

LIBRARY COUNCIL OF NSW

# 2017-18 ANNUAL REPORT



STATE LIBRARY®  
NEW SOUTH WALES



#### CONTACT INFORMATION

State Library of NSW  
Macquarie Street  
Sydney NSW 2000 Australia  
Phone: +61 2 9273 1414  
Fax: +61 2 9273 1255  
Email: [library@sl.nsw.gov.au](mailto:library@sl.nsw.gov.au)  
[www.sl.nsw.gov.au](http://www.sl.nsw.gov.au)

The production cost of this report is estimated at \$1300.

For an online copy of this annual report go to [sl.nsw.gov.au/annualreport](http://sl.nsw.gov.au/annualreport)

Compiled by Melissa Brooks  
Editing and proofing by Cathy Hammer and Cathy Perkins  
Design and production by Anna Cointrel and Rosie Handley

Unless otherwise stated, all photographic/imaging work is by Digitisation, State Library of NSW.

P&D-5152-10/2018

© State Library of NSW 2018

ISSN 0155-4204 (Print)

ISSN 1449-258X (Online)

# CONTENTS

Acknowledgment of Country	4	<b>CORPORATE INFORMATION</b>	<b>71</b>
Letter of Submission	7	Human resources	72
President of Library Council of NSW	8	Essential services	81
State Librarian	10	Risk management	83
<b>OUR YEAR</b>	<b>13</b>	Business continuity management	84
At a glance	14	Internal Audit and risk management statement	85
Our year	19	Digital information security annual statement	87
Mission, vision, values	20	Publications and Information	88
Preserve	21	Business information	88
Collect	23	Information & cybersecurity	88
Access	27	Government information (public access)	89
Foundation	29	Public interest disclosures	93
NSW Public Libraries	31	Reader feedback	93
<b>IN FOCUS</b>	<b>35</b>	Multicultural services	94
<b>CORPORATE GOVERNANCE</b>	<b>53</b>	<b>NSW PUBLIC LIBRARIES</b>	
Library Council of NSW	55	<b>GRANTS AND SUBSIDIES</b>	<b>97</b>
Standing Committees of the Library Council	61	Public library funding strategy	98
Other consultative committees	67	Public library infrastructure grants	101
Organisation chart	69	<b>FINANCIAL OVERVIEW</b>	<b>103</b>
		<b>FINANCIAL REPORT</b>	<b>109</b>

Front cover: Mitchell Library Reading Room, 2018

Back cover: Mitchell Library Reading Room, 1976

A photograph of two young boys climbing a large, dark log that spans across a river. The boy in the foreground is shirtless and wearing dark shorts, reaching out to help the other boy. The second boy is also shirtless and wearing yellow shorts, climbing the log. The background shows a clear blue sky and lush green trees and foliage. The scene is brightly lit, suggesting a sunny day.

# ACKNOWLEDGMENT OF COUNTRY

The State Library of New South Wales acknowledges the Gadigal people of the Eora Nation, the traditional custodians of the land on which the Library stands. We pay respect to Aboriginal Elders past, present and emerging, and extend that respect to other First Nations people. We celebrate the diversity of Aboriginal cultures and languages across NSW.



Swimming in Castlereagh  
River, Coonamble, 2003,  
photograph by Darren Clark



# LETTER OF SUBMISSION

October 2018

The Hon Don Harwin, MLC  
Minister for Resources, Minister for Energy and Utilities,  
and Minister for the Arts  
52 Martin Place  
Sydney NSW 2000

Dear Minister

We take pleasure in submitting the Annual Report and Financial Statements of the Library Council of New South Wales for the year ending 30 June 2018 for presentation to Parliament. These documents have been prepared in accordance with the provisions of the Annual Reports (Statutory Bodies) Regulation 2015, and the Public Finance and Audit Act 1983, as amended. Submitted on behalf of the Library Council of New South Wales.

Yours sincerely



The Hon George Souris AM  
President, Library Council of New South Wales



Dr John Vallance  
State Librarian  
and Secretary, Library Council of New South Wales

# PRESIDENT OF LIBRARY COUNCIL OF NSW



This year has been marked by much change and activity at the Library. In August we farewelled Lucy Milne with our warmest thanks for all she did acting in the role of State Librarian. We welcomed Dr John Vallance into the position at the end of that month.

2017-18 has seen the Library's philanthropic Foundation post its best-ever results, which are enabling the completion of one of the most significant building programs in our history. The new State Librarian has set about developing all aspects of the Library's work, building on the achievements of his predecessors. You will learn more about what he and his colleagues are doing later in this report.

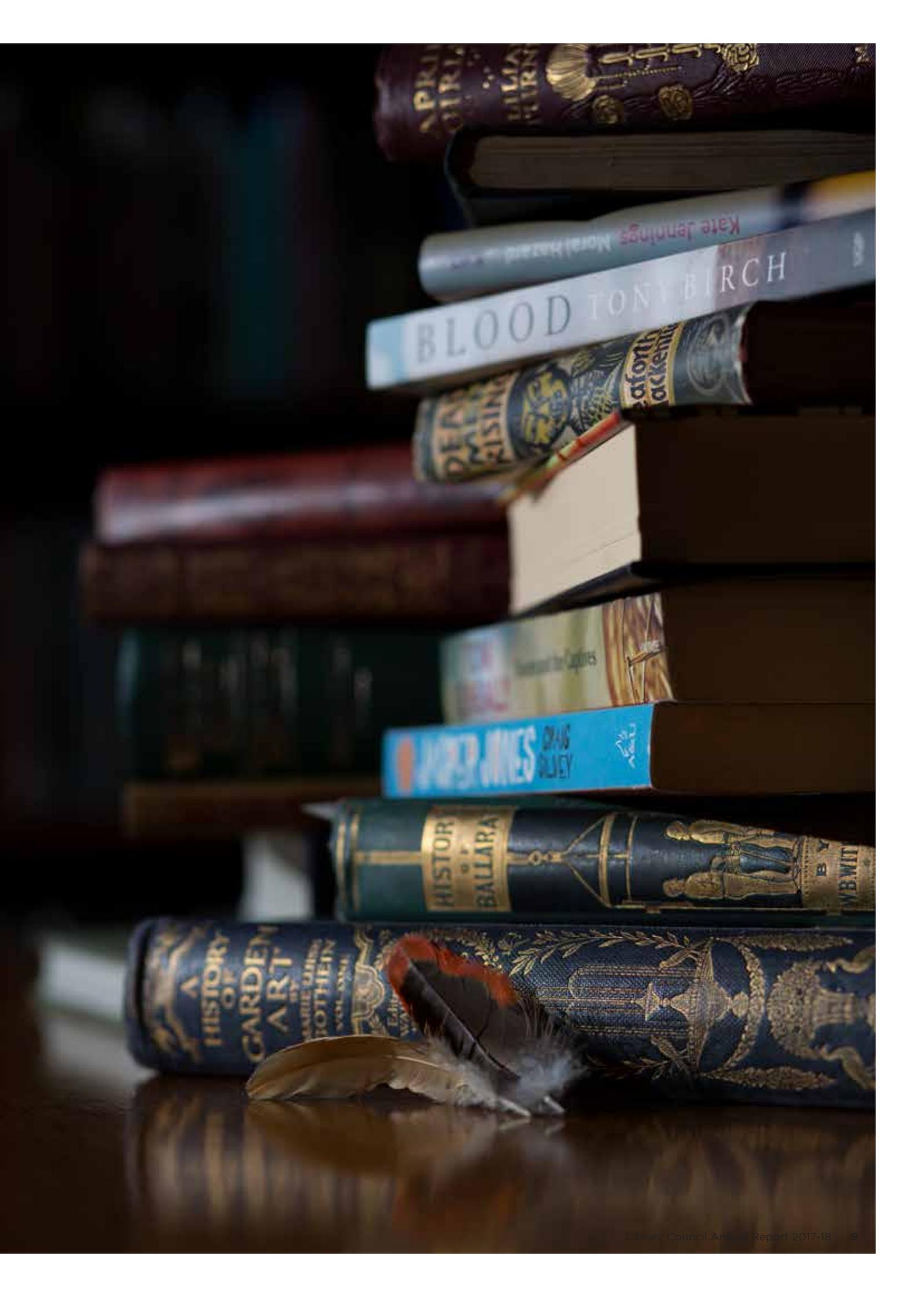
A transformation is underway to give the public access to the treasures held by the Library, many of which have never previously been exhibited. This direction heralds a goal, while remaining a public library, to engage the broader community and economy of New South Wales.

For my part, I must thank my own colleagues on Library Council and the Board of the State Library of NSW Foundation for the extraordinary service they give to this library — one of our state's most loved institutions. Thanks, too to our State Librarian Dr John Vallance, to the hundreds of people who work, not just in Macquarie Street, but in public libraries across New South Wales. The contribution of libraries to our society is immense. I must also thank the volunteers who support our work, and the philanthropists whose imaginative generosity helps us do so much more than we otherwise could.

It is a delight and a privilege to be able to support the work of the Library, and I encourage everyone who reads this to make a point of visiting us soon.

A handwritten signature in blue ink that reads "George Souris". The signature is written in a cursive, flowing style.

The Hon George Souris AM  
President, Library Council of New South Wales



# STATE LIBRARIAN



The period covered by this report spans the first 10 months of my stewardship of the Library, and I must first thank the Library Council (and in particular its President, the Hon George Souris AM), the Foundation, my colleagues in Macquarie Street and across the state, and the many others who have made me feel so welcome. I must also thank the Minister for the Arts and the Premier, who have been great supporters of what we do.

The Library is entering a period of great change. The last few months of 2017 saw a focus on improvements to basic services for the public. A new wi-fi system was installed to provide fast and reliable internet access throughout the Mitchell and Macquarie Street buildings. Improvements to the online catalogues were prioritised, and a program to make accessible the backlog of digitised material was established and largely completed by the end of the reporting year.

As we moved into the final stages of planning for the Michael Crouch Family Galleries, the John B Fairfax Learning Centre, and related developments in the Mitchell Building, we resolved to use these new spaces as an opportunity to turn the Library inside out — to put some of our greatest treasures on long-term public show. One of the major hurdles to accessing a huge collection such as ours is the fact that most of it is stored securely away from the eyes of readers and visitors.

From October 2018, representative parts of all our most precious collections will be on public display, and we expect this to revolutionise people's capacity to enjoy their great Library. For this amazing opportunity, we must largely thank our private benefactors.

One problem with state libraries like ours is that often you can only use them if you know what you want before you come. As part of a general campaign to make us more

relevant to the needs and interests of our readers, we established this year a new section in the Macquarie Street Building called 'Critics' Picks'. This is a large collection of the best works published in English from around the world, as reviewed in the major general review journals. We set up a new accessioning system that makes books available to readers shortly after they are delivered to us. Critics' Picks now covers a large area of both floors of the Governor Marie Bashir Reading Room and is proving very popular.

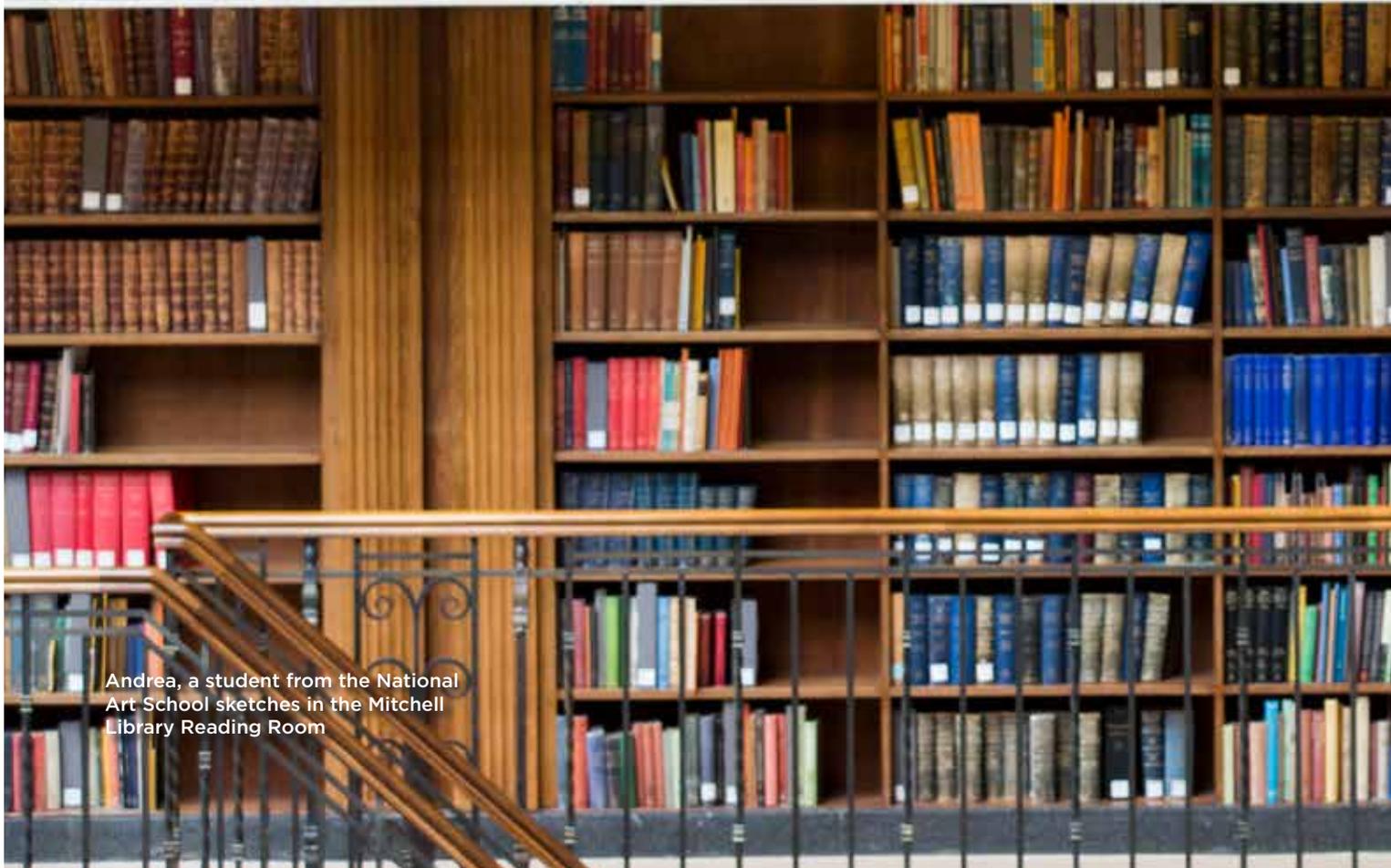
As part of this focus on improved access and service to readers, the Governor Marie Bashir Reading Room has been recarpeted and refurbished. We are already seeing encouraging signs of increased public use of this space.

Advocacy for public libraries across New South Wales is an important part of the State Librarian's job, and groups of our Executive and staff, sometimes in the company of Library Council members, make regular visits to libraries in a variety of metropolitan and regional areas.

The Library is fortunate in having a staff of highly motivated and skilful people whose work covers a wide range of areas, from acquisitions, collections, cataloguing and reader service, through curation, education and scholarship, to exhibitions, publications, design, public libraries, planning, finance and human resources, digital experience in its widest sense and public advocacy. And I am fortunate to be able to work among them.



Dr John Vallance  
State Librarian  
and Secretary, Library Council of New South Wales



Andrea, a student from the National Art School sketches in the Mitchell Library Reading Room



# OUR YEAR

# AT A GLANCE

## LIBRARY SERVICES

**BY OUR  
VOLUNTEERS  
18,471**

**ONLINE  
TRANSCRIPTION  
SESSIONS**

**9**

languages  
spoken  
by staff  
at service  
points

**3882**

Online 'Ask a Librarian'  
requests completed

**184,327  
QUESTIONS**



**ANSWERED  
BY STAFF**

(that's 506 on  
average a day!)

**88,617**

**ITEMS RETRIEVED  
FOR READERS**

**87,886**

**READER CARDS**  
(24,648 Issued 2017-18)

## EDUCATION & LEARNING SERVICES

---

**31**

**VISITS TO REGIONAL  
SCHOOLS DELIVERING  
THE *FAR OUT!* PROGRAM**



**3493**

teachers participated in professional development or conferences



**179**

**PRIMARY  
SCHOOLS  
REACHED**

**15,914**

students participated in programs



**316**

**SECONDARY  
SCHOOLS  
REACHED**

**113,957**

Students & teachers accessed our online learning resources

## PUBLIC LIBRARIES



# \$28 million

ALLOCATED IN PUBLIC LIBRARY GRANTS AND SUBSIDIES



# 133

internet service upgrades for libraries by NSW.net

# 148

State Library visits to public libraries

# 105,569

loans to public libraries in 43 languages

# 2800

copies of *A Quick Guide to Drugs and Alcohol* (new edition) distributed to libraries, schools, government agencies and community organisations

# 324

*Find Legal Answers* packs delivered for Youth Week, Seniors programs and Law Week

# 6544



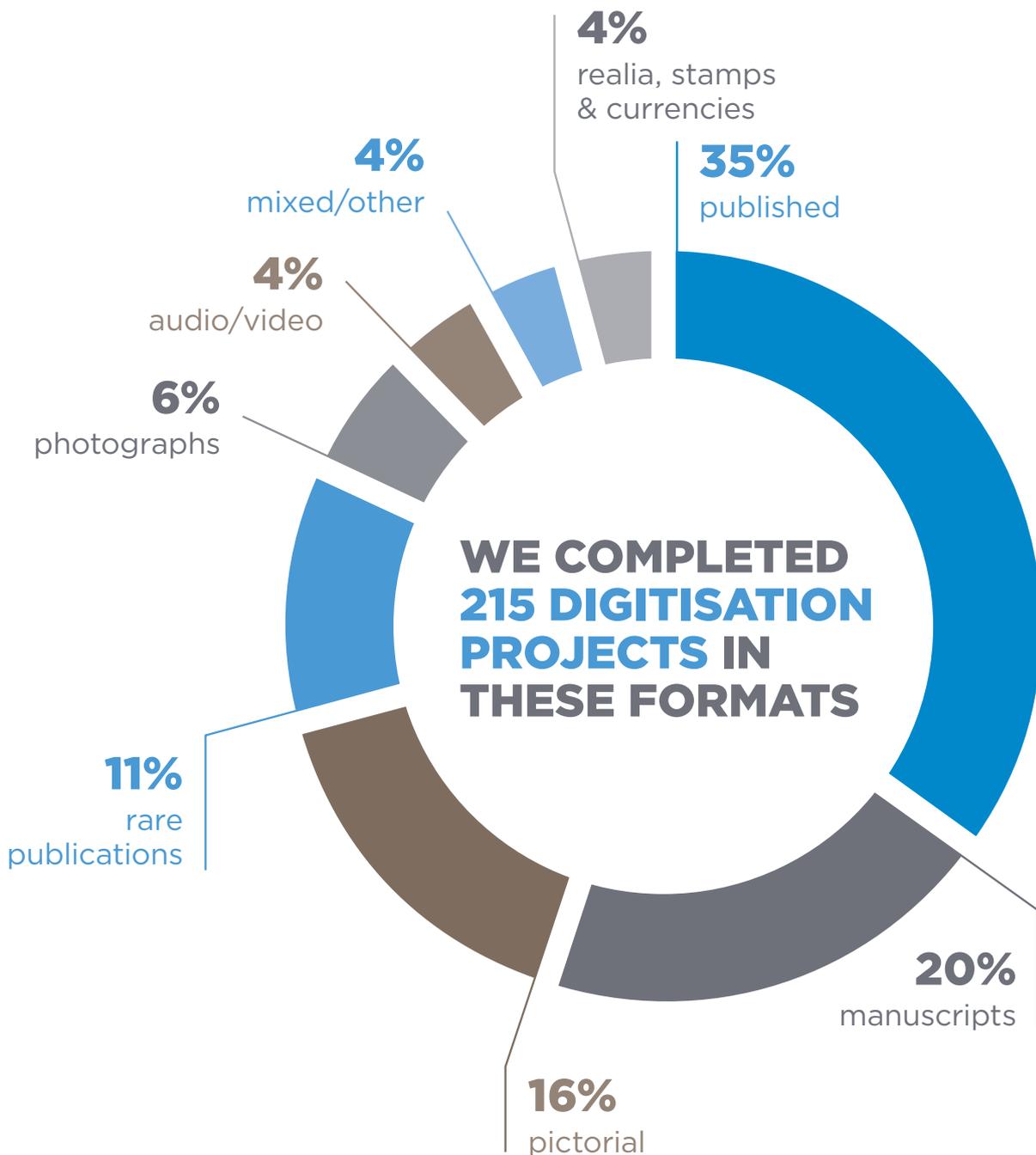
PEOPLE ATTEND 958 TECH SAVVY SENIORS SESSIONS

# 1400

public library staff attend State Library-run professional development programs

## DIGITISATION & ACCESS ONLINE

---



See p 27 for more details on digitisation projects.



Boomali: Posters from the Aboriginal Artists Cooperative, display 2018

# OUR YEAR

This report is a summary of our work in 2017–18 to grow and preserve our collections and ensure they are accessible to the people of NSW, wherever they are and wherever they are from.

Improving access to our collections and buildings has been an organisation-wide priority this year – the most prominent example being our preparations to turn the Library inside out and offer unprecedented access to our collections in new galleries. This project was nearing completion at the end of this reporting year, and we can't wait to share the results of our efforts with our community of readers and visitors.

Part of this campaign to improve access involved major work on our catalogue systems and reading room accommodation, and improved public access to recently published books.

Our focus on access sits well with the Premier's State Priority to increase onsite and offsite visitation to cultural institutions by 15 per cent by 2019. The State Library of NSW has significantly exceeded the 15 per cent target. Combined offsite and onsite visitation in 2017–18 was 1,158,077, which is 41% higher than the baseline year 2014–15 (821,522).

We've reported some of our most significant achievements this year as 'In Focus' case studies. These are a snapshot of our broader activities, but by no means a complete description of the achievements of our dedicated and expert staff, or the public libraries we work with. We encourage you to visit us – in person or online – to find for yourself just how much is going on here in Macquarie Street and in libraries across NSW.

# MISSION, VISION, VALUES

## MISSION AND VALUES

To strengthen the community by being the trusted provider of quality information services by:

- providing equitable access to contemporary and historical knowledge
- collecting and preserving Australia's heritage
- promoting our role as a cultural destination
- collaborating with the NSW public library network.

## OUR CORE VALUES AND BELIEFS

- Integrity
- Trust
- Service
- Accountability
- Equity of access
- Innovation and engagement

‘The State Library collects and preserves materials and evidence relating to our place in the world and makes them accessible to everyone in NSW and beyond. The Library exists in order to support and encourage research, debate, conversation, inspiration, learning and enjoyment. We welcome all people and strive to serve them all equally well.’

**State Librarian  
John Vallance, 2018**

# PRESERVE

From conserving 18th century paintings and frames, to ensuring appropriate storage methods and ongoing access to manuscripts, photographs and oral histories, our Collection Care team works across all formats to preserve the collection.

## FOR EXHIBITION

A major focus this year has been preparing collection items for display in our new galleries. Conservators surveyed almost 9000 items from the realia collection, identifying which objects would be most suitable for display in The Collectors' Gallery, our new 'visible storage' installation in the Mitchell Building. Painting and frame conservators prepared 301 paintings for exhibition in our refurbished galleries — read more on p 40.

Our largest ever external exhibition loan to the National Gallery of Victoria involved preparing and transporting 75 items, many from our colonial art collection (p 39).

## FOR THE FUTURE

We continued to relocate material in the Macquarie St Building for more efficient use of storage space and better access to collections. A review of the Original Materials Moving Images Collections made extensive recommendations for digitising, preserving and storing films donated to the Library over several decades.

## COLLABORATION

There was a collaborative effort between the Collection Care and Digitisation teams to preserve, reassemble, recapture and rehouse a shattered giant glass-plate negative from the Holtermann Collection. Library conservators presented a paper on the project at the Triennial Conference of the International Council of Museums — Committee for Conservation in Copenhagen.

## ACCESS

A Preservation and Digital Access tool (PanDA) was developed in late 2017 to enable the mass transfer of content into our digital preservation system, Rosetta. This saves time in manual processing and has allowed us to clear 94% of the backlog of digital content to be transferred, making a range of photographs, manuscripts and artworks accessible to readers through the catalogue.



Digitising a photographic negative

# COLLECT

The Library aims to create a collection that reflects the cultural heritage of our state in both an Australian and an international context. We collect a broad and representative range of published material, originating in Australia and the rest of the world. This is complemented by in-depth collecting — including original materials to develop the Library’s collection strengths — focusing on all aspects of life in NSW. We also collect to support information services for the people of NSW and, in particular, to support public libraries in meeting the information needs of their communities.

## COLLECTION HIGHLIGHTS

- 196 books and 580 journal titles, including 33 titles published for the first time in 2017-18, were deposited by NSW government agencies.
- 655 born-digital titles were archived in Pandora, Australia’s online archive.
- 3517 books and 4412 journal titles, including 290 journal titles published for the first time in 2017-18, as well as posters, calendars and performance programs, were received through legal deposit.
- Over \$6 million was spent on additions to the collection.
- Using CSIRO’s Vizie platform, the Library collected 20 million publicly available social media posts in the past 12 months, averaging more than 1.6 million records per month. In collaboration with the CSIRO, we established a framework for collecting and categorising records from

key sources including Twitter, Instagram, and Facebook.

- Annually the Library harvests the nsw.gov.au domain, including NSW local government and public libraries. This year, 1.4 terabytes of data was collected, a total of 19,119,713 documents.

## DIGITAL COLLECTING

Documentary heritage is increasingly being created in digital formats, and collecting this content is critically important to our goal of creating a rich and comprehensive record of the lives of the people of NSW. Digital photographs, email correspondence, online records, social media, digital literary manuscripts and oral histories are key formats today. Collecting and preserving this material will be critical to the Library’s capacity to provide services to readers in the future.

## COLLECTION OFFERS

This year, the Library received 1389 offers of collection material — including material identified in catalogues, offered by vendors, or offered for donation by a member of the public or an organisation. Of these offers 1041, or 75%, resulted in an acquisition or a referral to a more appropriate institution. The remaining 25% are under assessment, awaiting further information from vendors or donors.

## PERMANENT LOANS

We are reviewing collections on permanent loan to the Library, and proposing the formal

donation of these collections. To date, 70 collections have been transferred to the Library, which gives certainty about care and housing of the material. Collections recently transferred include the archives of Mort's Dock & Engineering Co., the Labor Council of New South Wales and the Amalgamated Metal Workers' Union.

### **A REPRESENTATIVE COLLECTION**

Our collecting work with diverse communities in NSW is complemented by our participation in the Australian Research Council linkage project 'Representing Multicultural Australia in National and State Libraries'. Partners include the National Library of Australia and State Libraries of Victoria and South Australia, with investigators from Deakin and RMIT universities. The project is establishing a basis for collecting institutions to ensure that multicultural communities are well represented in their collections.

### **ACQUISITION HIGHLIGHTS**

Sixty-nine oral histories collected from a diverse range of individuals, including the following interviews by Louise Darmody:

- people with a lived experience of disability, mental health issues, and disability policy initiatives
- organisers and exhibitors at agricultural shows
- Traditional Custodians and others involved with the repatriation of Mungo Man from the Australian National University to Mungo National Park.

*Asylum Seekers, Refugees and Human Rights: Snapshot Report*, 2nd ed, Sydney, NSW: Australian Human Rights Commission, 2017 — legal and policy developments relating to refugees and people seeking asylum in Australia since the first report was published in 2013.

Broken Hill, NSW, 165 images, 1888-1910 — including the 1909 miners' strike, school groups and families, local industry, and street and landscape views.

Community gardens in Sydney, 60 digital photographs by Geoff Ambler, 2017 — documenting the growing trend for community-run gardens in a contemporary urban context.

*Ethnographic Video Online, Vol III: Indigenous Voices*, online resource, Alexander Street Press, 2017 — Indigenous filmmakers address Indigenous issues; includes 459 videos with 23% of content from Australia and New Zealand sourced from the National Film & Sound Archive, SBS, Electric Pictures and others.

*Gay Scene Guide*, Surry Hills, NSW: Sebastian Rice, established 2017 — a new monthly magazine from the publisher of LGBTI (lesbian, gay, bisexual, transgender and intersex) newspaper, the *Star Observer*.

*I Just Ate My Friend* by Heidi McKinnon, Crows Nest, NSW: Allen & Unwin, 2017 — illustrated by the author, this children's book about a monster who has eaten his only friend was shortlisted for the 2018 Children's Book Council Book of the Year Award for New Illustrators.

*Inheritors of the Earth: How Nature is Thriving in an Age of Extinction* by Chris Thomas, New York: Public Affairs, 2017 — examines how nature is coping in the Anthropocene age.

'Journal du voyage fait sur le vaisseau du Roi Le Mascarin ...' by Jean Roux, 1771-73 — a firsthand account by an ensign onboard Marc-Joseph Marion Dufresne's ship *Le Mascarin*; historians argue that the crew were the first Europeans to set foot in Van Diemen's Land since Abel Tasman's voyage in 1642.

*The Kangaroo Suite* by Garry Shead, 1994 — this artist's book depicts the DH Lawrence novel *Kangaroo*, based on the author's stay in Thirroul, NSW, in 1922, with 15 etchings and aquatints, and an additional work 'The Dream'.

Letter from Sarah Sophia Banks to her brother Joseph Banks, 7 November 1766 — previously unrecorded; this is the only known letter from Sarah to Joseph.

Margaret Hamilton Books business records, 1987-2002 — the complete archive of a small, independent publisher with a major impact on children's book publishing in Australia.

Martin Place 24/7 Safe Space and Kitchen, 21 digital photographs by John Janson-Moore, 2017 — records the tent city that occupied Martin Place for six months.

*Mirror Sydney*, original collage maps, drawings, sketches and notes by Vanessa Berry — documenting lesser-known, hidden sites of Sydney and celebrating the city's diverse suburban environment, these original materials reveal Berry's artistic process in creating her book.

May Gibbs collection of letters, original artwork and published books — correspondence, signed books, watercolours, ephemera and four original watercolour postcards sent by Australian children's writer and illustrator May Gibbs to her family.

Peter Hall archive relating to his work on the Sydney Opera House, 1966-80s — Hall became the design architect for the Sydney Opera House after Jørn Utzon's resignation; his personal archive contains design diaries, sketchbooks, correspondence, reports, photographs and construction models.

*Resolution: New Indigenous Photomedia* by F Cubillo et al, Canberra, ACT: National Gallery of Australia, 2017 — this exhibition catalogue features photographic work produced since 2011 by some of Australia's most critically acclaimed Indigenous artists.

Shirley Hazzard papers and books, 1898-2005 — includes 280 letters received by Shirley Hazzard mainly from fellow authors Elizabeth Harrower and Murray Bail. Many of the 259 books are annotated or inscribed by Hazzard.

Three years at the Sydney Fish Market in Pyrmont, 24 digital photographs by Birgit Neiser, 2006-09 — in the context of plans to redesign and move the Sydney Fish Market, these photographs record the market before it is demolished.

*Women in Sport: A Reference Handbook* by M Hanold, Santa Barbara, California: ABC-CLIO, 2018 — an overview and history of women's participation and success in sports, and management of sports organisations.

Items added this year (excluding manuscripts & oral history)	<b>65,057</b>
Linear metres of manuscripts acquired this year	<b>162</b>
Web publications archived	<b>655</b>
Digital images created (inhouse)	<b>70,229</b>
<b>Totals at a glance</b>	
Current serial titles (paper)	<b>7,729</b>
Full-text online serial titles	<b>63,294</b>

**STATE REFERENCE COLLECTION**

	<b>Additions 2015-16</b>	<b>Additions 2016-17</b>	<b>Additions 2017-18</b>	<b>Totals as at 30 June 2018</b>
Monograph volumes	4,892	8,218	9,161	1,063,702
Bound serials	1,943	2,274	2,001 <sup>1</sup>	509,101
Newspaper volumes	922	1,398	943	67,348
Microforms - reels & fiche	3,179	3,667	3,245	1,103,922
Computer files	22	20	10	6,399
Audiovisual material - tapes, discs, film, video	110	55	46	36,416
Vertical file material	0	0	0	25,440
<b>Rare Books and Special Collections</b>				
Monograph volumes and bound serials	64	24	22	25,354
<b>Donald MacPherson Collection</b>				
Monograph volumes and bound serials	0	0	0	4,643
<b>Shakespeare Tercentenary Library</b>				
Monograph volumes and bound serials	9	12	15	5,662
<b>Multicultural service</b>				
Monograph volumes, talking books, kits	-3,105	2,810	-352 <sup>2</sup>	65,968
<b>Disability Access Service</b>				
Large print, talking books	634	1,353	-517 <sup>3</sup>	19,149

**Notes:**

1. In updating the collection, 2,935 volumes were added and 934 volumes of official publications now online are withdrawn.
2. In updating the collection 4,533 items were added and 4,885 items were withdrawn.
3. In updating this part of the collection 1,183 items were added and 1,700 items were withdrawn.
4. The Library has applied revised and updated descriptive standards to its collection resulting in a more accurate population count for paintings reflected in this year's annual report.

**MITCHELL COLLECTION**

	<b>Additions 2015-16</b>	<b>Additions 2016-17</b>	<b>Additions 2017-18</b>	<b>Totals as at 30 June 2018</b>
Monograph volumes	7,415	6,930	10,176	479,114
Bound serials	1,948	868	2,972	193,271
Sheet music	8	7	214	23,520
Microforms	13	2	19	154,902
Computer files	2	2	0	521
Audiovisual material	0	0	1	591
Posters	404	144	110	10,921
Bookjackets	281	141	100	26,433
Ephemera	2,437	2,259	1,833	133,632

**Manuscripts**

Manuscripts (in linear metres)	111	383	162	13,593
Oral history (in hours)	171	0	102	13,312

**Maps**

Individual	397	337	322	28,288
Series sheets	0	0	0	79,558

**Pictures**

Paintings	21	120	7	908 <sup>4</sup>
Prints and drawings	301	3,083	642	160,962
Realia	2	38	38	5,473
Photographs and negatives	9,976	22,605	33,777	1,508,067
Architectural plans	2	685	272	122,050

**DIXSON COLLECTION**

	<b>Additions 2015-16</b>	<b>Additions 2016-17</b>	<b>Additions 2017-18</b>	<b>Totals as at 30 June 2018</b>
Monographs and bound serials	750	0	0	21,720
Manuscripts (in linear metres)	0	0	0	43
Pictures-folios	0	0	0	205
Pictures-single items	0	0	0	1,363 <sup>4</sup>
Paintings	0	0	0	218 <sup>4</sup>
Maps	0	0	0	1,082
Realia	0	0	0	268
Coins, tokens, medals	0	0	0	8,546
Paper currency	0	0	0	829
Postage stamps	0	0	0	9,707

# ACCESS

## IN OUR READING ROOMS

This year, staff in our reading rooms answered 184,327 enquiries from the public, providing access to information and to our collections – at the Library, over the phone and online. We invested in significant improvements to the Governor Marie Bashir Reading Room (see p 42), and the new ‘Critics’ Picks’ area has made a wide selection of books available for browsing (p 48).

Over the past five years, the number of devices connecting daily to our wi-fi has increased five-fold and the daily wi-fi bandwidth usage is 20 times greater. This year, we upgraded our wi-fi service and invested in better digital infrastructure. Problems with wi-fi access had been a persistent feature of feedback from Library visitors, and the improvements we made in late 2017 saw those complaints drop to zero by the second half of the financial year.

## LEARNING PROGRAMS

Supported by the generosity of private philanthropists through the Library’s Foundation, our Learning Services team took some of the Library’s greatest treasures to regional communities around Tweed Heads, Wagga Wagga and Armidale, visiting 2693 students and 144 teachers in 31 schools. In February 2018, a weekend family program was launched at the Library, which has enjoyed great success in its early days (p 41).

## DIGITISING THE COLLECTION

The Digital Excellence Program is a 10-year NSW Government-funded initiative to digitise our most iconic, at risk and highly valued collections. In this sixth year of the program,

we created 2.9 million digital master files. We enabled full text search by optical character recognition of 700,000 book pages.

Significant collections we digitised include:

- Angus and Robertson publishing correspondence
- Dixon Numismatics (coins and tokens)
- Dupain Exhibition Archive
- Australian Consolidated Press photonegative collection (Part 1)
- *Daily Telegraph*, up to 1954, on Trove
- Significant Australian serials and journals (1803–1850), 23 titles, on Trove
- 1.9 million book pages, principally from the David Scott Mitchell collection.

The program also funds digital preservation, including born-digital collections. This year we processed 373 GB of files into our digital preservation system, which are now discoverable through our catalogue.

## TALKS AND EVENTS

We welcomed 8647 people to a range of free and ticketed public programs including author, scholar and curator talks, the Talking Deadly program, and special events. The Premier’s History Awards were presented on 1 September 2017 by the Hon Gladys Berejiklian MP, Premier of NSW, and the Hon Don Harwin MLC, Minister for the Arts. The winners of the NSW Premier’s Literary Awards were announced on 30 April 2018, with \$295,000 in prize money awarded across 12 categories.

## ON DISPLAY

While the galleries were refurbished, we supported programming in public libraries with touring exhibitions including *Australian Inspiration*, *May Gibbs: Celebrating 100 Years*, *Satire in the Time of War* and *What a Life! Rock Photography of Tony Mott*. At the Library, we hosted the *World Press Photo Exhibition 2018*, the Walkley photojournalism award-winning photographs, *Botanical Inspirations* and *Sydney Morning Herald Photos 1440*. Displays in our level 1 corridor gallery included *Here and Now: Waterloo* and *Boomalli: Posters from the Aboriginal Artists Co-operative*.

## MEDIA ENGAGEMENT

Despite the temporary closure of the Library's galleries, strong media engagement helped to maintain the Library's public profile. A total of 2472 media stories and mentions were recorded across print, radio, online and television — the 20% decrease from last year can be attributed to the interruption in the Library's exhibition program. There was an increase in international stories (16 in total) and radio coverage increased by nearly 50%.

## A LIBRARY FOR EVERYONE

A major goal of the extensive building works in the Mitchell Building is to make our spaces more accessible. This year we secured approval for an access ramp to the Mitchell Building. Construction of a permanent ramp will begin in late 2018. We have designed a temporary solution to provide access to the grand Mitchell vestibule from the opening of the new galleries in October 2018. The recent Mitchell Building works also include accessible and ambulant toilet facilities and a parents' room. More information about the progress of our Disability Inclusion Action Plan is on p 80.

The Library continues to support literacy and cultural engagement in diverse communities around New South Wales — the achievements of our Multicultural Services Program are reported on p 94.

# FOUNDATION

## PHILANTHROPY

2017-18 represents a milestone in the history of our Library with the Foundation raising a record income of \$10,674,000.

The highlight of the Foundation's philanthropic work was the progress of Foundation-funded major capital programs. We neared completion of the transformation of our gallery space — made possible through the generous support of the late Michael Crouch AC and Shanny Crouch, Kim Williams AM, Rob Thomas AM, the Nelson Meers Foundation and the Estate of the late Ruby Faris — read more on p 37.

Our successful 'Sponsor a Painting' program provided critical funding for a permanent picture gallery, enabling conservation and interpretation of paintings from our collection (p 40).

Philanthropic support is essential to our learning programs, especially to bring our collections to children and teachers around NSW. We were delighted with the development of the new Learning Centre generously supported by John B Fairfax AO. We also relaunched *Far Out!*, and introduced new family events (read more on p 41).

The Foundation has provided significant support to researchers through our Fellowships Program. Inaugural Coral Thomas Fellow, Dr Rebe Taylor, delivered the Coral Thomas Lecture in November and we announced Professor Grace Karskens as the second recipient of this biennial fellowship. In May, we launched the Donald and Myfanwy Horne Room for Fellows — named in recognition of the Horne family's contribution to Australian public life.

The Foundation supported key digital projects — the DX Lab Fellowship and development of a rich, interactive online exhibition on the Sydney Harbour Bridge, made possible by our Custodian annual appeal.

## FRIENDS OF THE LIBRARY

The more than 2500 Friends of the Library are valued as one of our most important support groups. Dedicated supporters, they participate in diverse Library events, enjoy our café and patronise the Library shop.

## VOLUNTEERS

This has been a great year for volunteering — 118 volunteers providing over 11,000 hours of service. Transcribers completed the World War I Collections — 1200 volumes of diaries and letters written by 550 diarists, including soldiers, nurses, journalists and artists. Volunteers continue to transcribe the Macarthur, Morrison, Leichhardt, Cotton and Banks papers.

Indigenous Services volunteers transcribed Royal Anthropological Society of Australasia survey sheets (1899-1903), using them to produce Muru View, an interactive online experiment mapping Indigenous place names to Google Maps locations.

A dedicated team continued to expertly deliver weekday tours and welcome readers to the Shakespeare and Friends Rooms.

Other highlights include sewing costumes for Learning Services and cushions for Collection Care, sorting the Fairfax archive, and identifying faces in photographs by Sam Hood to enable image recognition software.



At Lionel Bowen Library,  
Maroubra

# NSW PUBLIC LIBRARIES

## LEGISLATION

The Library directly supports Library Council's Objects and Duties under the *Library Act 1939* by administering the annual public library grants and subsidies program and by providing a range of other support services to public libraries.

## SUPPORT TO PUBLIC LIBRARIES

Across NSW there are 370 public library buildings, with a further 65 satellite locations, and 20 mobile libraries that provide services to approximately 365 smaller and isolated communities. The Library works with local libraries to develop quality services, build capacity in the library workforce and ensure library buildings, technology and facilities meet the needs of diverse communities across NSW.

Assessment and compliance visits to public libraries continued, with Library staff visiting 148 NSW public libraries over the year to consult and provide advisory services.

## PUBLIC LIBRARY STATISTICS

Key indicators demonstrate that public libraries are highly valued and heavily utilised by their communities. The Library collects data from public libraries annually in support of the Library Council's duty to make careful inquiry into the administration and management of local libraries. Figures from 2017 show the popularity of public libraries and the continued growth in digital and online services:

- 35 million physical visits to NSW public libraries

- 41.25 million loans of collection items
- 13.2 million virtual visits to public library websites
- 11.38 million internet bookings (including wi-fi)
- 996,261 ebook loans.

## FUNDING

In 2017-18 the Public Library Funding Strategy managed by the State Library delivered \$28.8 million to public libraries in subsidies, grants and program support. Funding this year for public libraries included an additional \$1.29 million to address the impact of population growth and CPI on public library funding. The fourth year of the Public Library Infrastructure Grants program delivered \$4 million to support infrastructure projects at 33 local councils. The Library also provided a range of other support services to public libraries to fulfil its obligations under the *Library Act 1939*.

*For more information on funding see p 98 and In Focus story on p 45.*

## NSW.NET

NSW.net supports NSW local government public libraries and their communities with faster, easier and more cost-effective access to the digital world.

This year NSW.net:

- completed 133 new and existing internet service upgrades
- replaced end-of-life firewalls in 45 public libraries.

- answered 2122 technical support enquiries
- upgraded the wireless management system server which supports 284 library hotspots, installed hotspots in four libraries, and upgraded the software configuration for wireless management system onsite equipment.

The Library negotiated on behalf of public libraries for access to a suite of 12 databases and over 130 consortia opt-in offers. Statewide, licensed resources recorded over 3.5 million full-text downloads.

A collection of over 800 Australian digital titles were licensed for the opening collection on the indyreads® ebook platform, which is scheduled for rollout to all NSW public libraries in the second half of 2018.

### PROFESSIONAL DEVELOPMENT

Over 1400 staff from public libraries attended professional development programs on a range of topics, including Aboriginal and Torres Strait Islander Cultural Competency training; reference, readers' advisory and literacy seminars; legal and drug information training and the popular *Collect Connect Community: An Introduction to the State Library* course which introduced 108 public library staff to State Library services.

### RESEARCH

Public library-related research projects undertaken included the continued development of an Early Literacy Framework for library programs in collaboration with Macquarie University; the publication of research into multicultural services in

NSW public libraries (along with revised benchmarks); and the commencement of a review of the NSW public library building guidelines, *People Places*.

### LEGAL INFORMATION

The Legal Information Access Centre (LIAC) provides quality plain-English legal information for the NSW community in partnership with the public library network and legal assistance services.

Key achievements for the year are:

- collections in public libraries reviewed and updated
- a new edition of Hot Topics: *Courts and Tribunals* published on the website
- over 300 promotional packs distributed to public libraries to support Law Week, Youth Week and the Seniors Festival
- *Piano Forte*, a Law Week program dealing with elder financial abuse held in 17 libraries in partnership with Legal Aid NSW and other legal assistance agencies
- LIAC training to increase the skills of public library staff to provide legal information to the community held in 13 locations, with 209 participants; 99% rated the training very good or excellent.

### DRUG INFO

Drug Info delivers a specialist information service that provides quality drug and alcohol information and public programs for the NSW community in partnership with the NSW

Ministry of Health and NSW public library network. This year the service continued to work with the Australian Drug Foundation with representation on the Community Engagement and Action Program (CEAP) Advisory Committee. Other key achievements for the year include:

- an interactive information display hub designed and developed to provide access to quality drug and alcohol information for the community; program delivered in 12 public libraries
- training for 209 public library staff provided in 15 locations with training rated as very good or excellent by 98.5% of participants
- supported Youth Week and the Seniors Festival in public libraries by distributing more than 130 Drug Info promotional packs to public libraries
- over 8300 promotional items were distributed to organisations for a range of outreach and community programs
- collections in public libraries reviewed and updated
- a new print edition of *A Quick Guide to Drugs and Alcohol* published in collaboration with the National Drug and Alcohol Research Centre (NDARC) at UNSW; nearly 3000 copies distributed to NSW public libraries, secondary school and TAFE libraries, Corrective Services, NSW Ambulance, NSW Police, Justice Health and community organisations.

## **TECH SAVVY SENIORS**

The Library manages the Tech Savvy Seniors digital literacy training program which is delivered in public libraries and funded by the NSW Government and Telstra. Tech Savvy helps seniors develop the skills and confidence to get connected and participate in the online world. The program aims to increase digital inclusion, reduce social isolation and increase access to government information and services among older people.

In 2017-18 participating libraries delivered 958 sessions to 6544 people.

Over 20,000 seniors have been trained in 100 NSW public libraries in English and community languages since 2013.

*Multicultural and alternate format collections are covered on p 94.*

*See our In Focus story on Make Music Day on p 47.*





# IN FOCUS

# TOULGRA

An exquisite 1802 portrait of a young Eora man named Toulgra was acquired by the Library this year. It was drawn by Nicolas-Martin Petit, an artist on French explorer Nicolas Baudin's expedition to Australia.

Petit produced a series of portraits of Eora people during a lengthy layover at Port Jackson from June to November 1802. Detailed portraits of named Aboriginal people in Sydney from this time are rare, and Petit's are among the most lifelike.

Toulgra, also known as Bull Dog, is an important historical figure for the Eora people. About 15 years old at the time of the portrait, he was born around the time of the First Fleet. He was the son of Bennelong's sister Worogan and Yerinibe of the Burramattagal (Parramatta).

Three years after the drawing was made, in 1805, Toulgra was exiled to Norfolk Island for seven years for participating in raids and arson attacks in retaliation against white settlement along the Hawkesbury and Parramatta rivers.



Toulgra, 1802, portrait by  
Nicolas-Martin Petit

# HERITAGE SPACES REIMAGINED

In January 2017 we announced our plans to transform the Library's historic Mitchell Building, funded with the generous support of our Foundation. After more than two years of planning, work began in earnest in September 2017 to reimagine heritage spaces previously closed to the public.

Approximately 160 contractors were onsite six days a week reshaping the interior of the Mitchell Building's eastern wing. Over 900 tonnes of concrete, brick and steel have been carefully removed.

The Mitchell Building has been a prominent Sydney icon since 1910. We consulted with heritage specialists and the Heritage Council of NSW during each phase, from planning to construction, to ensure we respected its heritage features while improving public access.

If we compare the progress made to date with the architect's impression of what was planned, we are delighted with how well this vision has been achieved. We can't wait to share the results when our new galleries open to the public on 6 October.



Artist in Residence  
Wendy Sharpe captures  
construction work in progress

# LAST DIARY



The missing last diary of Australian literary great Miles Franklin, discovered in a battered old family suitcase, was donated to the Library by Kim V Goldsmith on 8 March 2018.

The suitcase had been in Ms Goldsmith's possession for three years, having been passed down through three generations of Franklin's extended family. At a special event at Macquarie Regional Library, Dubbo, Ms Goldsmith officially handed the diary to the State Library on behalf of the family.

The small, red pocket diary, which Franklin wrote in just four days before her death on 19 September 1954, remained undisturbed for more than 60 years. Plagued by ill health, her last entry reads: 'Went to Eastwood by ambulance to be X-rayed. Ordeal too much for me. Day of distress & twitching. Returned to bed.'

The donation completes the large collection of diaries, private letters, literary papers, photo albums and personal belongings that Miles Franklin bequeathed to the Library.

Miles Franklin's last diary, 1954

## ON LOAN

Seventy-five extraordinary items from the Library's collection were loaned to the National Gallery of Victoria for its major exhibition *Colony: Australia 1770-1861*. The largest loan in the Library's history included the First Fleet journal of William Bradley, the Dixon Collector's Chest and a breastplate belonging to Cora Gooseberry, or Kaaroo, 'Queen of Sydney & Botany'.



Each item was assessed and packed by the Library's Collection Care staff, who accompanied the material in transit and oversaw installation at the gallery. Some works required extensive treatment before they could be displayed, such as the three-metre-long *Panorama of Newcastle*, created by Edward Close in 1821, which took two conservators more than 200 hours to clean and repair.



Other loans this year have taken the Library's collection to new audiences at the British Library, Artspace Mackay, Macquarie Regional Library Dubbo, IKON Gallery Birmingham and the Museum of Sydney.

Conservators prepare one of 75 State Library works for the National Gallery of Victoria's *Colony* exhibition

# PAINTINGS FROM THE COLLECTION



The Library's Collection Care team prepared 301 paintings to be installed in the refurbished galleries. These artworks are some of the most treasured items in the Library's collection, and will be displayed together for the first time when the galleries open in October 2018.

Skilled paintings conservators and a picture frame conservator assessed the condition of each of the works, planned and carried out conservation treatments. When treatments were completed, the Library's digitisation team captured

high-resolution digital images so that the works can be accessed online. They also documented each stage of the treatment.

This conservation work was supported through the Foundation's 'Sponsor a Painting' campaign. More than 50 paintings, dating back to 1790, have been sponsored by generous donors without whom this important work would not be possible.

Painting and frame conservators prepare for the permanent exhibition of 301 artworks from the collection



# NEW-LOOK READING ROOM



We realised our long-term vision to renew the Governor Marie Bashir Reading Room in the Macquarie St Building, which was completed this year.

The entrance to the room has been redesigned and service points have been brought together. This simplifies access for readers and allows staff who provide different services to consult with each other.

Both levels of the reading room were recarpeted and a range of new furniture was added, including comfortable seats with side tables for browsing books and magazines on display. The more flexible working and reading spaces reflect the different ways our readers use the Governor Marie Bashir Reading Room.

Governor Marie Bashir  
Reading Room

# AMPLIFY

The Library's award-winning oral history platform and crowdsourced transcription tool, Amplify, reached its first anniversary on 27 October 2017. Amplify was a first for the Library in several ways. It was the first time we were able to provide online access to recently digitised audio materials; the first opportunity to offer detailed, time-coded transcripts of this material; and the first time we — or any cultural institution in Australia — had used machine learning technology to enhance access to audio collections.

Oral histories made available on Amplify this year include interviews with NSW governors and their families, and leading Australian choreographers. During this year, a series of interviews with Indigenous rights activist Faith Bandler was also the first collection to be transcribed in full by volunteers.

With funding support from the Public Libraries Network, Amplify is being developed for public libraries in NSW to deliver their own audio material, and to bring oral



history collections of New South Wales together for the first time. After a call for expressions of interest, libraries at Wagga Wagga, Ryde, Central West and Wollongong were chosen to pilot the software.

Faith Bandler, c 1982,  
photograph by Penny Tweedie

# CATALOGUE IMPROVEMENTS



As the central access point to the collection, the catalogue has been a focus of feedback from both casual and frequent users of the Library. This year we conducted a review to better understand how readers expect the catalogue to function, and the challenges they face with its use.

Following this user experience research, we have continued to release significant improvements across our catalogue. It is now possible to see from the search results whether a digitised image exists for

a particular collection item, and it is easier to view and share that image. More items have been digitised and made available via enhanced image viewers. We have also made searching the collection more accessible by adding the search box to all pages of the Library's website.

In the Governor Marie Bashir Reading Room

# PUBLIC LIBRARY GRANTS



Shellharbour City Council has successfully used the State Library's grants programs to renew and extend their public library buildings. The new Shellharbour library was part-funded by a \$200,000 State Library grant, and features a stunning modern design, a range of flexible spaces, the latest technology and a vibrant collection. A special celebration attended by State Librarian, Dr John Vallance was held for the opening on 25 May.

Shellharbour also received \$200,000 in 2013-14 toward refurbishing the Warilla Branch Library, and a further \$200,000 in 2015-16 to extend the Oak Flats Library. The State Library has worked closely with Shellharbour on this library renewal program, providing advice on design trends and layout, and participating in public consultations on library services planning.

*For more on the Public Library Grants programs see p 98.*

Shellharbour Library

# INDIGENOUS SPACES

From the lands of the Wonnarua people in the north to the Yuin nation in the south, public library staff from across NSW joined the Library's Indigenous Services team for 'Unconference: Public Libraries Action Plans' in February 2018.

The group at this planning day talked about how to improve outreach to Indigenous communities and how to make libraries more welcoming places for Indigenous people.

The event built on the *Indigenous Spaces in Library Places* strategy, launched in 2016, which provides guidance to the public library network as a part of the Library's commitment to enhancing services dedicated to local Indigenous populations.

The Unconference was the culmination of a program of Aboriginal cultural competence training, delivered to public library professionals as part of the strategy. Forty-five public library staff participated in this training in 2017-18.



Indigenous Services  
'Unconference' for public  
library staff

# MAKE MUSIC DAY

The State Library worked with the Sydney Symphony Orchestra to present a live stream of the SSO's performance of Verdi's *Requiem* on 21 June as part of Make Music Day. Local libraries in Taree, Tamworth, Armidale, Tumut, Canowindra, Parkes, Maitland, Wagga Wagga and Cessnock participated in the event.

These libraries reported that the event was a great success and created a high level of interest and engagement in their local communities. Many of the libraries paired the SSO performance with live performances by local school bands or ensembles.

Following the great success of this event in 2018, we are planning to expand the live stream opportunity next year.



‘Tamworth resident Wally Balcombe, who had never been to the Opera House in his 90 years, had a wonderful evening and thought it was the next best thing to being there. He went home glowing.’

**Kay Delahunt, Tamworth Regional Council.**

Live stream of the Sydney Symphony Orchestra performing Verdi's *Requiem* at Parkes Shire Library, courtesy Parkes Shire Library

## CRITICS' PICKS



One of the biggest challenges facing the user of a large library is access. Unless you know what you want before you come in, state libraries can be daunting places.

In order to improve access, and to provide a service we have never offered before, we resolved at the end of 2017 to establish an open access area in the Governor Marie Bashir Reading Room where visitors could browse and read recently published books in English.

We decided to purchase all books currently being reviewed in the major English-language general review journals — such as the *Australian Review of Books*, the *Times Literary Supplement* and the *New York Review of Books* — and place them on public shelves as quickly as possible.

'Critics' Picks', as this new area on Lower Ground 1 (and now Lower Ground 2 as well) is called, has proved very popular, and we are currently examining the possibility of allowing readers to borrow these new books.

# FELLOWSHIPS



Each year Library Fellows uncover new stories and offer fresh insight into our extensive collections of original and published materials. We awarded over \$150,000 to support nine researchers in 2017-18. This year's research demonstrates the depth of the Library's collections and the diverse interests they support.

In May we were delighted to launch the Dr AM Hertzberg Fellowship, offered with the support of the children of Mark Hertzberg AO (1924–2015) and Nancy Keesing AM (1923–93). Dr Hertzberg, a past President of the Library

Council of NSW, was a generous supporter of the Library throughout his life.

The Dr AM Hertzberg Fellowship will support research into any aspect of the social, cultural and political history of industry and manufacturing in Australia, from colonisation to the present day, drawing on Library resources and relevant archives or collections in other organisations.

The Library's Fellowship program is funded by philanthropic donations through our Foundation.

Left to right: Thomas Wing-Evans, Dr Emma Christopher, Dr Neil James, Dr Julie McIntyre, Professor Grace Karskens, Dr Catie Gilchrist, Dr Timothy Stanley, Dr Ben Silverstein, Dr James Keating

# WEEMALA AND MURU VIEW



Two websites have been developed to increase public awareness of the Indigenous language archives in our collections. Weemala and Muru View are the result of a collaboration between the Library's Indigenous Services team, the DX Lab and Library volunteers.

Starting their work on Weemala, volunteers transcribed survey sheets relating to placenames collected by the Royal Anthropological Society of Australasia between 1899 and 1903. This 100-year-old survey data was mapped by DX Lab 'drop-in' collaborator

Chris McDowell to the location and meaning of Indigenous placenames across the country.

Volunteers then located and geo-mapped the current use of these placenames and found their historical context, which contributed to an interactive web experiment called Muru View. By showing this information alongside the locations it refers to, Weemala and Muru View add another layer to people's understanding of the records of Indigenous languages in a safe and culturally respectful way.

Location seen through the Muru View website

# PAINTING BY NUMBERS

Launched in November 2017, the digital experiment Painting by Numbers brings together online, for the first time, nearly 300 original works by botanical artist Ferdinand Bauer from cultural institutions in Europe, the United Kingdom and Australia.

Designed and built by the Library's DX Lab, with research and curation by David J Mabberley AM, Painting by Numbers lets the user investigate Bauer's works through data visualisations and data mapping to get an insight into the artist's extraordinary ability to retain colours in his mind.

International partners for the project include the Natural History Museum London, Natural History Museum Vienna, The Bodleian Libraries University of Oxford, The Linnean Society of London and Royal Botanic Gardens Kew.

Painting by Numbers was made possible through a gift from the Belalberi Foundation, with special thanks to Peter Crossing AM and Sally Crossing AM for their passion and dedication.



Images and colour palate of Ferdinand Bauer, from Painting by Numbers



Sabina Coyne, Michael Higgins (President of Ireland), Frances Fitzgerald and Maggie Patton,



# **CORPORATE GOVERNANCE**



# LIBRARY COUNCIL OF NSW

The *Library Act 1939*, as amended by the *Cultural Institutions (Miscellaneous Amendments) Act 1989*, provides that the Library Council of NSW shall be the governing body of the State Library of NSW. The Library Council is constituted under Part 2 of the Library Act.

The nine members of the Library Council are members of the public nominated by the Minister and appointed for a term of up to three years by the Governor of NSW. The Act stipulates that members must include:

- at least one person who has knowledge of, or experience in, education
- at least one person who has knowledge of, or experience in, local government.

The Library Council members fulfilling these requirements are Ms Jane Garling and Ms Jan Richards AM respectively. Ms Richards was reappointed as a member of Library Council in January 2018. The NSW State Librarian is the Secretary to the Library Council.

The Council's responsibilities relate to the promotion, provision, maintenance and quality assurance of library and information services for the people of NSW; and advising the Minister and local authorities on matters of policy and administration relating to public library services. Library Council members are appointed for a term not exceeding three years and may be reappointed, but no council member shall hold office for four consecutive terms. Council members do not receive remuneration for board activities.

### **THE HON GEORGE SOURIS AM**

BEc, Dip Fin Mgmt, FCPA, FAIM

APPOINTED MAY 2016  
PRESIDENT, LIBRARY COUNCIL  
*CURRENT TERM ENDS DECEMBER 2018*  
FOUNDATION BOARD  
FOUNDATION TRUSTEES  
GRANTS COMMITTEE  
HONOURS COMMITTEE  
PUBLIC LIBRARIES CONSULTATIVE COMMITTEE

‘I’ve always had a respect for the State Library and, when I had the opportunity as the Minister for the Arts to have direct portfolio responsibility, I learned to appreciate what a powerhouse institution it is and what a priceless collection of Australia’s heritage it holds. I regard myself as an enthusiastic friend of the Library. There are many hundreds of friends and benefactors of the Library and it is our duty to ensure their support is not wasted and that the Library remains as vital tomorrow in Sydney, Western Sydney and regional NSW as it is today. Our obligation as Library Council members is to leave the institution in better shape than we found it.’

### **MS KATHY BAIL**

BA (Hons)

APPOINTED JANUARY 2016  
*CURRENT TERM ENDS DECEMBER 2018*  
EDUCATION & SCHOLARSHIP COMMITTEE  
HONOURS COMMITTEE

‘Libraries have been a significant part of my life since I began to read and look at images. I ran out of books to borrow at my primary school library. Fortunately a local council library filled the gap and I went on to discover and appreciate some of Australia’s great state and university libraries. The past can be seductive, though I can also get engaged by what the digital age might deliver. What’s important is access to books and knowledge and, of course, support for our best authors and artists. I hope I can assist to build on the work of the State Library of NSW and ensure it remains one of the world’s great cultural spaces.’

## MR MICHAEL CAULFIELD

Dip Ed

APPOINTED FEBRUARY 2010

*CURRENT TERM ENDS DECEMBER 2018*

PUBLIC LIBRARIES CONSULTATIVE COMMITTEE

CULTURAL & LINGUISTIC ADVISORY BOARD

FOUNDATION BOARD

FOUNDATION TRUSTEES

GRANTS COMMITTEE

INDIGENOUS ADVISORY BOARD

‘Libraries have been the cultural foundation of my professional and personal life. From my small local library in a Housing Commission settlement in the western suburbs of Sydney to the first time I walked into the State Library’s reading room, they have provided me with the means to understand the world. My focus on the Library Council is to encourage and facilitate the Library’s movement into the digital world.’

## DR URSULA DUBOSARSKY

BA, DipEd, PhD

APPOINTED JANUARY 2016

*CURRENT TERM ENDS DECEMBER 2018*

GRANTS COMMITTEE

HONOURS COMMITTEE

‘The word “library” for me is as intimate as the word “home” and since childhood I have always sought out libraries – municipal, school, private and national – and of course the State Library of NSW where I have spent so many rich hours of my life as a reader, student and writer, and to which I feel a special closeness as the place my mother worked as a librarian in the Mitchell Library in the 1940s. I hope I can contribute to the future of this great and beautiful institution.’

**MS JANE GARLING**

BA, LLM

APPOINTED JANUARY 2017  
CURRENT TERM ENDS DECEMBER 2019  
HONOURS COMMITTEE

‘The State Library of NSW has played a central role in the cultural life of our state by allowing access to its remarkable collections since its beginnings in the Australian Subscription Library in 1826. My early introduction to the Library’s collections was through study in the Mitchell Library Reading Room, but greater access to the collections is now possible due to the development of facilities in the Macquarie Street Building and through the Library’s online platforms. Beyond ensuring continuing good governance of the Library, my particular interests on the Council are the acquisition and presentation of the extraordinary collections, and the Library’s educative role.’

**MS TERRI JANKE**

BA, LLB

APPOINTED JANUARY 2017  
CURRENT TERM ENDS DECEMBER 2019

‘I have always loved libraries – I have an extensive book collection in my home, but I always enjoy going to the library. The State Library of NSW holds information, photographs and art that is important for Indigenous people. This includes language and heritage information. The Library has many projects that aim to make these collections useful to Indigenous people. Indigenous engagement will bring life to the collection and will be enriching for all of us.’

### **MS GAI MCGRATH**

BA, LLB (Hons), LLM (Distinction), GAICD

APPOINTED JANUARY 2016

*CURRENT TERM ENDS DECEMBER 2018*

FOUNDATION BOARD

FOUNDATION TRUSTEES

‘I am excited to be part of the State Library as it turns itself “inside out” to truly showcase its significant and remarkable collections. I feel a strong connection to the Library’s vital role as custodian and steward of so much of the heritage of New South Wales (including its beautiful home). I am also passionate about how technology is enabling the Library to open up access to its collections across our community.’

### **PROFESSOR PETER SHERGOLD AC**

BA (Hons), MA, PhD LSE, FASSA

APPOINTED JANUARY 2015

*CURRENT TERM ENDS DECEMBER 2020*

AUDIT AND RISK COMMITTEE

‘When I arrived as a migrant in 1972, to take up a lectureship in economic history at the University of New South Wales, one of the first places that I visited was the State Library. In spite of all the twists and turns of my career in the last 44 years I have remained a regular visitor, perusing not only its wonderful store of material on Australian colonial history and contemporary public administration but also finding out more about my family history in its genealogical collection.’

### MS JAN RICHARDS AM

BA (Lib and Info Science), FALIA

APPOINTED JANUARY 2012

*CURRENT TERM ENDS DECEMBER 2020*

CHAIR, PUBLIC LIBRARIES CONSULTATIVE COMMITTEE

HONOURS COMMITTEE

‘The State Library of NSW has been a crucial part of my working life for longer than I care to remember; a source of information, support, inspiration and advice. The opportunity to contribute to one of the world’s great libraries and to realise the potential of public libraries through the work of the Public Libraries Consultative Committee is an honour.’

### DR JOHN VALLANCE

BA, MA, PhD

STATE LIBRARIAN

APPOINTED AUGUST 2017

SECRETARY TO COUNCIL (from August 2017)

GRANTS COMMITTEE

LIAC ADVISORY BOARD

PUBLIC LIBRARIES CONSULTATIVE COMMITTEE

STATE LIBRARY OF NSW FOUNDATION BOARD

### MS LUCY MILNE

BA (Hons), MA(Hons), GradCertArtsMgmt, MBA

ACTING STATE LIBRARIAN (until August 2017)

SECRETARY TO COUNCIL (until August 2017)

GRANTS COMMITTEE

LIAC ADVISORY BOARD

PUBLIC LIBRARIES CONSULTATIVE COMMITTEE

STATE LIBRARY OF NSW FOUNDATION BOARD

#### ATTENDANCE AT MEETINGS OF THE LIBRARY COUNCIL OF NEW SOUTH WALES

Name	21 August 2017 405th	16 October 2017 406th	5 December 2017 407th	20 February 2018 408th	9 April 2018 409th	18 June 2018 410th	Therefore:
The Hon George Souris AM	✓	✓	✓	✓	✓	✓	6 of 6
Ms Kathy Bail	✓	✓	✓	✓	✓	X	5 of 6
Mr Michael Caulfield	✓	✓	✓	✓	✓	✓	6 of 6
Dr Ursula Dubosarsky	✓	X	✓	✓	✓	X	4 of 6
Ms Terri Janke	✓	✓	✓	✓	X	✓	5 of 6
Ms Jane Garling	✓	✓	✓	✓	✓	✓	6 of 6
Ms Gai McGrath	✓	✓	✓	✓	✓	✓	6 of 6
Ms Jan Richards AM	X	✓	✓	✓	✓	✓	5 of 6
Professor Peter Shergold AC	X	✓	✓	✓	✓	✓	5 of 6
Dr John Vallance (Secretary to Council)		✓	✓	✓	✓	✓	5 of 5
Ms Lucy Milne (A/Secretary to Council)	✓						1 of 1

# STANDING COMMITTEES OF THE LIBRARY COUNCIL OF NSW

## AUDIT AND RISK COMMITTEE

The Audit & Risk Committee provides independent assistance to the Library Council of NSW by overseeing and monitoring the Library Council of NSW's governance, risk and control frameworks, its external accountability requirements, compliance with applicable laws and regulations, and outcomes of internal and external audits. It makes recommendations to the Library Council on strategic and operational matters, to enable it to discharge its responsibilities with regard to these matters.

Five meetings were held between July 2017 and June 2018. Key agenda items include: the review of financial performance and financial position, strategic and operational risks, internal audit and external audit reports, investment reports, governance matters and work health and safety matters.

### MEMBERS

Ms Victoria Weekes (Chair)  
Professor Peter Shergold AC  
Ms Gai McGrath

### IN ATTENDANCE

The Hon George Souris AM, President,  
Library Council of NSW  
Ms Lucy Milne, A/NSW State Librarian  
& Chief Executive (until August 2017)  
Dr John Vallance, NSW State Librarian  
(from August 2017)  
Mr Philip Barter, Director, Operations &  
Infrastructure and Chief Financial Officer

Mr James Sugumar, Director, Financial Audit,  
The Audit Office of NSW

Ms Reiky Jiang, Director, Financial Audit  
Services, the Audit Office of NSW

Mr Craig O'Hagan, Partner, Risk Advisory,  
Deloitte Touche Tohmatsu

Ms Nicole Dowley, Senior Manager,  
Risk Advisory, Deloitte Touche Tohmatsu  
(June 2018)

Representatives from the Audit Office  
of NSW and the NSW Treasury Corporation  
as requested.

## PUBLIC LIBRARIES CONSULTATIVE COMMITTEE

The committee provides:

- policy advice to Library Council in relation to providing public library services in NSW
- a consultative framework for the Library Council, the State Library and key stakeholders in local government concerning public library services
- advice to Library Council in relation to the arrangements for allocating State Government funding to public libraries
- advice to Library Council concerning the development of guidelines for grants programs; however, the committee does not evaluate grant applications.

Membership of the committee includes representatives of key stakeholder bodies. The committee meets four times per year.

## MEMBERS

### Library Council of NSW

Ms Jan Richards AM (Chair)

Mr Michael Caulfield

The Hon George Souris AM

### NSW Public Libraries Association

Ms Adele Casey, Bland Shire Council

Mr Philip Edney, City of Canada Bay Council

Councillor Romola Hollywood,  
Blue Mountains City Council

Mr Robert Knight OAM,  
Riverina Regional Library

Councillor Leslie Lambert,  
Narromine Shire Council

Councillor Dallas Tout,  
Wagga Wagga City Council

### Local Government NSW

Councillor Lesley Furneaux-Cook,  
Burwood Council

Ms Margaret Kay, Strategy Manager,  
Local Government NSW

### State Library of NSW

Ms Lucy Milne, Acting State Librarian  
& Chief Executive (until August 2017)

Dr John Vallance,  
NSW State Librarian (from August 2017)

Dr Lisa O'Sullivan, Executive Director,  
Public Libraries & Engagement  
(from March 2018)

Mr Cameron Morley, Manager,  
Public Library Services

Ms Philippa Scarf, Consultant,  
Public Library Services

## GRANTS COMMITTEE

The committee is responsible for assessing applications for Public Library Infrastructure Grants received from local authorities in NSW. It defines priority areas for grants and recommends their allocation to Library Council. The Grants Committee meets as required.

### MEMBERS

The Hon George Souris AM (Chair)

Mr Michael Caulfield

Dr Ursula Dubosarsky

Ms Jane Garling

### IN ATTENDANCE

Dr John Vallance, NSW State Librarian

Mr Cameron Morley, Acting Executive  
Director, Public Libraries & Engagement  
(until March 2018), Manager, Public Library  
Services (from March 2018)

## STATE LIBRARY OF NSW FOUNDATION BOARD

The State Library of NSW Foundation is managed by the State Library and governed by a Board established under the constitution with the Trust safeguarded by Trustees. The Foundation is a controlled entity of the Library Council of NSW as a not-for-profit organisation, with its accounts consolidated as part of the NSW Total State Sector Accounts. Its governance and financial affairs are conducted within the context of the NSW Public Sector and as such in accordance with requirements of the *Public Finance and Audit*

Act 1983 and Regulation, Treasurer's Circulars and Directions. It is covered for insurance through the NSW Treasury Managed Fund Scheme; administered by the NSW Self Insurance Corporation.

#### **MEMBERS**

The board members at any time during the financial year are listed below:

Mr John Atkin  
Mr Graham Bradley AM  
Mr Nicholas Carney  
Mr Michael Caulfield  
Ms Christine Holman  
Ms Gai McGrath  
Ms Lucy Milne (ex officio)  
Ms Samantha Meers AO  
Mr Tony O'Sullivan  
Mr Darren Rudd  
The Hon George Souris AM  
Mr Robert Thomas AM  
Dr John Vallance (ex officio)  
Ms Jemima Whyte  
Mr Kim Williams AM

The Trustees at any time during the financial year are listed below:

Mr Michael Caulfield  
Ms Gai McGrath  
The Hon George Souris AM

#### **IN ATTENDANCE**

Ms Susan Hunt (Executive Officer), Director,  
State Library of NSW Foundation and  
Executive Manager, Advancement  
Dr Lisa O'Sullivan, Executive Director,  
Public Libraries & Engagement  
(from March 2018)  
Ms Susan Smith, Executive Assistant,  
State Library of NSW

## **LEGAL INFORMATION ACCESS CENTRE (LIAC) ADVISORY BOARD**

The board guides the strategic development of LIAC. Meetings were held in September and March.

#### **MEMBERS**

Mr Richard Fisher AM (Chair),  
General Counsel & Adjunct Professor,  
Faculty of Law, Office of General Counsel,  
University of Sydney  
Ms Catherine D'Elia, Deputy Secretary,  
Courts & Tribunal Services,  
Department of Justice  
Ms Julie Foreman, Executive Officer,  
Tenants' Union of NSW  
Ms Jane Garling, Member Library Council  
(March 2018)  
Ms Katrina Ironside, Director,  
Immigration Advice and Rights Centre  
Ms Magdalena Malota, Executive Manager,  
Law Society of NSW  
Mr John McKenzie,  
Legal Services Commissioner,  
Office of the Legal Services Commissioner

Mr Geoff Mulherin, Director,  
Law & Justice Foundation of NSW

Ms Jan Richards AM, Manager,  
Central West Libraries, Member Library  
Council (September 2017)

Mr Brendan Thomas, Chief Executive Officer,  
Legal Aid NSW

Dr John Vallance, NSW State Librarian

Ms Janet Wagstaff, Director, LawAccess NSW

#### **IN ATTENDANCE**

Mr Cameron Morley, Acting Executive  
Director, Public Libraries & Engagement  
(September 2017), Manager,  
Public Library Services (March 2018)

Dr Lisa O'Sullivan, Executive Director,  
Public Libraries & Engagement  
(March 2018)

Ms Philippa Scarf, Public Library Services  
(Executive Officer)

## **HONOURS COMMITTEE**

The Honours Committee assists the Library Council with regard to the conferral of honours and honorary appointments.

#### **MEMBERS**

The Hon George Souris AM

Ms Kathy Bail

Dr Ursula Dubosarsky

Ms Jan Richards AM

Ms Jane Garling

## **EDUCATION AND SCHOLARSHIP COMMITTEE**

The committee provides strategic advice to the Library Council on policy and other matters relating to the Library's education program, support for research and scholarship, fellowships and the publishing program. It advises on building relationships with schools, universities, research and scholarly associations and other elements of the education sector. The committee advises on the establishment of new fellowships and recommends awards under the fellowships program. The Board met in November 2017 and April 2018.

#### **MEMBERS**

Ms Kathy Bail (Chair)

Dr Nancy Cushing

Professor Maryanne Dever

Professor Stephen Garton,  
University of Sydney

Professor Bridget Griffen-Foley,  
Macquarie University

Associate Professor Nicole Moore,  
Australian Defence Force Academy / UNSW

Richard Neville, Mitchell Librarian  
(Executive Officer)

Dr John Vallance,  
NSW State Librarian (ex officio)

Emeritus Professor Richard Waterhouse,  
University of Sydney

#### **IN ATTENDANCE:**

Dr Lisa O'Sullivan, Executive Director,  
Public Libraries and Engagement  
(April 2018)

Dr Rachel Franks,  
Education & Scholarship Coordinator

Ms Melissa Brooks, Mitchell Librarian,  
Education & Scholarship Officer  
(April 2018)

## **INDIGENOUS ADVISORY BOARD**

The Indigenous Advisory Board assists the Library Council and the State Library to respond to the needs of the Indigenous population of NSW and to build relationships with communities. The board's role is to:

- advise the Library Council on matters relating to the Indigenous population of NSW, including the needs for library and information services
- assist the Library Council and the State Library to build relationships with the Indigenous communities of NSW
- advise the Library Council on the development and progress of State Library strategies relating to Indigenous peoples.

#### **MEMBERS**

Ms Terri Janke (Chair)

Mr Michael Caulfield

Dr Christine Evans, NSW Education  
Standards Authority (NESA)

Ms Lillian Gordon,  
CEO Barang Regional Alliance Ltd

Ms Nancia Guivarra, National Centre  
of Indigenous Excellence

Mr Michael Inrey,  
La Perouse Aboriginal Land Council

Mr Steven Ross, City of Parramatta

#### **IN ATTENDANCE**

Ms Lucy Milne, Acting NSW State Librarian  
& Chief Executive (until August 2017)

Dr John Vallance, NSW State Librarian  
(from August 2017)

Mr Richard Neville, Mitchell Librarian  
and Director, Education & Scholarship  
(Executive Officer from December 2017)

Ms Kirsten Thorpe, Manager, Indigenous  
Services (Executive Officer until  
December 2017)

## **INCLUSION ADVISORY COMMITTEE**

In late 2016, as an action of the Library's Disability Inclusion Action Plan, the Library established an Inclusion Advisory Committee which meets quarterly. The Committee is part of an overarching vision to enable active participation in and access to Library collections, services and work spaces for the whole community. The Inclusion Advisory Committee comprises people with personal experiences of disability and provides formal advice to the State Librarian, the Executive and the Library's Disability Action Group, to assist the State Library of NSW to go beyond compliance in providing accessible facilities and inclusive services.

The Committee's responsibilities are to:

- advise on current trends and developments in the disability sector which could be of benefit to the Library's operations
- advise on Library policies to ensure inclusion of people with disability
- advise the Library of improvements to be made in existing and planned physical and digital infrastructure to ensure inclusive access for people with disability
- provide guidance for the planning and development of Library events, exhibitions and tours so that they may offer equivalent experiences for people with disability
- provide guidance for the Library's advisory services and resources for public libraries.

The Committee met four times in 2017-18, in September 2017, December 2017, April 2018 and June 2018.

#### **MEMBERS**

Dr Naomi Malone (Chair from January 2018)

Mr Mark Tonga (Chair until January 2018)

Mr Ben Ackland

Dr Breda Carty

Mr Timothy Hart

Ms Sarah Houbolt

Mr Mark Kunach

Ms Gaele Sobott

#### **IN ATTENDANCE**

Ms Louise Anemaat, Executive Director,  
Library & Information Services

Mr Michael Carney, Coordinator,  
Projects & Policy

Dr John Vallance, NSW State Librarian

Dr Lisa O'Sullivan, Executive Director,  
Public Libraries and Engagement

Mr Phil Barter, CFO and Director,  
Operations and Infrastructure

# OTHER CONSULTATIVE COMMITTEES

## MITCHELL LIBRARY CONSULTATIVE COMMITTEE

The Mitchell Library Consultative Committee has been established to act as a forum for communication and consultation between the research community and the State Library. The committee aims to:

- strengthen relationships between the major research bodies
- assist in the development of a high-quality research service in consultation with major user groups
- extend the reputation and reach of the Mitchell Library.

### MEMBERS

#### **Australian Society of Archivists**

Dr Louise Trott

#### **History Council of NSW**

Associate Professor Tanya Evans

Ms Catherine Shirley

#### **Independent Scholars Association of Australia (NSW Branch)**

Dr Gretchen Poiner

#### **Oral History NSW**

Ms Sally Zwartz

#### **Professional Historians Association**

Ms Joy Hughes

Dr Mark Dunn

#### **Royal Australian Historical Society**

Ms Christine Yeats

Dr Carol Liston AO

#### **Society of Australian Genealogists**

Ms Heather Garnsey

#### **Society of Women Writers**

Ms Gwen Bitti

Ms Pippa Kay

Dr Susan Steggall

#### **State Library of NSW**

Mr Richard Neville, Mitchell Librarian  
(Convenor)

Ms Louise Anemaat, Executive Director,  
Library and Information Services

Ms Philippa Stevens, Manager,  
Information & Access

Ms Maggie Patton, Manager,  
Research & Discovery

Mr Andy Carr, Team Leader,  
Australasian Team

### IN ATTENDANCE

Ms Melissa Brooks, Mitchell Librarian,  
Education & Scholarship Officer  
(March 2018)

Mr Michael Carney, Coordinator,  
Policy & Projects (May 2018)

Mr Euwe Ermita, Manager, Digital Library  
Systems & Services (March 2018)

## STRATEGIC NETWORK COMMITTEE

The role of the committee is to advise on State Library and public library collaborative activities, monitor emerging trends and support research projects to develop and review the NSW public library network. The committee met twice in 2017-18 in October 2017 and April 2018.

### MEMBERS

- Dr John Vallance, NSW State Librarian
- Ms Jennifer Alp, Manager, Strathfield Library & Information Centre (October 2017)
- Mr John Bayliss, Director, Macquarie Regional Library
- Ms Debbie Best, Manager, Sutherland Shire Libraries (April 2018)
- Ms Keryl Collard, Manager, Maitland City Library
- Ms Vicki Edmonds, Manager, Blue Mountains City Library (April 2018)
- Ms Melanie Gurney, Manager, Northern Beaches Library Service
- Ms Karen Hansen, Manager Queanbeyan Palerang Library Service (October 2017)
- Ms Michele Hudson, Manager, Kiama Library Service (April 2018)
- Mr Chris Jones, Manager, Great Lakes Library Service
- Ms Sue Killham, Community Development Manager, Narrandera Library (on behalf of Robert Knight, April 2018)
- Mr Robert Knight, Director, Riverina Regional Library (October 2017)

Mr Laurence McDonnell, Manager,  
Blacktown City Libraries (October 2017)

Mr Cameron Morley, Acting Executive  
Director, Public Libraries & Engagement

Ms Philippa Scarf, Acting Manager,  
Public Library Services

## WORKPLACE COMMITTEES

### STATE LIBRARY JOINT CONSULTATIVE COMMITTEE

Forum for formal consultation on industrial relations issues within the Library.

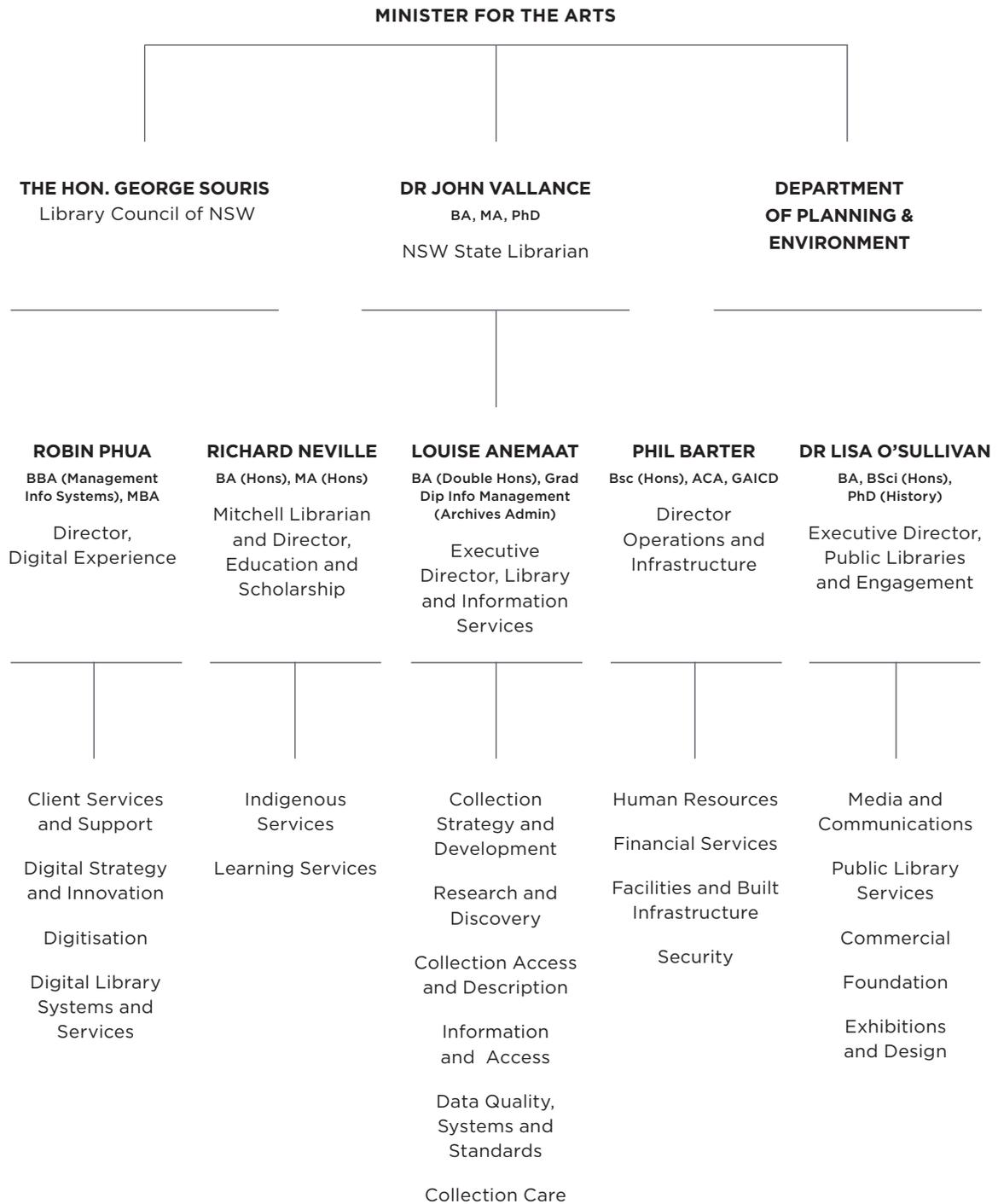
Chaired by Rebecca Acton, Manager Human Resources and Trish Leen, Chair, Workplace Committee.

### WORK HEALTH AND SAFETY COMMITTEE

The Work Health and Safety Committee assists in securing and promoting a positive and safe workplace and meets every six weeks to review and address health and safety issues. The committee reviewed and provided input into the development of policies and safe working procedures. Regular workplace inspections were undertaken by the committee throughout the year to ensure that designated areas across the Library were inspected on a regular basis. The current Chair is Jo Searle, Library Technician, Library and Information Services.

# ORGANISATION CHART

AS AT 30 JUNE 2018





648.2 Pra  
598.2 Sor  
600 Gol  
600 Low  
608 Bri  
608 Cla  
608 Hal  
608 Low  
609 Bra  
609 Cla



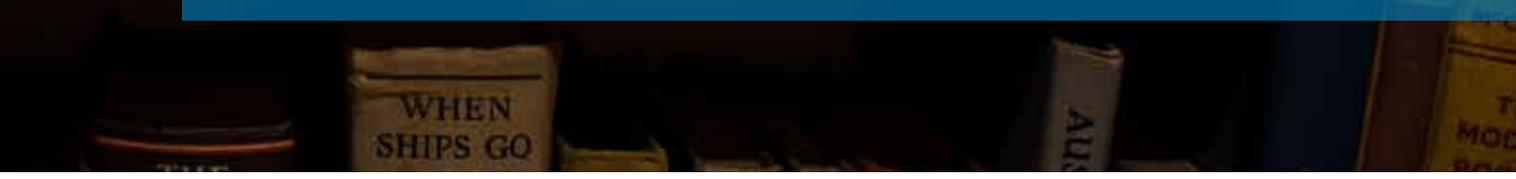
620 Bak  
620 Cre  
620 Cre  
620 Gol  
620 Wil  
621 And  
621 Gib  
621 Har  
621 Mck



W. J. BELL  
THE MODERN  
RAILWAY ENGINES



# CORPORATE INFORMATION



# HUMAN RESOURCES

## LEARNING AND DEVELOPMENT

Corporate performance indicator	2015-16	2016-17	2017-18
Staff hours in formal learning activities	9408	7267	6625

Total hours spent by staff in formal learning activities has decreased due to a focus on staff development through blended learning tools, incorporating more ‘on-the-job’ training and e-learning. This approach is in line with the 70:20:10 model of development, within the Capability and Performance Development (CPD) program. Staff members averaged 19.83 hours each in formal training this year.

The training plan focused on six main streams: professional and technical, technology and software, people management and leadership, client service, organisational development, and work health and safety. The main training programs undertaken by staff under these streams follow.

### PROFESSIONAL AND TECHNICAL

- developed the capabilities of librarians and library technicians in special collections, case law, family history, Find Legal Answers, cataloguing, provenance of books, copyright, collection knowledge, handling heritage materials, authorities, creative commons, e-resources, managing digital content, strongroom use, and preservation and significance
- supported the Library’s project management framework through training

for project managers and officers and the introduction of Agile Project Management

- developed staff communication skills in business writing and influencing.

### TECHNOLOGY AND DIGITAL SKILLS

- supported the continued roll out of Microsoft Office 365 with a suite of learning resources, including e-learning, face-to-face training in Outlook, SharePoint, OneDrive, Nintex and Business Intelligence and online self-paced videos
- supported the Library’s strategic transition to SAP Hana with a program of training in purchasing, procurement, Employee Self Service, Manager Self Service, timesheets, flexsheets and reporting
- trained information professional staff in the suite of technical aspects of Alma, Rosetta, Gespage, Ad Lib, eResources, Library Carpentry, EBSCO, Drupal and Primo and training in the related internal process changes
- trained staff in updating, contributing to, using and utilising analytics for the website and digital channels
- ongoing focus on increasing the digital skills of staff through tailored sessions in Taleo, Raisers Edge, TRIM, Excel and the Adobe Creative Suite.

### PEOPLE MANAGEMENT AND LEADERSHIP

- ongoing implementation of our formal training curriculum for people leaders with courses on People Management, Difficult Conversations with Staff, Communicating

with Influence, Facilitation Skills, Hiring Manager, Strategic Planning, Reframing your Approach to Problem Solving, and Preventing and Managing Harassment and Bullying

- supported the CPD program through training people leaders on delegation and coaching conversations and setting performance objectives and measures.

#### **CLIENT SERVICE**

- improved services to readers with sessions for public-facing staff on cultural diversity, applying intercultural communication, Aboriginal cultural awareness, and supporting clients with mental illness and drug or alcohol issues
- supported the Library's Disability Inclusion Access Plan with the provision of disability awareness sessions and Facilitating Access for Clients with a Disability training for public-facing staff
- enhanced staff ability to engage with readers to manage difficult interactions through personal safety in duress situations training
- supported effective client service provision through specialist training for the family history desk, legal commentary and case law training, and the use of technical equipment to facilitate access to the collection.

#### **ORGANISATIONAL DEVELOPMENT**

- implemented Library-wide training to support and promote awareness of the Library's new social media policy and tool kit

- trained staff and people leaders to understand the Library's CPD program, including setting performance objectives and managing work priorities
- supported the Code of Ethics and Conduct training, including ethical behaviour, for all new Library staff
- supported new starters and staff returning from long-term leave with various training courses through the Library's induction program
- improved staff knowledge of policies, legislation and minimisation of risk, with training on information security, corruption prevention for high-risk practices, public interest disclosures and child protection
- supported the use of the Library's Enterprise Resource Planning (ERP) system through a range of sessions on SAP, purchasing portal, Employee Self Service, reporting and Manager Self Service
- offered work-life balance support for staff through a retirement preparation workshop.

#### **WORK HEALTH AND SAFETY**

- provided proactive wellbeing opportunities for staff through a series of lunch and learn topics on Body Smart, ergonomics, movement at work and resilience
- proactively supported positive mental health in the workplace through training for staff in Supporting Good Mental Health at Work, and people leaders in Understanding Mental Health

- supported the provision of a safe and healthy workplace through training for new people leaders in the Library's Work Health and Safety and Risk Management framework and training for staff in Work Health and Safety Awareness, first aid and cardiopulmonary resuscitation
- supported the provision of site-specific safe work practices through training for staff in using the electric guillotine, accessing the freezer collection store, framed collection store and using the shrink wrapper
- supported staff through our Employee Assistance Program and career transition support services
- maintained staff understanding and preparedness for emergency management situations through a program of refresher warden briefings and counter disaster awareness.

**TRAINING BY TYPE 2017-18**

Type of training	Number of hours	% of the hours
Professional / Technical	1642	25%
Technology and digital skills	1361	21%
Organisational development	1351	20%
Client service	900	14%
People management / leadership	871	12%
Work health & safety	500	8%
<b>Total</b>	<b>6625</b>	<b>100%</b>

The Library maps all formal training activity to the NSW Public Service Commission's Capability Framework. The top five capabilities for staff training this year are shown in the table below.

**STATE LIBRARY % OF TOTAL TRAINING HOURS SPEND PER CAPABILITY (TOP 5 CAPABILITIES)**

Capability	% of total hours
Technology	11.93%
Deliver results	11.83%
Communicate effectively	9.97%
Demonstrate accountability	8.54%
Commit to customer service	8.50%

We supported lifelong learning through our study assistance program by providing 13 staff members with financial assistance and study leave to undertake tertiary level courses. The course most commonly applied for was the Master of Information Studies. Staff attended a wide range of professional and technical seminars and conferences, amounting to 2286 hours in 2017-18.

Formal CPD reviews were completed by 80% of staff.

**WORKFORCE DIVERSITY**

This year the Library has:

- exceeded public sector targets for the representation in our workforce of women
- reviewed the Community Language Allowance Scheme to ensure that staff language capabilities match client needs
- achieved all diversity-related training course targets including:

- trained new people leaders on Bullying and Harassment Prevention and Management
- new staff members trained in the Library's Code of Ethics and Conduct and on harassment and bullying prevention strategies
- Disability Awareness sessions conducted for non-public facing staff to enhance understanding of the issues facing staff in our workforce who have a disability
- all public-facing staff trained on Facilitating Access for Clients with a Disability
- participated in a Cultural Institution Working Group to develop an Aboriginal Employment Strategy
- supported the development of women through a Mentor Walks for Women program
- appointed and trained new Harassment and Bullying Contact Officers to encourage reporting of instances of harassment and bullying so they can be dealt with appropriately
- supported the development of women in leadership roles through enabling two staff members to attend the Australian Women in Leadership Development Program
- supported staff 34 years and younger through the provision of a program of development and networking events as part of the Young Professionals Network (YPN) which is connected to the Young Professionals Networks for the NSW Department of Planning and Environment and other cultural institutions.

#### TRENDS IN THE REPRESENTATION OF WORKFORCE DIVERSITY GROUPS

Workforce Diversity Group	% of total staff				
	Benchmark or target	2015	2016	2017	2018
Women	50%	66.20%	67.70%	68.60%	67.90%
Aboriginal people or Torres Strait Islanders	3.3%	2.40%	2.20%	2.20%	2.12%
People whose first language was not English	23.2%	23.20%	22.00%	20.80%	24.39%
People with a disability	N/A	6.30%	6.90%	6.40%	5.41%
People with a disability requiring work-related adjustment	N/A	0.30%	1.90%	1.90%	4.80%

#### Notes:

- The benchmark of 50% for representation of women across the sector is intended to reflect the gender composition of the NSW community.
- The NSW Public Sector Aboriginal Employment Strategy 2014-17 introduced an aspirational target of 1.8% by 2021 for each of the sector's salary bands. If the aspirational target of 1.8% is achieved in salary bands not currently at or above 1.8%, the cumulative representation of Aboriginal employees in the sector is expected to reach 3.3%.
- A benchmark from the Australian Bureau of Statistics (ABS) Census of Population and Housing has been included for People whose First Language Spoken as a Child was not English. The ABS Census does not provide information about first language, but does provide information about country of birth. The benchmark of 23.2% is the percentage of the NSW general population born in a country where English is not the predominant language.
- Work is underway to improve the reporting of disability information in the sector to enable comparisons with population data. For this reason, no benchmark has been provided for People with a Disability or for People with a Disability Requiring Work-Related Adjustment.

#### TRENDS IN THE DISTRIBUTION INDEX FOR WORKFORCE DIVERSITY GROUPS

Workforce Diversity Group	% of total staff				
	Benchmark or target	2015	2016	2017	2018
Women	100	101	100	98	97
Aboriginal people or Torres Strait Islanders	100	n/a	n/a	n/a	n/a
People whose first language was not English	100	91	89	89	92
People with a disability	100	89	90	85	n/a
People with a disability requiring work-related adjustment	100	n/a	n/a	n/a	n/a

**Notes:**

- A Distribution Index score of 100 indicates that the distribution of members of the Workforce Diversity group across salary bands is equivalent to that of the rest of the workforce. A score less than 100 means that members of the Workforce Diversity group tend to be more concentrated at lower salary bands than other staff members. The more pronounced this tendency is, the lower the score will be. In some cases, the index may be more than 100, indicating that members of the Workforce Diversity group tend to be more concentrated at higher salary bands than other staff members.
- The Distribution Index is not calculated when the number of employees in the Workforce Diversity group is less than 20 or when the number of other employees is less than 20.
- The State Library moved from the Justice cluster to the Department of Planning and Environment cluster from 1 April 2017. The table below provides the number of employees, by occupational classification, who have provided services to the Library during 2017-18, with comparison to each of the previous three years.

**OCCUPATION CLASSIFICATION (NON-CASUAL)**

	Average Annual FTE 2015	Average Annual FTE 2016	Average Annual FTE 2017	Average Annual FTE 2018
Managers	20.02	22.39	20.37	19.91
Professionals	134.85	143.25	140.45	145.20
Technicians and trades workers	54.70	54.80	50.18	48.60
Community and personal service workers	6.19	7.00	3.27	3.40
Clerical and administrative workers	78.93	82.15	75.40	79.21
Sales workers	3.53	3.38	3.33	3.37
Machinery operators and drivers	nil	nil	nil	nil
Labourers	nil	nil	nil	nil
	298.23	312.97	293.00	299.69

**Notes:**

- Average Annual FTE shows data averaged over the reporting year
- Data based on ANZSCO classification scheme

## REMUNERATION

All employees providing these services received a 2.5% increase in salaries, wages and allowances with effect from 1 July 2017. Senior Executive officers also received a 2.5% increase in their remuneration package with effect from July 2017, subject to the achievement of the officer's performance goals detailed in their performance agreement; successful contribution to the achievement of NSW 2021 targets and the

State Library's corporate objectives; and meeting the Library's financial and efficiency targets, including contributing to sector reforms to realise savings. The number of senior executive officers is provided in the table below.

**NUMBER OF SENIOR EXECUTIVES AS AT 30 JUNE 2017 AND 30 JUNE 2018**

Band	2017		2018	
	Female	Male	Female	Male
Band 4 (Secretary)	0	0	0	0
Band 3 (Deputy Secretary)	0	0	0	1
Band 2 (Executive Director)	1	0	2	0
Band 1 (Director)	1	3	1	3
<b>Totals</b>	<b>2</b>	<b>3</b>	<b>3</b>	<b>4</b>

Band	Average remuneration	2017	Average remuneration	2018
	Range \$		Range \$	
Band 3 (Deputy Secretary)	320,901 - 452,250	325,025	328,901 - 463,550	420,250
Band 2 (Executive Director)	255,051 - 320,900	254,570	261,451 - 328,900	282,611
Band 1 (Director)	178,850 - 255,050	208,910	183,300 - 261,450	218,960

**THE PERCENTAGE OF TOTAL EMPLOYEE-RELATED EXPENDITURE RELATING TO SENIOR EXECUTIVES**

	2016-17	2017-18
The percentage of total employee-related expenditure relating to senior executives	4.83%	5.05%

## LEADERSHIP AND TRANSPARENCY

### **CAPABILITY AND PERFORMANCE DEVELOPMENT (CPD) PROGRAM**

The CPD program was implemented by the Library in 2015 and is reviewed on an ongoing basis to ensure its relevance. The program is well established, with all staff across the Library engaged in the program. The program integrates the Public Service Commission's Capability Framework and focuses on building capability and providing real-time feedback and recognition for staff.

### **INDUCTION PROGRAM**

The Library has a well-established induction program for new starters and staff returning from long-term leave. The induction program aims to set the staff member up for success through improving staff engagement, and aligning employment practices with industry best practice. The program includes a component prior to commencement and a face-to-face induction program to provide new staff with a range of information to support them in their employment with the Library.

### **CODE OF ETHICS AND CONDUCT**

The Code of Ethics and Conduct is based on principles and values and aims to ensure that all staff and contractors at the Library understand the standards of conduct and behaviour expected of us in our working relationships. In 2017, the Code of Ethics and Conduct was updated to reflect the changes to the new diversity and grievance policies.

## **PEOPLE MATTERS EMPLOYEE SURVEY**

The Library supported the implementation of the 2018 Public Service Commission's People Matters Employee Survey (PMES) through an extensive program of communications to engage with staff and encourage participation. The survey focused on staff engagement and satisfaction with working in the public sector and was completed by 69% of staff. The highlight from the 2018 survey was a 75% employee engagement score which is an increase of 6% compared to 2017 and well above the public sector average. The results from the 2018 survey will form the basis of a Library-wide action plan to address issues through a range of divisional workshops and activities.

## ORGANISATIONAL REVIEWS

To position the Library to manage future business needs and challenges, we continue to review our functions and activities to ensure that efficiencies and opportunities for improvement are identified across our operations.

## INDUSTRIAL RELATIONS

The Library's Joint Consultative Committee comprises management and staff representatives from the Library as well as representatives from the Public Service Association. During the year, our Joint Consultative Committee met every three months to consult on a broad range of issues.

These include:

- business continuity management
- flexible working hours agreement
- wellbeing program
- policy consultation
- SAP transition and implementation project
- organisational reviews and change management
- changes to the weekend service model
- CPD program enhancements
- facilities and built infrastructure capital projects update
- budget reviews and implications
- work health and safety initiatives and updates.
- continued workplace inspection across all designated areas of the site
- regular workers compensation claim reviews with our insurer to track progress of claims and initiate necessary actions to support early return of injured staff to pre-injury duties
- the Fitness Passport program was introduced under the Library's Wellbeing program with staff offered subsidised gym membership — 32 staff have taken up this offer
- funding received for 36 staff health assessments under the SafeWork NSW program Get Healthy at Work
- an influenza vaccination program for staff
- promotion continued for our Employee Assistance Program for free access to counselling and support services for staff and immediate family members
- introduction of a standalone hazard reporting system attached to the Mitchell Library compliance project to allow staff to direct issues to the main contractor and have them addressed in a timely manner.

## WORK HEALTH AND SAFETY

During the year, a range of preventative actions, policies and programs were implemented to support the Library's Work Health and Safety (WHS) management system, with the aim of reducing incidents and achieving the early identification of potential injury/illness, including:

- review of 100% of all accidents and incidents occurring during the year and, where required, investigated and implemented appropriate corrective actions

## ACCIDENTS AND INCIDENTS

There was a slight increase in accidents, incidents and near misses reported in 2017-18 compared to 2016-17. More than 50% of these were either near misses or minor incidents only requiring first aid treatment. Where appropriate, corrective action and preventative measures were implemented to address any identified causes.

### NUMBER OF ACCIDENTS / INCIDENTS REPORTED

	2015-15	2015-16	2016-17	2017-18
Number of accidents/ incidents reported	37	39	34	40

## INJURY MANAGEMENT

The Senior WHS Consultant works closely with managers and people leaders to implement early treatment, ergonomic modifications and rehabilitation management of staff for both workers compensation and non-work related injuries and illness.

## WORKERS COMPENSATION CLAIMS

Effective management of staff with a work-related injury or illness is strongly promoted to achieve the best possible outcomes for staff and to minimise the impact on the Library's workers compensation premium.

In 2017-18, six claims were lodged with the Library's insurer. This was the same as 2016-17. As at 30 June 2018 only two of these claims resulted in lost time. It is anticipated that most of these claims will be closed by December 2018.

### NUMBER OF CLAIMS

	2014-15	2015-16	2016-17	2017-18
Total number of claims	9	4	6	6
Open claims at year end	2	5	5	5

The Library continues to engage in comprehensive case management of injuries and illnesses and organisation-wide programs targeted at good practice in ergonomics and staff wellbeing.

### AVERAGE COST PER CLAIM

	2014-15	2015-16	2016-17	2017-18
Average cost per claim	\$3,183	\$19,692	\$7,680	\$5,068

**Note:**  
Average cost of claims for 2017-18 based on available cost data as at 30 June 2018.

In 2017-18, there were 19 cases of non-work related injury/illness, managed in the workplace with the assistance of rehabilitation providers when specific medical conditions were identified. Two of these remain outstanding. In both cases workers have returned to work and are in the final stages of recovery.

It should be noted that this figure has decreased due to ergonomic awareness sessions which were conducted throughout the Library during 2017.

## PROHIBITION AND IMPROVEMENT NOTICES

No prohibition or improvement notices were issued under the WHS Act or its Regulation during the year.

## DISABILITY INCLUSION ACTION PLAN

The Inclusion Advisory Committee was established as an action resulting from the Disability Inclusion Action Plan. The Inclusion Advisory Committee has eight members who bring their personal experiences of living with disability to advise the Library on addressing barriers that affect peoples' access to our services. The current chair of the committee is Dr Naomi Malone, elected in January 2018, and the other members are Ben Ackland, Dr Breda Carty, Timothy Hart, Sarah Houbolt, Mark Kunach, Gaele Sobott and Mark Tonga.

In partnership with the Committee, we published a revised version of our Disability Inclusion Action Plan 2016-19. The plan was registered with Disability Council NSW and Australian Human Rights Commission.

Significant achievements against the goals set out in the plan include:

- a plan for a permanent accessible ramp entry into the Mitchell Building was developed and approval granted
- establishing a partnership with oral historian Louise Darmody to record a series of 13 interviews for the collection with people who live with disability or mental illness
- a new Accessibility Guide published on the Library's website
- new wayfinding signage designed for the Mitchell and Macquarie buildings.

## OVERSEAS TRAVEL BY OFFICERS AND EMPLOYEES

The following overseas trips were taken by officers and employees of the Library in 2017-18:

- Digital Curation Specialist Joanna Flemming attended the National and State Libraries Australasia (NSLA) Digital Preservation Project Group Meeting in Wellington, New Zealand, in April 2018. This travel was jointly funded by the Library and NSLA.
- Senior Conservator Helen Casey acted as a courier for an outgoing loan to the British Library in April 2018. This travel was funded by the British Library.
- Manager Digital Library Systems and Services Euwe Ermita, represented the Library at the Ex Libris Rosetta Product Working Group meeting in Los Angeles, USA in June 2018. This travel was funded by the State Library of NSW.

# ESSENTIAL SERVICES

## MAJOR WORKS

The following upgrade and refurbishment projects were successfully completed.

### MITCHELL GALLERY AND COMPLIANCE PROJECT

Construction works of approximately \$20 million commenced in September 2017 and were completed shortly after the close of the financial year. The project delivers new gallery spaces, a learning space, new passenger lifts, new public toilets and associated amenities. The project also includes building compliance and safety elements such as: emergency egress upgrades, fire detection and fire sprinkler enhancements, fire compartmentation, accessible amenities, braille signage and tactile indicators.

*See our In Focus story on Heritage spaces reimagined on p 37.*

### REFURBISHMENT OF THE WESTERN GALLERIES

The original Mitchell Building gallery spaces were fully refurbished with new lighting and data and electrical systems, floor polishing, repainting and new exhibition wall panels.

## STONEMWORKS

The 10-year program to maintain the Mitchell Building's sandstone facade has been completed, with final works undertaken on the south-west corner of the building.

### GOVERNOR MARIE BASHIR READING ROOM

Projects were completed to improve the functionality of the room for readers including: recarpeting both levels of the reading room, relocation of tables, new service counters and additional chairs and tables.

### NEW EMERGENCY EGRESS DOOR

To improve the building safety, a new egress door has been installed in the Mitchell Building's southern facade. The work was undertaken with sensitivity for the existing sandstone facade and the door's bronze finish is in keeping with the heritage surrounds.

#### SUMMARY OF PROJECTS COMPLETED

Projects	Protect people	Protect collection	Environment/heritage	Improve functionality
Mitchell Gallery and compliance project	✓		✓	✓
Refurbishment of the western galleries			✓	✓
Stoneworks			✓	
Governor Marie Bashir Reading Room				✓
New emergency egress door, Mitchell Building	✓		✓	

## FACILITIES FOR STAFF & CLIENTS

The Library provides a safe environment for its staff and clients. The fire services and emergency systems are routinely maintained, tested and certified. The Annual Fire Safety Statement certification process was completed in January and provided to the City of Sydney Council. The Mitchell compliance project, currently in progress, will provide upgrades to fire stairs, fire hydrants and hose reels, and smoke management systems.

## ENERGY AND SUSTAINABILITY

Electricity consumption has reduced by 4% compared to the previous year, with a 25.5% reduction from the 2013-14 baseline year. This is attributable to the retrofit of energy efficient LED lights and the close monitoring of consumption. The Library continues to enjoy a six star NABERS energy rating for the office spaces of the Macquarie St Building, which represents best-practice performance.

This year the Library joined the City of Sydney Sustainable Destinations Partnership, as a founding member, tasked with improving sustainability in cultural institutions, hotels and leisure venues.

## MAINTENANCE

Specialist contractors undertook building services maintenance and cleaning. All service contracts are current and performance is managed as appropriate.

## HERITAGE

The Library understands its responsibility to care for and maintain its heritage assets. This year the Conservation Management Plan was updated and submitted to the Heritage Council for endorsement. This plan continues to guide the Library's building developments and maintenance.

Significant heritage maintenance projects undertaken this year were:

- the refurbishment of the bronze and brass metalwork within the Mitchell Building, including the Sir Richard Bourke statue, the bronze entry doors, and other doors and frames throughout the building.
- completion of the 10-year Mitchell Building facade stonework conservation project.

FUEL	CONSUMED (kW)			CO <sub>2</sub> EMISSIONS (TONNES)		CHANGE
	2016-17	2017-18	CHANGE	2016-17	2017-18	
Electricity (black coal)	2,318,688	2,226,679	3.97%	2,110	2,026	3.97%
Electricity (green power)	148,001	142,128	3.97%	0	0	0%
<b>TOTAL</b>	<b>2,466,690</b>	<b>2,368,807</b>	<b>3.97%</b>	<b>2,110</b>	<b>2,026</b>	<b>3.97%</b>

## SECURITY

In the final quarter of 2018 a tender for the security contract at the Library will be conducted. The successful applicant will provide contract security services for the next three to four years.

A new Emergency Management Plan (EMP) was finalised and introduced in 2017-18. Staff training on the EMP will be a focus in 2018-19, commencing with warden training, with the objective that all staff are confident and capable in responding to emergencies. The next phase, to be conducted in 2018-19, will be a review of the Business Continuity Plan to provide a gap analysis, recommendations and information to bring the plan in line with ISO 22301.

The CCTV upgrade for the new gallery spaces and other locations are now operational. A phased upgrade of cameras in various other areas will be completed during 2018-19.

Following a recent tender process, maintenance and installation of security equipment has been awarded to Chubb Electronic Security. Once their upgrade program is completed, the security system within the Library will reside on a single operating system. In addition to sophisticated security features, this system will provide analytical information including people counting.

The Library is represented on the newly revamped Martin Place and CBD Security Group and in the future will host the group, which regularly meets with NSW Police Crime Prevention Officers within the Sydney City Local Area Command.

## RISK MANAGEMENT

The Library operates in a mature risk management environment where risks are assessed and managed as part of the core business. Complying with the Internal Audit and Risk Management Policy for the NSW Public Sector TPP15-03, the Library's Risk Management Framework comprises:

- an Audit and Risk Committee with independent chair and members appointed by the Library Council of NSW and registered with the NSW Government Prequalification scheme: Audit and Risk Committee Independent Chairs and Members
- formalised periodic Library-wide risk assessments and project risk management
- an outsourced internal audit function which ensures the currency of a Strategic Internal Audit Plan and regular internal audits
- charters for the Audit and Risk Committee and the outsourced internal audit function with an internal audit manual
- formalised evaluation of the performance of the Audit and Risk Committee and its members
- a comprehensive suite of risk management policies and procedures.

The NSW Audit Office conducts an annual external audit of our financial performance as well as periodic compliance audits. The Library also complies with statutory reviews and audits conducted by NSW Treasury each year, including the *Public Authorities (Financial Arrangements) Act 1987*. This

ensures that the internal controls are robust and that the Library complies with relevant Acts and Treasurer's directions.

Performance and compliance audits were carried out by Deloitte Touche Tohmatsu (Deloitte) on a variety of business processes and systems during the year. The objective of the audits was to evaluate the design and effectiveness of internal controls and make recommendations for improvement. A business risk assessment developed by Deloitte forms the initial basis of the Library's approach to managing risk exposures. This is reviewed and updated by management on a regular basis.

There were four internal audit reviews in the year:

- event management internal audit
- SAP access and business process review internal audit
- cash management internal audit
- digital information security policy review

Assessments conducted this year did not materially impact on the Library's risk exposure. Audit recommendations by Deloitte form part of the Library's ongoing risk management activities, are monitored for implementation on a regular basis and reported to the Library's Audit and Risk Committee. The committee assists the Library to fulfil its responsibilities in relation to financial reporting, risk management, governance, compliance and the audit function.

## BUSINESS CONTINUITY MANAGEMENT

A comprehensive Library-wide Emergency Management Plan (EMP) was introduced in 2017-18 by the Emergency Management Planning Committee. The EMP forms part of the overall Enterprise Risk Management and Governance Framework which is consistent with AS/NZS ISO 31000:2009. The Library is committed to ensure that business critical functions and services are not compromised by a major disruptive event. Training activities are planned for key staff.

The Library's Business Continuity Policy and Framework will be reviewed and updated in 2018-19 in line with ISO 22301.

## INSURANCES

Annual insurance premiums for 2017-18 were \$0.732 million compared to \$0.658 million in 2016-17.

# INTERNAL AUDIT & RISK MANAGEMENT STATEMENT

## Internal Audit and Risk Management Attestation Statement for the 2017-18 Financial Year for the Library Council of New South Wales

The Library Council of New South Wales declares that this Internal Audit and Risk Management Attestation Statement is made on behalf of the Library Council of New South Wales (parent entity), the State Library of New South Wales Foundation (controlled entity) and the Library Council Staff Agency (controlled entity), which combined constitute the Library Council of New South Wales.

The Library Council of New South Wales is of the opinion that the internal audit and risk management processes in operation that are, excluding the exceptions or transitional arrangements described below, compliant with the eight (8) core requirements set out in the Internal Audit and Risk Management Policy for the NSW Public Sector, specifically:

Core Principles	Core Requirements	Compliance
Risk Management	1.1 The agency head is ultimately responsible and accountable for risk management in the agency.	Comply. The State Librarian formally updates the Business Risk Map regularly with the Executive Team and this is reviewed at each Audit and Risk Committee meeting.
	1.2 A risk management framework that is appropriate to the agency has been established and maintained and the framework is consistent with AS/NZS ISO31000:2009.	Comply. Appropriate Risk Management Policy and Framework has been established and maintained.
Internal Audit	2.1 An internal audit function has been established and maintained.	Comply. Internal Audit activity is directed by the Audit and Risk Committee, managed by the Chief Audit Executive and performed by third party service provider.
	2.2 The operation of the internal audit function is consistent with the International Standards for the Professional Practice of Internal Auditing.	Comply. Third party service provider confirmed that its work practices and methodology are based on the International Standards for the Professional Practice of Internal Auditing.
	2.3 The agency has an Internal Audit Charter that is consistent with the content of the 'model charter'.	Comply. The Library Council of NSW has an Internal Audit Charter that is consistent with the content of the 'model charter'. The review and endorsement of the charter is undertaken by the Audit and Risk Committee in June annually.
Audit and Risk Committee	3.1 An independent Audit and Risk Committee with appropriate expertise has been established.	Comply. The committee comprised of non-executive Library Council Members and a fully independent Chair, all of whom are Prequalified under the NSW Treasury scheme.
	3.2 The Audit and Risk Committee is an advisory committee providing assistance to the agency head on the agency's governance processes, risk management and control frameworks, and its external accountability obligations.	Comply. The Audit and Risk Committee Chair reports key matters to the Library Council at each Council meeting and provides an annual report to the Council.
	3.3 The Audit and Risk Committee has a Charter that is consistent with the content of the 'model charter'.	Comply. The Audit and Risk Committee has a Charter that is consistent with the content of the 'model charter'. This review and endorsement of the charter is undertaken by the Audit and Risk Committee in June annually.

These processes, including the practicable alternative measures implemented, demonstrate that the Library Council of New South Wales has established and maintained frameworks, including systems, processes and procedures for appropriately managing audit and risk within the Library Council of New South Wales.

In accordance with a resolution of the Library Council of New South Wales



The Hon. George Souris AM  
President, Library Council of New South Wales

Date: 31 August 2018

Contact Officer:  
John Vallance  
NSW State Librarian  
Phone: (02) 9273 1663  
Email: [john.vallance@sl.nsw.gov.au](mailto:john.vallance@sl.nsw.gov.au)



## **Digital Information Security Annual Attestation Statement for the 2017 - 2018 Financial Year for the Library Council of New South Wales**

I, John Vallance am of the opinion that the State Library of New South Wales had an Information Security Management System in place during the 2017 - 2018 financial year that is consistent with the Core Requirements set out in the NSW Government Digital Information Security Policy.

The controls in place to mitigate identified risks to the digital information and digital information systems of the State Library New South Wales are adequate.

There is no agency under the control of the State Library New South Wales which is required to develop an independent ISMS in accordance with the NSW Government Digital Information Security Policy.

John Vallance  
NSW State Librarian and  
Secretary to the Library Council of New South Wales

Dated: 13<sup>th</sup> September 2018.

# PUBLICATIONS AND INFORMATION

## REPORTS

*Foundation Annual Report 2016-17*

*Library Council of NSW Annual Report 2016-17*

## MAGAZINES AND NEWSLETTERS

*SL magazine* (four issues)

*What's On* (four issues)

*Public Library News* (two issues)

*Volunteers' Voices* (one issue)

## OTHER PUBLICATIONS

*A Quick Guide to Drugs and Alcohol*, 3rd ed, Drug Info (with the National Drug and Alcohol Research Centre (NDARC) at the University of NSW)

*Hot Topics: Courts and Tribunals*, revised ed, (online) Legal Information Access Centre (LIAC)

## BUSINESS INFORMATION

The Library's Agency Information Guide was reviewed, updated and approved for publication in April 2017.

A new Records Management Policy was approved in 2018. The new policy reflects changes in business processes within the Library and takes an information rather than technology-based approach to support both the legacy paper-based files and current electronic filing systems.

During 2017-18, the Library undertook several destruction projects as part of our defensible disposal program. Obsolete corporate records were identified, the sentence and disposal class confirmed and the material was securely destroyed.

## INFORMATION AND CYBERSECURITY

The NSW Digital Information Security Policy (DISP) requires all NSW government agencies to implement and continually improve an Information Systems Management System (ISMS) aligned with risk profile. The DISP is based on the ISO/IEC 27001:2013 (ISO 27001) standard designed to ensure information security within the scope of an organisation's ISMS are addressed appropriately.

Activities carried out in the 2017-18 reporting period included:

- information security awareness training using HackLabs Pty Ltd
- a 'friendly phishing' campaign conducted between August 2017 and June 2018
- improved mail exchange configuration to automatically flag suspicious emails and enforce multi-factor authentication
- penetration testing of the Library's networks.

The Library also commissioned the 2018 audit against the requirements of the DISP version 2.0 by Shearwater.

## GOVERNMENT INFORMATION (PUBLIC ACCESS)

As a NSW Government agency, the Library is required to comply with the *Government Information (Public Access) Act 2009* (the GIPA Act). The Library is committed to openness and transparency in carrying out its functions, providing a significant amount of information about our operations, services, functions, activities and policies to the community via our website.

### REVIEW OF PROACTIVE RELEASE PROGRAM

Under section 7(1) of the GIPA Act, the State Library is authorised to proactively release any government information that it holds, so long as there is no overriding public interest against disclosure. As part of our proactive release program, we review our information as it is produced and make it available online where appropriate and as soon as practicable. During the reporting period, a range of administrative procedures, program and project information was released proactively online, in addition to information already available on our website.

### NUMBER OF ACCESS APPLICATIONS RECEIVED

During the reporting period, three formal access applications were received by the State Library.

### NUMBER OF REFUSED ACCESS APPLICATIONS FOR SCHEDULE 1 INFORMATION

No applications were refused during the reporting period.

### STATISTICAL INFORMATION

The following statistical tables are provided in accordance with Schedule 2 of the Government Information (Public Access) Regulation 2009 issued under the GIPA Act.

## PUBLICATIONS AND INFORMATION

**TABLE A: NUMBER OF APPLICATIONS BY TYPE OF APPLICANT AND OUTCOME**

	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application withdrawn
Media	0	0	0	0	0	0	0	0
Members of Parliament	0	0	0	0	0	0	0	0
Private sector business	0	0	0	0	0	0	0	0
Not for profit organisations or community groups	0	0	0	0	0	0	0	0
Members of the public (application by legal representative)	0	0	0	1	0	0	0	0
Members of the public (other)	0	1	0	0	0	0	0	1

**TABLE B: NUMBER OF APPLICATIONS BY TYPE OF APPLICATION AND OUTCOME**

	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application withdrawn
Personal information applications	0	0	0	0	0	0	0	0
Access applications (other than personal information applications)	0	0	0	0	0	0	0	0
Access applications that are partly personal information applications and partly other	0	0	0	0	0	0	0	0

**TABLE C: INVALID APPLICATIONS**

Reason for invalidity	Number of applications
Application does not comply with formal requirements (section 41 of the Act)	0
Application is for excluded information of the agency (section 43 of the Act)	0
Application contravenes restraint order (section 110 of the Act)	0
Total number of invalid applications received	0
Invalid applications that subsequently became valid applications	0

**TABLE D: CONCLUSIVE PRESUMPTION OF OVERRIDING PUBLIC INTEREST AGAINST DISCLOSURE: MATTERS LISTED IN SCHEDULE 1 OF THE ACT**

	Number of times consideration used
Overriding secrecy laws	0
Cabinet information	0
Executive Council information	0
Contempt	0
Legal professional privilege	0
Excluded information	0
Documents affecting law enforcement and public safety	0
Documents affecting law enforcement and public safety	0
Transport safety	0
Adoption	0
Care and protection of children	0
Ministerial code of conduct	0
Aboriginal and environmental heritage	0

**TABLE E: OTHER PUBLIC INTEREST CONSIDERATIONS AGAINST DISCLOSURE: MATTERS LISTED IN TABLE TO SECTION 14 OF THE ACT**

	Number of occasions when application not successful
Responsible and effective government	0
Law enforcement and security	0
Individual rights, judicial processes and natural justice	0
Business interests of agencies and other persons	0
Environment, culture, economy and general matters	0
Secrecy provisions	0
Exempt documents under interstate Freedom of Information legislation	0

**TABLE F: TIMELINESS**

	Number of applications
Decided within the statutory timeframe (20 days plus any extensions)	2
Decided after 35 days (by agreement with applicant)	0
Not decided within time (deemed refusal)	1
Withdrawn applications	1
Total	3

**TABLE G: NUMBER OF APPLICATIONS REVIEWED UNDER PART 5 OF THE ACT (BY TYPE OF REVIEW AND OUTCOME)**

	Decision varied	Decision upheld	Total
Internal review	0	0	0
Review by Information Commissioner	0	0	0
Internal review following recommendation under section 93 of Act	0	0	0
Review by ADT	0	0	0
Total	0	0	0

**TABLE H: APPLICATIONS FOR REVIEW UNDER PART 5 OF THE ACT (BY TYPE OF APPLICANT)**

	Number of applications for review
Applications by access applicants	
Applications by persons to whom information the subject of access application relates (see section 54 of the Act)	

## WHERE TO FIND MORE INFORMATION

Information on the various means of accessing Library corporate information under the GIPA Act can be found at <http://www.sl.nsw.gov.au/about/rti/index.html>. Informal requests, formal applications or questions on the operation of the GIPA Act at the Library are to be directed to:

Right to Information Officer  
 State Library of New South Wales  
 Macquarie Street Sydney NSW 2000  
 Telephone: (02) 9273 1796  
 Fax: (02) 9273 1255  
 Email: [rti@sl.nsw.gov.au](mailto:rti@sl.nsw.gov.au)

Please note that a valid access application cannot be made for information that is contained in a record that forms part of the State Library's collections, as defined in Schedule 4 (Clause 13) of the GIPA Act.

## PRIVACY MANAGEMENT PLAN

Clause 10 of the *Annual Reports (Statutory Bodies) Act 1984* requires a statement of action taken by the Library in complying with the requirements of the *Privacy and Personal Information Protection Act 1998* (the PPIP Act), and statistical details of any review conducted by, or on behalf, of the State Library under Part 5 of that Act. The Library supports the objectives of privacy laws and is committed to the ongoing protection of personal information through our normal protocols, privacy management program, compliance strategies, policies and procedures.

The Library's Privacy Management Plan outlines our compliance with the PPIP Act and the *Health Records and Information Privacy Act 2002* (HRIP Act). Mechanisms are in place to make Library staff aware of their privacy obligations under the PPIP Act and the HRIP Act. As part of our induction program, new staff and contractors are briefed on their obligations to comply with information privacy principles, and the Library participates in privacy awareness initiatives of the Information and Privacy Commission NSW. Timely advice was provided to staff on privacy matters affecting staff and clients; and a number of Library policies were reviewed and, where necessary, updated to incorporate privacy requirements.

The Privacy Management Plan was reviewed and updated in May 2018, according to the review schedule included in the legislation. The only changes required to the plan were

to include the change of State Librarian and update the language to reflect changes in naming conventions.

The Privacy Management Plan and related privacy information, web privacy statement and forms are available on the Library's website at <http://www.sl.nsw.gov.au/privacy>.

Requests for access to personal information held by the State Library may be made by contacting:

Privacy Contact Officer  
State Library of NSW  
Macquarie Street  
Sydney NSW 2000  
Tel: (02) 9273 1796  
Fax: (02) 9273 1268  
Email: [privacy@sl.nsw.gov.au](mailto:privacy@sl.nsw.gov.au)

### **STATISTICAL DETAILS ON ANY REVIEW CONDUCTED UNDER PART 5 OF THE PPIP ACT**

A person aggrieved by the conduct of the Library is entitled to seek an 'internal review' if they believe the Library has breached its privacy obligations.

No internal reviews were conducted under Part 5 of the PPIP Act by or on behalf of the State Library during the reporting period.

## PUBLIC INTEREST DISCLOSURES

The Library is required to prepare an annual report on obligations under the *Public Interest Disclosures Act 1994* (PID Act). The Library has a strong commitment to ethical conduct as a core value together with integrity, honesty, fairness and impartiality in all operational activities and is committed to protecting public officials who make disclosures about wrongdoing in the public sector.

As an executive agency, the Library must have its own PID policy and procedures including roles and responsibilities.

The Library has developed a customised PID policy and PID procedure, and this was widely communicated across the Library. The following actions have been taken to ensure that staff are aware of the policy and protections available:

- the Fraud and Corruption Prevention Policy and Whistleblower Procedures are included in our induction program and Code of Ethics and Conduct training which all Library staff have undertaken
- there are links on the staff intranet to the Department's PID policy and procedures and the Library's Whistleblower Protection Procedures and Fraud and Corruption Prevention Policy.

## STATISTICAL INFORMATION ON PIDS

No public interest disclosures (PIDs) by public officials were made directly to the State Library's PID receiver, no PIDs were received and no PIDs were finalised by the State Library in the reporting period.

## READER FEEDBACK

We received 206 complaints, 187 suggestions and 83 compliments through our online and paper feedback forms. We also received 1458 compliments from readers who responded to a feedback request after they asked a question through the 'Ask a Librarian' service.

Complaints reduced by 37% between the first half of the financial year (July-December 2017) and the second half of the financial year (January-June 2018). This is attributed to the following changes:

- a public wi-fi upgrade completed in December 2017
- a new printing and copying system in the reading rooms
- additional USB ports for charging devices, and new headphones
- improvements to the Governor Marie Bashir Reading Room (p 42), including the new 'Critics' Picks' collection (p 48)
- improvements to the catalogue (p 44)
- clearer website information on the reading room opening hours.

# MULTICULTURAL SERVICES

## MULTICULTURAL SERVICE DELIVERY REVIEW

In March 2017, after discussion with the Strategic Network Committee, the Library appointed DiverseWerks to undertake a formal review of service delivery to establish how well NSW public libraries meet the needs of their local communities from non-English speaking backgrounds. Their services were compared against *Living Learning Libraries: standards and guidelines for NSW public libraries and Multicultural benchmarks*, updated by the NSW Multicultural Working Group in 2016. The research methodology included a contextual review, online state-wide survey of public library stakeholders, data identification and analysis and consultations with public library staff, existing CALD library users and future CALD library users.

This research was completed in 2017-18 and, in March 2018, 75 public library staff attended a seminar on multicultural services in public libraries where the report on the research findings was launched and discussed.

## CULTURAL COMPETENCE TRAINING

Throughout 2017-18 the Library provided online cultural competence training for 166 public library staff from 24 public libraries across metropolitan and regional NSW. Cultural competence training was also provided to State Library staff — read more on p 46.

## COMMUNITY LANGUAGE MATERIALS

The Library purchased 4211 books in 24 languages, and assisted 41 public libraries with the acquisition of 6543 book in community languages.

The Library's multicultural collection contains over 63,000 items in 43 languages. This collection can be accessed via any of the 370 public libraries across the state. This year the public borrowed 105,569 books in community languages.

The top 10 languages borrowed from this collection are: Russian, French, Spanish, Italian, Japanese, German, Chinese, Polish, Gujarati and Sinhalese.

## LANGUAGE SERVICES

The Library provides the following language services:

- librarians fluent in nine different community languages work at our service points, with the Community Language Allowance Scheme reviewed to ensure that staff language capabilities match client needs
- partnership with the NSW Fair Trading Multicultural Unit to disseminate information in community languages — the *My Consumer Rights* DVD in 11 languages was distributed to 150 public libraries and community organisations in NSW
- support to 300 public libraries on how to help clients access the Multilingual

Health database, maintained by the NSW Multicultural Health Communication Service

- online access to more than 4000 magazines and newspapers from around the world in more than 60 languages through PressReader – this includes audio delivery of content and large print, supporting access to this material for people with disabilities
- Tech Savvy Seniors training delivered in community languages – Arabic, Cantonese, Greek, Hindi, Italian, Korean, Mandarin, Spanish and Vietnamese – to 1591 seniors at 33 Library branches
- IELTS training modules, including speaking practice tests and downloadable study guides, can be accessed as an e-resource (onsite or remotely) by Library cardholders
- access to Oxford Language Dictionaries in Arabic, Chinese, French, German, Italian, Russian and Spanish as e-resources.

## COMMUNITY LANGUAGES ACCESS FOR PEOPLE WITH DISABILITIES

The Library provides a dedicated PC with adaptive technology in the Governor Marie Bashir Reading Room. It includes Readit Air, an automatic reader that converts printed documents to large print or speech in over 15 languages. It is designed to help people with a print disability or who have trouble reading. It works by automatically scanning a document and identifying the language.

Documents are then captured and read back in a natural voice in just two to three seconds.

We also provide access to a collection of 1629 audiobooks in 16 languages and this collection continues to grow.

## SERVICES FOR REFUGEES

The Library has developed a partnership with the Australian Red Cross Tracing Services and promoted this initiative to public libraries across the state. The Tracing Service focuses on restoring family links for people who have been separated by war, conflict, disaster or migration.

In 2017-18 our Learning Services branch worked with Settlement Services International to support newly-arrived young people from Syria and Iraq. The 14 to 23-year-olds were taken on tours to introduce them to the Library and its services.

We continue to review the community language needs of humanitarian migrants, based on intake patterns, and support public libraries to grow their language collections and services to these communities.



Teddy bears' picnic  
at Kensington Park,  
courtesy Randwick  
City Library



# NSW PUBLIC LIBRARY **GRANTS AND SUBSIDIES**

# PUBLIC LIBRARY FUNDING STRATEGY

The NSW Government provided \$28.8 million in 2017-18 to assist local authorities to provide public libraries.

The funds were managed and allocated by the Library in accordance with the *Library Act 1939*, the Library Regulation 2010 and the Public Library Funding Strategy as approved by the Minister for the Arts, as follows.

Subsidy – \$1.85 per capita, as prescribed by the Library Regulation 2010 Population served 7,614,507	\$14,288,975
Subsidy Adjustment Funding <i>Allocations to councils in addition to \$1.85 per capita (above)</i>	\$7,356,828
NSW.net	\$1,988,500
Outback Letterbox Library	\$100,000
Strategic Network Projects	\$300,000
State Library services to public libraries	\$768,750
Public Library Infrastructure Grant Fund Year 4	\$4,000,000
<b>Total Public Library Grants and Subsidies</b>	<b>\$28,803,053</b>

## STATE FUNDING FOR PUBLIC LIBRARIES AND LOCAL GOVERNMENT VOTED EXPENDITURE

Council	Population 2016	State funding subsidy & adjustment 2017-18	Total local government expenditure voted July 2017 to June 2018	per head
		\$	\$	
Albury	52,411	146,700	3,059,523	58.38
Armidale Regional	30,045	115,487	2,077,748	69.15
Ballina	42,556	124,229	1,512,800	35.55
Balranald	2,385	24,873	72,910	30.57
Bathurst	43,080	133,591	2,126,213	49.35
Bayside	160,944	411,447	5,017,679	31.18
Bega Valley	33,662	109,960	1,309,861	38.91
Bellingen	13,066	55,995	626,726	47.97
Berrigan	8,420	39,859	638,153	75.79
Blacktown	348,138	859,858	10,508,889	30.19
Bland	5,917	36,459	313,851	53.04
Blayney	7,457	38,557	210,710	28.26
Blue Mountains	80,072	206,455	2,670,529	33.35
Bogan	3,007	27,257	182,456	60.68
Bourke	2,814	26,357	300,449	106.77
Brewarrina	1,875	24,492	84,110	44.86
Broken Hill	18,557	73,031	708,351	38.17
Burwood	36,505	100,680	1,871,110	51.26
Byron	33,278	102,181	1,925,400	57.86
Cabonne	13,999	55,946	399,283	28.52
Camden	77,504	200,880	3,271,488	42.21
Campbelltown	161,998	396,860	5,800,188	35.80
Canada Bay	90,427	245,282	4,475,582	49.49
Canterbury-Bankstown	359,671	887,243	17,261,091	47.99
Carrathool	2,760	25,438	381,992	138.40
Central Coast	334,857	830,645	11,529,397	34.43
Cessnock	56,532	161,108	1,544,359	27.32
Clarence Valley	51,211	213,246	1,061,328	20.72
Cobar	4,989	36,931	540,306	108.30
Coffs Harbour	73,892	199,671	1,790,422	24.23
Coolamon	4,419	30,574	196,090	44.37
Coonamble	4,188	30,397	283,705	67.74
Cootamundra-Gundagai	11,392	63,635	612,940	53.80
Cowra	12,527	51,163	384,140	30.66
Cumberland	222,758	564,885	9,629,491	43.23
Dubbo Regional	51,449	163,549	2,445,864	47.54
Dungog	9,323	43,370	209,216	22.44
Edward River	8,876	66,247	512,035	57.69
Eurobodalla	38,119	120,409	2,048,868	53.75
Fairfield	207,022	513,273	8,496,642	41.04
Federation	12,569	68,461	521,000	41.45
Forbes	9,768	44,697	331,423	33.93
Georges River	149,489	377,095	7,601,001	50.85

Council	Population 2016	State funding subsidy & adjustment 2017-18	Total local government expenditure voted July 2017 to June 2018	per head
		\$	\$	
Gilgandra	4,349	28,793	322,243	74.10
Glen Innes Severn	9,001	53,780	503,154	55.90
Goulburn Mulwaree	29,918	103,777	1,710,878	57.19
Greater Hume	10,406	65,907	592,988	56.99
Griffith	26,125	89,833	1,027,559	39.33
Gunnedah	12,989	49,282	483,251	37.20
Gwydir	5,030	46,608	216,189	42.98
Hawkesbury	66,782	176,772	2,739,967	41.03
Hay	2,956	26,387	268,581	90.86
Hills, The	164,802	401,946	5,321,955	32.29
Hilltops	18,993	95,770	611,215	32.18
Hornsby	151,237	370,231	6,464,184	42.74
Hunters Hill	14,843	47,957	674,000	45.41
Inner West	189,576	483,053	12,768,812	67.35
Inverell	17,042	61,285	1,107,083	64.96
June	6,329	35,168	438,856	69.34
Kempsey	29,842	97,405	898,838	30.12
Kiama	21,671	66,339	1,145,761	52.87
Ku-ring-gai	124,179	306,614	4,898,369	39.45
Kyogle	9,542	43,902	333,360	34.94
Lachlan**	6,749	41,144	1,081,294	160.22
Lake Macquarie	205,748	506,069	10,402,092	50.56
Lane Cove	36,996	98,000	3,515,366	95.02
Leeton	11,712	47,866	561,377	47.93
Lismore	44,993	128,604	1,911,300	42.48
Lithgow	21,474	69,440	1,460,368	68.01
Liverpool	210,113	530,674	10,238,013	48.73
Liverpool Plains	7,738	44,088	452,317	58.45
Lockhart	3,103	24,396	118,000	38.03
Maitland	78,096	210,628	3,999,511	51.21
Mid-Coast	91,648	288,247	3,851,959	42.03
Mid-Western	24,313	96,010	996,530	40.99
Moree Plains	13,866	60,413	755,810	54.51
Mosman	30,646	83,565	2,525,632	82.41
Murray River	11,596	69,985	402,212	34.69
Murrumbidgee	4,071	40,727	248,095	60.94
Muswellbrook	17,414	65,836	651,272	37.40
Nambucca	19,808	67,694	807,500	40.77
Narrabri	13,717	56,971	675,319	49.23
Narrandera	5,912	33,741	381,126	64.47
Narromine	6,796	36,046	487,620	71.75
Newcastle	162,766	403,470	11,412,436	70.12
North Sydney	73,514	185,417	4,247,048	57.77
Northern Beaches	268,849	671,359	10,084,916	37.51

Council	Population 2016	State funding subsidy & adjustment 2017-18	Total local government expenditure voted July 2017 to June 2018	per head
		\$	\$	
Oberon	5,350	27,875	168,085	31.42
Orange	42,356	123,194	2,131,214	50.32
Parkes	15,328	55,723	1,564,845	102.09
Parramatta (City of)	235,981	575,219	10,193,505	43.20
Penrith	202,076	494,001	6,483,705	32.09
Port Macquarie-Hastings	78,967	218,429	2,876,877	36.43
Port Stephens	71,406	206,062	2,012,944	28.19
Queanbeyan-Palerang	57,334	189,512	2,269,680	39.59
Randwick	147,408	362,696	9,143,430	62.03
Richmond Valley	23,426	97,057	735,248	31.39
Ryde	119,544	295,385	6,481,490	54.22
Shellharbour	70,734	190,314	2,483,205	35.11
Shoalhaven	101,462	287,693	2,523,765	24.87
Singleton	24,061	74,992	1,581,515	65.73
Snowy Monaro	20,880	104,130	1,241,090	59.44
Snowy Valleys	15,013	73,166	501,973	33.44
Strathfield	40,963	112,971	1,814,250	44.29
Sutherland	227,312	554,233	7,357,631	32.37
Sydney	210,931	526,260	11,987,735	56.83
Tamworth	61,800	228,982	2,182,062	35.31
Temora	6,088	34,598	333,854	54.84
Tenterfield	7,038	36,056	474,399	67.41
Tweed	94,011	273,397	4,565,665	48.57
Upper Hunter	14,522	81,657	635,780	43.78
Upper Lachlan	7,794	51,250	408,873	52.46
Uralla	6,376	35,141	321,680	50.45
Wagga Wagga	64,272	176,488	2,260,944	35.18
Walcha	3,054	25,611	137,082	44.89
Walgett	6,750	41,043	233,413	34.58
Warren	2,901	25,243	337,251	116.25
Warrumbungle	9,688	58,099	610,280	62.99
Waverley	73,366	184,946	5,941,888	80.99
Weddin	3,708	24,246	161,541	43.57
Wentworth	6,962	38,360	441,000	63.34
Willoughby	77,833	195,702	6,353,410	81.63
Wingecarribee	48,845	135,352	1,750,789	35.84
Wollondilly	49,109	136,396	1,321,369	26.91
Wollongong	211,213	516,092	12,989,493	61.50
Woollahra	59,860	152,123	5,556,327	92.82
Yass Valley	16,870	66,437	472,645	28.02
<b>TOTAL</b>	<b>7,723,770</b>	<b>21,645,803</b>	<b>351,381,607</b>	

\*\* Includes \$720,000 for Building (of which \$200,000 was a grant received)



At Snowy Monaro mobile library

# PUBLIC LIBRARY INFRASTRUCTURE GRANTS

The Public Library Infrastructure Grants program provided \$15 million over the four years from 2014–15 to improve library buildings and IT infrastructure. The amount of \$4 million was available for allocation in 2017–18.

All NSW local councils were invited to apply for Public Library Infrastructure Grants in September 2017. Applications closed on 10 November 2017. The Library Council of NSW Grants Committee convened on 7 December 2017 to consider the applications and make recommendations.

The Library Council endorsed its recommendations for consideration by the Minister for the Arts out-of-session in December 2017.

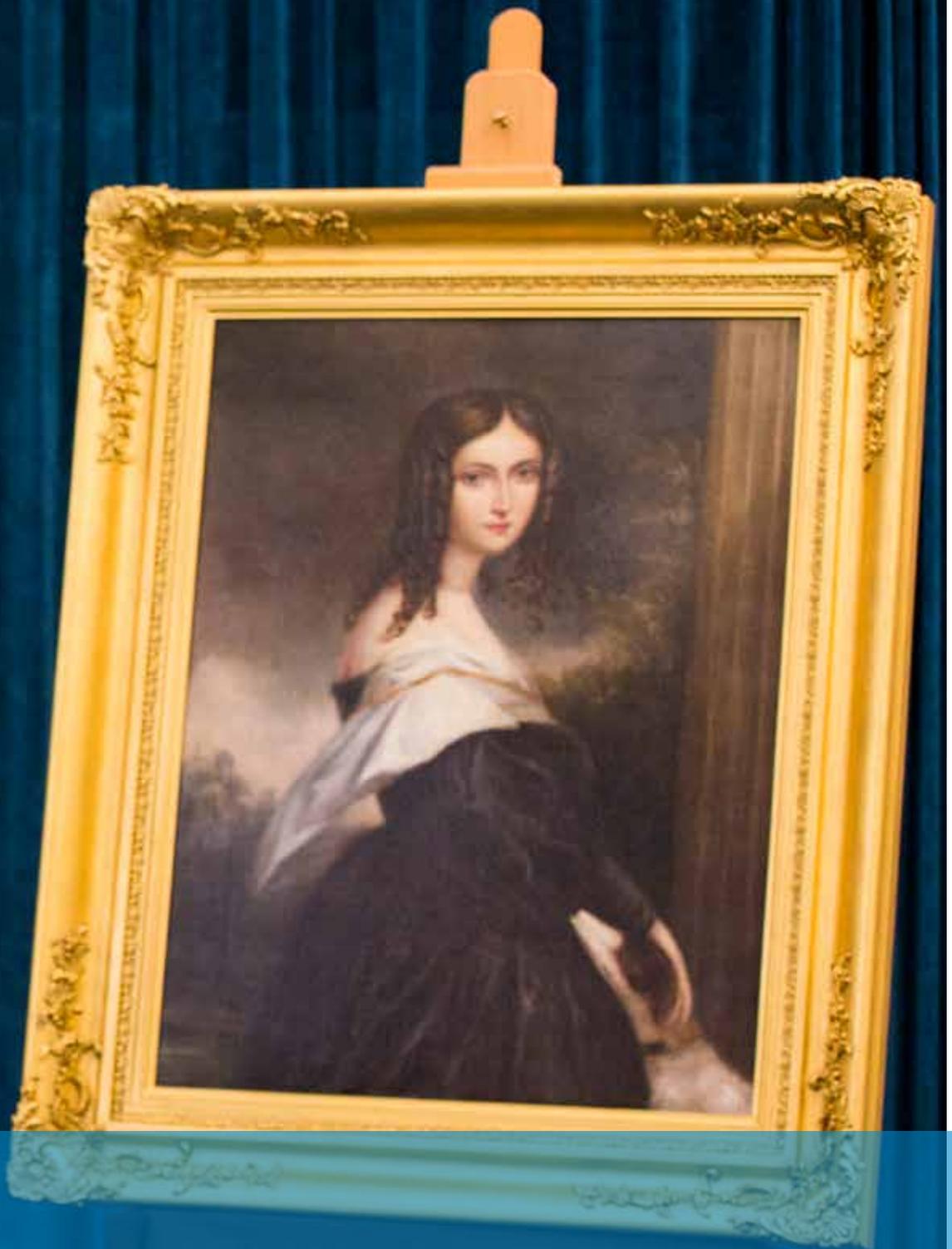
The Hon Don Harwin MLC, Minister for the Arts approved the following successful grants under the program on 29 March 2018.

## LIBRARY COUNCIL OF NSW PUBLIC LIBRARY INFRASTRUCTURE GRANTS 2017–18 MINISTER FOR THE ARTS APPROVED APPLICATIONS 29 MARCH 2018

Local Authority	Project Title	Amount recommended
Bega Valley	Eden Library: Refurbishing for the Future	\$44,069
Bellingen	Urunga Library Re-design and new technology	\$153,260
Berrigan	Tocumwal Library Multi-Purpose Room	\$200,000
Bland	Fresh and Fabulous — Refurbishing to make(r) space	\$200,000
Bogan	Bogan Library — closing the technology gap in a climate friendly, flexible environment.	\$90,105
Bourke	RFID for Bourke Public Library	\$54,760
Brewarrina	Enhancing and Enriching Community Library Facilities	\$200,000
Burwood	Delivering an innovative and digitally responsive Library service to the Burwood Community	\$111,360
Cessnock	Creating a contemporary library space	\$127,859
Coonamble	A sensational area	\$25,915
Edward River	Maker Space	\$32,473
Eurobodalla	Activating library spaces for creative engagement — Batemans Bay Library	\$66,000
Gilgandra	Gilgandra Library Extension: Space to create, collaborate, code and connect	\$199,495
Gwydir	Bingara Library Service — Relocation to Bingara Civic Centre	\$200,000
Inverell	A modern LMS for Inverell	\$54,895
Kyogle	Kyogle Library redesign	\$99,673
Lismore	Refurbishment of Lismore Library	\$198,000
Liverpool Plains	Quirindi Library Precinct Activation Project	\$200,000
Maitland	RFID enabled return systems	\$162,750
MidCoast	Forster Library: building for the future	\$200,000
Mid-Western Regional	Enhance, Enrich, Include: the new Rylstone Library & Customer Service Centre	\$72,400
Mosman	Barry O'Keefe Library Indoor Garden Reading Zone	\$185,000
Nambucca	RFID implementation into our Nambucca Heads and Macksville Libraries	\$134,266
Narrabri	Boggabri Library Modernisation and Optimisation Project	\$47,965
Narrandera	Space for Youth @ Narrandera Library	\$200,000
Parkes	Curiosity and Wonder — Parkes Library Expansion Project	\$200,000
Queanbeyan Palerang	Creating a welcoming community space in the Queanbeyan Library	\$134,149
Snowy Monaro	New Microform Reader/Scanner for Bombala Library	\$16,686
Tamworth Regional	RFID for Central Northern Regional Library	\$200,000
Upper Hunter	Merriwa Library Upgrade Stage 2	\$47,500
Warren	Crossing the Technology Divide	\$55,400
Waverley	Libraries for Learning	\$41,293
Weddin	Grenfell Library Transformation	\$44,727
<b>Total 33</b>		<b>\$4,000,000</b>



A viewing of the painting  
*Mrs F O'Brien* after  
conservation treatment



# FINANCIAL OVERVIEW

# FINANCIAL OVERVIEW

The Library Council of New South Wales comprises the Library Council of New South Wales (the parent entity), the State Library of New South Wales Foundation and the Library Council of New South Wales Staff Agency.

The surplus for the year was \$13.209 million compared with a budget surplus of \$4.197 million for the same period and a surplus of \$9.401 million for the prior year.

The table below compares the 2017-18 actual results with the 2017-18 budget and the 2018-19 budget. Budget figures are as published in the NSW State Budget Papers.

Income	Budget 2018 \$'000	Actual 2018 \$'000	Budget 2019 \$'000
Sale of goods & services	1,987	1,446	1,976
Investment income	1,299	1,749	1,298
Grants & contributions	95,632	101,121	88,531
Other income	10	253	10
<b>Total income</b>	<b>98,928</b>	<b>104,569</b>	<b>91,815</b>
<b>Less:</b>			
<b>Expenses</b>			
Other expenses	49,483	48,543	50,578
Depreciation & amortisation	16,445	13,956	16,677
Grants & subsidies	28,803	28,847	23,528
<b>Total expenses</b>	<b>94,731</b>	<b>91,346</b>	<b>90,783</b>
<b>Gain/(Loss) on disposal</b>	<b>-</b>	<b>-14</b>	<b>-</b>
<b>Surplus/(deficit) for the year</b>	<b>4,197</b>	<b>13,209</b>	<b>1,032</b>

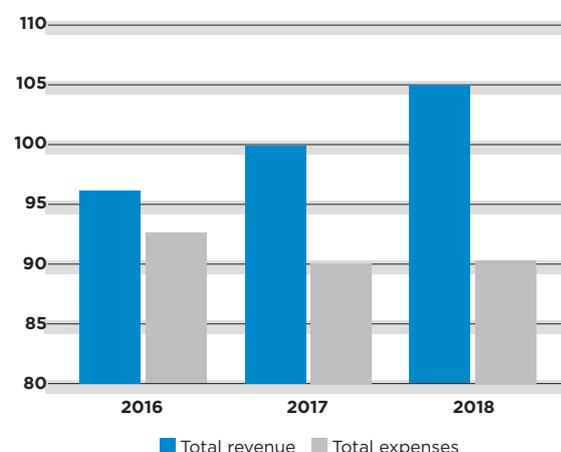
The favourable variance between budget and actual in 2017-18 of \$9.012 million is represented by higher than budgeted grants and contributions in the Foundation and lower than budget depreciation in the year. The following table and graph provide a three-year analysis of actual results for the Library.

Income	Actual 2016 \$'000	Actual 2017 \$'000	Actual 2018 \$'000
Sale of goods & services	1,584	1,962	1,446
Investment income	897	2,039	1,749
Grants & contributions	92,026	95,344	101,121
Other income	1,894	459	253
<b>Total income</b>	<b>96,401</b>	<b>99,804</b>	<b>104,569</b>
<b>Less:</b>			
<b>Expenses</b>			
Other expenses	51,555	47,144	48,543
Depreciation & amortisation	13,307	14,859	13,956
Grants & subsidies	27,821	28,400	28,847
<b>Total expenses</b>	<b>92,683</b>	<b>90,403</b>	<b>91,346</b>
<b>Gain/(Loss) on disposal</b>	<b>-14</b>	<b>-</b>	<b>-14</b>
<b>Surplus/(deficit) for the year</b>	<b>3,704</b>	<b>9,401</b>	<b>13,209</b>

## TOTAL REVENUE AND TOTAL EXPENSES

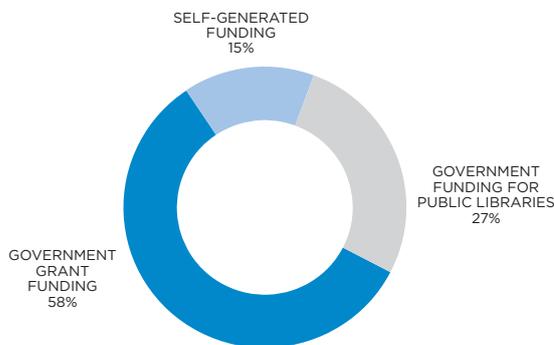
	2016 \$ millions	2017 \$ millions	2018 \$ millions
Total Revenue	96	100	105
Total Expenses	93	90	91

\$ millions



The Library has a number of sources of revenue which are categorised into government grant funding and self-generated. Approximately 15% of revenue is self-generated by the Library.

Sources of revenue	2018 \$'000	%
Self-generated funding	15,366	15%
Government funding for public libraries	28,847	27%
Government grant funding	60,356	58%
<b>Total income</b>	<b>104,569</b>	<b>100%</b>



Government grants comprise grants and subsidies paid by the Library to public libraries throughout NSW, recurrent, capital, employment related and other grants to operate the Library. Over the past three years the Library received the following government grants.

### GOVERNMENT GRANTS

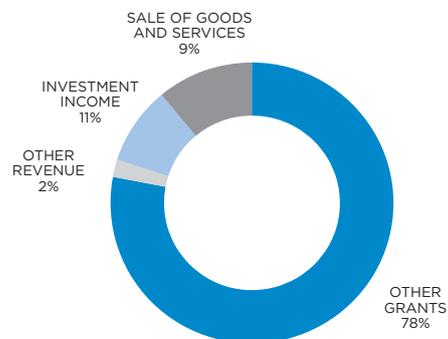
Government Grant Funding	Actual 2016 \$'000	Actual 2017 \$'000	Actual 2018 \$'000
Recurrent funding	38,924	42,238	41,613
Public libraries grants and subsidies funding	27,732	28,322	28,847
Capital funding	18,677	17,457	16,566
Employment grants (Crown)	2,589	1,254	2,177
<b>Total Government Grant Funding</b>	<b>87,922</b>	<b>89,271</b>	<b>89,203</b>

### SELF-GENERATED REVENUE

Self-generated revenue includes donations, corporate sponsorships, bequests, sales of goods and services and investment income. Self-generated revenue by category over the past three years follows.

Self-Generated Revenue	Actual 2016 \$'000	Actual 2017 \$'000	Actual 2018 \$'000
Sale of goods & services	1,584	1,962	1,446
Investment income	897	2,039	1,749
Other grants	4,104	6,073	11,918
Other revenue	1,894	459	253
<b>Total Self-Generated Revenue</b>	<b>8,479</b>	<b>10,533</b>	<b>15,366</b>

Self-Generated Revenue	Actual 2018 \$'000	%
Sale of goods and services	1,446	9.41%
Investment income	1,749	11.38%
Other grants	11,918	77.56%
Other revenue	253	1.65%
<b>Total Self-Generated Revenue</b>	<b>15,366</b>	<b>100%</b>



## EXPENSES

Total expenses increased by \$0.9 million in 2017-18 as a result of adjustments to provision of employee entitlements and increased payments of grants and subsidies.

Expenses	Actual 2016 \$'000	Actual 2017 \$'000	Actual 2018 \$'000
Personnel service expense	31,626	28,471	30,265
Other expenses	19,929	18,673	18,278
Depreciation expense	13,307	14,859	13,956
Grants & subsidies	27,821	28,400	28,847
<b>Total expenses</b>	<b>92,683</b>	<b>90,403</b>	<b>91,346</b>

## INVESTMENT PERFORMANCE

The Library's investments are managed by the NSW Treasury Corporation (T-Corp) in accordance with NSW Treasury requirements under the *Public Authorities (Financial Arrangements) Act 1987*.

The products utilised by the Library are the Hour Glass Medium Term Growth Facility and the TCorp Tailored Deposit Short Term Facility.

As at 30 June 2018 the value of financial assets within TCorp Tailored Deposit Short Term Facility was \$4 million (2017: nil) and T-Corp's Hour Glass Medium Term Growth Facility was \$24.083 million (2017: \$28.237 million). The Library achieved an investment return of 5.07% on its investments.

Returns achieved over the past three years are shown in the following table.

Facility	2015-16 %	2016-17 %	2017-18 %
T-Corp - Medium Term Growth Facility	2.2%	5.9%	5.1%
T-Corp Short-Term Cash Investments	n/a	n/a	n/a

The Library invested \$4 million in the TCorp Tailored Deposit Short Term on the 30 June 2018 so no returns were made in the year.

## PAYMENT OF ACCOUNTS

The Library's accounts payable performance in 2017-18 is shown below.

### ACCOUNTS PAID ON TIME WITHIN EACH QUARTER

Quarter	Actual number %	Target number %	Total paid \$'000	Total paid on time \$'000
September 2017	91%	100%	15,611	14,175
December 2017	100%	100%	19,076	18,994
March 2018	100%	100%	28,474	28,390
June 2018	86%	100%	19,573	16,736

### ACCOUNTS PAYABLE PERFORMANCE AGED ANALYSIS AT END OF EACH QUARTER

Quarter	Current up to 30 days \$'000	30 days overdue \$'000	60 days overdue \$'000	More than 60 days overdue \$'000
September 2017	678	205	-3	9
December 2017	325	147	6	2
March 2018	698	141	3	-8
June 2018	4,349	808	117	111

## **CONSULTANTS**

The Library engaged 15 consultancies costing a total of \$772,119 during the reporting period. Three of these consultancies were valued at greater than \$50,000.

Hassell Limited was engaged to provide architectural advice and designs for both the Mitchell Galleries Project and Mitchell Compliance Project. Total cost was \$276,348.

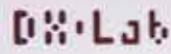
Opscentres was engaged to perform strategic advice on the Library's IT security system. Total cost was \$189,453.

Arup was engaged to provide a range of services to the Library including fire engineering advice, fire engineered reports, hydrant and fire sprinkler system designs, vertical transportation advice and designs. Total cost was \$99,231.

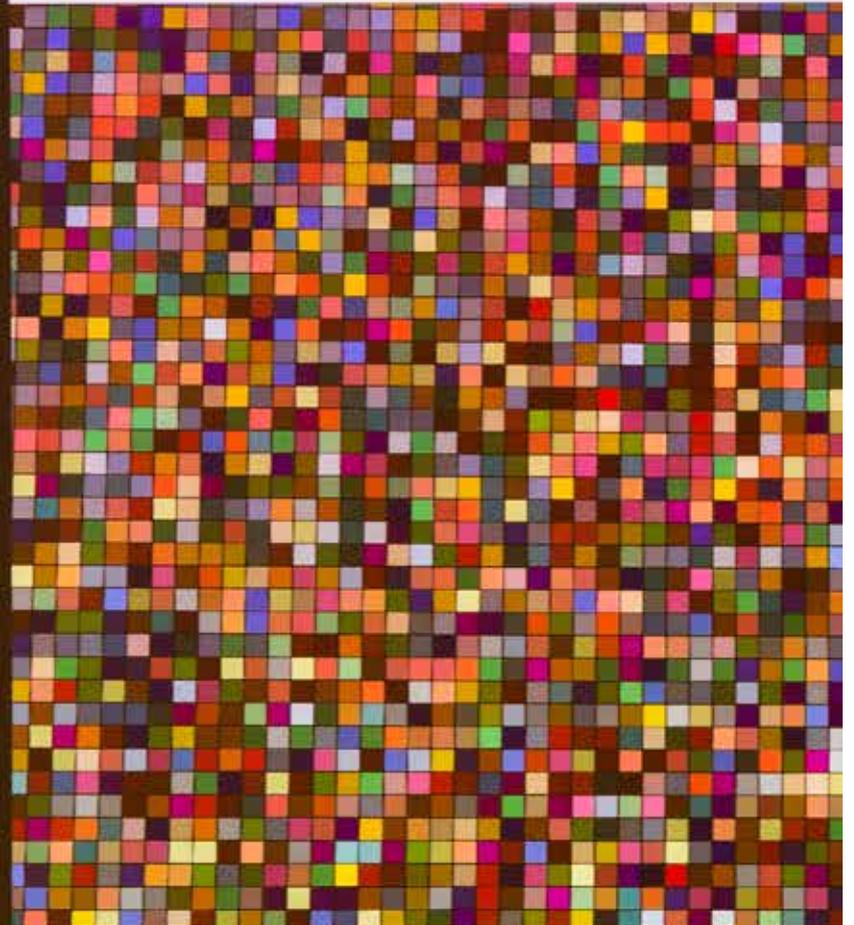
Other consultancies included: finance and accounting (one engagement costing \$7485); engineering (one engagement costing \$14,327); information technology (five engagements costing \$112,769); legal (one engagement costing \$5354); management services (one engagement costing \$7425); organisational review (two engagements costing \$23,999); research (one engagement costing \$35,728).



Launch of the *Painting by Numbers* book, exhibition and website



Painting by Numbers  
The works of Ferdinand Bauez



# FINANCIAL REPORT 2017-18



## INDEPENDENT AUDITOR'S REPORT

### Library Council of New South Wales

To Members of the New South Wales Parliament

### Opinion

I have audited the accompanying financial statements of the Library Council of New South Wales (the Library), which comprise the Statement of comprehensive income for the year ended 30 June 2018, the Statement of financial position as at 30 June 2018, the Statement of changes in equity and the Statement of cash flows for the year then ended, notes comprising a Summary of significant accounting policies and other explanatory information and the Responsible Persons' Declaration of the Library and the consolidated entity. The consolidated entity comprises the Library and the entities it controlled at the year's end or from time to time during the financial year.

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Library and the consolidated entity as at 30 June 2018, and of their financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2015
- have been prepared in accordance with Division 60 of the *Australian Charities and Not-for-Profits Commission Act 2012* and Division 60 of the Australian Charities and Not-for-profits Commission Regulation 2013.

My opinion should be read in conjunction with the rest of this report.

### Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of my report.

I am independent of the Library and the consolidated entity in accordance with the requirements of the:

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants' (APES 110).

I have fulfilled my other ethical responsibilities in accordance with APES 110.

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies
- precluding the Auditor-General from providing non-audit services.

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

## Other Information

Other information comprises the information included in the annual report of the Library and the consolidated entity for the year ended 30 June 2018, other than the financial statements and my Independent Auditor's Report thereon. The Library Council is responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the Statement by the Library Council in accordance with section 41C of the PF&A Act.

My opinion on the financial statements does not cover the other information. Accordingly, I do not express any form of assurance conclusion on the other information.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude there is a material misstatement of the other information, I must report that fact.

I have nothing to report in this regard.

## The Library Council's Responsibilities for the Financial Statements

The Library Council is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the PF&A Act, *the Australian Charities and Not-for-Profits Commission Act 2012*, and for such internal control as the Library Council determines is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Library Council is responsible for assessing the ability of the Library and the consolidated entity to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting except where operations will be dissolved by an Act of Parliament or otherwise cease.

## Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: [www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). The description forms part of my auditor's report.

My opinion does *not* provide assurance:

- that the Library or the consolidated entity carried out their activities effectively, efficiently and economically
- about the assumptions used in formulating the budget figures disclosed in the financial statements
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.



Margaret Crawford  
Auditor-General of NSW

25 September 2018  
SYDNEY

## LIBRARY COUNCIL OF NEW SOUTH WALES

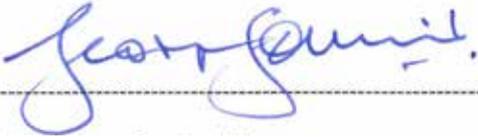
### STATEMENT IN ACCORDANCE WITH SECTION 41C(1B) OF THE PUBLIC FINANCE AND AUDIT ACT 1983

Pursuant to Section 41C(1B) of the *Public Finance and Audit Act 1983*, and in accordance with a resolution of the members of the Library Council of New South Wales, on recommendation of the Audit and Risk Committee, we declare on behalf of the Library Council of New South Wales that, in our opinion:

The accompanying financial statements have been prepared in accordance with:

- i. applicable Australian Accounting Standards (including Australian Accounting Interpretations) and other mandatory professional reporting requirements
  - ii. the requirements of the *Public Finance and Audit Act 1983* and Regulation 2015
  - iii. Treasurer's Directions issued by the Treasurer under section 9(2)(n) of the Act
- 
- a) The accompanying financial statements exhibit a true and fair view of the financial position as at 30 June 2018 and the financial performance of the Library Council for the year then ended.
  - b) There are no circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.
  - c) There are reasonable grounds to believe that the Library Council of New South Wales is able to pay all of its debts as and when they become due and payable.

This declaration is made in accordance with the resolution of the Library Council and signed on behalf of the Council by:



**Hon. George Souris AM**  
**President**  
**Library Council of New South Wales**



**Gal McGrath**  
**Member**  
**Library Council of New South Wales**

SYDNEY, 24 September 2018

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

### STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2018

	Notes	Consolidated		Actual 2017 \$'000	Parent Entity	
		Actual 2018 \$'000	Budget 2018 \$'000		Actual 2018 \$'000	Actual 2017 \$'000
<b>Expenses excluding losses</b>						
Personnel services	2(a)	-	-	-	<b>29,675</b>	27,895
Employee related expenses	2(b)	<b>30,265</b>	<b>32,337</b>	28,471	-	-
Other operating expenses	2(c)	<b>18,278</b>	<b>17,146</b>	18,673	<b>18,182</b>	18,594
Depreciation	2(d)	<b>13,956</b>	<b>16,445</b>	14,859	<b>13,956</b>	14,859
Grants and subsidies	2(e)	<b>28,847</b>	<b>28,803</b>	28,400	<b>28,847</b>	28,400
<b>Total expenses excluding losses</b>		<b>91,346</b>	<b>94,731</b>	90,403	<b>90,660</b>	89,748
<b>Revenue</b>						
Sale of goods and services	3(a)	<b>1,446</b>	<b>1,987</b>	1,962	<b>1,446</b>	1,962
Investment revenue	3(b)	<b>1,749</b>	<b>1,299</b>	2,039	<b>848</b>	1,083
Grants and contributions	3(c)	<b>101,121</b>	<b>95,632</b>	95,344	<b>99,042</b>	93,742
Other revenue	3(d)	<b>253</b>	<b>10</b>	459	<b>104</b>	317
<b>Total revenue</b>		<b>104,569</b>	<b>98,928</b>	99,804	<b>101,440</b>	97,104
<b>Loss/(Gain) on Disposal</b>	4	<b>14</b>	-	-	<b>14</b>	-
<b>Net result</b>		<b>13,209</b>	<b>4,197</b>	9,401	<b>10,766</b>	7,356
<b>Other comprehensive income</b>						
<b>Items that will not be reclassified to net result</b>						
Changes in revaluation surplus of property, plant and equipment	12	<b>22,550</b>	-	16,223	<b>22,550</b>	16,223
<b>Total other comprehensive income</b>		<b>22,550</b>	-	16,223	<b>22,550</b>	16,223
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>35,759</b>	<b>4,197</b>	25,624	<b>33,316</b>	23,579

The accompanying notes form part of these financial statements

# STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2018

	Notes	Consolidated				Parent Entity		
		Actual 2018 \$'000	Budget 2018 \$'000	Restated 2017 \$'000	Restated 2016 \$'000	Actual 2018 \$'000	Restated 2017 \$'000	Restated 2016 \$'000
<b>Assets</b>								
<b>Current assets</b>								
Cash and cash equivalents	8	3,276	1,705	3,652	2,693	2,169	1,974	1,867
Receivables	9	2,084	1,749	1,960	1,356	2,814	2,315	1,401
Inventories	10	269	262	248	226	269	248	226
Financial assets at fair value through profit or loss	11(a)	6,855	4,699	11,832	3,845	40	5,057	32
<b>Total current assets</b>		<b>12,484</b>	<b>8,415</b>	<b>17,692</b>	<b>8,120</b>	<b>5,292</b>	<b>9,594</b>	<b>3,526</b>
<b>Non-current assets</b>								
Financial assets at fair value through profit or loss	11(b)	21,228	22,811	16,405	22,261	7,723	6,249	10,648
Property, plant and equipment	12	2,337,450	3,432,854	2,303,246	2,287,953	2,337,450	2,303,246	2,287,953
Intangible assets	13	56,428	50,346	52,371	46,276	56,428	52,371	46,276
<b>Total non-current assets</b>		<b>2,415,106</b>	<b>3,506,011</b>	<b>2,372,022</b>	<b>2,356,490</b>	<b>2,401,601</b>	<b>2,361,866</b>	<b>2,344,877</b>
<b>Total assets</b>		<b>2,427,590</b>	<b>3,514,426</b>	<b>2,389,714</b>	<b>2,364,610</b>	<b>2,406,893</b>	<b>2,371,460</b>	<b>2,348,403</b>
<b>Liabilities</b>								
<b>Current liabilities</b>								
Payables	16	10,734	6,684	8,752	9,336	14,774	12,669	13,185
Provisions	17	4,060	3,964	3,937	3,867	-	-	-
<b>Total current liabilities</b>		<b>14,794</b>	<b>10,648</b>	<b>12,689</b>	<b>13,203</b>	<b>14,774</b>	<b>12,669</b>	<b>13,185</b>
<b>Non-current liabilities</b>								
Payables	16	-	-	-	-	107	95	101
Provisions	17	107	101	95	101	-	-	-
<b>Total non-current liabilities</b>		<b>107</b>	<b>101</b>	<b>95</b>	<b>101</b>	<b>107</b>	<b>95</b>	<b>101</b>
<b>Total liabilities</b>		<b>14,901</b>	<b>10,749</b>	<b>12,784</b>	<b>13,304</b>	<b>14,881</b>	<b>12,764</b>	<b>13,286</b>
<b>Net assets</b>		<b>2,412,689</b>	<b>3,503,677</b>	<b>2,376,930</b>	<b>2,351,306</b>	<b>2,392,012</b>	<b>2,358,696</b>	<b>2,335,117</b>
<b>Equity</b>								
Reserves		747,998	1,849,418	725,448	709,225	747,998	725,448	709,225
Accumulated funds		1,664,691	1,654,259	1,651,482	1,642,081	1,644,014	1,633,248	1,625,892
<b>Total equity</b>		<b>2,412,689</b>	<b>3,503,677</b>	<b>2,376,930</b>	<b>2,351,306</b>	<b>2,392,012</b>	<b>2,358,696</b>	<b>2,335,117</b>

See Note 25 for details of the adjustments made due to a prior period error relating to the Collection Valuation.  
The accompanying notes form part of these financial statements

STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2018

2018	Notes	Consolidated			Parent		
		Accumulated Funds	Asset Revaluation Surplus	Total	Accumulated Funds	Asset Revaluation Surplus	Total
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Balance at 1/7/2017</b>		<b>1,651,482</b>	<b>1,847,880</b>	<b>3,499,362</b>	<b>1,633,248</b>	<b>1,847,880</b>	<b>3,481,128</b>
<b>Correction of errors</b>	25	-	(1,122,432)	(1,122,432)	-	(1,122,432)	(1,122,432)
<b>Restated balance as at 1/7/2017</b>		<b>1,651,482</b>	<b>725,448</b>	<b>2,376,930</b>	<b>1,633,248</b>	<b>725,448</b>	<b>2,358,696</b>
<b>Net result for the year</b>		<b>13,209</b>	<b>-</b>	<b>13,209</b>	<b>10,766</b>	<b>-</b>	<b>10,766</b>
Other comprehensive income							
Net change in revaluation surplus of property, plant & equipment	14	-	22,550	22,550	-	22,550	22,550
<b>Total other comprehensive income</b>		<b>-</b>	<b>22,550</b>	<b>22,550</b>	<b>-</b>	<b>22,550</b>	<b>22,550</b>
<b>Total comprehensive income for the year</b>		<b>13,209</b>	<b>22,550</b>	<b>35,759</b>	<b>10,766</b>	<b>22,550</b>	<b>33,316</b>
<b>Balance at 30/6/2018</b>		<b>1,664,691</b>	<b>747,998</b>	<b>2,412,689</b>	<b>1,644,014</b>	<b>747,998</b>	<b>2,392,012</b>

The accompanying notes form part of these financial statements

STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2018 (CONTINUED)

2017	Notes	Consolidated			Parent		
		Accumulated Funds	Asset Revaluation Surplus	Total	Accumulated Funds	Asset Revaluation Surplus	Total
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Balance at 1/7/2016</b>		<b>1,642,081</b>	<b>1,831,657</b>	<b>3,473,738</b>	<b>1,625,892</b>	<b>1,831,657</b>	<b>3,457,549</b>
Correction of errors	25	-	(1,122,432)	(1,122,432)	-	(1,122,432)	(1,122,432)
<b>Restated balance as at 1/7/2016</b>		<b>1,642,081</b>	<b>709,225</b>	<b>2,351,306</b>	<b>1,625,892</b>	<b>709,225</b>	<b>2,335,117</b>
<b>Net result for the year</b>		<b>9,401</b>	<b>-</b>	<b>9,401</b>	<b>7,356</b>	<b>-</b>	<b>7,356</b>
Other comprehensive income							
Net change in revaluation surplus of property, plant & equipment	14	-	16,223	16,223	-	16,223	16,223
<b>Total other comprehensive income</b>		<b>-</b>	<b>16,223</b>	<b>16,223</b>	<b>-</b>	<b>16,223</b>	<b>16,223</b>
<b>Total comprehensive income for the year</b>		<b>9,401</b>	<b>16,223</b>	<b>25,624</b>	<b>7,356</b>	<b>16,223</b>	<b>23,579</b>
<b>Balance at 30/6/2017</b>		<b>1,651,482</b>	<b>725,448</b>	<b>2,376,930</b>	<b>1,633,248</b>	<b>725,448</b>	<b>2,358,696</b>

The accompanying notes form part of these financial statements

# STATEMENT OF CASH FLOWS

## FOR THE YEAR ENDED 30 JUNE 2018

	Notes	Consolidated			Parent Entity	
		Actual	Budget	Actual	Actual	Actual
		2018 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
<b>Cash flows from operating activities</b>						
<b>Payments</b>						
Personnel services		-	-	-	27,535	26,394
Employee related expenses		28,125	29,968	26,970	-	-
Grants and subsidies		28,847	28,803	28,400	28,847	28,400
Other		22,503	22,524	23,158	22,407	23,084
<b>Total payments</b>		<b>79,475</b>	<b>81,295</b>	<b>78,528</b>	<b>78,789</b>	<b>77,878</b>
<b>Receipts</b>						
Sale of goods and services		1,590	1,986	2,159	1,590	2,159
Cash flows from government		87,661	89,426	88,607	87,661	88,607
Other grants and contributions		10,156	3,837	3,800	7,704	1,891
Interest received		407	999	463	391	457
Other		3,784	5,444	2,628	3,632	2,486
<b>Total receipts</b>		<b>103,598</b>	<b>101,692</b>	<b>97,657</b>	<b>100,978</b>	<b>95,600</b>
<b>Net cash flows from operating activities</b>	22	<b>24,123</b>	<b>20,397</b>	<b>19,129</b>	<b>22,189</b>	<b>17,722</b>
<b>Cash flows from investing activities</b>						
Proceeds from sale of financial assets at fair value through profit or loss	11(c)	11,590	760	1,767	4,000	-
Purchases of property, plant and equipment, collection assets and intangibles		(25,994)	(20,366)	(17,615)	(25,994)	(17,615)
Purchases of financial assets at fair value through profit or loss	11(c)	(10,095)	(700)	(2,322)	-	-
<b>Net cash flows from investing activities</b>		<b>(24,499)</b>	<b>(20,306)</b>	<b>(18,170)</b>	<b>(21,994)</b>	<b>(17,615)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(376)</b>	<b>91</b>	<b>959</b>	<b>195</b>	<b>107</b>
Cash and cash equivalents at beginning of financial year		3,652	1,614	2,693	1,974	1,867
<b>Cash and cash equivalents at end of financial year</b>	8	<b>3,276</b>	<b>1,705</b>	<b>3,652</b>	<b>2,169</b>	<b>1,974</b>

The accompanying notes form part of these financial statements

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2018

### 1. Summary of significant accounting policies

#### (a) Reporting entity

The Library Council of New South Wales (the Library) is a NSW government entity. The Library is not-for-profit entity (as profit is not its principal objective) and it has no cash generating units. The reporting entity is consolidated as part of the NSW Total State Sector Accounts.

The consolidated Library Council of New South Wales as a reporting entity, comprises all the entities under its control, namely: the Library Council of New South Wales (the parent entity), the State Library of New South Wales Foundation (the Foundation) and the Library Council of New South Wales Staff Agency (Staff Agency).

The Foundation's Trust Deed provides for monetary support for the development of the Australian cultural heritage collections of the Library. To benefit the Library, the Foundation also attracts and encourages donations, gifts, bequests, endowments, raises finance for the acquisition and preservation of objects of historic, educational and/or social interest, collections and artefacts. The Foundation manages volunteers as well as maintains and supports the work of the Friends of the Library who are a vital part of the Library's operational and fundraising efforts.

The Library Council of New South Wales Staff Agency was created under the *Government Sector Employment Act 2013* to exercise employer functions of Government in relation to the State Library commencing 24 February 2014.

In the process of preparing the consolidated financial statements for the economic entity, consisting of the controlling and controlled entities, all inter-entity transactions and balances have been eliminated, and like transactions and other events are accounted for using uniform accounting policies.

These financial statements for the year ended 30 June 2018 have been authorised for issue by the Library Council on 24th September 2018.

#### (b) Basis of preparation

The entity's financial statements are general purpose financial statements which have been prepared in accordance with:

- applicable Australian Accounting Standards including Australian Accounting Interpretations
- the requirements of the *Public Finance and Audit Act, 1983* and *Public Finance and Audit Regulation 2015*
- the Financial Reporting Directions mandated
- the requirements of the *Australian Charities and Not-for-Profits Commission Act 2012 and Regulation 2013*

Property, plant and equipment and collection assets and financial assets 'at fair value through profit or loss' are measured at fair value. Other financial statement items are prepared on an accrual basis and prepared in accordance with the historical cost convention.

Judgements, key assumptions and estimations management has made are disclosed in the relevant notes to the financial statements. All amounts are rounded to the nearest one thousand dollars and are expressed in Australian currency.

##### i. Going concern assumption

The financial statements have been prepared on a going concern basis which assumes that repayment of debts will be met as and when they fall due, without any intention or necessity to liquidate non-financial assets. Whilst the Library Council consolidated entity's current liabilities exceed current assets by \$2.3 million at 30 June 2018, the Library Council members have determined the going concern assertion is valid for the 30 June 2018 financial statements on the basis of agreed contributions from its controlled entity (the State Library of NSW Foundation) and Government grants.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2018

### 1. Summary of significant accounting policies (continued)

#### (c) Statement of compliance

The financial statements and notes comply with Australian Accounting Standards, which include Australian Accounting Interpretations.

#### (d) Accounting for the Goods and Services Tax (GST)

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

- i. the amount of GST incurred by the Library as a purchaser that is not recoverable from the Australian Taxation Office is recognised as part of the cost of acquisition of an asset or as part of an item of expense; and
- ii. receivables and payables are stated with the amount of GST included;

Cash flows are included in the cash flow statement on a gross basis. However, the GST components of cash flows arising from investing and financing activities which is recoverable from, or payable to, the Australian Taxation Office are classified as operating cash flows.

#### (e) Comparative information

Except when an AAS permits or requires otherwise, comparative information is presented in respect of the previous period for all amounts reported in the financial statements.

A prior period error has been identified from the 2015 Collection Valuation which has been disclosed in detail in Note 25.

#### (f) Changes in accounting policy, including new or revised Australian Accounting Standards

##### i. Effective for the first time in 2017–18

The accounting policies applied in 2017–18 are consistent with those of the previous financial year except as a result of the new Australian Accounting Standard detailed below. The impact of these standards in the period of initial application is not material.

- AASB 2016-4 Amendments to Australian Accounting Standards – Recoverable Amount of Non-Cash-Generating Specialised Assets of Not-for-Profit Entities
- AASB 2016-7 Amendments to Australian Accounting Standards – Deferral of AASB 15 for Not-for-Profit Entities

##### ii. Issued but not yet effective

NSW public sector entities are not permitted to early adopt new Australian Accounting Standards, unless Treasury determines otherwise. Certain new accounting standards and interpretations have been published that are not yet effective for 30 June 2018 reporting period. The following new Accounting Standards and Interpretations have not yet been adopted and are not yet effective:

- AASB 9 Financial Instruments
- AASB 15 Revenue from Contracts with Customers
- AASB 16 Leases

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2018

### 1. Summary of significant accounting policies (continued)

#### (f) Changes in accounting policy, including new or revised Australian Accounting Standards (continued)

##### ii. Issued but not yet effective (continued)

- AASB 1058 Income of Not-for-Profit Entities
- AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15
- AASB 2015-8 Amendments to Australian Accounting Standards – Effective Date of AASB 15
- AASB 2016-3 Amendments to Australian Accounting Standards – Clarifications to AASB 15
- AASB 2016-8 Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities

The Library has assessed the impact of those new standards and interpretations and considers the impact to be immaterial.

- AASB 15 Revenue from Contracts with Customers

The impact of this standard relates to the timing of the recognition of revenue on grants received by the Library resulting from an agreement with a third party that creates enforceable rights and obligation and includes sufficiently specific performance obligation.

- AASB 1058 Income of Not-for-Profit Entities

The potential impact of this standard relates to the recognition of volunteer services if the Library elects to recognise the services and the fair value of the services can be measured reliably.

- AASB 9 Financial Instruments

The potential impact of this standard relates to the ability to classify investment fair value movements at fair value through the profit and loss or at fair value through other comprehensive income. The classification of financial instruments will also decrease from five options to three options.

- AASB 16 Leases

This standard introduces a single lease accounting model where all leases will be accounted for in a similar manner to the current treatment of finance leases.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2018

### 2. Expenses

	Consolidated		Parent Entity	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
<b>(a) Personnel services</b>				
Salaries and wages (including recreation leave)	-	-	23,229	22,274
Superannuation – defined benefit plans	-	-	836	862
Superannuation – defined contribution plans	-	-	2,230	2,021
Long service leave	-	-	1,297	347
Workers' compensation insurance	-	-	297	317
Payroll tax on superannuation	-	-	159	145
Other personnel services related expense	-	-	1,627	1,929
<b>Total personnel services expense</b>	<b>-</b>	<b>-</b>	<b>29,675</b>	<b>27,895</b>
<b>(b) Employee related services</b>				
Salaries and wages (including recreation leave)	23,819	22,850	-	-
Superannuation – defined benefit plans	836	862	-	-
Superannuation – defined contribution plans	2,230	2,021	-	-
Long service leave	1,297	347	-	-
Workers' compensation insurance	297	317	-	-
Payroll tax on superannuation	159	145	-	-
Other personnel services related expense	1,627	1,929	-	-
<b>Total personnel services expense</b>	<b>30,265</b>	<b>28,471</b>	<b>-</b>	<b>-</b>

Personnel services expenses of \$3.7 million have been capitalised as part of Collection Assets, Building Projects and the Digital Excellence Program during the year (2017: \$3.9 million). Personnel services/employee related expenses of \$1.1 million have been reclassified to Grants and Subsidies (2017: \$1.1 million).

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2018

### 2. Expenses (continued)

	Consolidated		Parent Entity	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
<b>(c) Other operating expenses</b>				
Advertising and promotions	404	485	394	481
Auditor's remuneration – audit of financial reports	139	132	119	113
Cleaning	638	693	638	693
Computer software and licenses	157	48	157	48
Cost of sales	247	353	247	353
Courier, freight and postage	350	205	350	205
Electricity	672	594	672	594
Exhibitions	244	734	244	733
Fees – contractors/projects	1,037	1,420	1,037	1,420
Fees – contractors/temps	1,232	1,009	1,229	1,009
Fees – general	1,295	1,693	1,295	1,690
Fellowship	150	131	150	131
Insurance	732	888	732	888
Internet and data	681	602	681	602
Maintenance and repairs	3,497	1,988	3,497	1,988
Offsite storage costs	2,216	2,216	2,216	2,216
Operating lease and rental expenses	109	108	109	108
Purchases – multicultural co-operative	227	314	227	313
Staff development	131	191	131	190
Stationery and consumables	616	627	588	611
Subscriptions	924	1,657	924	1,657
Telephone and other telecommunication costs	84	57	84	57
Travel and accommodation	192	182	192	180
Security	1,437	1,384	1,437	1,384
Sundry expenses	867	962	832	930
<b>Total other operating expenses</b>	<b>18,278</b>	<b>18,673</b>	<b>18,182</b>	<b>18,594</b>

#### Maintenance

Day-to-day servicing costs or maintenance are charged as expenses as incurred, except where they relate to the replacement or an enhancement of a part or component of an asset, in which case the costs are capitalised and depreciated.

#### Insurance

The entity's insurance activities are conducted through the NSW Treasury Managed Fund Scheme of self-insurance for Government entities. The expense (premium) is determined by the Fund Manager based on past claims experience.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2018

### 2. Expenses (continued)

	Consolidated		Parent Entity	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
<b>(d) Depreciation</b>				
Computer equipment	460	1,502	460	1,502
Plant and equipment	1,974	2,110	1,974	2,110
Published collections	7,100	6,995	7,100	6,995
Buildings	3,121	2,892	3,121	2,892
Intangible assets	1,301	1,360	1,301	1,360
<b>Total depreciation</b>	<b>13,956</b>	<b>14,859</b>	<b>13,956</b>	<b>14,859</b>
<b>(e) Grants and subsidies</b>				
Public Library subsidies including adjustments	21,650	21,224	21,650	21,224
Public Library Infrastructure Grants	4,000	4,000	4,000	4,000
NSW.net service	2,034	1,897	2,034	1,897
Co-operative and state wide projects	395	531	395	531
Services to public libraries	768	748	768	748
<b>Total grants and subsidies</b>	<b>28,847</b>	<b>28,400</b>	<b>28,847</b>	<b>28,400</b>

The grants and subsidies paid provide benefits to public libraries throughout NSW and include the NSW.net service enabling internet connections and access to online databases.

### 3. Revenue

Revenue is measured at the fair value of the consideration or contribution received or receivable. Comments regarding the accounting policies for revenue recognition are discussed below.

	Consolidated		Parent Entity	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
<b>(a) Sales of goods and services</b>				
Sales of goods				
Library shop sales	566	582	566	582
Other sales	330	948	330	948
Rendering of services				
Fees	372	271	372	271
Admissions	178	161	178	161
<b>Total sale of goods and services income</b>	<b>1,446</b>	<b>1,962</b>	<b>1,446</b>	<b>1,962</b>

#### Sales of goods

Revenue from sale of goods is recognised as revenue when the entity transfers the significant risks and rewards of ownership of the assets.

#### Rendering of Services

Rendering of services is recognised when the service is provided or by reference to the stage of completion (based on labour hours incurred to date).

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2018

### 3. Revenue (continued)

	Consolidated		Parent Entity	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
<b>(b) Investment revenue</b>				
Interest received	17	6	-	-
Distribution from TCorp Hour Glass	657	632	212	253
Gains/(losses) on financial assets at fair value	684	944	245	373
Rent	345	422	345	422
Royalties	46	35	46	35
<b>Total investment revenue</b>	<b>1,749</b>	<b>2,039</b>	<b>848</b>	<b>1,083</b>

#### Interest Revenue

Interest income is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset.

#### Rental income

Rental income arising from operating leases is accounted for on a straight-line basis over the lease terms.

#### Royalties

Royalties are recognised on an accrual basis in accordance with the substance of the relevant agreement.

### (c) Grants and contributions

Government contributions				
Grants for operating activities	70,460	70,560	70,460	70,560
Grants for capital activities	16,566	17,457	16,566	17,457
	<b>87,026</b>	<b>88,017</b>	<b>87,026</b>	<b>88,017</b>
<b>Total grants from NSW Treasury/DPE</b>	<b>87,026</b>	<b>88,017</b>	<b>87,026</b>	<b>88,017</b>

#### Grants and Contributions

Grants and contributions, including donations, donated collection materials, government grants and services provided free of charge are generally recognised as income when the Library obtains control over the assets comprising the grants and contributions. Control over grants and contributions is normally obtained upon the receipt of cash.

Personnel services benefits and liabilities provided free of charge by Library Council of New South Wales Staff Agency

Superannuation – defined benefit	-	-	836	862
Long service leave	-	-	1,297	347
Payroll tax	-	-	44	45
	-	-	<b>2,177</b>	<b>1,254</b>

Acceptance by the Crown Entity of employee benefits and other liabilities

Superannuation – defined benefit	836	862	-	-
Long service leave	1,297	347	-	-
Payroll tax	44	45	-	-
	<b>2,177</b>	<b>1,254</b>	-	-

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2018

### 3. Revenue (continued)

	Consolidated		Parent Entity	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
<b>(c) Grants and contributions (continued)</b>				
Other grants and contributions				
Amaze Gallery Project	-	350	-	-
Mitchell Galleries Project	2,719	1,935	-	-
New Gallery Picture Hang	332	-	-	-
NSW Ministry of Health	195	194	195	194
Services received free of charge	264	1,179	264	1,179
Bequests	3,737	-	-	-
Premier's Award Funding	365	270	365	270
Donations of Original Material at Fair Value	1,122	778	1,122	778
Custodians Contributions	188	208	-	-
Contribution from State Library of NSW Foundation	-	-	7,545	1,657
Collection Care Lab	2,000	-	-	-
Other donations and grants	996	1,159	348	393
Total other grants and contributions	11,918	6,073	9,839	4,471
Total grants and contributions	101,121	95,344	99,042	93,742

#### (d) Other revenue

Franking credit refund	12	29	5	10
Member subscriptions	143	123	-	-
Other	98	307	99	307
Total other revenue	253	459	104	317

### 4. Gain/(loss) on disposal

	Consolidated		Parent Entity	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Property, plant and equipment	14	-	14	-
Total loss/(gain) on disposal	14	-	14	-

### 5. The State Library of New South Wales Foundation

At 30 June 2018, the Foundation had \$20.7 million in net assets (2017: \$18.2 million). During the year the Foundation made a total contribution of \$7.5 million to the State Library (2017: \$1.7 million).

### 6. Conditional or restricted contributions

The balance of conditional or restricted contributions received that were not spent at the end of year amounted to \$4.9 million (2017: \$1.5 million).

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2018

### 7. Restricted assets

The Library has assets valued in the consolidation at \$19.7 million as at 30 June 2018 (2017: \$15.7 million) which were originally received as bequests and other contributions. They are under various levels of restriction according to the conditions stipulated in the relevant documents. These assets have been invested in TCorp Hour-Glass investment facilities, TCorp tailored term deposits.

### 8. Cash and cash equivalents

	Consolidated		Parent Entity	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Cash at bank and on hand	3,276	3,652	2,169	1,974
Total cash and cash equivalents	3,276	3,652	2,169	1,974

For the purpose of the statement of cash flows, cash and cash equivalents include cash at bank, cash on hand, short-term deposits and bank overdraft.

### 9. Trade and other receivables

	Consolidated		Parent Entity	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Sale of goods and services	148	107	148	107
Less: Allowance for impairment	(32)	(33)	(32)	(33)
Other debtors	23	191	10	173
Crown Entity – long service leave	9	(2)	-	-
State Library of New South Wales Foundation	-	-	746	373
State Library of New South Wales Staff Agency	-	-	9	(2)
Prepayments	872	780	872	780
Australian Taxation Office – GST recoverable	1,064	917	1,061	917
Total trade and other receivables	2,084	1,960	2,814	2,315
Movement in the allowance for impairment				
Balance at 1 July	33	29	33	29
Amounts written off during the year	-	-	-	-
Amounts recovered during the year	-	-	-	-
Increase/(decrease) in allowance recognised in profit or loss	(1)	4	(1)	4
Balance at 30 June	32	33	32	33

### Recognition and Measurement

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Changes are recognised in the net result for the year when impaired, derecognised or through the amortisation process. Short-term receivables with no stated interest rate are measured at the original invoice amount unless the effect of discounting is material.

Details regarding credit risk, liquidity risk and market risk, including financial assets that are either past due or impaired, are disclosed at Note 24.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2018

### 9. Trade and other receivables (continued)

#### Impairment

Receivables are subject to an annual review for impairment. These are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected.

The entity first assesses whether impairment exists individually for receivables that are individually significant, or collectively for those that are not individually significant. Further, receivables are assessed for impairment on a collective basis if they were assessed not to be impaired individually.

The amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The amount of the impairment loss is recognised in the net result for the year.

Any reversals of impairment losses are reversed through the net result for the year, if objectively related to an event occurring after the impairment was recognised.

Reversals of impairment losses cannot result in a carrying amount that exceeds what the carrying amount would have been had there not been an impairment loss.

### 10. Inventories

	Consolidated		Parent Entity	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Held for resale finished goods (Library Shop) – at cost	<b>269</b>	248	<b>269</b>	248
	<b>269</b>	248	<b>269</b>	248

Inventories (other than those held for distribution) are stated at the lower of cost and net realisable value. Inventories held for distribution are measured at cost, adjusted when applicable for any loss of service potential. For many inventories held for distribution, a loss of service potential would be identified and measured based on the existence of a current replacement cost that is lower than the carrying amount.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2018

### 11. Financial assets at fair value through profit or loss

	Consolidated		Parent Entity	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
<b>(a) Current assets</b>				
TCorp Tailored Deposit Short Term	4,000	-	-	-
TCorp-Hour Glass Medium Term Growth facilities	2,855	11,832	40	5,057
	<b>6,855</b>	<b>11,832</b>	<b>40</b>	<b>5,057</b>
<b>(b) Non-current assets</b>				
TCorp-Hour Glass Medium Term Growth facilities	21,228	16,405	7,723	6,249
	<b>21,228</b>	<b>16,405</b>	<b>7,723</b>	<b>6,249</b>
Total financial assets at fair value through profit or loss	<b>28,083</b>	<b>28,237</b>	<b>7,763</b>	<b>11,306</b>
<b>(c) Reconciliation of financial assets</b>				
Carrying amount at the start of the year	28,237	26,106	11,306	10,680
Additions	10,095	2,322	-	-
Distributions	657	632	212	253
Disposals	(11,590)	(1,767)	(4,000)	-
Revaluation gain/(loss) of financial instruments at fair value through profit or loss	684	944	245	373
Carrying amount at the end of the year	<b>28,083</b>	<b>28,237</b>	<b>7,763</b>	<b>11,306</b>

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets at fair value through profit or loss are initially and subsequently measured at fair value. Gains or losses on these assets are recognised in the net result for the year. Financial assets are classified as 'held-for-trading' if they are acquired for the purpose of selling or repurchasing in the near term.

The Hour-Glass Investment Facilities are designated at fair value through profit or loss as these financial assets are managed and their performance is evaluated on a fair value basis, in accordance with a documented risk management strategy, and information about these assets is provided internally on that basis to the entity's key management personnel.

The movement in the fair value of the Hour-Glass Investment Facilities incorporates distributions received as well as unrealised movements in fair value and is reported in line item 'Investment Revenue'.

Refer to Note 24 for further information regarding fair value measurement, credit risk, liquidity risk and market risk arising from financial instruments.

Financial assets are classified as current in the Statement of Financial Position if they are expected to be drawn on to fund Library projects in the ensuing year as budgeted.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2018

### 12. Property, plant and equipment

	Consolidated & Parent	
	2018 \$'000	2017 \$'000
<b>(a) Land and Buildings</b>		
Land		
At gross carrying amount	<b>64,050</b>	64,050
Net carrying amount at fair value	<b>64,050</b>	64,050
Buildings		
At gross carrying amount	<b>256,598</b>	254,906
Less accumulated depreciation	<b>(60,892)</b>	(57,771)
Net carrying amount at fair value	<b>195,706</b>	197,135
Total land and buildings	<b>259,756</b>	261,185
<b>(b) Plant and equipment</b>		
Computer equipment		
At gross carrying amount	<b>7,210</b>	6,653
Less accumulated depreciation	<b>(5,485)</b>	(5,612)
Net carrying amount at fair value	<b>1,725</b>	1,041
Other plant and equipment		
At gross carrying amount	<b>16,453</b>	16,751
Less accumulated depreciation	<b>(11,523)</b>	(10,096)
Net carrying amount at fair value	<b>4,930</b>	6,655
Total plant and equipment	<b>6,655</b>	7,696
<b>(c) Library Collection</b>		
Manuscripts		
At gross carrying amount	<b>381,515</b>	380,047
Net carrying amount at fair value	<b>381,515</b>	380,047
Objects, Stamps and Currency		
At gross carrying amount	<b>63,376</b>	61,376
Net carrying amount at fair value	<b>63,376</b>	61,376
Pictorial		
At gross carrying amount	<b>618,689</b>	597,651
Net carrying amount at fair value	<b>618,689</b>	597,651
Photographs		
At gross carrying amount	<b>81,726</b>	79,950
Net carrying amount at fair value	<b>81,726</b>	79,950
Published		
At gross carrying amount	<b>664,770</b>	662,195
Less accumulated depreciation	<b>(22,140)</b>	(15,040)
Net carrying amount at fair value	<b>642,630</b>	647,155
Rare Published		
At gross carrying amount	<b>264,215</b>	262,280
Net carrying amount at fair value	<b>264,215</b>	262,280
Total Library Collection	<b>2,052,151</b>	2,028,459

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2018

### 12. Property, plant and equipment (continued)

	Consolidated & Parent	
	2018 \$'000	2017 \$'000
(d) Work in progress	18,888	5,906
Total property, plant and equipment	2,337,450	2,303,246

#### Recognition and Measurement

##### i. Acquisition of assets

The cost method of accounting is used for the initial recording of all acquisitions of assets controlled by the Library and subsequently revalued at fair value less accumulated depreciation. Cost is the amount of cash or cash equivalents paid or the fair value of other consideration given to acquire the asset at the time of its acquisition or construction or, where applicable, the amount attributable to that asset when initially recognised in accordance with the specific requirements of Australia Accounting Standards.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and revenues at their fair value at the date of acquisition.

Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at measurement date.

The personnel services directly involved in the preservation and conservation of original materials, such that they become available and ready for use by the Library, are capitalised as part of collection assets and are not depreciated.

##### ii. Capitalisation thresholds

Property, plant and equipment and intangible assets costing \$5,000 and above individually, or forming part of a network or collection category costing more than \$5,000 are capitalised.

##### iii. Revaluation of property, plant and equipment

Physical non-current assets are valued in accordance with NSW Treasury's policy and guidelines paper TPP 14-1 'Valuation of Physical Non-Current Assets at Fair Value'. This policy adopts fair value in accordance with *AASB 13 Fair Value Measurement* and *AASB 116 Property, Plant and Equipment*.

Property, plant and equipment is measured at the highest and best use by market participants that is physically possible, legally permissible and financially feasible. The highest and best use must be available at a period that is not remote and take into account the characteristics of the asset being measured, including any socio-political restrictions imposed by government. In most cases, after taking into account these considerations, the highest and best use is the existing use. In limited circumstances, the highest and best use may be feasible alternative use, where there are no restrictions on use or where there is feasible higher restricted alternative use.

Fair value of property, plant and equipment is based on market participant's perspective, using valuation techniques (market approach, cost approach, income approach) that maximise relevant observable inputs and minimise unobservable inputs. Also refer Note 14 and Note 15 for further information regarding fair value.

When an item of property, plant and equipment is revalued, the entire class of property, plant and equipment to which that asset belongs shall be revalued.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2018

### 12. Property, plant and equipment (continued)

#### Recognition and Measurement (continued)

##### iii. Revaluation of property, plant and equipment (continued)

Non-specialised assets with short useful lives are measured at depreciated historical cost as an approximation of fair value. The entity has assessed that any difference between fair value and depreciated historical cost is unlikely to be material.

Land and Buildings are revalued every three years. A revaluation for Land and Buildings was conducted as at 31 January 2017 and was also based on an independent assessment. The next revaluation for Land and Buildings will occur in January 2020.

The last full revaluation of all collection asset classes was completed as at 30 April 2015 by an independent valuer. Since 2017 the Library performs a five year rolling revaluation of all the collection asset classes in compliance with *AASB116*. Collection Assets have been split into six asset classes based on nature, use and factors driving the asset. The asset classes are as follows:

- Manuscripts
- Objects, Stamps & Currency
- Pictorial
- Photographs
- Published
- Rare Published

The Rare Published Asset Class was revalued as at 30 April 2017 and the Pictorial Asset Class has been revalued as at 31 January 2018.

Collection Assets are revalued based on market observations of prices for sales of collection items that are the same as or similar to items in the Library Collection. Two techniques are used by the valuer. All assets of high value (exceeding a designated threshold) are individually valued. All other assets below the threshold are valued by stratified sampling across established collection categories that are relatively homogenous in value. (refer Note 15b for further details).

Prior period errors were identified relating to the 2015 valuation in both the Pictorial Asset Class of \$1,087.7 million and the Photographs Asset Class of \$34.8 million. These entries have been shown in (Note 25) as a prior period error along with further explanation.

Once the Pictorial Asset Class was restated without the prior year errors, an increase in the valuation of \$22.6 million has been recorded. However, acquisitions and transfers to other collection asset classes resulted in an increase of the net carrying value of only \$21.0 million. (refer Note 14).

The accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset. The net amount is then increased or decreased by the revaluation increments or decrements to restate the new fair market amount.

Land and Buildings were revalued as at 31 January 2017 using the cost approach, where the gross amount and the related accumulated depreciation were separately proportionally restated.

Fair value of Land and Buildings is determined from market-based evidence by appraisal undertaken by a professionally qualified valuer. When revaluing land and buildings with reference to current prices for assets newer than those being revalued (adjusted to reflect the present condition of assets), the gross amounts and the related accumulated depreciation amounts are separately restated.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2018

### 12. Property, plant and equipment (continued)

#### Recognition and Measurement (continued)

##### iii. Revaluation of property, plant and equipment (continued)

Revaluation increments for all property, plant and equipment are recognised in other comprehensive income and credited to the revaluation reserve in equity. However, to the extent that an increment reverses a revaluation decrement in respect of the same class of asset previously recognised as a loss in the net result, the increment is recognised immediately as a gain in the net result.

Revaluation decrements for all property, plant and equipment are recognised immediately as a loss in the net result, except to the extent that it offsets an existing revaluation reserve on the same class of assets, in which case, the decrement is debited directly to the asset revaluation reserve. When revaluing non-current assets using the cost approach, the gross amount and the related accumulated depreciation are separately restated. Where the income approach or market approach is used, accumulated depreciation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

As a not-for-profit entity, revaluation increments and decrements are offset against one another within a class of non-current assets, but not otherwise.

Where an asset that has previously been revalued is disposed of, any balance remaining in the asset revaluation reserve in respect of that asset is transferred to accumulated funds.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end.

##### iv. Impairment of assets

As a not-for-profit entity with no cash generating units, impairment under *AASB 136 Impairment of Assets* is unlikely to arise. As property, plant and equipment is carried at fair value, impairment can only arise in the rare circumstances where the costs of disposal are material.

The entity assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the entity estimates the asset's recoverable amount. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

As a not for-profit entity, an impairment loss is recognised in the net result to the extent the impairment loss exceeds the amount in the revaluation surplus for the class of asset.

After an impairment loss has been recognised, it is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in net result and is treated as a revaluation increase. However, to the extent that an impairment loss on the same class of asset was previously recognised in net result, a reversal of that impairment loss is also recognised in net result.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2018

### 12. Property, plant and equipment (continued)

#### Recognition and Measurement (continued)

#### v. Depreciation of property, plant and equipment

- i. Except for heritage assets, depreciation is provided for on a straight-line basis for all depreciable assets so as to write off the depreciable amount of each asset as it is consumed over its useful life to the Library. Useful lives, residual values and depreciation rates are reviewed on an annual basis.
- ii. All material separately identifiable component assets are depreciated over their shorter useful lives.

The following estimated useful lives are used in the calculation of depreciation:

Buildings	50 years
Plant and equipment	7 years
Computer equipment	4 years
Library IT system	4 years
Published collection assets	see below

- iii. Published collection assets are depreciated under the straight line bases according to the following major asset groupings:

Monographs, bound serials microfilm and microfiche	30 years straight line
Multicultural materials	3 years straight line
Audio visual/electronic resources	7 years straight line

- iv. The straight-line depreciation method is used for collection asset groups with much shorter service lives. Multicultural materials have continuing high levels of usage which impact service life and audio visual/electronic resources can incur technical obsolescence in addition to regular wear and tear. Monographs, bound serials microfilm and microfiche have a longer useful life as there is utility in being able to refer to an historical item for a piece of information missing from other sources, or to use a particular item as part of a longitudinal survey or contextual data.
- v. Land is not a depreciable asset. Certain heritage assets including original artworks and collections and heritage buildings may not have a limited useful life because appropriate curatorial and preservation policies are adopted. Such assets are not subject to depreciation. The decision not to recognise depreciation for these assets is reviewed annually.

The depreciation expense for Published Collection assets for the 2017–18 year was \$7.1 million and is included in the total depreciation charge of \$14.0 million shown in the Statement of Comprehensive Income.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2018

### 13. Intangible assets

	<b>Consolidated &amp; Parent</b>	
	<b>2018</b>	<b>2017</b>
	<b>\$'000</b>	<b>\$'000</b>
Electronic Records Program		
At gross carrying amount	<b>21,473</b>	21,473
Net carrying amount at fair value	<b>21,473</b>	21,473
Digitisation of Collection Project		
At gross carrying amount	<b>31,575</b>	26,218
Net carrying amount at fair value	<b>31,575</b>	26,218
Other Intangibles		
At gross carrying amount	<b>6,260</b>	6,260
Less accumulated depreciation	<b>(2,880)</b>	(1,580)
Net carrying amount at fair value	<b>3,380</b>	4,680
	<b>56,428</b>	52,371

The Library recognises intangible assets only if it is probable that future economic benefits will flow and the cost of the asset can be measured reliably. Intangible assets are measured initially at cost.

All research costs are expensed. Development costs are only capitalised when certain criteria are met.

The useful lives of intangible assets are assessed to be either finite or indefinite. The useful life of an intangible asset that is not being amortised is to be reviewed each period to ensure that the indefinite useful life assessment continues to be appropriate.

Intangible assets with finite useful lives are amortised using the straight-line method over the estimated useful life of years, amortisation period and method is to be reviewed at the end of each period.

As there is no active market for the Library's intangible asset, the assets are carried at cost less any applicable accumulated amortisation.

Electronic Records and Digital Collection assets are subject to an annual impairment review. If the recoverable amount is less than its carrying amount, the carrying amount is reduced to the recoverable amount and the reduction is recognised as an impairment loss.

The Electronic Records Project (creation of an electronic collection catalogue) was capitalised as an intangible asset in 2014. Electronic cataloguing will deliver an efficient and improved delivery model in managing the collection providing ongoing economic benefit. The information created by the project has an indefinite useful life and is therefore not amortised.

The Digitisation of Collection Project resulted in digital images of certain collection items being created. Digitised images will deliver an efficient and improved access to the collection providing ongoing economic benefit. These digital assets have an existence and utility separate from the actual physical collection assets. The Digitisation of Collection once completed, will be regularly updated for acquisitions and disposals and therefore information has an indefinite useful life and is not amortised.

Other intangible assets include the Website and Online Systems and a Library Systems Integration Project. These assets have been assessed as having a finite useful life and are therefore amortised over their assessed useful life of 5 years.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2018

### 14. Reconciliation of property, plant & equipment, collection assets and intangible assets

#### 2018 Consolidated (including parent at same values)

Reconciliations of the carrying amounts of each class of property, plant and equipment and collection assets at the beginning and end of the current financial year are set out below.

2018	Land	Building	Computer Equipment	Plant & Equipment	Library Collection	Intangible Assets	Work in Progress	Total
At Fair Value	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Net carrying amount at start of year	64,050	197,135	1,041	6,655	2,028,459	52,371	5,906	2,355,617
Additions	-	-	-	-	7,120	-	21,177	28,297
Donated materials valued at fair value	-	264	-	-	1,122	-	-	1,386
Revaluation – gross carrying amount	-	-	-	-	22,550	-	-	22,550
Disposals – at cost	-	-	(587)	(563)	-	-	-	(1,150)
Disposals – accumulated depreciation	-	-	587	547	-	-	-	1,134
Depreciation charge	-	(3,121)	(460)	(1,974)	(7,100)	(1,301)	-	(13,956)
Transfer from WIP to asset account	-	1,428	1,144	265	-	5,358	(8,195)	-
Net carrying amount at end of the year	64,050	195,706	1,725	4,930	2,052,151	56,428	18,888	2,393,878

See Note 25 for details of the adjustments made due to a prior period error relating to the Collection Valuation.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

### 14. Reconciliation of property, plant & equipment, collection assets and intangible assets (continued)

#### 2018 Reconciliation of Library Collections (including parent at same values)

2018	Manuscripts	Objects, Stamps & Currency	Pictorial	Photographs	Published	Rare Published	Total
At Fair Value	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Net carrying amount at start of year	380,047	61,376	597,651	79,950	647,155	262,280	2,028,459
Additions	631	-	1,671	417	2,511	1,890	7,120
Transfers	-	2,000	(3,355)	1,310	-	45	-
Donated materials valued at fair value	837	-	172	49	64	-	1,122
Revaluation – gross carrying amount	-	-	22,550	-	-	-	22,550
Depreciation charge	-	-	-	-	(7,100)	-	(7,100)
Net carrying amount at end of the year	<b>381,515</b>	<b>63,376</b>	<b>618,689</b>	<b>81,726</b>	<b>642,630</b>	<b>264,215</b>	<b>2,052,151</b>

See Note 25 for details of the adjustments made due to a prior period error relating to the Collection Valuation.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018

14. Reconciliation of property, plant & equipment, collection assets and intangible assets  
(continued)

2017 Consolidated (including parent at same values)

2017	Land	Building	Computer Equipment	Plant & Equipment	Library Collection	Intangible Assets	Work in Progress	Total
At Fair Value	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Net carrying amount at start of year	68,182	176,608	1,937	8,692	2,029,671	46,276	2,863	2,334,229
Additions	-	-	-	-	6,544	-	12,702	19,246
Donated materials valued at fair value	-	-	-	-	778	-	-	778
Revaluation – gross carrying amount	(4,132)	22,217	-	-	(1,539)	-	-	16,546
Revaluation – accumulated depreciation	-	(323)	-	-	-	-	-	(323)
Depreciation charge	-	(2,892)	(1,502)	(2,110)	(6,995)	(1,360)	-	(14,859)
Transfer from WIP to asset account	-	1,525	606	73	-	7,455	(9,659)	-
Net carrying amount at end of year	64,050	197,135	1,041	6,655	2,028,459	52,371	5,906	2,355,617

See Note 25 for details of the adjustments made due to a prior period error relating to the Collection Valuation.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2018

### 14. Reconciliation of property, plant & equipment, collection assets and intangible assets (continued)

#### 2017 Reconciliation of Library Collections (including parent at same values)

2017	Manuscripts	Objects, Stamps & Currency	Pictorial	Photographs	Published	Rare Published	Total
At Fair Value	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Net carrying amount at start of year	379,126	61,365	594,531	79,746	656,918	257,985	2,029,671
Additions	1,227	11	2,460	185	2,041	620	6,544
Transfers	(405)	-	-	-	(4,809)	5,214	-
Donated materials valued at fair value	99	-	660	19	-	-	778
Revaluation – gross carrying amount	-	-	-	-	-	(1,539)	(1,539)
Depreciation charge	-	-	-	-	(6,995)	-	(6,995)
Net carrying amount at end of year	380,047	61,376	597,651	79,950	647,155	262,280	2,028,459

See Note 25 for details of the adjustments made due to a prior period error relating to the Collection Valuation.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2018

### 15. Fair value measurement of non-financial assets

#### (a) Fair value hierarchy (including parent at same values)

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability.

A number of the entity's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. When measuring fair value, the valuation technique used maximises the use of relevant observable inputs and minimises the use of unobservable. Under AASB 13, the entity categorises, for disclosure purposes, the valuation techniques based on the inputs used in the valuation techniques as follows:

- Level 1 – quoted prices in active markets for identical assets/liabilities that the entity can access at the measurement date.
- Level 2 – inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly.
- Level 3 – inputs that are not based on observable market data (unobservable inputs).

The entity recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total fair value \$'000
<b>Property, plant and equipment (Note 12)</b>				
<b>Fair value as at 30 June 2018</b>				
Collection assets	-	2,052,151	-	2,052,151
Land	-	64,050	-	64,050
Buildings	-	-	195,706	195,706
	<b>-</b>	<b>2,116,201</b>	<b>195,706</b>	<b>2,311,907</b>
<b>Fair value as at 30 June 2017</b>				
Collection assets	-	2,028,459	-	2,028,459
Land	-	64,050	-	64,050
Buildings	-	-	197,135	197,135
	<b>-</b>	<b>2,092,509</b>	<b>197,135</b>	<b>2,289,644</b>

There were no transfers between Level 1 or 2 in these periods.

Certain amounts do not correspond to the 2017 Financial statements. See Note 25 for details.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2018

### 15. Fair value measurement of non-financial assets (continued)

#### (b) Valuation techniques, inputs and processes

The fair value of Land is determined from market-based evidence. Fair value is measured having regard to the 'highest and best use' only when there exist feasible alternative uses in the existing natural, legal, financial and socio-political environment and the alternative users are feasible within the near future. Where there are natural, legal, financial or socio-political restrictions on use and disposal of an asset, such that there is no alternative use in the relatively near future, such an asset should be valued at fair value for its existing use.

When establishing the fair value of land, 'value in use' has been taken into account. The land has been valued using the direct comparison approach. The market evidence is of transactions of land within Sydney CBD and fringe commercial areas.

The fair value of Macquarie Building was measured by its depreciable replacement cost. The Mitchell Building has been valued based on its structure, fabric and finishes as a heritage structure.

A full revaluation of all collection asset classes was completed as at 30 April 2015.

The 2015 valuation was conducted by independent registered professional valuers who applied the methodology adopted in previous valuations. Due to the scale of the collection, two techniques were used. All assets of high value (exceeding \$30,000) were individually valued. Other assets were valued by stratified sampling across established collection categories that are relatively homogenous in value. Sample sizes and relative standard error were calculated by an independent professional statistician engaged by the valuers with the aim of ensuring that the relative standard error was within the specified 10% range. Average values of the sample items within each category are then multiplied by the population size to calculate the total valuation of each category with individually valued items excluded.

Since 2017 the Library has split Collection Assets into six new asset classes based on nature, use and factors driving the asset value (Note 12) and introduced a 5 year rolling valuation process. The 5 year rolling revaluation of all Collection Asset classes will be completed within the five-year period in compliance with *AASB116*. The Rare Published Collection was the first asset class to be valued as at 30 April 2017 followed by the Pictorial Asset Class in January 2018. New thresholds for individually valued items were designated for subclasses within these new asset classes to allow for the valuer to sight each item and enable a more accurate and robust valuation.

Values in the valuation were based on market observations of prices for sales of collection items that were the same as or similar to items in the Library Collection. Where the sales of comparable items were similar to the collection items, the collection items' values were adjusted based on the comparative level of significance of the collection items and observed item sales. A number of market observations were used to determine the level of adjustment required for difference in the level of significance of observed items sold and the collection items.

The 2018 valuation resulted in a value of the Pictorial Collection of \$618.5million. It also identified errors in the 2015 valuation which have been corrected as a prior period error. For details see Note 25.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018

15. Fair value measurement of non-financial assets (continued)

(c) Reconciliation of recurring Level 3 fair value measurements

	Buildings \$'000	Total recurring Level 3 fair value \$'000
Fair value as at 1 July 2017	197,135	197,135
Additions	1,692	1,692
Revaluation increments/decrements recognised in other comprehensive income – included in the line item 'Net increase/(decrease) in property, plant and equipment revaluation surplus'	-	-
Disposals	-	-
Depreciation	(3,121)	(3,121)
<b>Fair value as at 30 June 2018</b>	<b>195,706</b>	<b>195,706</b>

	Buildings \$'000	Total recurring Level 3 fair value \$'000
Fair value as at 1 July 2016	176,608	176,608
Additions	1,525	1,525
Revaluation increments/decrements recognised in other comprehensive income – included in the line item 'Net increase/(decrease) in property, plant and equipment revaluation surplus'	21,894	21,894
Disposals	-	-
Depreciation	(2,892)	(2,892)
<b>Fair value as at 30 June 2017</b>	<b>197,135</b>	<b>197,135</b>

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2018

### 16. Trade and other payables

	Consolidated		Parent Entity	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
<b>Current</b>				
Trade payables	6,015	4,059	6,015	4,059
Accrued payables	4,653	4,243	4,340	3,757
Income received in advance	66	450	65	450
State Library of New South Wales Staff Agency	-	-	4,354	4,403
	<b>10,734</b>	<b>8,752</b>	<b>14,774</b>	<b>12,669</b>
<b>Non-Current</b>				
State Library of New South Wales Agency	-	-	107	95
	<b>-</b>	<b>-</b>	<b>107</b>	<b>95</b>

Trade and other payables represent liabilities for goods and services provided to the Library. These liabilities are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method. Short term payables with no stated interest rate are measured at original invoice amount where the effect of discounting is immaterial.

### 17. Current/Non-Current Liabilities - Provisions

	Consolidated		Parent Entity	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Employee benefits related and on-costs				
<b>Current</b>				
Recreation leave	2,526	2,561	-	-
Consequential liabilities	1,534	1,376	-	-
	<b>4,060</b>	<b>3,937</b>	<b>-</b>	<b>-</b>
<b>Non-Current</b>				
Consequential liabilities	107	95	-	-
	<b>107</b>	<b>95</b>	<b>-</b>	<b>-</b>

#### Employee benefits and related on-costs

##### Salaries and wages, annual leave and sick leave

Salaries and wages (including non-monetary benefits) and paid sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the service are recognised and measured at the undiscounted amounts of the benefits.

Annual leave is not expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service. As such, it is required to be measured at present value in accordance with AASB 119 Employee Benefits (although short-cut methods are permitted).

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2018

### 17. Current/Non-Current Liabilities – Provisions (continued)

#### Salaries and wages, annual leave and sick leave (continued)

Actuarial advice obtained by Treasury has confirmed that using the nominal annual leave balance plus the annual leave entitlements accrued while taking annual leave (calculated using 7.9% of the nominal value of annual leave) can be used to approximate the present value of the annual leave liability. The State Library has assessed the actuarial advice based on the State Library's circumstances and has determined that the effect of discounting is immaterial to annual leave. All annual leave is classified as a current liability even where the entity does not expect to settle the liability within 12 months as the entity does not have an unconditional right to defer settlement.

Unused non-vesting sick leave does not give rise to a liability as it is not considered probable that sick leave taken in the future will be greater than the benefits accrued in the future.

#### Long service leave and superannuation

The State Library's liabilities for long service leave and defined benefit superannuation are assumed by the Crown Entity. The entity accounts for the liability as having been extinguished, resulting in the amount assumed being shown as part of the non-monetary revenue item described as 'Acceptance by the Crown Entity of employee benefits and other liabilities'.

Long service leave is measured at the present value of expected future payments to be made in respect of services provided up to the reporting date. Consideration is given to certain factors based on actuarial review, including expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using Commonwealth government bond rate at the reporting date.

The superannuation expense for the financial year is determined by using the formulae specified in the Treasurer's Directions. The expense for certain superannuation schemes (i.e. Basic Benefit and First State Super) is calculated as a percentage of the employees' salary. For other superannuation schemes (i.e. State Superannuation Scheme and State Authorities Superannuation Scheme), the expense is calculated as a multiple of the employees' superannuation contributions.

#### Consequential on-costs

Consequential costs to employment are recognised as liabilities and expenses where the employee benefits to which they relate have been recognised. This includes outstanding amounts of payroll tax, workers' compensation insurance premiums and fringe benefits tax.

#### Other provisions

Provisions are recognised when: the entity has a present legal or constructive obligation as a result of a past event; it is probable that an outflow of resources will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation. When the entity expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented net of any reimbursement in the Statement of Comprehensive Income.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2018

### 18. Commitments for expenditure

	Consolidated		Parent Entity	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Capital commitments				
Aggregate capital expenditure for the acquisition for general capital items contracted for at balance date and not provided for:				
Not later than one year	3,942	3,439	3,942	3,439
Total including (GST)	3,942	3,439	3,942	3,439

### 19. Contingency assets and liabilities

The Library is not aware of any contingent assets or liabilities relevant to its activities as at 30 June 2018 (2017: nil).

### 20. Related Party Disclosure

The Library Council of NSW is appointed under the *Library Act 1939* by the Governor of NSW, as the governing body of the State Library of NSW.

The Council's responsibilities relate to the promotion, provision and maintenance of library and information services for the people of New South Wales; and advising the Minister and local authorities on matters of policy and administration relating to library services.

#### Key Management Personnel

No member of the Library Council received remuneration in their capacity as members of the Library Council other than reimbursements of travel and other expenses of an immaterial amount.

A company controlled by a member of the Council received \$9,570 in relation to consultancy fees provided to the Library during the financial year. The member informed the Library Council of a potential conflict of interest and was therefore granted temporary leave of absence from the Library Council for the duration of the contract. The following were members of the NSW Library Council during 2017–18:

Hon. George Souris AM  
 Ms Kathy Bail  
 Mr Michael Caulfield  
 Ms Gai McGrath  
 Ms Ursula Dubosarsky  
 Ms Jan Richards  
 Professor Peter Shergold AC  
 Ms Terri Janke  
 Ms Jane Garling

The Library Act refers to the Library Council as having the powers as are reasonably necessary for the attainment of its objects. The Act also refers to the State Librarian who is responsible for the administration and management of the State Library and library services and information services. The State Librarian's decision making is supported by the Library Executive.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2018

### 20. Related Party Disclosure (continued)

#### Key Management Personnel (continued)

The State Librarian and Chief Executive of the NSW Library Council was Ms Lucy Milne until 27 August 2017. Dr John Vallance became the new State Librarian and Chief Executive of the NSW Library Council on the 28 August 2017.

The following were members of the Library Executive during 2017/18:

Mr Cameron Morley (to 2/3/2018)  
 Dr John Vallance (from 28/8/2017)  
 Ms Lisa O' Sullivan (from 5/3/2018)  
 Ms Louise Anemaat  
 Ms Lucy Milne (to 2/11/2017)  
 Mr Phil Barter  
 Mr Richard Neville  
 Mr Robin Phua

During the year, they received remuneration as listed below and reimbursements of travel and other expenses of immaterial amounts. No non-monetary remuneration was received in the year.

Compensation	2018 Remuneration \$'000	2017 Remuneration \$'000
Short term benefits	1,663	1,490
Post-employment benefits	-	-
Other long-term benefits	-	-
Termination benefits	-	-
<b>Total</b>	<b>1,663</b>	<b>1,490</b>

#### Related Party Transactions

The State Library Foundation and the Staff Agency are both wholly controlled entities of the Library. The Foundation raises funds for the development of the Library. The Staff Agency employs Library staff and charges the Library Council for Personnel Services.

The balances for the years are listed below:

Agency	2018 Income \$'000	2018 Expense \$'000	Payable as at 30 June 2018 \$'000	Receivable as at 30 June 2018 \$'000
State Library Foundation	7,545	-	-	746
State Library Staff Agency	32,930	32,930	4,452	-

Agency	2017 Income \$'000	2017 Expense \$'000	Payable as at 30 June 2017 \$'000	Receivable as at 30 June 2017 \$'000
State Library Foundation	1,657	-	-	373
State Library Staff Agency	32,315	32,315	4,500	-

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2018

### 21. Budget review

The Budget used for comparative purposes is the budget agreed between the NSW Treasury and the Library. It has been realigned to facilitate comparison with actual personnel services/employment related expenses as included in the Statement of Financial Performance.

#### Budgeted amounts

The budgeted amounts are drawn from the original budgeted financial statements presented to Parliament in respect of the reporting period. Subsequent amendments to the original budget (e.g. adjustment for transfer of functions between entities as a result of Administrative Arrangement orders) are not reflected in the budgeted amounts.

#### Net Result

The Net Result was \$9.0 million above Budget.

Grants and Contributions revenue was \$5.5 million higher than Budget.

Income from investments with NSW TCorp was \$0.5 million higher than Budget.

Capital Funding of \$1.8 million and Recurrent Funding of \$0.6 million were carried forward to future years to align with the timing of major projects.

Lower Employment and Depreciation expenses were partly offset by higher other operating expenses.

#### Assets and Liabilities

Net Assets were \$1.1 billion lower than budget reflecting the prior error in the revaluation of Pictorial Collection assets (see Note 25).

#### Cash Flows

Net increase/decrease in cash and cash equivalents was in line with Budget and Treasury cash management targets.

### 22. Reconciliation of cash flows from operating activities to net result

	Consolidated		Parent Entity	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000
Net cash flows from operating activities	<b>24,123</b>	19,129	<b>22,189</b>	17,722
<b>Non-cash items</b>				
Depreciation	<b>(13,956)</b>	(14,859)	<b>(13,956)</b>	(14,859)
Written down value of disposals	<b>(14)</b>	-	<b>(14)</b>	-
Donation of original material at fair value	<b>1,122</b>	778	<b>1,122</b>	778
Service received free of charge	<b>264</b>	1,179	<b>264</b>	1,179
Gains on investment in financial instruments	<b>1,341</b>	1,576	<b>457</b>	626
Decrease in payables	<b>183</b>	971	<b>185</b>	974
Increase in receivables	<b>125</b>	605	<b>498</b>	914
Increase in inventory	<b>21</b>	22	<b>21</b>	22
<b>Net result</b>	<b>13,209</b>	9,401	<b>10,766</b>	7,356

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2018

### 23. Non-cash financing and investing activities

Non-cash financing and investing activities represented donated materials during the year of \$1.1 million (2017: \$0.8 million) and stoneworks received free of charge of \$0.3 million (2017: \$1.2 million).

### 24. Financial instruments and risk management

The Library's principal financial instruments, which are identified below, arise directly from the Library's operations or are required to finance the Library's operations. The Library does not enter into trade financial instruments, including derivative financial instruments, for speculative purposes. The Library's primary investments are placed with NSW Treasury Corporation (TCorp).

The Library's main risks arising from financial instruments are outlined below together with the Library's policies for measuring and managing risk. Further qualitative and quantitative disclosures are included throughout these financial statements.

The State Librarian & Chief Executive, Library Council and Audit & Risk Committee have overall responsibility for the establishment and oversight of risk management and review and agree policies for managing each of these risks. Risk management policies are established to identify and analyse the risks faced by the entity through formalised treasury risk management policies to set risk limits and controls, and to monitor risks. Compliance with policies is reviewed by the State Librarian & Chief Executive, Library Council and Audit & Risk Committee on a continuous basis.

#### a) Financial instruments categories

Financial instrument categories	Note	Category	Consolidated Carrying Amount		Parent Entity Carrying Amount	
			2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
<b>Financial Assets Classes</b>						
Cash and cash equivalents	8	N/A	3,276	3,652	2,169	1,974
Receivables (1)	9	Loans and receivables (at amortised cost)	116	75	870	445
Financial assets at fair value **	11(a) 11(b)	At fair value through profit or loss	28,083	28,237	7,763	11,306
<b>Financial Liabilities Class</b>						
Payables (2)	16	Financial liabilities measured at amortised cost	10,375	7,835	14,815	12,314

(1) Receivables excludes prepayments of \$0.9 million, long service of nil, and statutory receivables of \$1.1 million (2017: \$0.8 million, nil and \$1.1 million respectively) as these items are not within scope of AASB 7.

(2) Payables excludes unearned revenue of \$0.1 million and statutory payables \$4.5 million (2017: \$0.5 million and \$4.5 million) as these items are not within the scope of AASB 7

\*\* The average rate of return for financial assets at fair value held in the TCorp Investment Facility for the 2018 year was 5.07% (2017: 5.86%)

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2018

### 24. Financial instruments and risk management (continued)

#### b) Credit risk

Credit risk arises where there is possibility of the Library's debtors defaulting on their contractual obligations, resulting in financial loss to the Library. The Library's maximum exposure to credit risk is represented by the carrying amounts of the financial assets (net of any allowance or impairment).

Credit risk can also arise from the financial assets of the Library, including cash, receivables and authority deposits. No collateral is held by the Library. It has not granted any financial guarantees.

Credit risk associated with the Library's financial assets, other than receivables, is managed through the selection of counterparties and establishment of minimum credit rating standards. Authority deposits held with NSW TCorp are guaranteed by the State.

#### Cash

Cash comprises cash on hand and bank balances. Interest is earned on daily at call balances at the monthly average NSW Treasury Corporation (TCorp) 11am unofficial cash rate, adjusted for a management fee to NSW Treasury and Westpac Banking Corporation daily balances. The TCorp cash facility is discussed in paragraph (d) below.

#### Receivables - trade debtors

All trade debtors are recognised at the amounts receivable at balance date.

Collectability of trade debtors is reviewed on an ongoing basis. Procedures as established in the Treasurer's Directions are followed to recover outstanding amounts, including letters of demand. Debts which are known to be uncollectible are written off. An allowance for impairment is raised when there is objective evidence that the entity will not be able to collect all amounts due. This evidence includes past experience, and current and expected changes in economic conditions and debtor credit ratings. No interest is earned on trade debtors. Sales are made on 30 day terms.

#### Authority Deposits

The entity may place funds on deposit with TCorp which has been rated 'AAA' by Standard and Poor's. These deposits are similar to money market or bank deposits and can be placed 'at call' or for a fixed term. For fixed term deposits, the interest rate payable by TCorp is negotiated initially and is fixed for the term of the deposit, while the interest rate payable on at call deposits can vary.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2018

### 24. Financial instruments and risk management (continued)

#### b) Credit risk (continued)

##### Receivables

The only financial assets that are past due or impaired are 'Sales of goods and services' in the 'Receivables' category of the Statement of Financial Position as per the table below.

	Consolidated Total	Parent Total	Consolidated past due but not impaired	Consolidated considered impaired	Parent past due but not impaired	Parent considered impaired
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>2018</b>						
<3 months overdue	143	143	50	27	50	27
3-6 months overdue	4	4	-	4	-	4
>6 months overdue	1	1	-	1	-	1
<b>Total</b>	<b>148</b>	<b>148</b>	<b>50</b>	<b>32</b>	<b>50</b>	<b>32</b>
<b>2017</b>						
<3 months overdue	90	90	-	16	-	16
3-6 months overdue	5	5	-	5	-	5
>6 months overdue	12	12	-	12	-	12
<b>Total</b>	<b>107</b>	<b>107</b>	<b>-</b>	<b>33</b>	<b>-</b>	<b>33</b>

##### Notes

- Each column in the table reports 'gross receivables'.
- The ageing analysis excludes statutory receivables, as these are not within the scope of AASB 7. Therefore, the 'total' will not reconcile to the total receivables recognised in the statement of financial position.

#### c) Liquidity risk

Liquidity risk is the risk that the Library will not be able to meet its payment obligations when they fall due. The Library continually manages this risk through monitoring its cash flows and maintaining sufficient cash and cash equivalents to meet projected outgoings. The Library's exposure to liquidity risk is considered insignificant based on the data from prior periods and the current assessment of risk.

The liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in NSW TC 11/12. For small business suppliers, where terms are not specified, payment is made not later than 30 days from date of receipt of a correctly rendered invoice. For other suppliers, if trade terms are not specified, payment is made no later than the end of the month following the month invoice an invoice or a statement is received. For small business suppliers, where payment is not made within the specified time period, simple interest must be paid automatically unless an existing contract specifies otherwise. For payments to other suppliers, the Head of an authority (or a person appointed by the Head of an authority) may automatically pay the supplier simple interest. The rate of interest applied during the year was 9.73% (2017: 9.83%).

The following table summarises the maturity profile of the Library's financial liabilities, together with the interest rate exposure.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2018

### 24. Financial instruments and risk management (continued)

#### c) Liquidity risk (continued)

Consolidated	\$'000				Maturity Dates		
	Interest Rate Exposure				< 1 Year	1-5 Years	> 5 Years
	Nominal Amount	Fixed Interest Rate	Variable Interest Rate	Non-Interest Bearing			
<b>2018</b>							
<b>Payables</b>	<b>10,375</b>	-	-	<b>10,375</b>	<b>10,375</b>	-	-
<b>2017</b>							
<b>Payables</b>	<b>7,835</b>	-	-	<b>7,835</b>	<b>7,835</b>	-	-

Parent Entity	\$'000				Maturity Dates		
	Interest Rate Exposure				< 1 Year	1-5 Years	> 5 Years
	Nominal Amount	Fixed Interest Rate	Variable Interest Rate	Non-Interest Bearing			
<b>2018</b>							
<b>Payables</b>	<b>14,815</b>	-	-	<b>14,815</b>	<b>14,815</b>	-	-
<b>2017</b>							
<b>Payables</b>	<b>12,314</b>	-	-	<b>12,314</b>	<b>12,314</b>	-	-

#### d) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Library's exposure to market risk is the movement in the unit price of TCorp's investment facilities. The Library has no borrowings and does not enter into commodity contracts. The Library's exposure to interest rate risk is set out below.

Consolidated	2018	Carrying Amount	-1%	-1%	1%	1%
			Profit	Equity	Profit	Equity
		\$'000	\$'000	\$'000	\$'000	\$'000
<b>Financial assets:</b>						
<b>Cash and cash equivalents</b>		<b>3,276</b>	<b>(33)</b>	<b>(33)</b>	<b>33</b>	<b>33</b>
<b>Receivables</b>		<b>116</b>	-	-	-	-
<b>Financial assets at fair value</b>		<b>28,083</b>	-	-	-	-
<b>Financial liabilities:</b>						
<b>Payables</b>		<b>10,375</b>	-	-	-	-

Consolidated	2017	Carrying Amount	-1%	-1%	1%	1%
			Profit	Equity	Profit	Equity
		\$'000	\$'000	\$'000	\$'000	\$'000
<b>Financial assets:</b>						
<b>Cash and cash equivalents</b>		<b>3,652</b>	<b>(37)</b>	<b>(37)</b>	<b>37</b>	<b>37</b>
<b>Receivables</b>		<b>75</b>	-	-	-	-
<b>Financial assets at fair value</b>		<b>28,237</b>	-	-	-	-
<b>Financial liabilities:</b>						
<b>Payables</b>		<b>7,835</b>	-	-	-	-

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2018

### 24. Financial instruments and risk management (continued)

#### d) Market risk (continued)

Parent Entity	2018	Carrying Amount	-1% Profit	-1% Equity	1% Profit	1% Equity
		\$'000	\$'000	\$'000	\$'000	\$'000
<b>Financial assets:</b>						
Cash and cash equivalents		2,169	(22)	(22)	22	22
Receivables		870	-	-	-	-
Financial assets at fair value		7,763	-	-	-	-
<b>Financial liabilities:</b>						
Payables		14,815	-	-	-	-

Parent Entity	2017	Carrying Amount	-1% Profit	-1% Equity	1% Profit	1% Equity
		\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets:						
Cash and cash equivalents		1,974	(20)	(20)	20	20
Receivables		445	-	-	-	-
Financial assets at fair value		11,306	-	-	-	-
Financial liabilities:						
Payables		12,314	-	-	-	-

#### Other price risk – TCorp facilities

The Library is exposed to price risk primarily through its investment in the TCorp investment facilities, which are held for strategic rather than trading purposes. The entity has no direct equity investments. The entity holds units in the following investment trusts.

Consolidated Facility	Investment Sectors	Investment Horizon	2018	2017
			\$'000	\$'000
TCorp Tailored Deposit Short Term	Cash, money market instruments, Australian bonds, listed property, Australian and international shares	30 days	4,000	-
Medium-term growth facility	Cash, money market instruments, Australian bonds, listed property, Australian and international shares	3 years to 7 years	24,083	28,237

Parent Entity Facility	Investment Sectors	Investment Horizon	2018	2017
			\$'000	\$'000
Medium-term growth facility	Cash, money market instruments, Australian bonds, listed property, Australian and international shares	3 years to 7 years	7,763	11,306

The unit price of each facility is equal to the total fair value of the net assets held by the facility divided by the number of units on issue for that facility. Unit prices are calculated and published daily.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2018

### 24. Financial instruments and risk management (continued)

#### d) Market risk (continued)

NSW TCorp is trustee for each of the above facilities and is required to act in the best interest of the unit holders and to administer the trusts in accordance with the trust deeds. As trustee, TCorp has appointed external managers to manage the performance and risks of each facility in accordance with a mandate agreed by the parties. However, TCorp acts as manager for part of the Cash and Strategic Cash Facilities and also manages the Australian Bond portfolio. A significant portion of the administration of the facilities is outsourced to an external custodian.

Investment in the T-Corp facilities limits the entity's exposure to risk, as it allows diversification across a pool of funds with different investment horizons and a mix of investments.

NSW TCorp provides sensitivity analysis information for each of the investment facilities, using historically based volatility information collected over a ten-year period, quoted at two standard deviations (i.e. 95% probability). The TCorp Investment facilities are designated at fair value through profit or loss and therefore any change in unit price impacts directly on profit (rather than equity). A reasonably possible change is based on the percentage change in unit price (as advised by TCorp) multiplied by the redemption value as at 30 June each year for each facility (balance from TCorp statement).

Consolidated Facility	Change in unit price	Impact on profit/loss	
		2018 \$'000	2017 \$'000
TCorp Tailored Deposit Short Term	+/-6%	240/(240)	-
Hour-Glass Investment – Medium-term growth facility	+/-6%	1,445/(1,445)	1,694/(1,694)

Parent Entity Facility	Change in unit price	Impact on profit/loss	
		2018 \$'000	2017 \$'000
Hour-Glass Investment – Medium-term growth facility	+/-6%	466/(466)	678/(678)

#### e) Fair value measurement

##### i. Fair value compared to carrying amount

Financial instruments are generally recognised at cost, with the exception of the TCorp investment facilities, which are measured at fair value.

The amortised cost of financial instruments recognised in the statement of financial position approximates the fair value, because of the short-term nature of many of the financial instruments.

##### ii. Fair value recognised in the statement of financial position

The Library uses the following hierarchy for disclosing the fair value of financial instruments by valuation technique:

- Level 1 – Derived from quoted prices in active markets for identical assets/liabilities.
- Level 2 – Derived from inputs other than quoted prices that are observable directly or indirectly.
- Level 3 – Derived from valuation techniques that include inputs for asset/liability not based on observable market data (unobservable inputs).

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2018

### 24. Financial instruments and risk management (continued)

#### e) Fair value measurement (continued)

#### ii. Fair value recognised in the statement of financial position (continued)

2018 Financial assets at fair value	Consolidated				Parent Entity			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	2018 Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	2018 Total \$'000
TCorp Tailored Deposit	-	4,000	-	4,000	-	-	-	-
TCorp Hour-Glass Investment Facility	-	24,083	-	24,083	-	7,763	-	7,763
<b>Total</b>	<b>-</b>	<b>28,083</b>	<b>-</b>	<b>28,083</b>	<b>-</b>	<b>7,763</b>	<b>-</b>	<b>7,763</b>

2017 Financial assets at fair value	Consolidated				Parent Entity			
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	2017 Total \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	2017 Total \$'000
TCorp Hour-Glass Investment Facility	-	28,237	-	28,237	-	11,306	-	11,306
<b>Total</b>	<b>-</b>	<b>28,237</b>	<b>-</b>	<b>28,237</b>	<b>-</b>	<b>11,306</b>	<b>-</b>	<b>11,306</b>

The table above includes only financial assets, as no financial liabilities were measured at fair value in the statement of financial position.

There were no transfers between Level 1 and 2 during the year ended 30 June 2018.

The value of the TCorp Investments is based on the entity's share of the value of the underlying assets of the facility, based on the market value. All of the TCorp facilities are valued using 'redemption' pricing.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2018

### 25. Prior Period Errors

The Pictorial Collection of the Library Council of NSW (the Library) was revalued as at 31 January 2018 as part of the Library's a rolling revaluation plan. During the valuation process the Library identified prior period errors. In accordance with the accounting standard AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*, corrections have been made for:

- The amount of the error for each financial line affected
- The amount of the error at the beginning of the earliest prior period presented

The errors were as a result of:

- In 2015 there were inconsistencies in the definition of the counting of one unit value as either one portfolio instead of individual components within the portfolio. Using the value of an entire portfolio of drawings, instead of the average value of one of the drawings resulted in a material overstatement of the average sample value of one item/unit. This resulted in an error of \$583 million.
- The 2015 valuation double counted the individually valued works on paper (WoP). These items were incorrectly deducted from the overall WoP population as the number of collections rather than the total number of items in those collections, thereby overstating the sampled population. This resulted in an error of \$341 million. The Library reviewed the remaining Collection asset classes and found that this error had also occurred in the Photographs Asset Class totalling \$35 million.
- As part of the 2018 valuation, the Library Digital Services Team scrutinized the Works on Paper population in greater detail using natural programming language to calculate the population totals based on the catalogue system entries. This established that the population sizes have been historically over-estimated in prior valuations. This resulted in an error of \$164 million in the 2015 valuation.

The following tables disclose the restatement of line items in the statement of financial position impacted by the prior period error for the year ended 30 June 2017 and 30 June 2016.

Consolidated Statement of financial position	30 June 2017			30 June 2016		
	Previously reported	Prior Period Error	Restated	Previously reported	Prior Period Error	Restated
	\$'000	\$'000	\$'000	\$'000		\$'000
<i>Non- Current Assets</i>						
PPE	3,425,678	1,122,432	2,303,246	3,410,385	1,122,432	2,287,953
<b>Total Assets</b>	3,512,146	1,122,432	2,389,714	3,487,042	1,122,432	2,364,610
Reserves	1,847,880	1,122,432	725,448	1,831,657	1,122,432	709,225
<b>Total Equity</b>	3,499,362	1,122,432	2,376,930	3,473,738	1,122,432	2,351,306

Parent Entity Statement of financial position	30 June 2017			30 June 2016		
	Previously reported	Prior Period Error	Restated	Previously reported	Prior Period Error	Restated
	\$'000	\$'000	\$'000	\$'000		\$'000
<i>Non- Current Assets</i>						
PPE	3,425,678	1,122,432	2,303,246	3,410,385	1,122,432	2,287,953
<b>Total Assets</b>	3,493,892	1,122,432	2,371,460	3,470,835	1,122,432	2,348,403
Reserves	1,847,880	1,122,432	725,448	1,831,657	1,122,432	709,225
<b>Total Equity</b>	3,481,128	1,122,432	2,358,696	3,457,549	1,122,432	2,335,117

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2018

### 26. Events after the reporting period

The Library has not identified any event or transaction that is sufficiently material to require adjustment or disclosure in the financial statements.

### 27. Disclosure under Charitable Fundraising Act 1991

Fundraising appeals conducted by the Foundation during the year included the campaign for the website digitisation development and other projects. The Foundation has authority to act as a fundraising entity under the *Charitable Fundraising Act 1991*. Comparisons of certain monetary figures and percentages in accordance with the requirements of the *Charitable Fundraising Act 1991* are set out below:

	<b>2018</b>	2017
	<b>\$'000</b>	\$'000
<b>Result of fundraising appeals</b>		
Aggregate gross income from fundraising	<b>9,624</b>	3,213
Less total direct cost of fundraising	<b>(206)</b>	(229)
<b>Net surplus from fundraising</b>	<b>9,418</b>	2,984

	<b>2018</b>		<b>2017</b>	
	<b>\$'000</b>	<b>%</b>	<b>\$'000</b>	<b>%</b>
Total costs of fundraising/aggregate gross income from fundraising	<b>206/9,624</b>	<b>2%</b>	229/3,213	7%
Net surplus from fundraising/aggregate gross income from fundraising	<b>9,418/9,624</b>	<b>98%</b>	2,984/3,213	93%
Total cost of services provided/total expenditure	<b>206/8,230</b>	<b>2%</b>	229/2,310	10%
Total cost of services provided/total gross income received	<b>206/10,674</b>	<b>2%</b>	229/4,356	5%

There is no information of a material matter or occurrence to report.

Fundraising income includes donations, sponsorships and funds raised. Where funding is received for specific projects, these projects may not be completed by the end of the year in which the funds are received. A balance of unspent funds of \$4.9 million for projects not completed by 30 June 2018 is represented by cash, cash equivalents and TCorp Hour-Glass investment facilities.

**End of audited financial statements**



## INDEPENDENT AUDITOR'S REPORT

### Library Council of New South Wales Staff Agency

To Members of the New South Wales Parliament

#### Opinion

I have audited the accompanying financial statements of the Library Council of New South Wales Staff Agency (the Staff Agency), which comprise the Statement of comprehensive income for the year ended 30 June 2018, the Statement of financial position as at 30 June 2018, the Statement of changes in equity and the Statement of cash flows for the year then ended, notes comprising a Summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Staff Agency as at 30 June 2018, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2015.

My opinion should be read in conjunction with the rest of this report.

#### Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of my report.

I am independent of the Staff Agency in accordance with the requirements of the:

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants' (APES 110).

I have fulfilled my other ethical responsibilities in accordance with APES 110.

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies
- precluding the Auditor-General from providing non-audit services.

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

## **Other Information**

Other information comprises the information included in the Staff Agency's annual report for the year ended 30 June 2018, other than the financial statements and my Independent Auditor's Report thereon. The State Librarian is responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the signed Statement pursuant to Section 41C of the PF&A Act.

My opinion on the financial statements does not cover the other information. Accordingly, I do not express any form of assurance conclusion on the other information.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude there is a material misstatement of the other information, I must report that fact.

I have nothing to report in this regard.

## **The State Librarian's Responsibilities for the Financial Statements**

The State Librarian is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the PF&A Act and for such internal control as the State Librarian determines is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the State Librarian is responsible for assessing the Staff Agency's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting except where the Staff Agency will be dissolved by an Act of Parliament or otherwise cease operations.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

My objectives are to:

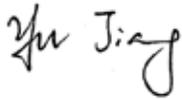
- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: [www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). The description forms part of my auditor's report.

My opinion does *not* provide assurance:

- that the Staff Agency carried out its activities effectively, efficiently and economically
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.

A handwritten signature in black ink, appearing to read 'Yu Jiang'.

Reiky Jiang  
Director, Financial Audit Services

25 September 2018  
SYDNEY

## LIBRARY COUNCIL OF NEW SOUTH WALES STAFF AGENCY

### STATEMENT IN ACCORDANCE WITH SECTION 41C (1B) OF THE *PUBLIC FINANCE AND AUDIT ACT, 1983*

Pursuant to Section 41C (1B) of the *Public Finance and Audit Act, 1983*, and in accordance with a resolution of the members of the Library Council of New South Wales, on recommendation of the Audit and Risk Committee, I declare on behalf of the Library Council of New South Wales Staff Agency that, in my opinion:

- a. The accompanying financial statements have been prepared in accordance with applicable Australian Accounting Standards and other mandatory professional reporting requirements, the requirements of the *Public Finance and Audit Act 1983* and Regulation 2015 and Treasurer's Directions or issued by the Treasurer under section 9(2) (n) of the Act.
- b. The accompanying financial statements exhibit a true and fair view of the financial position and the financial performance of the Library Council of New South Wales Staff Agency as at 30 June 2018 and the financial performance for the year then ended.
- c. There are no circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.



---

**Dr John Vallance**  
NSW State Librarian & Chief Executive  
Library Council of New South Wales



---

**Philip Barter**  
Director, Operations & Infrastructure  
and Chief Financial Officer  
Library Council of New South Wales

SYDNEY, 24 September 2018

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

### STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2018

	2018	2017
	\$	\$
<b>Expenses</b>		
Salaries and wages (including recreation leave)	28,660,013	27,946,919
Superannuation- defined benefit plans	835,697	861,740
Superannuation- defined contribution plans	2,230,119	2,021,312
Long service leave	1,296,569	347,587
Worker's compensation insurance	297,061	317,036
Payroll tax on superannuation	158,864	145,139
Other employee related expense	1,627,486	1,929,322
<b>Total expenses</b>	<b>35,105,809</b>	<b>33,569,055</b>
<b>Revenue</b>		
Personnel services	32,929,875	32,314,967
Acceptance by the Crown Entity of employee benefits and other liabilities	2,175,934	1,254,088
<b>Total revenue</b>	<b>35,105,809</b>	<b>33,569,055</b>
<b>Net result</b>	-	-
<b>Other comprehensive income</b>	-	-
<b>Total other comprehensive income</b>	-	-
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>-</b>	<b>-</b>

The accompanying notes form part of these financial statements

# STATEMENT OF FINANCIAL POSITION

## AS AT 30 JUNE 2018

	Notes	2018 \$	2017 \$
<b>Assets</b>			
<b>Current assets</b>			
Receivables	2	<b>4,362,323</b>	4,400,856
<b>Total current assets</b>		<b>4,362,323</b>	4,400,856
<b>Non-current assets</b>			
Receivables	2	<b>106,738</b>	95,173
<b>Total non-current assets</b>		<b>106,738</b>	95,173
<b>Total assets</b>		<b>4,469,061</b>	4,496,029
<b>Liabilities</b>			
<b>Current liabilities</b>			
Payables	3	<b>301,908</b>	464,171
Provisions	4	<b>4,060,415</b>	3,936,685
<b>Total current liabilities</b>		<b>4,362,323</b>	4,400,856
<b>Non-current liabilities</b>			
Provisions	4	<b>106,738</b>	95,173
<b>Total non-current liabilities</b>		<b>106,738</b>	95,173
<b>Total liabilities</b>		<b>4,469,061</b>	4,496,029
<b>Net assets</b>		<b>-</b>	-
<b>Equity</b>			
Accumulated funds		-	-
<b>Total equity</b>		<b>-</b>	-

The accompanying notes form part of these financial statements

STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2018

	2018 \$	2017 \$
	<b>Accumulated funds</b>	
Balance at 1 July	-	-
Net result for the year	-	-
Other comprehensive income	-	-
<b>Balance at 30 June</b>	<b>-</b>	<b>-</b>

The accompanying notes form part of these financial statements

# STATEMENT OF CASH FLOWS

## FOR THE YEAR ENDED 30 JUNE 2018

	2018	2017
	\$	\$
Net cash flows from operating activities	-	-
Net cash flows from investing activities	-	-
Net cash flows from financing activities	-	-
<b>Net increase/(decrease) in cash and cash equivalents</b>	-	-
Cash and cash equivalents at the beginning of the year	-	-
<b>Cash and cash equivalents at the end of the year</b>	-	-

The accompanying notes form part of these financial statements

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2018

### 1. Summary of significant accounting policies

#### (a) Reporting entity

The Library Council of New South Wales Staff Agency (the Staff Agency) was created under the *Government Sector Employment Act 2013* to exercise employer functions of Government in relation to the State Librarian commencing 24 February 2014. It is a not-for-profit entity as profit is not its principle objective. It is consolidated as part of the Library Council of New South Wales accounts.

The Staff Agency's objective is to provide personnel services to the Library Council of New South Wales and Foundation.

These financial statements for the period ended 30 June 2018 have been authorised for issue by Dr John Vallance on 24 September 2018.

#### (b) Basis of preparation

The entity's financial statements are general purpose financial statements which have been prepared in accordance with:

- applicable Australian Accounting Standards including Australian Accounting Interpretations, and
- the requirements of the *Public Finance and Audit Act, 1983* and Regulation 2015.
- the Financial Reporting Directions mandated

Generally, the historical cost convention has been adopted and the financial statements do not take into account changing money values or current valuations. However, certain provisions are measured at fair value.

The accrual basis of accounting has been adopted in the preparation of the financial statements.

Judgements, key assumptions and estimations management have made are disclosed in the relevant notes to the financial statements.

All amounts are expressed in Australian currency and to the nearest dollar.

#### (b) Statement of compliance

The financial statements and notes comply with Australian Accounting Standards, which include Australian Accounting Interpretations.

#### (d) Revenue

Revenue is measured at the fair value of the consideration received or receivable. Revenue from the rendering of personnel services is recognised when the service is provided and only to the extent that the associated recoverable expenses are recognised.

#### (e) Receivables

A receivable is recognised when it is probable that the future cash flows associated with it will be realised and it has a value that can be measured reliably. It is derecognised when the contractual or other rights to future cash flows from it expire or are transferred.

A receivable is recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method, less an allowance for any impairment of receivables. Any changes are accounted for in the Statement of Comprehensive Income when impaired, derecognised or through the amortisation process.

Short term receivables with no stated interest rate are measured at the original invoice value where the effect of discounting is immaterial.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2018

### 1. Summary of significant accounting policies (continued)

#### (f) Payables

Payables include accrued wages, salaries and related on costs such as payroll tax, fringe benefits tax and workers' compensation insurance where there is certainty as to the amount and timing of settlement.

A payable is recognised when a present obligation arises under a contract or otherwise. It is derecognised when the obligation expires or is discharged, cancelled or substituted.

Short term payables with no stated interest rate are measured at original invoice amount where the effect of discounting is immaterial.

#### (g) Employee benefits and related on-costs

- **Salaries and wages, annual leave and sick leave**

Salaries and wages (including non-monetary benefits) and paid sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the service are recognised and measured at the undiscounted amounts of the benefits.

Annual leave is not expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service. As such, it is required to be measured at present value in accordance with AASB 119 Employee Benefits (although short-cut methods are permitted).

Actuarial advice obtained by Treasury has confirmed that using the nominal annual leave balance plus the annual leave entitlements accrued while taking annual leave (calculated using 7.9% of the nominal value of annual leave) can be used to approximate the present value of the annual leave liability. The State Library has assessed the actuarial advice based on the State Library's circumstances and has determined that the effect of discounting is immaterial to annual leave. All annual leave is classified as a current liability even where the entity does not expect to settle the liability within 12 months as the entity does not have an unconditional right to defer settlement.

Unused non-vesting sick leave does not give rise to a liability as it is not considered probable that sick leave taken in the future will be greater than the benefits accrued in the future.

- **Long service leave and superannuation**

The State Library's liabilities for long service leave and defined benefit superannuation are assumed by the Crown Entity. The entity accounts for the liability as having been extinguished, resulting in the amount assumed being shown as part of the non-monetary revenue item described as 'Acceptance by the Crown Entity of employee benefits and other liabilities'.

Long service leave is measured at the present value of expected future payments to be made in respect of services provided up to the reporting date. Consideration is given to certain factors based on actuarial review, including expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using Commonwealth government bond rate at the reporting date.

The superannuation expense for the financial year is determined by using the formulae specified in the Treasurer's Directions. The expense for certain superannuation schemes (i.e. Basic Benefit and First State Super) is calculated as a percentage of the employees' salary. For other superannuation schemes (i.e. State Superannuation Scheme and State Authorities Superannuation Scheme), the expense is calculated as a multiple of the employees' superannuation contributions.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2018

### 1. Summary of significant accounting policies (continued)

#### (g) Employee benefits and related on-costs (continued)

- **Consequential on-costs**

Consequential costs to employment are recognised as liabilities and expenses where the employee benefits to which they relate have been recognised. This includes outstanding amounts of payroll tax, workers' compensation insurance premiums and fringe benefits tax.

- **Other provisions**

Provisions are recognised when: the entity has a present legal or constructive obligation as a result of a past event; it is probable that an outflow of resources will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation. When the entity expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented net of any reimbursement in the Statement of Comprehensive Income.

#### (h) Accounting Standards effective for the first time in 2017-18

The accounting policies applied in 2017-18 are consistent with those of the previous financial year except as a result of the new Australian Accounting Standard detailed below. The impact of these standard in the period of initial application is not material.

- AASB 2016-4 Amendments to Australian Accounting Standards – Recoverable Amount of Non-Cash-Generating Specialised Assets of Not-for-Profit Entities
- AASB 2016-7 Amendments to Australian Accounting Standards – Deferral of AASB 15 for Not-for-Profit Entities

#### (i) New accounting standards issued but not effective

NSW public sector entities are not permitted to early adopt new Australian Accounting Standards, unless Treasury determines otherwise. Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2018 reporting year. The following new Accounting Standards and Interpretations have not yet been adopted and are not yet effective:

- AASB 9 Financial Instruments
- AASB 15 Revenue from Contracts with Customers
- AASB 16 Leases
- AASB 1058 Income of Not-for-Profit Entities
- AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15
- AASB 2015-8 Amendments to Australian Accounting Standards – Effective Date of AASB 15
- AASB 2016-3 Amendments to Australian Accounting Standards – Clarifications to AASB 15
- AASB 2016-8 Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities

The Staff Agency has assessed the impact of those new standards and interpretations and considers the impact to be immaterial.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2018

	\$	\$
<b>2. Receivables</b>		
<b>Current</b>		
Receivables from Library Council of New South Wales	4,353,572	4,403,272
Receivables from the Crown Entity	8,751	(2,416)
<b>Total current receivables</b>	<b>4,362,323</b>	<b>4,400,856</b>
<b>Non-Current</b>		
Receivables from Library Council of New South Wales	106,738	95,173
<b>Total non-current receivables</b>	<b>106,738</b>	<b>95,173</b>
<b>3. Payables</b>		
Accrued salaries, wages and on-costs	293,157	466,587
Payables to Library Council of New South Wales	8,751	(2,416)
<b>Total payables</b>	<b>301,908</b>	<b>464,171</b>
<b>4. Provisions</b>		
<b>Current</b>		
Provision for annual leave	2,526,051	2,560,640
Other oncost on annual leave	306,880	281,550
Payroll tax on long service leave	435,817	412,803
Other oncost on long service leave	791,667	681,692
<b>Total current provisions</b>	<b>4,060,415</b>	<b>3,936,685</b>
<b>Non-current</b>		
Provision for annual leave	-	-
Payroll tax on long service leave	37,897	36,896
Other oncost on long service leave	68,841	59,277
<b>Total non-current provisions</b>	<b>106,738</b>	<b>95,173</b>

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2018

### 5. Events after the reporting period

The Staff Agency has not identified any event or transaction that is sufficiently material to require adjustment or disclosure in the financial statements.

### 6. Financial instruments and risk management

The Staff Agency's principal financial instruments, which are identified below, arise directly from the entity's operations or are required to finance the entity's operations. The entity does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Staff Agency's main risks arising from financial instruments are outlined below together with the entity's policies for measuring and managing risk. Further qualitative and quantitative disclosures are included throughout these financial statements.

The State Librarian & Chief Executive, Library Council and Audit & Risk Committee have overall responsibility for the establishment and oversight of risk management and review and agree policies for each of these risks. Risk management policies are established to identify and analyse the risks faced by the entity through formalised treasury risk management policies to set risk limits and controls, and to monitor risks. Compliance with policies is reviewed by the State Librarian & Chief Executive, Library Council and Audit & Risk Committee on a continuous basis.

#### (a) Financial instruments categories

			Carrying Amount	
Financial Instrument Categories	Note	Category	2018	2017
			\$'000	\$'000
Receivables *	2	Loans and receivables measured at amortised cost	4,460	4,495
Payables *	3	Financial liabilities measured at amortised cost	9	-

\* Exclude statutory receivables and payables as these items are not within scope of AASB 7.

#### (b) Credit risk

Credit risk arises where there is the possibility of the entity's counterparty defaulting on their contractual obligations, resulting in a financial loss to the entity. The entity's maximum exposure to credit risk is represented by the carrying amounts of the financial assets (net of any allowance for impairment) included in the Statement of Financial Position. Credit risk arises from the financial assets of the entity. No collateral is held by the entity. The Staff Agency has not granted any financial guarantees.

#### Receivables

As at 30 June 2018, the Staff Agency had debtors of \$4.5 million (2017: \$4.5 million) which represent personnel services receivable from the Library Council of New South Wales. There are no receivables past due or impaired.

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 30 JUNE 2018

### 6. Financial instruments and risk management (continued)

#### (c) Liquidity risk

Liquidity risk is the risk that the entity will not be able to meet its payment obligations when they fall due. The entity's exposure to liquidity risk is deemed insignificant based on the data from prior periods and the current assessment of risk.

The liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in NSW TC 11/12.

The table below summarises the maturity profile of the entity's financial liabilities together with the interest rate exposure.

2018	\$'000						
	Interest Rate Exposure				Maturity Dates		
	Nominal Amount	Fixed Interest Rate	Variable Interest Rate	Non-Interest Bearing	< 1 Year	1-5 Years	> 5 Years
<b>Financial Liabilities</b>							
Payables	9	-	-	-	9	-	-

2017	\$'000						
	Interest Rate Exposure				Maturity Dates		
	Nominal Amount	Fixed Interest Rate	Variable Interest Rate	Non-Interest Bearing	< 1 Year	1-5 Years	> 5 Years
<b>Financial Liabilities</b>							
Payables	-	-	-	-	-	-	-

#### (d) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The entity has no exposure to interest rate risk, foreign currency risk and does not enter into commodity contracts.

#### (e) Fair value measurement

Financial Instruments are recognised at cost, the amortised cost of financial instruments recognised in the Statement of Financial Position approximates the fair value, because of the short-term nature of many of the financial instruments.

# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

## 7. Commitments

The Staff Agency's commitments as at 30 June 2018 are Nil (2017: Nil)

## 8. Contingent assets and liabilities

The Staff Agency has no material contingent assets or liabilities as at 30 June 2018 (2017: Nil)

## 9. Related Party Disclosure

The Staff Agency is a wholly controlled entity of the Library.

The State Librarian and Chief Executive of the NSW Library Council was Ms Lucy Milne until 27 August 2017. Dr John Vallance became the new State Librarian and Chief Executive of the NSW Library Council on the 28 August 2017.

The Director of Operations and CFO of the NSW Library Council is Phil Barter.

During the year, they received remuneration as listed below and reimbursements of travel and other expenses of immaterial amounts. No non-monetary remuneration was received in the year.

Compensation	2018 Remuneration \$	2017 Remuneration \$
Short term benefits	630,151	611,386
Post-employment benefits	-	-
Other long term benefits	-	-
Termination benefits	-	-
<b>Total</b>	<b>630,151</b>	<b>611,386</b>

### Related Party Transactions

The Staff Agency is a wholly controlled entity of the Library. The Staff Agency provides staff for the Library Council and Foundation, this is paid for by the Council and a charge is made to the Foundation for their share of personnel services expense.

The balances during the year are listed below:

Agency	Income \$'000	Expense \$'000	Payable as at 30 June 2018 \$'000	Receivable as at 30 June 2018 \$'000
Library Council of NSW	32,930	32,930	-	4,469

Agency	Income \$'000	Expense \$'000	Payable as at 30 June 2017 \$'000	Receivable as at 30 June 2017 \$'000
Library Council of NSW	32,315	32,315	-	4,500

**End of audited financial statements**

