



Libraries Board of South Australia

2018-19 Annual Report

Libraries Board of South Australia
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2018-19 ANNUAL REPORT for the Libraries Board of South Australia

To:

Hon Steven Marshall MP

Premier

This annual report will be presented to Parliament to meet the statutory reporting requirements of *Libraries Act 1982*, and the *Public Sector Act 2009 regulations* and 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:

Bruce Linn AM

Chair, Libraries Board of South Australia

Date 27 September 2019

Signature

A handwritten signature in black ink that reads "Bruce Linn". The signature is written in a cursive style with a large initial 'B'.

From the Chair

Both the State Library and Public Library Services have achieved significant milestones during the past 12 months, which significantly improve access to information in both physical and digital formats, enriches the lives of South Australians through a diverse range of programs, exhibitions and events and contributes to both State and local goals.

State Library

The State Library has focussed on growing its collection to enable the South Australian story to be preserved and accessed by current and future generations. A significant milestone in collecting is the launch of the National edeposit (NED) service. As a result of the national approach this service has simplified the legal deposit process for publishers nationwide leading to increased collecting and online access to both South Australian and national publications. The State Library also continues its engagement with the South Australian community through a range of collection related activities including exhibitions such as the hugely successful collaborative exhibition One Mountain, One River, One Sage from Shandong Province, learning programs from early primary school through to older South Australians and tours and events.

Public Library Services (PLS)

Public Library Services has continued to focus on the projects identified in the Tomorrow's Libraries: Future directions of the public library network (revised in 2019). These projects promote the free-flow of information for all South Australians through access to high-quality and free internet services contributing to digital and social inclusion and through the growth of the One Card network and Digital Collections which resulted in 12.5 million physical and almost 1.5 million digital being loaned in 2018-19.

I commend the Director and his staff on a year of significant achievement



Bruce Linn AM

Chair

Libraries Board of South Australia

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Overview: about the agency

Our strategic focus

<p>Our Purpose</p>	<p>The purpose of the Libraries Board of South Australia is to promote, create and maintain statewide library services for the benefit of the people of South Australia. The Libraries Board achieves this via two administrative branches – the State Library of South Australia and Public Library Services.</p> <p>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 to provide research and information services, events and programs to enrich access.</p> <p>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, linking South Australians to each other and the world.</p>
<p>Our Vision</p>	<p>The Libraries Board keeps alive the memories and stories of generations of South Australians - telling the stories of the past is vital in creating understanding and links between past, present and future.</p> <p>This is achieved by connecting South Australians to each other through our State Library and the network of community libraries, providing access to local and world knowledge and serving as hubs for knowledge and community engagement.</p>
<p>Our Values</p>	<p>Public Sector Values:</p> <ul style="list-style-type: none"> • Service • Professionalism • Trust • Respect • Collaboration & engagement • Honesty & integrity • Courage & tenacity • Sustainability

<p>Our functions, objectives and deliverables</p>	<p>The Libraries Board of South Australia is responsible for the following:</p> <ul style="list-style-type: none">• 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.
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Department of Premier and Cabinet Strategic Plan 2018-2020

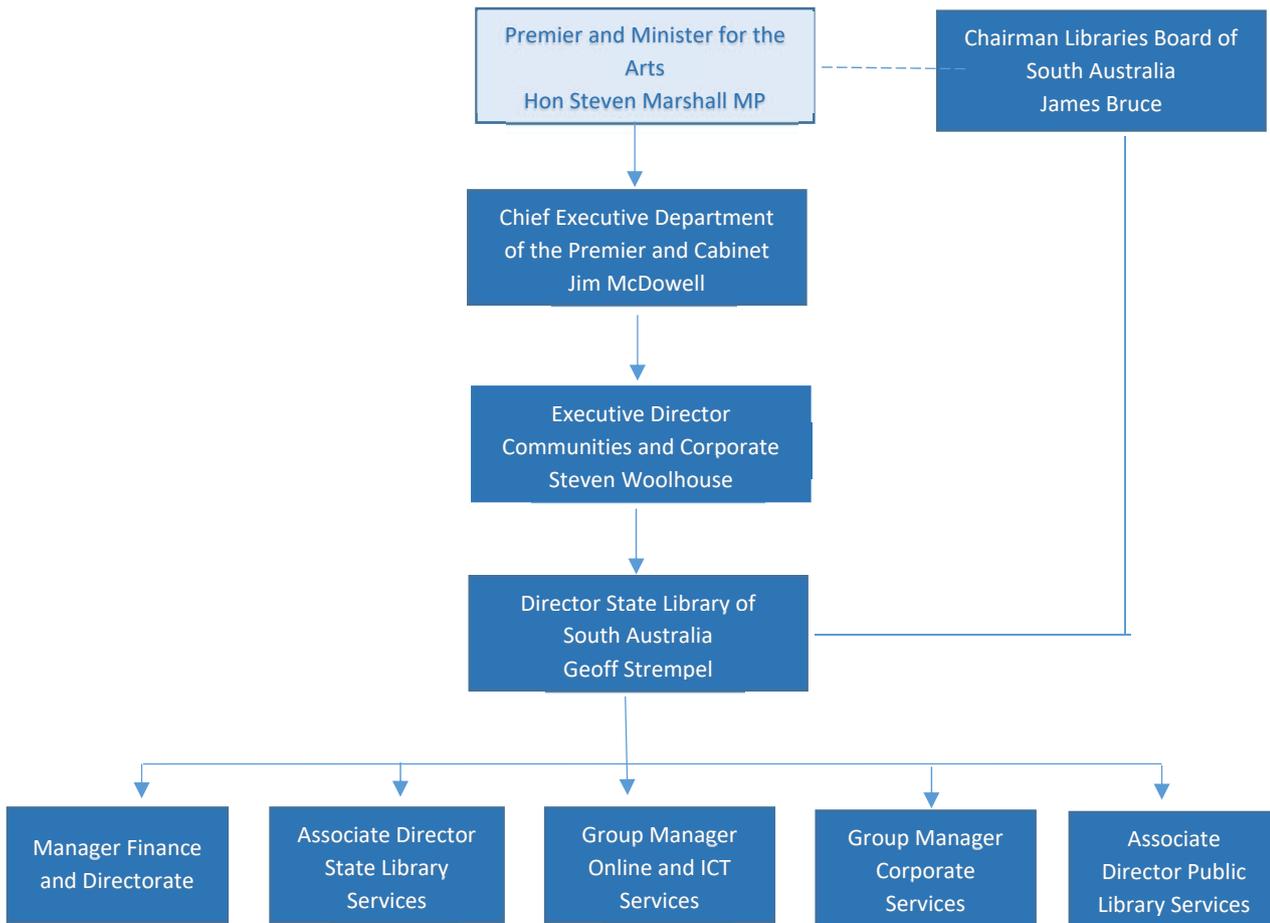
Contributing to Cultural Prosperity by:

- Leading and developing the state’s strategic agenda across the arts, cultural and creative sector delivering funding, support, advice and coordination to the sector
- Caring for the state’s collections, buildings and other assets within the arts, cultural and creative sector
- Drives key government initiatives which are of importance to the state at any time

Key strategies and their relationship to SA Government objectives:

State Library	Public Library Services
<p>State Library of South Australia’s Strategic Plan 2018-2020</p> <ul style="list-style-type: none"> - Collect – Build and maximise use of collections and create content - Maintain – Guarantee access for present and future generations through a wide range of preservation strategies - Connect – Support learning and research for the community’s social and economic benefit - Contribute to and enrich the cultural life of the State through our collections, buildings and community events - Capability – Develop efficiency, capability and capacity through our skilled people and effective work practices 	<p>Public Library Network’s strategic plan – Tomorrow’s Libraries: Future Directions of the South Australian Public Network</p> <ul style="list-style-type: none"> - Connected community places – Libraries are welcoming, safe and accessible for all and offer their communities a dynamic and vibrant place - Creating content and knowledge spaces – Access to local print and eContent, as well as specialist collections and improving literacy outcomes of South Australians - Innovation and digital hubs - Using new and emerging technologies and applications and increasing digital literacy skills. - Partnering with intent - Achieving scale and greater impact through purposeful partnering. - Delivering a sustainable future - Demonstrating value of service outcomes to communities and the state’s strategies priorities

Our organisational structure



Changes to the agency

During 2018-19, there were no changes to the agency's structure and objectives resulting from internal reviews or machinery of government changes.

Our Minister

The Premier, the Hon Steven Marshall MP's portfolio includes Aboriginal Affairs and Reconciliation, Defence and Space Industries, the Arts, Veterans' Affairs and Multicultural Affairs.

Our Executive team

Geoff Stempel, Director State Library of South Australia

The Director of the State Library is responsible for the efficient and effective management and administration of the State Library of South Australia and Public Library Services ensuring the State Library's long-term viability and reputation within the State and amongst its national partners.

The Director provides high-level strategic advice to the Libraries Board of South Australia, the Department for the Premier and Cabinet and the Premier on matters relating to libraries and information policy, and ensures that the requirements of the Memorandum of Agreement (between State and Local Government) to establish and maintain public libraries are met.

Jo Bayly, Associate Director State Library

The Associate Director is responsible for the management and provision of the State Library's direct service provision, including the establishment of strategies, policies and processes that relate to the collection and access to the State's published and unpublished heritage. The Associate Director provides high-level strategic and operational advice to the Director and Executive Director on matters relating to libraries and information policy. The Associate Director works with the Director and the Libraries Board to create long-term organisational and financial strategies to ensure the State Library's long-term viability and reputation within the State and amongst its national partners.

Hanlie Erasmus, Associate Director Public Library Services

The Associate Director Public Library Services is responsible for leading the State's Public Library Network, to ensure the relevant objectives of the Libraries Act (with regard to public libraries) and the expectations of the Memorandum of Agreement (between State and Local Government) are achieved. This includes leadership of transformative strategic projects, the direct provision of procurement and ICT services, and the management of the ICT environment that enables the One Card Network. The Associate Director provides high-level strategic and operational advice to the Director and Executive Director on matters relating to public libraries and information policy.

Legislation administered by the agency

Libraries Act, 1982

Libraries Regulations, 2013

The agency's performance

Performance at a glance

State Library Access statistics:

Physical

Onsite Visitors	482,746
Major Exhibitions	97,000
English Language classes	4,972
Education programs	5,678
Tours of the State Library	11,275
Other programs & events	1,180

Virtual/online

Website/Digital Collection	1,527,019
Trove – SA Newspapers	5,407,575
Other online presences	19,046
Digital collection storage - terabytes	130

Key achievements include:

- National edeposit went live in May 2019, enabling the deposit, archiving, discovery and delivery of published electronic material across Australia
- Digitisation of the Sir Ross and Sir Keith Smith collection and the launch of the Sir Ross and Sir Keith Smith pioneer aviators' website
- Detailed specifications finalised for the commissioning of a cold store facility to be built to significantly extend the longevity and accessibility of at risk audio-visual material
- *One Mountain, One River, One Sage* exhibition at the State Library showcasing items never before seen outside Shandong and celebrating the collaboration between Shandong Province and the State Library.

Public Library Services

Strategy 1: Connected Community Places - Service Delivery to Australia's Indigenous Communities

Public Library Services provided the Indigenous Literacy Foundation, with funding to continue to deliver three core literacy-based programs: Book Supply; Book Buzz; and Community Literacy to South Australian indigenous communities. The Indigenous Literacy Foundation visited communities in the APY Lands including Pipalyatjara, Murputja, Ernabella and Fregon delivering 86 book packs, which equates to 3296 books into these communities.

2. Creative Content and Knowledge Centres – Digital Collections

Our existing digital collection has more breadth and depth than at any point in its short history. Loans of eBooks and Audio have increased at a rapid rate: monthly loans have increased by nearly 50%. Digital collection lifecycle management processes help identify what kinds of materials to collect, from both small and large publishers and how to promote the diversity of collections which amongst others includes Premier's Reading Challenge, Writers' Week, Mental Health, I Choose SA, Aboriginal Writers and LBGTQI shelves.

3. Innovation and Digital Hubs – Digital Literacy

The Telstra and PLS The Tech Savvy Seniors SA program for the 2018-19 financial year resulted in 20 regional libraries delivering over 700 Tech Savvy Seniors classes to over 2,200 participants resulting in their improved confidence and participation in the digital world.

4. Partnering with Intent - Achieve scale and greater impact through partnerships

Libraries SA has connected with the Australian Science and Maths School to provide opportunities for public libraries to work with the students to co-design programs in STEM, adult and early learning. In addition to increasing learning opportunities for the South Australian community, it will provide professional development for Library staff in STEM, learning design and build stronger relationships with youth clientele.

5. Delivering a Sustainable Future – Tomorrow's Libraries Review

The review of the Tomorrow's Libraries strategic plan was undertaken in 2018-19. This report has documented the significant outcomes achieved since the 2015 report and building on the foundations laid, has set the focus for the next three to five years.

Agency contribution to whole of Government objectives	
Key objective	Agency's contribution
More jobs	<p><u>North Terrace Cultural Precinct Innovation Lab</u></p> <p>The State Library participated in the collaborative Gig City initiative – the North Terrace Cultural Precinct Innovation Lab.</p> <p><u>Library & Information Management and Archival & Records Management degrees</u></p> <p>The State Library continues to shape the development of Library professionals of the future through its role in forming and delivering modules of the Library & Information Management and Archival & Records Management university degrees in partnership with UniSA.</p>
Lower costs	<p><u>National edeposit Service</u></p> <p>Launched in May 2019, the National edeposit (NED) service enables the deposit, archiving, discovery and delivery of published electronic material across Australia.</p> <p>The service reduces the costs of complying with legal deposit for all Australian publishers and greatly increases access to Australian publications for everyone.</p> <p>All nine Australian jurisdictions participated in the development and funding of the new national service.</p>

<p>Better Services</p>	<p><u>Cold Store</u></p> <p>Following extensive research, the State Library has finalised detailed specifications in readiness for the commissioning of a Cold Store facility to accommodate and provide protection for at risk audio-visual material, significantly increasing the expected longevity and accessibility of these items and the ability to make them available to future generations. The Cold Store facility will be the first in the State.</p> <p><u><i>One Mountain, One River, One Sage</i> exhibition</u></p> <p>The <i>One Mountain, One River, One Sage</i> collaborative exhibition is one of the outcomes from the State Library’s Agreement with the Shandong Province and the Shandong Provincial Department of Culture and with the City of Jinan Library.</p> <p>This very successful exhibition celebrated collaboration across cultures with the sharing of knowledge and information that enabled visitors to explore key aspects of Shandong culture and history. Over 57,000 people visited the exhibition, supporting events and education programs.</p>
<p>Better services</p>	<p><u>Public Library Services</u></p> <p>PLS supports and assists in the operation and expansion of public library services in association with Councils and other key stakeholders. Under the Libraries Act 1982, PLS represents the strategic interests of the Public Library Network supports and assists in the operation and expansion of public library services.</p> <p><u>Digital Literacy</u></p> <p>Public Library Services (PLS) partnered with a number of organisations including Department of Health and Wellbeing, Telstra, Office for Ageing Well, Service SA, Infoxchange, Google and others to deliver digital literacy training and programs across the state.</p> <p><u>Technology upgrade</u></p> <p>The rollout of computers and printers to 43 regional school community libraries provides local communities with greater access to up to date technology.</p>

Agency specific objectives and performance

State Library objectives	Indicators	Performance
National edeposit service (NED)	<ul style="list-style-type: none"> • User Acceptance Testing • Readiness to launch signed off • NED service launched 	<p>Completed on schedule November 2018</p> <p>April 2019</p> <p>30 May 2019</p>
Shandong Exhibition - <i>One Mountain, One River, One Sage</i>	<ul style="list-style-type: none"> • Collaborative project with Shandong Provincial Library • Growing our audience • Connecting with the community 	<p>Opened 7 December to 20 January 2019</p> <p>57,000 attended the exhibition, education programs and other events</p>
<i>South Australians at War</i> website migration	<ul style="list-style-type: none"> • Migrate digital assets & re-digitise to standard where required • Copyright clearance reviewed • New items added 	<p>Migration completed</p> <p>Migrated content live May 2019</p>
Digital Preservation	<ul style="list-style-type: none"> • Procurement planning and specification development • Acquisition Plan submitted for approval 	<p>January-April 2019</p> <p>May 2019</p>
Sir Ross and Sir Keith Smith collection	<ul style="list-style-type: none"> • Collection fully digitised • Launched Sir Ross and Sir Keith Smith pioneer aviators' website 	<p>Aug 2018</p> <p>Mar 2019</p>
SLSA website	<ul style="list-style-type: none"> • The SLSA website was redeveloped to achieve WGAC 2.0 AA compliance with responsive design principles 	<p>Mar 2019</p>
Digital Collections storage system	<ul style="list-style-type: none"> • Procurement of a new digital collections storage system increasing capacity to over 400TB 	<p>Jun 2019</p>

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<p><i>Beyond the Stage</i> State Library touring exhibition</p>	<ul style="list-style-type: none"> • Banners containing images and text from the exhibition developed • Region specific banners developed • Toured to metropolitan and regional areas where State Opera performed the complementary <i>Keep the Home Fires Burning</i> 	<p>Banners developed September 2018</p> <p>Toured October 2018</p>
<p>Public Library Services objectives</p>	<p>Indicators</p>	<p>Performance</p>
<p>Public Library Network's Tomorrow's Library strategic plan</p>	<ul style="list-style-type: none"> • Development of mobile and online technologies to improve digital experience • Introduction of digital library membership • Establishment of digital inclusion partnerships • Delivering faster public internet services • STEM Programs introduced 	<ul style="list-style-type: none"> • Review of the 2015 plan undertaken in 2018 • 81% of Tomorrow's Libraries initiatives actioned • 2019 edition of the Tomorrow's Libraries strategic plan released
<p>Public Library digital strategy</p>	<ul style="list-style-type: none"> • Review of digital membership • Increased accessibility to digital content without visiting the physical library • Improved user experience 	<ul style="list-style-type: none"> • Libraries SA App released August 2018 • App downloaded 40,000 times in 12 months • App updated regularly with functionality improvements
<p>Review of state wide digital services in the public library network</p>	<ul style="list-style-type: none"> • Gap analysis of digital services delivered by Public Library Services to the South Australian public through local libraries 	<ul style="list-style-type: none"> • Service improvements for online and mobile use identified
<p>School Community Libraries rollout of computers and printers</p>	<ul style="list-style-type: none"> • Technology upgrade for 43 regional school Community Library for customers use – 2 computers and 1 Wi-Fi printer per site 	<ul style="list-style-type: none"> • November 2018 to February 2019

Program name	Indicators of performance/effectiveness/efficiency	Outcome for South Australia
<p>State Library's Strategic Plan</p> <ul style="list-style-type: none"> • Collect 	<p><u>Archival Acquisitions</u></p> <p>The State Library added 168 new archival record groups, a further 402 sound recordings and 195 hours of oral history recordings to its collections.</p> <p>Notable additions to our collections include:</p> <ul style="list-style-type: none"> • Lionel Noble's reel to reel audio tapes recorded in the late 1970s to early 1980s of his family, friends and neighbours about life in Peterborough • Janet Scarfe's papers relating to the Movement for the Ordination of Women which campaigned for the ordination of women as deacons and priests in the Church of England. It includes over 250 interviews with women in the church during the 1990s • Records from New Castalloy in North Plympton dating back to 1953. The company was taken over by Harley-Davidson in the US is now closed • Phil Cummings' papers including draft manuscripts for his children's books, including 'Be Brave, Pink Piglet!', 'Newspaper Hats', 'Echidna Jim went for a Swim', and 'Boy'. • Wax cylinder recordings of Thomas James Mitchell, an early SA pioneer who worked as an accountant and banker. The recordings made around 1900 include family members speaking, singing and reciting. These were taken to the National Film and Sound Archive for digitisation using their specialist equipment 	<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
<p>State Library's Strategic Plan</p> <ul style="list-style-type: none"> • Collect 	<p><u>Published Acquisitions</u></p> <p>The State Library added 5,434 items to its collections. This included:</p> <ul style="list-style-type: none"> • South Australia material – 1,692 • Legal Deposit – 852 • General Reference – 3742 • Electronic publications – 420 (including websites) • eResources subscriptions - 37 <p>Noteworthy additions to the State Library Published Collections include:</p> <ul style="list-style-type: none"> • Light Pass Lutheran Sunday School Collection – some 110 books dating from the 1830s into the early 20th century complete with the loans register and will be included in the Children's Literature Research Collection. • An avant-garde item for the Rare Book Collection which complements our strength in the history of cookery, <i>Eat the Problem</i> by Kirsha Kaechele, a collection of recipes for using invasive species such as cane toads and feral cats. It is a very beautiful book, published in Hobart. • Two volumes of 'sokkibon' – traditional Japanese stories as told by Adelaide born Henry James Black – kabuki actor, hypnotist and story-teller. These volumes were purchased with funding from the Friends of the State Library. 	<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
<p>State Library's Strategic Plan</p> <ul style="list-style-type: none"> • Maintain 	<p><u>Digitisation</u></p> <p>The State Library continues to digitise its collections and where possible deliver them online.</p> <p>The main digitising categories for 2018-2019 are:</p> <ul style="list-style-type: none"> • Digital imaging (photographs/images) 36,776 (an increase of 7.7%). • Sound recordings 4,413 (a decrease of 13%). • Films and videos – 1,028 files (an increase of 100%). • Pages (published and archival collections) 32,533 (an increase of 556%). <p>The increase in digitisation activity has grown the library's digital collection storage to 130.28 terabytes (an increase of 24% 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 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>

Program name	Indicators of performance/effectiveness/efficiency	Outcome for South Australia
<p>State Library's : Strategic Plan:</p> <ul style="list-style-type: none"> • Collect • Maintain 	<p>The National edeposit (NED) service was launched on 30 May 2019 enabling South Australian publishers to deposit electronic publications into a national system. By depositing through NED, publishers will generally have fulfilled both their jurisdictional and national legal deposit responsibilities in a single action.</p> <p>As a result of the national approach, a greater proportion of Australian publishing can be provided directly online to everyone, or, if required by the publisher onsite only at the State Library. In addition to increased access it also provides greater exposure of South Australian publishing in other jurisdictions.</p>	<p>Simplified the legal deposit process for publishers leading to increased collecting.</p> <p>Significantly increased customer access to South Australian and Australian collections</p>
<p>State Library's Strategic Plan</p> <ul style="list-style-type: none"> • Maintain • Connect 	<p>The State Library continues to deliver its digital collections online using a range of platforms.</p> <p>Indicators of access:</p> <ul style="list-style-type: none"> • State Library website/digital collections: 1,527,019 (14.8% increase) • Facebook: 9,729 (19.7% increase) • Twitter: 6,612 (4.5% increase) • YouTube: 1,110 (22% increase) • Instagram: 1,460 • Historypin: 5,629 • Pinterest: 506 • Trove (South Australian newspaper views): 5,407,575 (an increase of 1.5%) 	<p>Access to the State Library's online collections available 24/7</p>

Program name	Indicators of performance/effectiveness/efficiency	Outcome for South Australia
<p>State Library's Strategic Plan:</p> <ul style="list-style-type: none"> • Connect • Contribute 	<p>The State Library had 492,746 onsite visitors and responded to 2,928 research queries through the 'Ask Us' service (a 9.5% increase).</p> <p>The State Library provided a comprehensive range of education and learning programs, events and tours designed to highlight the breadth and depth of the library's collections.</p> <p>Primary, Secondary and Tertiary curriculum-based education programs: 5,678 students (a 24% decrease).</p> <p>Live and Learn adult programs: 195 participants (a 58% decrease).</p> <p>School holiday events for families and children: 985 participants (a 240% increase)</p> <p>English Language conversation classes and individual tutoring: 4,972 participants (a 4.3% increase).</p> <p>Tours of the State Library buildings - 11,275 participants.</p> <p>The State Library loaned 22 collection items institutions locally and interstate.</p> <p>There were 29,868 visitors to the State Library's Bradman Collection at the Adelaide Oval.</p>	<p>Access to the State Library's collections and buildings are available to everyone.</p> <p>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.</p>

Program name	Indicators of performance/effectiveness/efficiency	Outcome for South Australia
<p>State Library's Strategic Plan: Connect Contribute</p>	<p>The State Library held two major exhibitions during the year.</p> <p><i>One Mountain, One River, One Sage: Treasures from the Shandong Library</i> 7 September 2018 – 20 January 2019. This collaborative exhibition told the story of Shandong Province through rare pieces from the Shandong Library's collection, never shown before outside of China, including ancient books, press plates, paintings, wall hangings and stone rubbings. Launched by Premier Steven Marshall, the exhibition was borne out of the reciprocal agreement between the State Library and Shandong Library to strengthen exchanges and cooperation, through sharing cultural and library knowledge. The exhibition was accompanied by a rich learning program for primary and secondary school students.</p> <p>57,000 visitors attended the Exhibition and associated activities.</p> <p>Adelaide Central Market: 150 years of people and produce 25 January - 28 April 2019 was an exhibition developed through partnership with the Adelaide Central Market authority to celebrate the anniversary of this landmark Adelaide institution. The exhibition features collection items from the archives of the State Library, Adelaide City Council and from the Market traders themselves.</p> <p>40,193 visitors attended the Exhibition.</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>

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<p>State Library's Strategic Plan:</p> <ul style="list-style-type: none"> • Capability 	<p>Replaced staff computers and upgraded to Windows 10</p> <p>Commenced evolution to mobile computing devices</p> <p>Network capacity increased to 10GB to support audio-visual digitisation processes</p> <p>Technology upgrades to all meeting rooms</p> <p>Planning for a purpose-built space to support the safe handling and transfer of collection material on obsolete media</p> <p>Sentencing and disposal of 100 metres of physical corporate records</p>	<p>More efficient and effective work environments and practices</p>
<p>Program name</p>	<p>Indicators of performance/effectiveness/efficiency</p>	<p>Outcome for South Australia</p>
<p>Public Library Services - One Card Network</p>	<p>Since the launch of the One Card network in 2012 resource sharing between libraries has continued to improve. 12,525,000 items were loaned across the network and 1,880,000 requested items (holds) were delivered to the customer's preferred pickup library.</p> <p>On average 5,400 new people join public libraries each month.</p> <p>32% of the South Australian community are active members.</p> <p>538,000 launches of the Libraries SA mobile app have occurred this year.</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>

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Program name	Indicators of performance/effectiveness/efficiency	Outcome for South Australia
Public Library Services - Digital Services	<p>Focus continued on the development of digital collections in public libraries through eBooks, eAudio and eMagazines. Digital remained the fastest growing format for the consortium with nearly 1.5 million loans provided to customers during 2018-19.</p> <p>Digital eBook and eAudio loans continued to grow. Loans increased by more than 40% when compared to 2017-18, reaching 933,173.</p> <p>Digital eMagazine loans reached 555,338, an increase of 95% when compared to 2017-18, aided by a new feature that automatically downloads the current issue for customers that have previously borrowed an issue.</p>	<p>Digital resources continue to meet the needs of the South Australian public and offer a cost-effective alternative to the physical collection. Demand continues to grow in this area and the timely access is available in all regions.</p>
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</p>	<p>Public Library Services continues to seek partnerships to achieve scale and greater impact by aligning library service offerings with State and local goals.</p>

	<p>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. Due to its success, the program is being offered at Marion, Prospect, Playford, Onkaparinga, Kapunda, Victor Harbor, Salisbury, Walkerville, Port Adelaide Enfield, Tea Tree Gully, Campbelltown and Charles Sturt.</p>	
Program name	Indicators of performance/effectiveness/efficiency	Outcome for South Australia
<p>Public Library Services – Internet Services</p>	<p>In 2018-19 free internet services were provided to 600,000 unique devices in public libraries throughout the state. In addition, the provision of wireless access continues to grow state-wide with 176 Wi-Fi access points now in public libraries.</p> <p>The capacity of the public library internet gateway continued to meet increasing demand with 15 metropolitan libraries connected to the SABRENet optical fibre network, delivering up to a hundred times ADSL capacity to these libraries.</p> <p>35 sites were transitioned to the MPLS NBN service and 50 sites have been migrated to the new Telstra Business Broadband Service (TBBS) NBN.</p> <p>Internet filtering has been introduced to 43 school community libraries with a number of councils also requesting a filtered service.</p> <p>115 new PCs and 42 new multi-function printers were deployed to all 42 school community libraries along with remote management capability, to improve the customer experience using the library internet service.</p>	<p>To promote the free-flow 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>

Corporate performance summary

N/A

Employment opportunity programs

N/A

Agency performance management and development systems

Performance management and development system	Performance
The Department of the Premier and Cabinet's 'Performance Development Planning' was in place throughout the year.	<p>Documented review of individual performance management:</p> <p>Within the past 6 months: 54% of the workforce had undertaken individual performance management</p> <p>A review older than 6 months: 67% of the workforce</p> <p>No review: 33% of the workforce.</p>

Work health, safety and return to work programs

Program name	Performance
Flu Vaccination	58% of staff participated in the Flu Vaccination program
Mental Health First Aid	6 staff attended training
WHS and IM Management System	Developed and maintained by the Department of the Premier and Cabinet and reported on centrally.
WHS and IM Training	<p>86% of State Library employees and 100% of Public Library Services employees have completed the iLearn online training modules 'Ergonomic Assessment and Hazard Management Task assessment.</p> <p>48% of State Library employees and 96% of Public Library Services employees have completed all of the WHS iLearn online training modules.</p>

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Program name	Performance
Flu Vaccination	58% of staff participated in the Flu Vaccination program
Mental Health First Aid	6 staff attended training
Self-audit program	Annual Low Risk Workplace inspections completed with some minor corrective actions identified and addressed.

Workplace injury claims	Current year 2018-19	Past year 2017-18	% Change (+ / -)
Total new workplace injury claims	0	0	N/A
Fatalities	0	0	N/A
Seriously injured workers*	0	0	N/A
Significant injuries (where lost time exceeds a working week, expressed as frequency rate per 1000 FTE)	0	0	N/A

*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)

Work health and safety regulations	Current year 2018-19	Past year 2017-18-	% Change (+ / -)
Number of notifiable incidents (<i>Work Health and Safety Act 2012, Part 3</i>)	0	0	N/A
Number of provisional improvement, improvement and prohibition notices (<i>Work Health and Safety Act 2012 Sections 90, 191 and 195</i>)	0	0	N/A

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Return to work costs**	Current year 2018-19	Past year 2017-18	% Change (+ / -)
Total gross workers compensation expenditure (\$)	0	0	N/A
Income support payments – gross (\$)	0	0	N/A

**before third party recovery

Data for previous years is available at: <https://data.sa.gov.au/data/dataset/libraries-board-of-south-australia-annual-report-data>

Executive employment in the agency

Executive classification	Number of executives
SAES1	3

Data for previous years 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.

Financial performance

Financial performance at a glance

The following is a brief summary of the overall financial position of the agency. The information is unaudited. The full audited financial statements for 2018-19 are attached to this report.

As at 30 June 2019, the Board had a net equity of \$215 million, representing \$221 million of assets offset by \$6 million of liabilities. The current asset balance of \$9.2 million primarily represented cash and receivables. The non-current asset balance of \$211.7 million mainly represented property plant and equipment and the research and heritage collections. The majority of the liabilities balance reflected \$3.98 million in employee provisions and \$2.01 million payable to suppliers.

Statement of Comprehensive Income	2018-19 Budget \$000s	2018-19 Actual \$000s	Variation \$000s	2017-18 Actual \$000s
Expenses	39 375	39 989	614	37 487
Revenues	1 507	2 301	794	2 515
Net cost of providing services	38 868	37 688	(180)	34 972
Net Revenue from SA Government	35 114	36 076	962	36 022
Net result	(2 754)	(1 612)	1 142	1 050
Total Comprehensive Result	(2 754)	(1 212)	1 542	1 050

Statement of Financial Position	2018-19 Budget \$000s	2018-19 Actual \$000s	Variation \$000s	2017-18 Actual \$000s
Current assets	6 252	9 206	2 954	8 311
Non-current assets	210 214	211 744	1 530	212 361
Total assets	216 466	220 950	4 484	220 672
Current liabilities	4 022	3 032	(990)	2 897
Non-current liabilities	2 779	2 961	182	2 716
Total liabilities	6 801	5 993	(808)	5 613
Net assets	209 665	214 957	5 292	215 059
Equity	209 665	214 957	5 292	215 059

Consultants disclosure

The following is a summary of external consultants that have been engaged by the agency, the nature of work undertaken, and the actual payments made for the work undertaken during the financial year.

Consultancies with a contract value above \$10,000 each

Consultancies	Purpose	\$ Actual payment
KPPM	Review of Tomorrow's Libraries Future Directions of the South Australian Public Library Network document	\$29,749
	Total	\$ 29,749

Data for previous years is available at: <https://data.sa.gov.au/data/dataset/libraries-board-of-south-australia-annual-report-data>

See also the [Consolidated Financial Report of the Department of Treasury and Finance](#) for total value of consultancy contracts across the South Australian Public Sector.

Contractors disclosure

The following is a summary of external contractors that have been engaged by the agency, the nature of work undertaken, and the actual payments made for work undertaken during the financial year.

Contractors with a contract value below \$10,000

Contractors	Purpose	\$ Actual payment
All contractors below \$10,000 each - combined	Various	\$96,082

Contractors with a contract value above \$10,000 each

Contractors	Purpose	\$ Actual payment
KDN Services	Public Library Services – procurement project management	\$180,185
Hays Specialist Recruitment	State Library – ICT Infrastructure Support	\$134,293
Sponsorship Connections	State Library – sponsorship opportunities	\$60,000
Andrea Hensing-Matto	State Library - audio engineering	\$41,286

2018-19 ANNUAL REPORT for the Libraries Board of South Australia

Contractors	Purpose	\$ Actual payment
KDN Services	Review of Wi-Fi Services	\$37,537
Charles Kendall Australia Pty Ltd	Procurement Services for Digital Preservation	\$19,843
Designthink Pty Ltd	Professional services – Café	\$17,529
KPPM	Review of Unpublished Collections	\$17,500
City of Adelaide	PLS Work Placement	\$15,000
The Barossa Council	PLS Work Placement	\$14,901
City of Holdfast Bay	PLS Work Placement	\$14,704
City of Onkaparinga	PLS Work Placement	\$13,606
Accru Harris Orchard	Stage 1 Cultural Change Project	\$10,375
	Total	\$576,759

Data for previous years is available at: <https://data.sa.gov.au/data/dataset/libraries-board-of-south-australia-annual-report-data>

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

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

Other information

N/A

Risk management

Fraud detected in the agency

Category/nature of fraud	Number of instances
Nil	Nil

NB: Fraud reported includes actual and reasonably suspected incidents of fraud.

Strategies implemented to control and prevent fraud

The Libraries Board through the State Library of South Australia (SLSA) and Public Library Services (PLS) has a number of strategies in place to control and prevent fraud. The Finance Sub-Committee review the Financial Management Compliance Program annually; staff comply with the DPC Corruption and Maladministration Policy and DPC Corruption and Maladministration Control Strategy and staff participate in DPC fraud awareness training when it is made available.

Specific risks of fraud are identified in the risk registers of SLSA and PLS along with strategies to minimise any such risks.

Data for previous years is available at: <https://data.sa.gov.au/data/dataset/libraries-board-of-south-australia-annual-report-data>

Whistle-blowers disclosure

Number of occasions on which public interest information has been disclosed to a responsible officer of the agency under the *Whistleblowers Protection Act 1993*:

Nil

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

Reporting required under any other act or regulation

Nil report

Reporting required under the *Carers' Recognition Act 2005*

N/A

Public complaints

Number of public complaints reported

Complaint categories	Sub-categories	Example	Number of Complaints 2018-19
Professional behaviour	Staff attitude	Failure to demonstrate values such as empathy, respect, fairness, courtesy, extra mile; cultural competency	14
Professional behaviour	Staff competency	Failure to action service request; poorly informed decisions; incorrect or incomplete service provided	3
Professional behaviour	Staff knowledge	Lack of service specific knowledge; incomplete or out-of-date knowledge	1
Communication	Communication quality	Inadequate, delayed or absent communication with customer	0
Communication	Confidentiality	Customer's confidentiality or privacy not respected; information shared incorrectly	0
Service delivery	Systems/technology	System offline; inaccessible to customer; incorrect result/information provided; poor system design	25
Service delivery	Access to services	Service difficult to find; location poor; facilities/ environment poor standard; not accessible to customers with disabilities	21
Service delivery	Process	Processing error; incorrect process used; delay in processing application; process not customer responsive	6
Policy	Policy application	Incorrect policy interpretation; incorrect policy applied; conflicting policy advice given	2

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Policy	Policy content	Policy content difficult to understand; policy unreasonable or disadvantages customer	0
Service quality	Information	Incorrect, incomplete, out dated or inadequate information; not fit for purpose	2
Service quality	Access to information	Information difficult to understand, hard to find or difficult to use; not plain English	0
Service quality	Timeliness	Lack of staff punctuality; excessive waiting times (outside of service standard); timelines not met	0
Service quality	Safety	Maintenance; personal or family safety; duty of care not shown; poor security service/ premises; poor cleanliness	67
Service quality	Service responsiveness	Service design doesn't meet customer needs; poor service fit with customer expectations	21
No case to answer	No case to answer	Third party; customer misunderstanding; redirected to another agency; insufficient information to investigate	4
		Total	166

Additional Metrics	Total
Number of positive feedback comments	255
Number of negative feedback comments	166
Total number of feedback comments	421

Data for previous years is available at: <https://data.sa.gov.au/data/dataset/libraries-board-of-south-australia-annual-report-data>

Service improvements for period

Service improvements that responded to customer complaints or feedback

Progressive replacement of customers chairs

Signage improved in the Library quiet areas

Replacement of keyboards and mice on public PCs

Publicly bookable Bray Room 7 has had a technical upgrade and allows for screen mirroring to occur wirelessly which has also improved safety in the room

Complaint outcomes

Nature of complaint or suggestion	Services improved or changes as a result of complaints or consumer suggestions
Complaints about insufficient chairs and unpadded chairs	The number of customer chairs has been increased and new ones are padded.
Keyboards dirty/hard to read	All keyboards and mice on public PCs have been replaced
Projection equipment in Bray Room 7 failing	Technical upgrade to equipment in Bray Room 7
Complaints about noise in quiet areas	Signage has been improved and increased in Library quiet areas

Appendix: Audited financial statements 2018-19

Libraries Board of South Australia
Statement of Comprehensive Income
for the year ended 30 June 2019

	Note	2019 \$'000	2018 \$'000
Expenses			
Employee benefits expenses	2.3	12 425	11 813
Supplies and services	3.1	9 985	8 555
Accommodation and facilities	3.2	3 272	3 136
Depreciation and amortisation	3.3	2 218	2 166
Subsidies to public libraries	3.4	12 085	11 817
Net loss from the disposal of non-current assets	4.6	4	-
Total expenses		39 989	37 487
Income			
Fees and charges	4.2	283	322
Investment income	4.5	801	595
Resources received free of charge	4.4	356	385
Net gain from the disposal of non-current assets	4.6	-	205
Bequests and donations		74	56
Council contributions		90	91
Rent and facilities hire	4.3	122	274
Recoveries		366	324
Other		209	263
Total income		2 301	2 515
Net cost of providing services		37 688	34 972
Revenues from SA Government			
Revenues from SA Government	4.1	36 076	36 022
Total		36 076	36 022
Net result		(1 612)	1 050
Other comprehensive income			
Items that will not be reclassified to net result			
Gain/(Loss) on sale of investments classified as fair value through other comprehensive income	4.6	-	-
Changes in fair value of investments classified as fair value through other comprehensive income		400	-
Total other comprehensive income		400	-
Total comprehensive result		(1 212)	1 050

The accompanying notes form part of these financial statements. The net result and total comprehensive result are attributable to the SA Government as owner.

Libraries Board of South Australia
Statement of Financial Position
as at 30 June 2019

	Note	2019 \$'000	2018 \$'000
<u>Current assets</u>			
Cash and cash equivalents	6.1	7 687	7 551
Receivables	6.2	1 519	760
Total current assets		9 206	8 311
<u>Non-current assets</u>			
Receivables	6.2	16	3
Property, plant and equipment	5.1	58 364	60 608
Intangible assets	5.2	291	134
Research and heritage collections	5.3	142 596	142 314
Investments	6.3	10 477	9 302
Total non-current assets		211 744	212 361
Total assets		220 950	220 672
<u>Current liabilities</u>			
Payables	7.1	1 703	1 461
Employee benefits	2.4	1 302	1 418
Provisions	7.2	16	18
Other	7.3	11	-
Total current liabilities		3 032	2 897
<u>Non-current liabilities</u>			
Payables	7.1	246	226
Employee benefits	2.4	2 679	2 453
Provisions	7.2	26	27
Other	7.3	10	10
Total non-current liabilities		2 961	2 716
Total liabilities		5 993	5 613
Net Assets		214 957	215 059
<u>Equity</u>			
Retained earnings		86 247	87 921
Asset revaluation surplus		127 138	127 138
Investment Reserve		1 572	-
Total Equity		214 957	215 059

The accompanying notes form part of these financial statements. All changes in equity are attributable to the SA Government as owner.

Libraries Board of South Australia
Statement of Changes in Equity
for the year ended 30 June 2019

	Asset revaluation surplus \$'000	Investment Reserve \$'000	Retained earnings \$'000	Total equity \$'000
Balance at 1 July 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
Adjustments on initial adoption of AASB 9	-	1 172	(62)	1 110
Adjusted balance as at 1 July 2018	127 138	1 172	87 859	216 169
Net result for 2018-19			(1 612)	(1 612)
Transfer of realised gain/(loss) on sale of investments classified as fair value through other comprehensive income	-	-	-	-
Fair value movement of investments classified as fair value through other comprehensive income	-	400	-	400
Total comprehensive result for 2018-19	-	400	(1 612)	(1 212)
Balance at 30 June 2019	127 138	1 572	86 247	214 957

The accompanying notes form part of these financial statements. 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 2019

	2019 (Outflows) Inflows \$'000	2018 (Outflows) Inflows \$'000
<u>Cash flows from operating activities</u>		
<i>Cash outflows</i>		
Employee benefits payments	(12 332)	(12 857)
Payments for supplies and services	(10 040)	(7 229)
Payments for accommodation and facilities	(3 272)	(3 136)
Subsidies paid to public libraries	(12 085)	(11 817)
Cash used in operations	(37 729)	(35 039)
<i>Cash inflows</i>		
Fees and charges	283	322
Bequests and donations	47	31
Council contributions	90	91
Rent and facilities hire	88	354
Investment income	690	580
Recoveries	353	322
Other	223	252
Cash generated from operations	1 774	1 952
Cash flows from SA government		
Receipts from SA Government	36 076	36 022
Cash generated from SA government	36 076	36 022
Net cash provided by operating activities	121	2 935
<u>Cash flows from investing activities</u>		
<i>Cash outflows</i>		
Purchase of heritage collections	(255)	(298)
Purchase of investments	(411)	(2 309)
Purchase of property, plant and equipment	(131)	(1 318)
Cash used in investing activities	(797)	(3 925)
<i>Cash inflows</i>		
Proceeds from the sale of / maturity of investments	812	635
Cash generated from investing activities	812	635
Net cash provided by / (used in) investing activities	15	(3 290)
Net increase / (decrease) in cash and cash equivalents	136	(355)
Cash and cash equivalents at the beginning of the period	7 551	7 906
Cash and cash equivalents at the end of the reporting period	7 687	7 551

The accompanying notes form part of these financial statements.

Libraries Board of South Australia
Notes to and forming part of the financial statements
for the year ended 30 June 2019

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Libraries Board of South Australia
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Libraries Board of South Australia

Notes to and forming part of the financial statements

for the year ended 30 June 2019

1. About 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.

1.1. Basis of preparation

The financial statements are general purpose financial statements prepared in compliance with:

- section 23 of the *Public Finance and Audit Act 1987*;
- Treasurer's Instructions and Accounting Policy Statements issued by the Treasurer under the *Public Finance and Audit Act 1987*; and
- relevant Australian Accounting Standards.

For the 2018-19 financial statements the Board adopted *AASB 9 – Financial Instruments* and is required to comply with new *Treasurer's Instructions (Accounting Policy Statements)* issued on 22 March 2019. Further information is provided in note 9.

The financial statements are prepared based on a 12 month reporting 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.

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

- when the 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 the expense item applicable; and
- receivables and payables, which are stated with the amount of GST included.

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.

1.2. Objectives and programs

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.

Programs

The Board undertakes the following programs:

- *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.

Libraries Board of South Australia
Notes to and forming part of the financial statements
for the year ended 30 June 2019

The disaggregated disclosures schedules present expenses, income, assets and liabilities attributable to each of the programs for the years ended 30 June 2019 and 30 June 2018.

Expenses and income by program

	Provision of State Library Services		Support of Public Library Services		Eliminations		Total	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Expenses								
Employee benefits expenses	9 780	9 310	2 645	2 503	-	-	12 425	11 813
Supplies and services	3 832	3 175	6 269	5 465	(116)	(85)	9 985	8 555
Accommodation and facilities	3 270	3 135	2	1	-	-	3 272	3 136
Depreciation and amortisation	2 160	2 121	58	45	-	-	2 218	2 166
Net loss on disposal of non-current assets	3	-	1	-	-	-	4	-
Subsidies to public libraries	-	-	12 085	11 817	-	-	12 085	11 817
Total expenses	19 045	17 741	21 060	19 831	(116)	(85)	39 989	37 487
Income								
Fees and charges	283	322	-	-	-	-	283	322
Bequests and donations	75	56	(1)	-	-	-	74	56
Council contributions	-	-	90	91	-	-	90	91
Rent and facilities hire	122	274	-	-	-	-	122	274
Resources received free of charge	307	343	49	42	-	-	356	385
Investment revenues	723	516	78	79	-	-	801	595
Net gain on disposal of non-current assets	-	205	-	-	-	-	-	205
Recoveries	180	171	186	153	-	-	366	324
Other	296	348	29	-	(116)	(85)	209	263
Total income	1 986	2 235	431	365	(116)	(85)	2 301	2 515
Net cost of providing services	17 059	15 506	20 629	19 466	-	-	37 688	34 972
Revenues from SA Government								
Revenues from SA Government	16 330	16 752	19 746	19 270	-	-	36 076	36 022
Total net revenues from SA Government	16 330	16 752	19 746	19 270	-	-	36 076	36 022
Net result	(729)	1 246	(883)	(196)	-	-	(1 612)	1 050

Libraries Board of South Australia
Notes to and forming part of the financial statements
for the year ended 30 June 2019

Assets and liabilities by program

	Provision of State Library Services		Support of Public Library Services		Eliminations		Total	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Assets								
Assets	216 372	215 104	4 578	5 568	-	-	220 950	220 672
Total assets	216 372	215 104	4 578	5 568	-	-	220 950	220 672
Liabilities								
Liabilities	4 410	3 866	1 583	1 747	-	-	5 993	5 613
Total liabilities	4 410	3 866	1 583	1 747	-	-	5 993	5 613
Net assets	211 962	211 238	2 995	3 821	-	-	214 957	215 059

Libraries Board of South Australia
Notes to and forming part of the financial statements
for the year ended 30 June 2019

2. Board, committees and employees

2.1. Key management personnel

Key management personnel of the Board include the Premier of the State of South Australia as responsible for the Arts, the Chairman 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 \$537 000 (2018: \$771 000).

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*.

Transactions with key management personnel and other related parties

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.

The Board received an annual recurrent operating grant of \$36.076 million (2018: \$35.053 million) from the Department of the Premier and Cabinet. The operating grant is the primary source of revenue for the Board as disclosed under note 4.1.

2.2. Board and committee members

Members during the 2019 financial year were:

Libraries Board

JFB Bruce AM (Chair)
V Ciccarello
JMH Finlay
SG Hicks
A Luckhurst-Smith
LM Spurling
JY Whittaker
Dr. JC Wisdom

Board and committee remuneration

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

	2019	2018
\$0 - \$19 999	8	8
Total number of Board members	8	8

The total remuneration received or receivable by members was \$57 000 (2018: \$52 000). Remuneration of members includes sitting fees, superannuation contributions, salary sacrifice benefits, fringe benefits and related fringe benefits tax.

Libraries Board of South Australia
Notes to and forming part of the financial statements
for the year ended 30 June 2019

2.3. Employee benefits expenses

	2019	2018
	\$'000	\$'000
Salaries and wages	8 469	8 558
Employment on-costs superannuation	1 013	1 106
Annual leave	817	887
Targeted voluntary separation packages (refer below)	682	-
Payroll tax	557	558
Long service leave	539	327
Skills and experience retention leave	96	101
Board fees	48	48
Workers compensation provision adjustment	(3)	18
Other employee related expenses	207	210
Total employee benefits expenses	12 425	11 813

Effective 1 July 2018, employees of the business unit known as Arts South Australia (including the State Library of South Australia, and Public Library Services) within the Department of State Development were transferred to employment in the Department of Premier and Cabinet.

Employment on-costs - superannuation

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

Executive remuneration

The number of employees whose remuneration received or receivable falls within the following bands:	2019	2018
	Number	Number
\$151 001 to \$171 000	N/A	1
\$171 001 to \$191 000	1	1
\$211 001 to \$231 000	-	1
\$231 001 to \$251 000	1	-
Total	2	3

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 and fringe benefits and any fringe benefits tax paid or payable in respect of those benefits.

The total remuneration received or receivable by these staff for the year was \$414 000 (2018: \$580 000).

Targeted voluntary separation packages

	2019	2018
	\$'000	\$'000
Amounts paid to separated employees:		
Targeted Voluntary Separation Packages	682	754
Leave paid to separated employees	186	180
Recovery from the Department of Treasury and Finance	(584)	-
Net cost to the Board	284	934

Number of employees who received a TVSP during the reporting period	10	13
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Libraries Board of South Australia
Notes to and forming part of the financial statements
for the year ended 30 June 2019

2.4. Employee benefits liability

	2019	2018
	\$'000	\$'000
<u>Current</u>		
Annual leave	614	673
Long service leave	434	477
Skills and experience retention leave	100	99
Accrued salaries and wages	154	169
Total current employee benefits	1 302	1 418
<u>Non-current</u>		
Long service leave	2 679	2 453
Total non-current employee benefits	2 679	2 453
Total employee benefits	3 981	3 871

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 and wages, annual leave, skills and experience retention leave (SERL) and sick leave

The liability for salaries and wages is measured as the amount unpaid at the reporting date at remuneration rates current at the 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. Details about the measurement of long service leave liability is provided as note 11.1.

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3. Expenses

Employee benefits expenses are disclosed in note 2.3.

3.1. Supplies and services

	2019	2018
	\$'000	\$'000
Freight, courier, and postage	1 999	1 878
Information technology	1 879	1 704
Communications	849	830
Projects	731	268
Contractors	673	479
Minor equipment purchases and leasing	639	192
Cataloguing and end processing	518	528
Licences	428	490
Marketing and promotion	250	217
Preservation activities	254	196
Business services charge	244	236
Electronic resources	214	203
Insurance and risk management	184	203
Exhibitions	135	54
Travel and accommodation	85	91
Maintenance	82	99
Membership / Subscriptions	78	69
Consultants' fees	30	89
Doubtful Debts	14	-
Other	699	729
Total supplies and services	9 985	8 555

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:

	2019	2019	2018	2018
	Number	\$'000	Number	\$'000
Below \$10 000	-	-	5	7
\$10 000 or above	1	30	4	82
Total	1	30	9	89

3.2. Accommodation and facilities

	2019	2018
	\$'000	\$'000
Accommodation	1 540	1 600
Facilities	1 193	1 018
Security	539	518
Total accommodation and facilities	3 272	3 136

Libraries Board of South Australia
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3.3. Depreciation and amortisation

	2019	2018
	\$'000	\$'000
Depreciation		
Buildings and improvements	1 877	1 820
Plant and equipment	148	151
Compactus and lifts	80	79
Computer equipment	72	89
Intangibles	41	27
Total depreciation and amortisation	2 218	2 166

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.

Review 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.

3.4. Subsidies to Public Libraries

	2019	2018
	\$'000	\$'000
Library materials contribution	6 466	6 201
Operating contribution	4 901	4 901
Library materials local purchase contribution	665	663
Community information contribution	33	32
Community information access	20	20
Total subsidies to Public Libraries	12 085	11 817

Libraries Board of South Australia
Notes to and forming part of the financial statements
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4. Income

4.1. Net revenues from SA Government

	2019	2018
	\$'000	\$'000
Revenues from SA Government		
Recurrent operating grant	36 076	35 053
Capital grant	-	969
Total revenues from SA Government	36 076	36 022

Grants are recognised on receipt.

4.2. Fees and charges

	2019	2018
	\$'000	\$'000
Lecturing services	185	198
Photocopying services	50	37
Other fees and charges	38	75
Fees for services	10	12
Total revenues from fees and charges	283	322

4.3. Rent and facilities hire

	2019	2018
	\$'000	\$'000
Facilities hire	34	109
Rental income	88	165
Total revenues from rent and facilities hire	122	274

4.4. Resources received free of charge

	2019	2018
	\$'000	\$'000
Conservation services	112	149
Services received free of charge - Shared Services SA	244	236
Total resources received free of charge	356	385

Under an arrangement with Artlab Australia, a division of the Department of the Premier and Cabinet, 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 3.1).

4.5. Investment income

	2019	2018
	\$'000	\$'000
Dividends	260	204
Interest	243	218
Dividend imputation credits	146	118
Distributions	83	55
Revaluation of debt instruments (investments)	69	-
Total investment revenues	801	595

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.

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4.6. Net gain / (loss) from the disposal of non-current assets

	2019	2018
	\$'000	\$'000
<u>Debt instruments mandatorily measured at fair value through profit or loss</u>		
Proceeds from disposal	400	-
Less value of assets disposed	(403)	-
Net gain / (loss) from disposal at FVTPL	(3)	-
<u>Shares and other direct investments at cost</u>		
Proceeds from disposal	-	635
Less value of assets disposed	-	(430)
Net gain / (loss) from disposal at cost	-	205
<u>Property, plant and equipment</u>		
Proceeds from disposal	-	-
Less value of assets disposed	(1)	-
Net gain from disposal of property, plant and equipment	(1)	-
<u>Non current assets through profit or loss</u>		
Proceeds from disposal	400	635
Less value of assets disposed	(404)	(430)
Total net gain / (loss) from disposal of non-current assets seen in net result	(4)	205
<u>Equity instruments designated at fair value through other comprehensive income</u>		
Proceeds from disposal	412	-
Less value of assets disposed	(412)	-
Total net gain / (loss) from disposal of non-current assets seen in total other comprehensive income	-	-
<u>Total non current assets</u>		
Proceeds from disposal	812	635
Less value of assets disposed	(816)	(430)
Total net gain / (loss) from disposal of non-current assets seen in total comprehensive income	(4)	205

Libraries Board of South Australia
Notes to and forming part of the financial statements
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5. Non-financial assets

5.1. Property, plant and equipment

	2019	2018
	\$'000	\$'000
<u>Land, buildings and improvements</u>		
Land at fair value	4 530	4 530
Buildings and improvements at fair value	116 762	116 762
Accumulated depreciation at the end of the period	(65 000)	(63 123)
Total land, buildings and improvements	56 292	58 169
<u>Work in progress</u>		
Work in progress at cost	-	234
Total work in progress	-	234
<u>Compactus and lifts</u>		
Compactus and lifts at cost (deemed fair value)	2 496	2 494
Accumulated depreciation at the end of the period	(1 245)	(1 165)
Total compactus and lifts	1 251	1 329
<u>Plant and equipment</u>		
Plant and equipment at cost (deemed fair value)	2 007	1 961
Accumulated depreciation at the end of the period	(1 373)	(1 235)
Total plant and equipment	634	726
<u>Computer equipment</u>		
Computer equipment at cost (deemed fair value)	881	834
Accumulated depreciation at the end of the period	(694)	(684)
Total computer equipment	187	150
Total property, plant and equipment	58 364	60 608

All non-current assets with a value of \$10 000 or greater are capitalised, with the exception of Compactus and Lifts category.

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.

Property, plant and equipment is recorded at fair value. Detail about the Board's approach to fair value is set out in note 11.2

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Reconciliation 2018-19

	Buildings and improv.		Work in progress	Compactus and lifts	Plant and equip.	Computer equip.	Total tangible assets	Computer Software	Total intangible assets
	Land \$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at 1 July 2018	4 530	53 639	234	1 329	726	150	60 608	134	134
Additions	-	-	73	2	56	-	131	-	-
Depreciation and amortisation	-	(1 877)	-	(80)	(148)	(72)	(2 177)	(41)	(41)
Transfers to/(from) works in progress	-	-	(307)	-	-	109	(198)	198	198
Carrying amount at the end of period	4 530	51 762		1 251	634	187	58 364	291	291

5.2. Intangible assets

	2019 \$'000	2018 \$'000
<u>Intangibles</u>		
Computer software	451	253
Accumulated amortisation	(160)	(119)
Total intangibles	291	134

Intangible assets are initially measured at cost and are tested for indications of impairment at each reporting date. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and any accumulated impairment losses.

The acquisition or internal development 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.

Libraries Board of South Australia
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5.3. Research and heritage collections

	At valuation	At cost / additions	Total
	\$'000		\$'000
Monographs	39 510	104	39 614
Private archives	35 868	40	35 908
Rare books and named collections	29 334	50	29 384
Periodicals	12 606	295	12 901
Mortlock use collections	10 315	69	10 384
Newspapers purchased	6 568	196	6 764
Maps	6 362	15	6 377
Mortlock audio-visual	894	16	910
Microfilm serials	57	135	192
Family history collection	145	1	146
Purchased databases	16	-	16
Total research and heritage collections	141 675	921	142 596

Reconciliation 2018-19

The following table shows the movement of research and heritage collection assets during 2018-19:

	Balance at 1 July	Additions	Balance at 30 June
	\$'000	\$'000	\$'000
Monographs	39 580	34	39 614
Private archives	35 905	3	35 908
Rare books and named collections	29 374	10	29 384
Periodicals	12 804	97	12 901
Mortlock use collections	10 368	16	10 384
Newspapers purchased	6 702	62	6 764
Maps	6 376	1	6 377
Mortlock audio-visual	904	6	910
Microfilm serials	140	52	192
Family history collection	145	1	146
Purchased databases	16	-	16
Total research and heritage collections	142 314	282	142 596

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).

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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.

Libraries Board of South Australia
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6. Financial assets

6.1. Cash and cash equivalents

	2019	2018
	\$'000	\$'000
Deposits with the Treasurer	7 680	7 544
Cash on hand	7	7
Total cash and cash equivalents	7 687	7 551

Deposits with the 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 \$1.69 million (2018: \$1.87 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, Nepabunna, Gerard and Yalata). These funds are controlled by the Board and are recorded in the cash balance as at 30 June 2019. The total of these trust accounts is \$205 000 (2018: \$195 000).

6.2. Receivables

	2019	2018
	\$'000	\$'000
<u>Current</u>		
Prepayments	1 118	440
Trade receivables	190	136
Provision for doubtful debts	(14)	-
Accrued revenues	225	184
Total current receivables	1 519	760
<u>Non-current</u>		
Prepayments	15	2
Receivables	1	1
Total non-current receivables	16	3
Total receivables	1 535	763

Receivables arise in the normal course of selling goods and services to other government agencies and to the public. 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. Receivables are held with the objective of collecting the contractual cash flows and they are measured at amortised cost.

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6.3. Investments

	2019 \$'000	2018 \$'000
Non-current		
Shares and other direct investments in companies		
Carrying amount at the beginning of period	9 302	7 423
Investment market value movement from adoption of AASB 9	1 110	-
Additions	411	2 309
Disposals	(815)	(430)
Investment market value movement at end of financial year	469	
Total non-current investments	10 477	9 302
Total investments	10 477	9 302

	Equity instruments designated at fair value through other comprehensive income \$'000	Debt instruments mandatorily measured at fair value through profit or loss \$'000	Total investments \$'000
Carrying amount at 1 July 2018	6 754	2 548	9 302
Investment market value movement from adoption of AASB 9	1 172	(62)	1 110
Additions	411	-	411
Disposals	(412)	(403)	(815)
Changes in fair value of investments	400	69	469
Carrying amount at the end of period	8 325	2 152	10 477

The equity instruments are carried at fair value.

During the comparative year, the investments were brought to account at cost in accordance with Accounting Policy Framework IV *Financial Asset and Liability Framework* APS 2.1. Gains and losses were recognised in profit or loss when they were sold.

During the current year, the equity investments were designated at fair value through other comprehensive income with all changes in fair value being taken to the investment reserve. On disposal of these equity investments, any related balance within the investment reserve will be reclassified to retained earnings.

During the current year, the debt instruments were designated at fair value through profit or loss with all changes in fair value going through profit or loss. On disposal of these debt instruments, any gains or losses will be recognised in profit and loss.

Dividends arising from all investments are recognised in the statement of comprehensive income.

For further information on risk management refer to note 11. For further information on the impact of AASB 9 refer to note 9.2

Libraries Board of South Australia
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7. Liabilities

Employee benefits liabilities are disclosed in note 2.4.

7.1. Payables

	2019	2018
	\$'000	\$'000
<u>Current</u>		
Trade Payables	1 528	1 268
Employment on-costs	175	193
Total current payables	1 703	1 461
<u>Non-current</u>		
Employment on-costs	246	226
Total non-current payables	246	226
Total payables	1 949	1 687

Payables and accruals are raised for all amounts owing but unpaid. Sundry payables are normally settled within 30 days from the date the invoice is first received. All payables are non-interest bearing. The carrying amount of payables represents fair value due to their short-term nature.

Employment on-costs

Employment on-costs include payroll tax, ReturntoWorkSA levies and superannuation contributions and are settled when the respective employee benefits that they relate to are discharged.

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. The only liability outstanding at reporting date relates to any contributions due but not yet paid to 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 has remained at the 2018 rate of 41%, and the average factor for the calculation of employer superannuation on-costs has changed to 9.8% (2018 9.9%). These rates are used in the employment on-cost calculation. The net financial effect of the changes in the current and future financial years was immaterial.

Libraries Board of South Australia
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7.2. Provisions

	2019 \$'000	2018 \$'000
<u>Current</u>		
Provision for workers' compensation	16	18
Total current provisions	16	18
<u>Non-current</u>		
Provision for workers' compensation	26	27
Total non-current provisions	26	27
Total provisions	42	45
Provision movement		
Carrying amount at the beginning of the period	45	27
Increase / (decrease) in provision recognised	(3)	18
Carrying amount at the end of the period	42	45

A provision 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 2019 provided by a consulting actuary engaged through the Office of the Commissioner for the Public Sector. 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.

7.3. Other liabilities

	2019 \$'000	2018 \$'000
<u>Current</u>		
Income received in advance	11	-
Total current other liabilities	11	-
<u>Non-current</u>		
Contractual security deposit	10	10
Total non-current other liabilities	10	10
Total other liabilities	21	10

8. Other disclosures

8.1. Equity

Asset revaluation surplus

The asset revaluation surplus is used to record increments and decrements in the fair value of property and plant and equipment to the extent that they offset one another. Relevant amounts are transferred to retained earnings when an asset is derecognised.

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Investment reserve

As a result of the implementation of *AASB 9 Financial Instruments*, an investment reserve has been created to record all changes in fair value of investments classified as fair value through other comprehensive income.

8.2. Cash flow

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 the Premier and Cabinet, 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.

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9. Changes in accounting policy

9.1. Treasurer's Instructions (Accounting Policy Statements)

On 22 March 2019 the *Treasurer's Instructions (Accounting Policy Statements) 2019* were issued by the Treasurer under the *Public Finance and Audit Act 1987*. The Accounting Policy Statements replaced the following Accounting Policy Frameworks:

- Purpose and Scope
- General Purpose Financial Statements Framework
- Asset Accounting Framework
- Financial Asset and Liability Framework
- Income Framework
- Definitions.

The new Accounting Policy Statements have largely been prepared on a no-policy change basis. Changes that impact on these financial statements are:

- increasing the bands from \$10,000 to \$20,000 for employee and Board member reporting.

These changes, however, do not impact on the amounts reported in the financial statements.

The Accounting Policy Statements also set out requirements in relation to Accounting Standards and Statements not yet effective. This is further discussed in note 10.3.

9.2. AASB 9 Financial Instruments

AASB 9 Financial Instruments replaces the provisions of AASB 139 that relate to recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting. The adoption of AASB 9 from 1 July 2018 resulted in changes in accounting policies and adjustments to the amounts recognised in financial statements.

As part of the adoption of AASB 9, the Board adopted consequential amendments to other accounting standards and the Treasurer's Instructions (Accounting Policy Statements) arising from the issue of AASB 9 as follows:

- AASB 101 Presentation of Financial Statements, where material requires the impairment of financial assets to be presented in a separate line item, if material, in the statement of comprehensive income. In prior year, this information was presented as part of other expenses. For 30 June 2019, the impairment was considered immaterial to warrant separate disclosure in the statement of comprehensive income.
- AASB 7 Financial Instruments: Disclosures requires amended disclosures due to changes arising from AASB 9, these disclosures have been provided for the current year because the comparatives have not been restated.

In accordance with transitional provisions and the *Treasurer's Instructions (Accounting Policy Statements)*, *AASB 9 Financial Instruments* was adopted without restating comparative information for classification and measurement requirements. All adjustments relating to classification and measurement are recognised in retained earnings at 1 July 2018.

The adoption of AASB 9 has not had a significant effect on the recognition, measurement or classification of financial liabilities.

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9.2. AASB 9 Financial Instruments (continued)

	2018
	\$000
Closing retained earnings 30 June 2018 – AASB 139	87 921
Increase in provision for trade receivables	-
Adjustment to investment reserve from adoption of AASB 9	1 172
Adjustment to retained earnings from adoption of AASB 9	(62)
Opening retained earnings and investment reserve 1 July 2018 – AASB 9	89 031

On 1 July 2018, the Board has assessed and reclassified its financial assets into the appropriate AASB 9 categories depending on the business model and contractual cash flow characteristics applying to the asset. AASB 9 eliminates the AASB 139 categories of held to maturity, loans and receivables and available for sale.

On the date of initial application, the Board's financial instruments were as follows. The Board elected not to make any changes on implementation, rather the Board implemented changes at 30 June 2019.

	Measurement category		AASB 139	Carrying	AASB 9 at 1
	AASB 139	AASB 9	at 30 June 2018 \$'000	amount re- measurement \$'000	July 2018 \$'000
<u>Current financial assets</u>					
Trade receivables	Loans and receivables	Amortised cost	136	-	136
<u>Non-current financial assets</u>					
Investments	At cost	Fair Value	9 302	1 110	10 412
<u>Current financial liabilities</u>					
Trade payables	Amortised cost	Amortised cost	1 268	-	1 268

Impairment of financial assets

AASB 9 replaces the 'incurred loss' model in AASB 139 with an 'expected credit loss' model. The following financial assets of the Board are subject to AASB 9's new expected credit loss model:

- trade receivables from provision of services
- debt investments carried at amortised cost (i.e. bonds and debentures)

This model generally results in earlier recognition of credit losses than the previous one.

Trade receivables

New impairment requirements result in a provision being applied to all receivables rather than only on those receivables that are credit impaired. The Board has adopted the simplified approach under AASB 9 Financial Instruments and measured lifetime expected credit losses on all trade receivables using a provision matrix approach as a practical expedient to measure the impairment provision. There was no impact to the loss allowance on 1 July 2018 for trade receivables external to Government.

There are no impairment provisions for State, Territory, or Commonwealth Government receivables due to the Government's high quality credit risk.

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Trade and other receivables that were classified as loans and receivables under AASB 139 are now classified at amortised cost as they meet the appropriate criteria under AASB 9.

Shares and other direct investments in companies

Equity investments that would previously have been classified at cost are now classified as Fair Value through Other Comprehensive Income.

10. Outlook

10.1. Unrecognised contractual commitments

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

Operating lease commitments

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

	2019	2018
	\$'000	\$'000
Within one year	296	446
Later than one year but not longer than five years	1 144	1 710
Later than five years	-	428
Total operating lease commitments	1 440	2 584

The operating lease commitments predominantly comprise the Netley off-site storage. Other lease commitments relate 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:

	2019	2018
	\$'000	\$'000
Within one year	1 584	1 610
Total public libraries commitments	1 584	1 610

Other commitments

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

	2019	2018
	\$'000	\$'000
Within one year	3 039	3 412
Later than one year but not longer than five years	3 800	3 596
Later than five years	31	-
Total other commitments	6 870	7 008

10.2. 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 2019.

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10.3. Impact of standards and statements not yet effective

An assessment has been made and the impact of AASB 15 *Revenue with Contracts with Customers*, AASB 1058 *Income of Not for Profit Entities* and AASB 16 *Leases* on the Board is immaterial.

10.4. Events after the reporting period

Adjustments are made to amounts recognised in the financial statements, where an event occurs after 30 June 2019 and before the date the financial statements are authorised for issue, where those events provide information about conditions that existed at 30 June 2019.

Note disclosure is made about events between 30 June 2019 and the date the financial statements are authorised for issue where the events relate to a condition which arose after 30 June 2019 and which may have a material impact on the results of subsequent years.

There has not arisen in the interval between the end of the financial year and the date of this report, any other item, transaction or event of a material and unusual nature likely, in the opinion of the Board, to affect significantly the operations of the Board, the results of those operations, or the state of affairs of the Board in subsequent financial years.

11. Measurement and risk

11.1. Long service leave liability – measurement

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 has decreased from 2.5% (2018) to 1.25% (2019).

This decrease in the bond yield, which is used as the rate to discount future long service leave cash flows, results in an increase in the reported long service leave liability of \$237 000.

The net financial effect of the changes to actuarial assumptions in the current financial year is immaterial. The impact on future periods is impracticable to estimate as the long service leave liability is calculated using a number of demographical and financial assumptions – including the long-term discount rate.

The actuarial assessment performed by the Department of Treasury and Finance left the salary inflation rate at 4.0% for long service 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 12 months based on historical data

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11.2. Fair value

AASB 13 *Fair Value Measurement* defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants, in the principal or most advantageous market, at the measurement date.

Initial recognition

Non-current tangible assets are initially recorded at cost or at the value of any liabilities assumed, plus any incidental cost involved with the acquisition.

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 (i.e. the amount recorded by the transferor public authority immediately prior to the restructure).

Revaluation

Property, plant and equipment are subsequently measured at fair value after allowing for accumulated depreciation.

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

Revaluation is undertaken as detailed below. If at any time management considers that 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.

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 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.

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 less than \$1 million or had an estimated useful life that was less than three years. Plant and equipment have not been revalued in accordance with APS 116.D. The carrying value of these items are deemed to approximate fair value.

Heritage assets

These assets are classified in level 3 as there is no active market. An independent valuation of heritage assets was performed as at 30 June 2016 by Mr. P. Tinslay, NCJV Registered Valuer, of Aon Risk Solutions (Fine Arts Division). Fair value was determined by estimating the current replacement cost based on the limited market information available for similar heritage assets and reproduction materials.

Libraries Board of South Australia
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11.3. 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 by grants from the Department of the Premier and Cabinet. The Board works with the Department of the Premier and Cabinet 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.

Impairment

There were no indications of impairment as at 30 June 2019.

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.

Classification applicable until 30 June 2018 under AASB 139 Financial Instruments: Recognition and Measurement

The carrying amounts are detailed below of each of the following categories of financial assets and liabilities:

- Held-to-maturity investments
- Loans and receivables
- Financial liabilities measured at cost.

Classification applicable from 1 July 2018 under AASB 9 Financial Instruments

On initial recognition, a financial asset which is a debt instrument is classified as measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss. A financial asset which is an equity instrument is classified as measured at fair value through other comprehensive income or fair value through profit or loss.

A financial asset is measured at amortised cost if it meets both of the following conditions:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest only on the principal amount outstanding.

The Board holds debt instruments which are measured at amortised cost and fair value through profit or loss and equity instruments classified at fair value through other comprehensive income (refer note 6.3).

At 1 July 2018, the Board designated the equity instruments (Investments) previously measured at cost, at fair value through other comprehensive income, since these instruments represent investments that the Board intends to hold for long term strategic purposes. At 1 July 2018, the Board designated debt instruments (Investments) previously measured at cost, at fair value through Profit and Loss.

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Category of financial asset and financial liability	Statement of Financial Position line item	Note	2019	2018
			Carrying amount / fair value \$'000	Carrying amount / fair value \$'000
Financial assets				
Cash and cash equivalents				
Cash and cash equivalents	Cash	6.1	7 687	7 551
Financial assets at amortised cost				
Loans and receivables	Receivables	6.2	402	321
Financial assets classified as fair value				
Investments	Investments	6.3	10 477	9 302
Total financial assets			18 566	17 174
Financial liabilities				
Financial liabilities at amortised cost				
Financial liabilities (at cost)	Payables	7.1	1 476	1 216
Other	Other	7.3	21	10
Total financial liabilities			1 497	1 226

Receivables and Payables

The receivable and payable amounts disclosed here exclude amounts relating to statutory receivables and payables (e.g. 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).

The receivables amount disclosed here excludes prepayments as they are not financial assets. Prepayments are presented in note 6.2.



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To the Chair 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 2019.

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 2019, its financial performance and its cash flows for the year then ended in accordance with the Treasurer's Instructions issued 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 2019
- a Statement of Financial Position as at 30 June 2019
- a Statement of Changes in Equity for the year ended 30 June 2019
- a Statement of Cash Flows for the year ended 30 June 2019
- notes, comprising significant accounting policies and other explanatory information
- a Certificate from the Chair, Libraries Board of South Australia, Acting Director, State Library of South Australia and the 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 issued 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

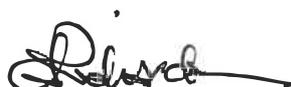
My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an 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, but not for the purpose of expressing an opinion on the effectiveness of the Libraries Board of South Australia's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Director
- 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 Chair, Libraries Board of South Australia about, 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.

A handwritten signature in black ink, appearing to read 'Andrew Richardson', with a long horizontal flourish extending to the right.

Andrew Richardson

Auditor-General

18 September 2019