
Notes to and forming part of the financial statements
for the year ended 30 June 2018

2 Objectives and activities

2.1 Objectives

The objectives 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.

2.2 Activities

The Board undertakes the following activities:

- *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.
- *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.

The disaggregated disclosures schedules present expenses, income, assets and liabilities attributable to each of the activities for the years ended 30 June 2016 and 30 June 2017.

Libraries Board of South Australia
Notes to and forming part of the financial statements
for the year ended 30 June 2018

Expenses and income by activity

	Provision of State Library Services		Support of Public Library Services		Eliminations		Total	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Expenses								
Employee benefits expenses	9 310	10 964	2 503	2 586	-	-	11 813	13 550
Supplies and services	3 175	3 072	5 465	5 566	(85)	(44)	8 555	8 594
Accommodation and facilities	3 135	2 662	1	2	-	-	3 138	2 664
Depreciation and amortisation expense	2 121	2 132	45	45	-	-	2 166	2 177
Subsidies to public libraries	-	-	11 817	10 632	-	-	11 817	10 632
Total expenses	17 741	18 830	19 831	18 831	(85)	(44)	37 487	37 617
Income								
Fees and charges	322	317	-	1	-	-	322	318
Bequests and donations	58	449	-	-	-	-	56	449
Council contributions	-	-	91	126	-	-	91	126
Rent and facilities hire	274	242	-	-	-	-	274	242
Resources received free of charge	343	431	42	57	-	-	385	488
Investment revenues	516	503	79	73	-	-	595	576
Net gain on disposal of non-current assets	205	99	-	-	-	-	205	99
Recoveries	171	140	153	76	-	-	324	216
Other	348	187	-	-	(85)	(44)	263	143
Total income	2 235	2 368	365	333	(85)	(44)	2 515	2 657
Net cost of providing services	15 506	16 462	19 466	18 498	-	-	34 972	34 960
Revenues from SA Government								
Revenues from SA Government	16 752	15 637	19 270	18 805	-	-	36 022	34 442
Total net revenues from SA Government	16 752	15 637	19 270	18 805	-	-	36 022	34 442
Net result	1 246	(825)	(196)	307	-	-	1 050	(518)

Libraries Board of South Australia
Notes to and forming part of the financial statements
for the year ended 30 June 2018

Assets and liabilities by activity

	Provision of State Library Services		Support of Public Library Services		Eliminations		Total	
	2018	2017	2018	2017	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Assets								
Assets	215 104	215 099	5 568	5 377	-	-	220 672	220 476
Total assets	215 104	215 099	5 568	5 377	-	-	220 672	220 476
Liabilities								
Liabilities	3 866	5 076	1 747	1 391	-	-	5 613	6 467
Total liabilities	3 866	5 076	1 747	1 391	-	-	5 613	6 467
Net assets	211 238	210 023	3 821	3 986	-	-	215 059	214 009

Libraries Board of South Australia
Notes to and forming part of the financial statements
for the year ended 30 June 2018

3 Employee benefits

Employee benefits expenses

	2018	2017
	\$'000	\$'000
Salaries and wages	8 558	9 422
Annual leave	887	921
Board fees	48	45
Long service leave	327	202
Payroll tax	558	595
Skills and experience retention leave	101	103
Employment on-costs superannuation *	1 106	1 241
Targeted voluntary separation payments (refer below)	-	868
Workers compensation provision adjustment	18	(22)
Other staff related expenses	210	175
Total employee benefits expenses	11 813	13 550

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

Targeted voluntary separation packages (TVSP's)

	2018	2017
	\$'000	\$'000
Amounts paid during the reporting period to separated staff:		
TVSPs	754	114
Annual leave, LSL and skills and experience retention leave paid to those staff	180	10
Net cost to the Board	934	124
Number of employees who received a TVSP during the reporting period	13	2

Thirteen employees accepted TVSP offers on or before 30 June 2017, but the payments were not processed until July 2017. The total TVSP paid to these employees was \$754 000 (\$2017: \$114 000). The termination payments for outstanding leave balances owing for these TVSPs was \$180 000 (2017: \$10 000).

Key management personnel

Key management personnel of the Board include the Premier, the Chair and members of the Board itself and the Director of the State Library of South Australia, the Associate Director, State Library Services, 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 \$771 000 (2017: \$648 000).

The compensation disclosed in this note excludes salaries and other benefits the Premier receives. The Premier'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*.

Libraries Board of South Australia
Notes to and forming part of the financial statements
for the year ended 30 June 2018

3 Employee benefits (continued)

Remuneration of employees

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

	2018 Number	2017 Number
\$159 001 to \$169 000	1	1
\$179 001 to \$189 000	-	1
\$189 001 to \$199 000	1	-
\$229 001 to \$239 000 *	1	1
\$249 001 to \$259 000	-	1
Total	3	4

* 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.

The table includes all employees who received remuneration equal to or greater than the base executive remuneration level during the year. Remuneration of employees reflects all costs of employment including salaries and wages, payments in lieu of leave, superannuation contributions, salary sacrifice benefits, fringe benefits, and any fringe benefits tax paid or payable in respect of those benefits. The total remuneration received by these employees for the year was \$580 000 (2017: \$832 000).

4 Remuneration of board members

Board members that were entitled to receive remuneration for membership during the 2017-18 financial year were:

Libraries Board

JFB Bruce AM (Chair)

V Ciocarello

JMH Finlay

SG Hicks

A Luckhurst-Smith

LM Spurling

JY Whittaker

Dr. JC Wisdom

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

	2018	2017
\$0 - \$9 999	8	9
Total number of Board members	8	9

Remuneration of Board members reflects all costs of performing Board member duties including sitting fees, superannuation contributions, salary sacrifice benefits, fringe benefits, and any fringe benefits tax paid or payable in respect of those benefits. The total remuneration received or receivable by Board members was \$47 000 (2017: \$45 000).

Amounts paid or payable to a superannuation plan for Board / Committee members were \$5 000 (2017: \$4 000).

Libraries Board of South Australia
Notes to and forming part of the financial statements
for the year ended 30 June 2018

5 Supplies and services

	2018	2017
	\$'000	\$'000
Business services charge	236	305
Cataloguing and end processing	528	527
Communications	830	846
Consultants' fees	89	190
Contractors	479	222
Electronic resources	203	319
Freight, courier, postage	1 878	1,658
Information technology	1 704	1,895
Insurance & risk management	203	207
Maintenance	99	103
Marketing and promotion	217	147
Minor equipment purchases and leasing	192	277
Preservation activities	196	225
Travel and accommodation	91	113
Other	1 610	1,560
Total supplies and services	8 555	8 594

Payments to consultants

The number of consultancies and the dollar amount paid/payable (included in supplies and services expense) to consultants that fell within the following bands:

	2018	2018	2017	2017
	Number	\$'000	Number	\$'000
Below \$10 000	5	7	4	18
\$10 000 or above	4	82	5	172
Total paid / payable to the consultants engaged	9	89	9	190

6 Accommodation and facilities

	2018	2017
	\$'000	\$'000
Accommodation	1 600	1 182
Facilities	1 018	979
Security	518	503
Total accommodation and facilities	3 136	2 664

Libraries Board of South Australia
Notes to and forming part of the financial statements
for the year ended 30 June 2018

7 Depreciation and amortisation expense

	2018	2017
	\$'000	\$'000
Depreciation		
Buildings and improvements	1 820	1,814
Compactus and lifts	79	79
Computer equipment	89	110
Intangibles	27	27
Plant and equipment	151	147
Total depreciation and amortisation	2 166	2 177

All non-current assets, having a limited useful life, are systematically depreciated / amortised over their useful lives in a manner that reflects the consumption of their service potential. Land and heritage collections are not depreciated.

Useful Life

Depreciation/amortisation 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)
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.

Revision of accounting estimates

Assets' residual values, useful lives and depreciation / amortisation methods are reviewed and adjusted if appropriate, on an annual basis. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for prospectively by changing the time period or method, as appropriate, which is a change in accounting estimate.

8 Subsidies to Public Libraries

	2018	2017
	\$'000	\$'000
Library materials local purchase contribution	663	691
Library materials contribution	6 201	5 139
Operating contribution	4 901	4 750
Community information contribution	32	32
Community information access	20	20
Total subsidies to Public Libraries	11 817	10 632

Libraries Board of South Australia
Notes to and forming part of the financial statements
for the year ended 30 June 2018

9 Fees and charges

	2018	2017
	\$'000	\$'000
Fees for services	12	38
Lecturing services	198	179
Photocopying services	37	43
Other fees and charges	75	58
Total revenues from fees and charges	322	318

10 Rent and facilities hire

	2018	2017
	\$'000	\$'000
Facilities hire	109	37
Rental income	165	205
Total revenues from rent and facilities hire	274	242

11 Resources received free of charge

	2018	2017
	\$'000	\$'000
Conservation services	149	123
Business services received free of charge - Shared Services SA	236	365
Total resources received free of charge	385	488

On the 21 November 2016, approval was given by Cabinet to cease the intra-government charging model for services provided by Shared Services SA (SSSA) to general government sector agencies. As a result of this change, effective from 2017-18, SSSA is directly appropriation funded for the services provided by SSSA to general government agencies.

Under AASB 1004 *Contributions*, the contribution of services provided by SSSA to government agencies are disclosed in the financial statements as income because the fair value of the services can be reliably measured and the services would have been purchased if they had not been donated. A corresponding expense is recognised in the financial statements (refer to Note 5).

Under an arrangement with Arts South Australia and Artlab Australia, both divisions of the Department of State Development (DSD), 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 (refer to note 5).

Libraries Board of South Australia
Notes to and forming part of the financial statements
for the year ended 30 June 2018

12 Investment income

	2018	2017
	\$'000	\$'000
Interest	218	211
Dividends	204	196
Distributions	55	77
Dividend Imputation credits	118	92
Total investment revenues	595	576

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.

13 Net gain from the disposal of non-current assets

	2018	2017
	\$'000	\$'000
Investments		
Proceeds from disposal	635	1 726
Less net book value of assets disposed	(430)	(1 622)
Net gain from disposal of investments	205	104
Property, plant and equipment		
Less net book value of assets disposed	-	(5)
Net gain from disposal of property, plant and equipment	-	(5)
Total assets		
Proceeds from disposal	635	1 726
Less net book value of assets disposed	(430)	(1 627)
Total net gain from disposal of non-current assets	205	99

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.

14 Revenues from SA Government

	2018	2017
	\$'000	\$'000
Revenues from SA Government		
Recurrent operating grant	35 053	34 035
Capital grant	969	407
Total revenues from SA Government	36 022	34 442

Appropriations are recognised on receipt.

Libraries Board of South Australia
Notes to and forming part of the financial statements
for the year ended 30 June 2018

15 Cash and cash equivalents

	2018	2017
	\$'000	\$'000
Deposits with the Treasurer	7 544	7 699
Cash on hand	7	7
Total cash and cash equivalents	7 551	7 906

Cash is measured at nominal amounts.

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* (PFAA), 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 PFAA.

The cash balance includes \$1.87 million (2017: \$2.05 million) of unspent funding allocated to public libraries for the purchase of library materials.

Trust Accounts

Public Library Services hold subsidy payments in trust for the Outback Communities Authority and Aboriginal Lands (Anangu Pitjantjatjara, Maralinga Tjarutja, Napabunna, Gerard and Yalata). These funds are controlled by the Board and are recorded in the cash balance as at 30 June 2018. The total of these trust accounts is \$195 000 (2017: \$180 000).

16 Receivables

	2018	2017
	\$'000	\$'000
Current		
Prepayments	440	1 136
Receivables	136	234
Accrued income	184	169
Total current receivables	760	1 539
Non-current		
Prepayments	2	27
Receivables	1	-
Total non-current receivables	3	27
Total receivables	763	1 566

Interest rate and credit risk

Receivables arise in the normal course of selling goods and services to the public and other government agencies. Receivables are normally settled within 30 days after the issue of an invoice or the goods/services have been provided under a contractual arrangement. Receivables, prepayments and accrued revenues are non-interest bearing.

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.

Libraries Board of South Australia
Notes to and forming part of the financial statements
for the year ended 30 June 2018

17 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 via Certified Practising Valuer. 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.

Fair value measurement of non-financial assets

In determining fair value, the Board has taken into account the characteristic of the asset (for example, 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 2018

18 Property, plant and equipment

	2018 \$'000	2017 \$'000
<u>Land, buildings and improvements</u>		
Land at fair value	4 530	4 530
Buildings and improvements at fair value	116 762	115 522
Accumulated depreciation at the end of the period	(63 123)	(61 303)
Total land, buildings and improvements	58 169	58 749
<u>Work in progress</u>		
Work in progress at cost	234	256
Total work in progress	234	256
<u>Compactus and lifts</u>		
Compactus and lifts at cost (deemed fair value)	2 494	2 469
Accumulated depreciation at the end of the period	(1 165)	(1 085)
Total compactus and lifts	1 329	1 384
<u>Plant and equipment</u>		
Plant and equipment at cost (deemed fair value)	1 961	2 144
Accumulated depreciation at the end of the period	(1 235)	(1 313)
Total plant and equipment	726	831
<u>Computer equipment</u>		
Computer equipment at cost (deemed fair value)	834	876
Accumulated depreciation at the end of the period	(684)	(669)
Total computer equipment	150	209
Total property, plant and equipment	60 608	61 429

Acquisition and recognition

Non-current assets are initially recorded at cost or at the value of any liabilities assumed, plus any incidental cost involved with the acquisition. 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. However, if the assets are acquired at no or nominal value as part of a restructure of administrative arrangements, then the assets are recognised at book value (that is the amount recorded by the transferor public authority immediately prior to the restructure).

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 equal to or in excess of \$5 million for infrastructure assets and \$1 million for other assets.

Valuation of 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*.

Libraries Board of South Australia
Notes to and forming part of the financial statements
for the year ended 30 June 2018

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.

Carrying amount of 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 II *Asset Accounting Framework* (APF III). The carrying value of these items is deemed to approximate fair value. These assets are classified in level 3 as there have been no subsequent adjustments to their value, except for management assumptions about the assets' condition and remaining useful life.

Impairment

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.

There were no indications of impairment as at 30 June 2018.

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
2018	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	4 530	54 219	256	1 384	531	209	61 429	161	161
Additions	-	16	1 202	24	46	30	1 318	-	-
Depreciation and amortisation	-	(1 620)	-	(79)	(151)	(69)	(2 139)	(27)	(27)
Transfers to/(from) works in progress	-	1 224	(1 224)	-	-	-	-	-	-
Carrying amount at the end of period	4 530	53 639	234	1 329	726	150	60 608	134	134

Libraries Board of South Australia
Notes to and forming part of the financial statements
for the year ended 30 June 2018

19 Intangible assets

	2018	2017
	\$'000	\$'000
<u>Intangibles</u>		
Computer software	253	252
Accumulated amortisation	(119)	(91)
Total intangibles	134	161

An intangible asset is an identifiable non-monetary asset without physical substance. Intangible assets are measured at cost and are tested for indications of impairment at each reporting date. 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.

The acquisition of software is capitalised only when the expenditure meets the definition and recognition criteria and when the amount of expenditure is greater than or equal to \$10 000.

Impairment

There were no indications of impairment of intangibles as at 30 June 2018.

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20 Research and heritage collections

	At valuation	At cost / additions	Total
	\$'000		\$'000
Family history collection	145	-	145
Maps	6 362	14	6 376
Microfilm serials	57	53	140
Monographs	39 510	70	39 580
Mortlock audio-visual	894	10	904
Mortlock use collections	10 315	53	10 368
Newspapers purchased	6 568	134	6 702
Periodicals	12 606	198	12 804
Private archives	35 868	37	35 905
Purchased databases	16	-	16
Rare books and named collections	29 334	40	29 374
Total research and heritage collections	141 675	639	142 314

Reconciliation of carrying amounts of research and heritage collections

The following table shows the movement of research and heritage collection assets during 2017-18:

	Balance at 1 July	Additions	Balance at 30 June
	\$'000	\$'000	\$'000
Family history collection	145	-	145
Maps	6 375	1	6 376
Microfilm serials	101	39	140
Monographs	39 540	40	39 580
Mortlock audio-visual	899	5	904
Mortlock use collections	10 345	23	10 368
Newspapers purchased	6 632	70	6 702
Periodicals	12 708	96	12 804
Private archives	35 880	25	35 905
Purchased databases	16	-	16
Rare books and named collections	29 350	24	29 374
Total research and heritage collections	141 081	323	142 314

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20 Research and heritage collections (continued)

Valuation basis

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 is independently valued 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.

21 Investments

	2018	2017
	\$'000	\$'000
Non-current		
Shares and other direct investments in companies	9 302	7 423
Total non-current investments	9 302	7 423
Total investments	9 302	7 423

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 2018 is \$10.4 million (2017: \$8.4 million).

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22 Payables

	2018	2017
	\$'000	\$'000
<u>Current</u>		
Creditors and accruals	1 268	1 039
Employment on-costs	193	200
Total current payables	1 461	1 239
<u>Non-current</u>		
Employment on-costs	226	253
Total non-current payables	226	253
Total payables	1 687	1 492

Employment on-costs include Payroll Tax 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 proportion of long service leave taken as leave in 2018 was 41% (2017 40%). The average factor for the calculation of employer superannuation cost on-cost has decreased from the 2017 rate of 10.1% to 9.9%. These rates are used in the employment on-cost calculation. The financial effect of this change to employment on-costs and employment benefits expense is immaterial.

Interest rate and credit risk

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.

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23 Employee benefits liabilities

	2018	2017
	\$'000	\$'000
Current		
Annual leave	673	694
Long service leave	477	419
Skills and experience retention leave	99	115
Accrued salaries and wages	169	945
Total current employee benefits	1 418	2 173
Non-current		
Long service leave	2 453	2 754
Total non-current employee benefits	2 453	2 754
Total employee benefits	3 871	4 927

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

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

The liability for salary and wages is measured as the amount unpaid at the reporting date at remuneration rates current at reporting date.

The annual leave liability and the skills and experience retention leave 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 employees 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 employees up to the end of the reporting period using the projected unit credit method.

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 and is based on actuarial assumptions on expected future salary and wage levels, experience of employee departures and periods of service. These assumptions are based on employee data over SA Government entities.

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 is unchanged from 2017 at 2.5%.

The actuarial assessment performed by the Department of Treasury and Finance left the salary inflation rate at 4% for long service leave liability and 3% for annual leave and skills, experience and retention leave liability. As a result, there is no net financial effect resulting from changes in the salary inflation rate.

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.

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24 Provisions

	2018 \$'000	2017 \$'000
Current		
Provision for workers' compensation	18	10
Total current provisions	18	10
Non-current		
Provision for workers' compensation	27	17
Total non-current provisions	27	17
Total provisions	45	27
Provision movement		
Carrying amount at the beginning of the period	27	49
Increase / (decrease) in provision recognised	18	(22)
Carrying amount at the end of the period	45	27

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 2018 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

	2018 \$'000	2017 \$'000
Current		
Income received in advance	-	11
Total current other liabilities	-	11
Non-current		
Contractual security deposit	10	10
Total non-current other liabilities	10	10
Total other liabilities	10	21

Libraries Board of South Australia
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26 Unrecognised contractual commitments

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

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

Operating lease commitments

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

	2018	2017
	\$'000	\$'000
Within one year	446	385
Later than one year but not longer than five years	1 710	1 443
Later than five years	428	735
Total operating lease commitments	2 584	2 563

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 Public Library Services for libraries materials at the reporting date not recognised as liabilities in the financial statements, are payable as follows:

	2018	2017
	\$'000	\$'000
Within one year	1 610	1 618
Total public libraries commitments	1 610	1 618

Other commitments

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

	2018	2017
	\$'000	\$'000
Within one year	3 412	2 993
Later than one year but not longer than five years	3 596	691
Total other commitments	7 008	3 684

27 Contingent assets and liabilities

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.

The Board is not aware of any contingent assets or liabilities as at 30 June 2018.

Libraries Board of South Australia
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28 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.

Transactions with key management personnel and other related parties

The Board received an annual recurrent operating grant of \$35.053 million (2017: \$34.035 million) from Arts South Australia, a division of the Department for State Development (DSD). The operating grant is the primary source of revenue for the Board as disclosed under note 14.

29 Financial risk management / financial instruments

Financial risk management

Risk management is managed by the Board's corporate services section. 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 low due to the nature of the financial instruments held.

Liquidity 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 South Australia 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.

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 the respective financial asset / financial liability note.

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.

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29 Financial risk management / financial instruments (continued)

Category of financial asset and financial liability	Statement of Financial Position line item	Note	2018		2017	
			Carrying amount \$'000	Fair value \$'000	Carrying amount \$'000	Fair value \$'000
Financial assets						
Cash and cash equivalents	Cash	15	7 551	7 551	7 906	7 906
Loans and receivables	Receivables ⁽¹⁾⁽²⁾	16	321	321	403	403
Available for sale financial assets	Investments	21	9 302	10 412	7 423	8 396
Total financial assets			17 174	18 284	15 732	16 705
Financial liabilities						
Financial liabilities (at cost)	Payables ⁽¹⁾	22	1 216	1 216	988	988
Other	Other	25	10	10	21	21
Total financial liabilities			1 226	1 226	1 009	1 009

(1) Receivable and payable amounts disclosed here exclude amounts relating to statutory receivables and payables (for example Commonwealth, State and Local Government taxes, fees and charges; Auditor General's Department audit fees). 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 levies, tax and equivalents, 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 16 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.

30 Impact of standards and statements not yet implemented

The Board did not voluntarily change any of its accounting policies during 2017-2018.

AASB 9 Financial Instruments

The revision to AASB 9 *Financial Instruments* applies to reporting periods beginning on or after 1 January 2018, i.e. to financial statements as at 30 June 2019. AASB 9 *Financial Instruments* provides the principles for the classification, measurement, recognition, de-recognition and disclosure associated with financial assets and liabilities. The key changes include simplified requirements for classification and measurement of financial assets and a revised impairment loss model to recognise impairment losses earlier, as opposed to the current approach that recognised impairment only when incurred.

The Board's investments are currently recognised at Cost, refer to Note 21. On adoption of AASB 9 *Financial Instruments*, these investments will be measured at Fair Value; however, it is still to be determined whether it will be through Profit and Loss, or Other Comprehensive Income.

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AASB 16 Leases

This standard will apply for the first time to reporting periods beginning on or after 1 January 2019, i.e. to financial statements as 30 June 2020. The standard supersedes AASB 117 *Leases* and unlike AASB 117 *Leases*, AASB 16 *Leases* introduces a single lease accounting model for lessees, eliminating the distinction between operating and finance leases. Lessees will be required to recognise a right-of-use asset (representing rights to use the underlying leased asset) and a liability (representing the obligation to make lease payments) for all leases with a term of more than 12 months, unless the underlying assets are of low value.

The Board has not yet quantified the exact impact on the Statement of Comprehensive Income or the Statement of Financial Position of applying AASB 16 *Leases* to its current operating leases, including the extent of additional disclosures required. The exact impact will not be known until next year.

AASB 15 Revenue from Contracts with Customers and AASB 1058 Income of Not-for-Profit Entities

These standards will apply for the first time to reporting periods beginning on or after 1 January 2019, i.e. to financial statements as 30 June 2020. The Board has commenced analysing the new revenue recognition requirements under these standards and is yet to form conclusions about significant impacts.

31 Events after the reporting period

There were no events after the reporting period.