

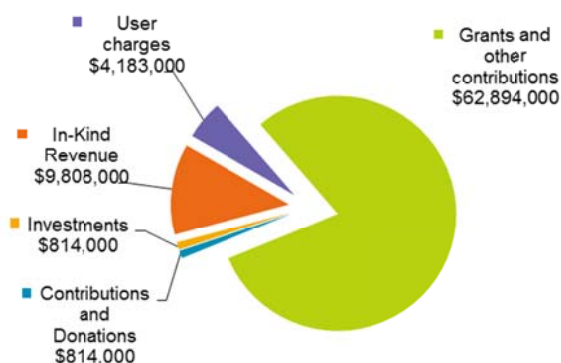
## Part 5: Financial report

### Financial summary

The Library Board of Queensland's (the Library Board's) performance is reported as the Parent Entity (the Library Board only) and the Economic Entity [the Library Board and the Queensland Library Foundation (the Foundation), its controlled entity].

The Statement of Comprehensive Income from Continuing Operations shows a \$2.461M surplus for the Economic Entity. Of this, \$2.275M is the Library Board's operating result and \$0.186M is the Foundation's operating result. The total comprehensive income for the Economic Income of \$1.808M is principally the result of a decrease of \$0.653M in the asset revaluation surplus due to the revaluation of the Library Board's Heritage Collections based on 1.4% decline in value as advised by an independent professional valuer.

**Revenue 2015–16 (Economic Entity)**



Factors contributing to the Library Board's operating result include: the application of government funding to the purchase of collections (a capital cost), the recognition in full of grant and donation funding for specific projects which have not yet been completed, donations and the recognition of donated services as revenue which have been applied to collection assets. These donated services include digitisation of Queensland newspapers by the National Library, legal deposit collection donations and work done by volunteers to digitise heritage collections.

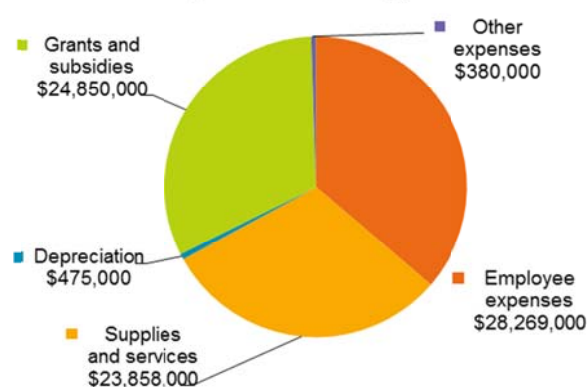
Financial performance is monitored internally on a monthly basis and reported to the Library Board at their regular meetings. The Library Board's financial performance is monitored externally by the Queensland

Audit Office and in 2015–16 this was through its appointment of William Buck who performed the audit of the financial statements.

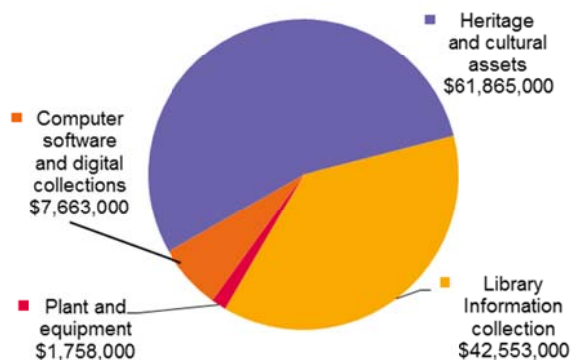
The Library Board's Audit and Risk Management Committee assists the Library Board in meeting its legislative responsibilities under the *Financial Accountability Act 2009*, the *Financial and Performance Management Standard 2009* and the *Libraries Act 1988*.

The 2015–16 Library Board financial statements reveal the organisation to be in a sound financial position. The Economic Entity Statement of Financial Position as at 30 June 2016 reveals net assets of \$128.777M, of which \$5.601M relates to the Foundation. This is an increase of 1.4% over the 2014–15 position.

**Expenditure 2015–16 (Economic Entity)**



**Non-Current Assets 2015–16 (Economic Entity)**



# Library Board of Queensland and controlled entities

## Financial Statements for the financial year ended 30 June 2016

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### Chief Finance Officer (CFO) statement

The CFO has acknowledged responsibilities under the *Financial Accountability Act 2009* (FAA) and full undertakings have been given to both the Audit and Risk Management Committee and the Library Board of Queensland, including undertakings that financial internal controls of SLQ are operating efficiently, effectively and economically in accordance with section 57 of the *Financial and Performance Management Standard 2009*. The financial statements were reviewed by the Library Board's Audit and Risk Management Committee prior to presentation to the Library Board.

**Library Board of Queensland and controlled entities**  
**STATEMENTS OF COMPREHENSIVE INCOME**  
For the year ended 30 June 2016

	Notes	Economic Entity		Parent Entity	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
<b>Income from Continuing Operations</b>					
<b>Revenue</b>					
User charges	<b>B1</b>	4,183	3,361	4,183	3,361
Grants and other contributions	<b>B1</b>	75,236	75,450	75,450	75,427
Interest		903	892	740	721
<b>Total Income from Continuing Operations</b>		<b>80,322</b>	<b>79,703</b>	<b>80,373</b>	<b>79,509</b>
<b>Expenses from Continuing Operations</b>					
Employee expenses	<b>B2</b>	28,269	26,836	28,269	26,836
Supplies and services	<b>B2</b>	23,887	22,122	23,884	22,125
Grants and subsidies	<b>B2</b>	24,850	23,900	25,100	24,165
Depreciation and amortisation		475	494	475	494
Other expenses	<b>B2</b>	380	284	370	274
<b>Total Expenses from Continuing Operations</b>		<b>77,861</b>	<b>73,636</b>	<b>78,098</b>	<b>73,894</b>
<b>Operating Result from Continuing Operations</b>		<b>2,461</b>	<b>6,067</b>	<b>2,275</b>	<b>5,615</b>
<b>Other Comprehensive Income</b>					
<u>Items that will not be reclassified to Operating Result:</u>					
Decrease in asset revaluation surplus	<b>C7</b>	(653)	(1,886)	(653)	(1,886)
<b>Total Other Comprehensive Income</b>		<b>(653)</b>	<b>(1,886)</b>	<b>(653)</b>	<b>(1,886)</b>
<b>Total Comprehensive Income</b>		<b>1,808</b>	<b>4,181</b>	<b>1,622</b>	<b>3,729</b>

*The accompanying notes form part of these statements.*

**Library Board of Queensland and controlled entities**  
**STATEMENTS OF FINANCIAL POSITION**  
**As at 30 June 2016**

	Notes	Economic Entity		Parent Entity	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
<b>Current Assets</b>					
Cash and cash equivalents	C1	16,920	18,000	11,217	12,476
Receivables	C2	1,524	849	1,620	955
Inventories		303	248	303	248
Prepayments		943	749	943	749
<b>Total Current Assets</b>		<b>19,690</b>	<b>19,846</b>	<b>14,083</b>	<b>14,428</b>
<b>Non-Current Assets</b>					
Intangible assets	C3	7,663	5,521	7,663	5,521
Property, plant and equipment	C4	106,176	105,697	106,176	105,697
<b>Total Non-Current Assets</b>		<b>113,839</b>	<b>111,218</b>	<b>113,839</b>	<b>111,218</b>
<b>Total Assets</b>		<b>133,529</b>	<b>131,064</b>	<b>127,922</b>	<b>125,646</b>
<b>Current Liabilities</b>					
Payables	C5	1,681	1,376	1,675	1,373
Accrued employee benefits	C6	2,758	2,524	2,758	2,524
Unearned revenue		313	195	313	195
<b>Total Current Liabilities</b>		<b>4,752</b>	<b>4,095</b>	<b>4,746</b>	<b>4,092</b>
<b>Total Liabilities</b>		<b>4,752</b>	<b>4,095</b>	<b>4,746</b>	<b>4,092</b>
<b>Net Assets</b>		<b>128,777</b>	<b>126,969</b>	<b>123,176</b>	<b>121,554</b>
<b>Equity</b>					
Contributed equity		1,465	1,465	1,465	1,465
Accumulated surplus		72,606	70,145	67,005	64,730
Asset revaluation surplus	C7	54,706	55,359	54,706	55,359
<b>Total Equity</b>		<b>128,777</b>	<b>126,969</b>	<b>123,176</b>	<b>121,554</b>

*The accompanying notes form part of these statements.*

**Library Board of Queensland and controlled entities**  
**STATEMENTS OF CHANGES IN EQUITY**  
**For the year ended 30 June 2016**

	Accumulated Surplus		Asset Revaluation Surplus (Note C7-1)		Contributed equity		TOTAL	
	Economic Entity	Parent Entity	Economic Entity	Parent Entity	Economic Entity	Parent Entity	Economic Entity	Parent Entity
	2015 \$'000	2015 \$'000	2015 \$'000	2015 \$'000	2015 \$'000	2015 \$'000	2015 \$'000	2015 \$'000
<b>Balance 1 July 2014</b>	64,078	59,115	57,245	57,245	1,465	1,465	122,788	117,825
Operating Result from Continuing Operations	6,067	5,615			-	-	6,067	5,615
<i>Total Other Comprehensive Income</i>								
Decrease in Asset Revaluation Surplus	-	-	(1,886)	(1,886)	-	-	(1,886)	(1,886)
<b>Balance 30 June 2015</b>	<b>70,145</b>	<b>64,730</b>	<b>55,359</b>	<b>55,359</b>	<b>1,465</b>	<b>1,465</b>	<b>126,969</b>	<b>121,554</b>
	Accumulated Surplus		Asset Revaluation Surplus (Note C7-1)		Contributed equity		TOTAL	
	Economic Entity	Parent Entity	Economic Entity	Parent Entity	Economic Entity	Parent Entity	Economic Entity	Parent Entity
	2016 \$'000	2016 \$'000	2016 \$'000	2016 \$'000	2016 \$'000	2016 \$'000	2016 \$'000	2016 \$'000
<b>Balance 1 July 2015</b>	70,145	64,730	55,359	55,359	1,465	1,465	126,969	121,554
Operating Result from Continuing Operations	2,461	2,275			-	-	2,461	2,275
<i>Total Other Comprehensive Income</i>								
Decrease in Asset Revaluation Surplus	-	-	(653)	(653)	-	-	(653)	(653)
<b>Balance 30 June 2016</b>	<b>72,606</b>	<b>67,005</b>	<b>54,706</b>	<b>54,706</b>	<b>1,465</b>	<b>1,465</b>	<b>128,777</b>	<b>123,176</b>

The accompanying notes form part of these statements.

**Library Board of Queensland and controlled entities**  
**STATEMENTS OF CASH FLOWS**  
**For the year ended 30 June 2016**

	Notes	Economic Entity		Parent Entity	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
<b>Cash flows from operating activities</b>					
<i>Inflows:</i>					
User charges		3,379	3,295	3,401	3,257
Grants and other contributions		65,522	67,502	65,721	67,459
GST collected from customers		501	444	471	412
GST input tax credits from ATO		1,682	1,424	1,672	1,424
Interest receipts		814	936	651	752
Other		89	5	89	5
<i>Outflows:</i>					
Employee expenses		(27,969)	(26,725)	(27,969)	(26,725)
Supplies and services		(15,898)	(15,307)	(15,898)	(15,320)
Grants and subsidies		(24,850)	(23,900)	(25,100)	(24,165)
GST paid to suppliers		(1,624)	(1,532)	(1,612)	(1,531)
GST remitted to ATO		(500)	(449)	(469)	(422)
Other		(368)	(247)	(358)	(237)
<b>Net cash provided by operating activities</b>	<b>CF-1</b>	<b>778</b>	<b>5,446</b>	<b>599</b>	<b>4,909</b>
<b>Cash flows from investing activities</b>					
<i>Outflows:</i>					
Payments for valuables		(298)	(372)	(298)	(372)
Payments for library collection		(261)	(351)	(261)	(351)
Payments for property, plant and equipment		(590)	(414)	(590)	(414)
Payments for intangibles		(709)	(523)	(709)	(523)
<b>Net cash used in investing activities</b>		<b>(1,858)</b>	<b>(1,660)</b>	<b>(1,858)</b>	<b>(1,660)</b>
Net increase/(decrease) in cash and cash equivalents		(1,080)	3,786	(1,259)	3,249
Cash and cash equivalents at beginning of financial year		18,000	14,214	12,476	9,227
<b>Cash and cash equivalents at end of financial year</b>	<b>C1</b>	<b>16,920</b>	<b>18,000</b>	<b>11,217</b>	<b>12,476</b>

*The accompanying notes form part of these statements.*

**Library Board of Queensland and controlled entities**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 30 June 2016**

**Notes to the Statements of Cash Flows**

**CF-1 Reconciliation of operating result to net cash provided by operating activities**

	<b>Economic Entity</b>		<b>Parent Entity</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Operating Result from Continuing Operations	2,461	6,067	2,275	5,615
Depreciation and amortisation expense	475	494	475	494
Donation of intangibles	(1,433)	(2,406)	(1,433)	(2,406)
Donation of valuables	(470)	(464)	(470)	(464)
Loss on disposal of assets	12	37	12	37
<i>Changes in assets and liabilities</i>				
(Increase)/decrease in GST input tax credits receivable	60	(108)	60	(108)
Decrease in LSL reimbursement receivable	66	13	66	13
(Increase)/decrease in Interest receivable	-	49	-	36
(Increase)/decrease in other receivables	(800)	1,894	(793)	1,836
(Increase) in inventories	(55)	(13)	(55)	(13)
(Increase) in prepayments	(194)	(144)	(194)	(144)
Increase/(decrease) in accounts payable	305	(247)	302	(257)
Increase/(decrease) in unearned revenue	118	181	118	181
Increase in accrued employee benefits	234	98	234	98
Increase/(decrease) in GST payable	(1)	(5)	2	(9)
<b>Net cash provided by operating activities</b>	<b>778</b>	<b>5,446</b>	<b>599</b>	<b>4,909</b>

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**Library Board of Queensland and controlled entities**  
**For the year ended 30 June 2016**

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### ***Library Board of Queensland and controlled entities***

#### **NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 30 June 2016**

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### **A1 Objectives and Principal Activities of the Library Board of Queensland**

The Library Board of Queensland's (the Library Board) legislated role is to collect and preserve Queensland's cultural heritage and ensure the intellectual and historical record is preserved for the future. The Library Board oversees the activities of State Library of Queensland (State Library).

State Library contributes to the cultural, social and intellectual development of Queenslanders. With a multidisciplinary remit, we support a broad government agenda across education, science, innovation, IT and enterprise. Our objectives are to enable access, engage community and build capability.

The Library Board is predominantly funded for the outputs it delivers by Parliamentary appropriation.

In 2015–16 it also received revenue from sources including:

- building rentals
- consultancy and training services
- donations
- history research services
- interest on invested funds
- network and internet services
- preservation and reproduction services
- the Library Shop
- ticket sales
- venue hire.

### **A2 Basis of Financial Preparation**

#### **General Information**

This report covers the Library Board of Queensland and its controlled entity, the Queensland Library Foundation.

The Library Board of Queensland is a Queensland Government Statutory Body established under the *Libraries Act 1988 (Qld)*.

The agency is controlled by the State of Queensland which is the ultimate parent.

The head office and principal place of business of the agency is:

Stanley Place  
South Brisbane Qld 4101

A description of the nature of the agency's operations and its principal activities is included in note A1.

For information in relation to the agency's financial report please call the Finance team on (07) 3842 9052, email [finance@slq.qld.gov.au](mailto:finance@slq.qld.gov.au) or visit State

Library of Queensland's internet site: [www.slq.qld.gov.au](http://www.slq.qld.gov.au).

#### **Statement of Compliance**

The Library Board has prepared these financial statements in compliance with section 43 of the *Financial and Performance Management Standard 2009*.

These financial statements are general purpose financial statements, and have been prepared on an accrual basis in accordance with Australian Accounting Standards and Interpretations. In addition, the financial statements comply with Queensland Treasury's Financial Reporting Requirements for the year ending 30 June 2016, and other authoritative pronouncements.

With respect to compliance with Australian Accounting Standards and Interpretations, the Library Board has applied those requirements applicable to not-for-profit entities, as the Library Board is a not-for-profit statutory body.

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**Library Board of Queensland and controlled entities**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 30 June 2016**

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## A2 Basis of Financial Preparation

### The Reporting Entity

In the financial statements, the term Parent Entity refers to the Library Board, the term Economic Entity refers to the Library Board together with the Queensland Library Foundation (the Foundation) as a controlled entity (Refer note A3). The Library Board has adopted the principles outlined in Australian Accounting Standard *AASB 10 Consolidated Financial Statements* and *AASB 12 Disclosure of Interests in Other Entities*. This approach is considered appropriate as it reflects the relationship between the Library Board's core business activities and those of the Foundation.

In the process of consolidating into a single economic entity, all transactions between the Library Board and the Foundation have been eliminated in full.

### Measurement

The historical cost convention is used unless fair value is stated as the measurement basis. New accounting standards early adopted and/or applied for the first time in these financial statements are outlined in Note F2.

### Presentation matters

#### *Currency and Rounding*

Amounts included in the financial statements are in Australian dollars and have been rounded to the nearest \$1,000 or, where that amount is \$500 or less, to zero, unless disclosure of the full amount is specifically required.

#### *Comparatives*

In 2015–16, State Library has recognised the fair value provided of the operating lease rental from Arts Queensland for the first time. Based on advice received from the State Valuation Service, there has been no movement between 2014–15 to 2015–16 (see notes B1-2 and B2-2). Other than this, there have been no changes to comparative information in 2015–16.

#### *Current/Non-Current Classification*

Assets and liabilities are classified as either 'current' or 'non-current' in the Statement of Financial Position and associated notes.

Assets are classified as 'current' where their carrying amount is expected to be realised

within 12 months after the reporting date. Liabilities are classified as 'current' when they are due to be settled within 12 months after the reporting date, or State Library does not have an unconditional right to defer settlement to beyond 12 months after the reporting date.

All other assets and liabilities are classified as non-current.

### Accounting estimates and judgements

The preparation of financial statements necessarily requires the determination and use of certain critical accounting estimates, assumptions, and management judgements that have potential to cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Such estimates, judgements and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in future periods as relevant.

Estimates and assumptions with the most significant effect on the financial statements are outlined in the following notes:

Valuation of Property, Plant and Equipment — Note C4.

### Authorisation of financial statements for issue

The financial statements are authorised for issue by the Chairperson of the Library Board, the State Librarian and CEO and the Director Corporate Services at the date of signing the Management Certificate.

## A3 Controlled entities

The Library Board controls the Queensland Library Foundation (the Foundation) with the Library Board being the sole member of the Foundation and having the power to appoint all members of the Foundation Council.

#### *Purpose and Principal Activities*

The Foundation's purposes is to act as an agent of the Library Board of Queensland (State Library) to assist State Library in the performance of its functions as set out in section 20 of the Libraries Act 1988 (Qld) by:

**Library Board of Queensland and controlled entities**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 30 June 2016**

**A3 Controlled entities (continued)**

(1) raising funds through gifts, grants and other forms of financial assistance, property and benefits for State Library, including for buildings, infrastructure, library materials, facilities, programs and projects;

(2) increasing public support and interest in State Library; and

(3) building the number of financial supporters of State Library.

State Library provides all administrative support services (including salaries for staff) to the Foundation on a cost recovery basis.

The Foundation transfers funds to the State Library to cover the cost of a range of approved projects. There are no significant restrictions on State Library's ability to access the Foundation's assets or settle its liabilities.

The Queensland Audit Office audits the Foundation. Total external audit fees relating to the 2015–16 financial statements are estimated to be \$6,000 (2015: \$5,900). There are no non-audit services included in this amount.

*Audited Financial Transactions and Balances*

Name of Controlled Entity	Total Assets \$'000		Total Liabilities \$'000		Total Revenue \$'000		Operating Result	
	2016	2015	2016	2015	2016	2015	2016	2015
Queensland Library Foundation	5,728	5,525	124	110	1,261	1,467	188	454

**B1 Revenue**

**B1-1 User Charges**

*Accounting policy — user charges*

User charges controlled by the Library Board are recognised as revenue when invoices for the related services are issued or when services have been provided. User charges are controlled by the Library Board where they can be deployed for the achievement of the Library Board's objectives.

	Economic Entity		Parent Entity	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
The Library Shop	672	643	672	643
Building rentals	323	258	323	258
History research service	1,220	1,188	1,220	1,188
Network and internet services	301	67	301	67
First 5 Forever sales	424	-	424	-
Preservation services	69	133	69	133
Reproduction services	57	60	57	60
Ticket sales	83	101	83	101
Venue hire	717	674	717	674
Other	317	237	317	237
<b>Total</b>	<b>4,183</b>	<b>3,361</b>	<b>4,183</b>	<b>3,361</b>

**Library Board of Queensland and controlled entities**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 30 June 2016**

**B1 Revenue (continued)**

**B1-2 Grants and contributions**

*Accounting policy — grants and contributions*

Grants, contributions, donations and gifts that are non-reciprocal in nature are recognised as revenue in the year in which the Library Board obtains control over them. Where grants are received that are reciprocal in nature, revenue is recognised over the term of the funding arrangements.

Contributed assets are recognised at fair value. Contributions of services are recognised when a fair value can be determined reliably and the services would be purchased if not donated.

	Economic Entity		Parent Entity	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
Recurrent grants	62,740	61,088	62,740	61,088
Commonwealth grants	65	435	65	435
Queensland Library Foundation projects	-	-	1,057	1,008
Endowments	50	250	-	-
Donations and industry contributions	2,545	3,397	1,752	2,616
Goods received below fair value	2,617	3,061	2,617	3,061
Operating lease rental — received below fair value*	7,219	7,219	7,219	7,219
<i>*2014–15 restated — see note A2</i>				
<b>Total</b>	<b>75,236</b>	<b>75,450</b>	<b>75,450</b>	<b>75,427</b>

**B2 Expenses**

**B2-1 Employee benefits expense**

*Accounting policy — Employee benefits*

Employer superannuation contributions and long service leave levies are regarded as employee benefits.

Payroll tax and workers' compensation insurance are a consequence of employing employees, but are not counted in an employee's total remuneration package. They are not employee benefits and are recognised separately as employee-related expenses.

*Accounting policy — Wages, Salaries, Recreation Leave and Sick leave*  
Wages, salaries and recreation leave due but unpaid at reporting date are recognised in the Statements of Financial Position at the current salary rates.

For unpaid entitlements expected to be paid within 12 months, the liabilities are recognised at their undiscounted values. Entitlements not expected to be paid within 12 months are also classified as current liabilities and recognised at their present value.

As sick leave is non-vesting, an expense is recognised for this leave as it is taken.

*Accounting policy — Long Service Leave*

Under the Queensland Government's long service leave scheme, a levy is made on the Library Board to cover the cost of employees' long service leave. The levies are expensed in the period in which they are payable. Amounts paid to employees for long service leave are claimed from the scheme quarterly in arrears.

No provision for long service leave is recognised in the Library Board's financial statements, the liability being held on a whole-of-Government basis and reported in those financial statements pursuant to *AASB 1049 Whole of Government and General Government Sector Financial Reporting*.

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**Library Board of Queensland and controlled entities**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 30 June 2016**

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**B2 Expenses (continued)****B2-1 Employee benefits expense (continued)***Accounting policy — Superannuation (continued)*

Employer superannuation contributions are paid to QSuper, the superannuation plan for Queensland Government employees, at rates determined by the Treasurer on the advice of the State Actuary. Contributions are expensed in the period in which they are paid or payable. The Library Board's obligation is limited to its contribution to QSuper.

The QSuper scheme has defined benefit and defined contribution categories. The liability for defined benefits is held on a whole-of-government basis and reported in those financial statements pursuant to *AASB 1049 Whole of Government and General Government Sector Financial Reporting*.

*Accounting policy — Key Executive Management Personnel*

Key Management Personnel and remuneration disclosures detailed in Note F1.

	Economic Entity		Parent Entity	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
<b>Employee Benefits</b>				
Wages and salaries	20,690	19,703	20,690	19,703
Employer superannuation contributions	2,732	2,640	2,732	2,640
Long service leave levy	482	469	482	469
Annual leave expenses	2,080	2,062	2,080	2,062
<b>Employee Related Expenses</b>				
Payroll Tax	1,261	1,203	1,261	1,203
Other employee expenses	1,024	759	1,024	759
<b>Total</b>	<b>28,269</b>	<b>26,836</b>	<b>28,269</b>	<b>26,836</b>

The number of employees including both full-time employees and part-time employees measured on a full-time equivalent basis is:

Number of Employees:	<u>288</u>	<u>287</u>
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**B2-2 Supplies and services***Accounting policy — Leases*

A distinction is made in the financial statements between finance leases that effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership, and cancellable operating leases under which the lessor effectively retains substantially all risks and benefits. The existing lease of the South Bank site is cancellable and has been classified as an operating lease.

*Accounting policy — Services rendered free of charge or for nominal value*

Contributions of services are recognised only if the services would have been purchased if they had not been donated and their fair value can be measured reliably. Where this is the case, an equal amount is recognised as a revenue and an expense.

Arts Queensland, through the Department of Premier and Cabinet, own and maintain the State Library building. Rental is based on a market rental appraised by the State Valuation Service.

**Library Board of Queensland and controlled entities**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 30 June 2016**

**B2 Expenses (continued)**

**B2-2 Supplies and services (continued)**

*Accounting policy — Services rendered free of charge or for nominal value (continued)*

	<b>Economic Entity</b>		<b>Parent Entity</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Advertising and graphic design	226	206	226	206
Bookshop and merchandising	474	418	474	418
Communications	460	447	460	447
Consultants and contractors	2,207	1,377	2,207	1,377
Corporate service charges	1,122	1,137	1,122	1,137
Electronic subscriptions	1,672	1,641	1,672	1,641
Exhibits and materials	102	78	102	78
Freight and postage	485	424	485	424
Furniture and equipment	587	551	587	551
Goods provided below fair value	715	191	715	191
Operating lease rentals — provided below fair value*	7,219	7,219	7,219	7,219
Operating lease rentals	471	441	471	441
Information technology	827	934	827	934
Library collections — new and existing	1,254	1,624	1,254	1,624
Materials and equipment	547	433	547	433
Motor vehicle costs	50	60	50	60
Printing, stationery and office supplies	595	365	595	365
Property services	2,793	2,667	2,793	2,667
Repairs and maintenance	286	171	286	171
Subscriptions and memberships	334	302	334	302
Sundries	1,020	866	1,017	869
Travel	441	570	441	570
<i>*2014–15 restated — see note A2</i>				
<b>Total</b>	<b>23,887</b>	<b>22,122</b>	<b>23,884</b>	<b>22,125</b>

**B2-3 Grants and subsidies**

	<b>Economic Entity</b>		<b>Parent Entity</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Resources for Independent Libraries	23,451	22,975	23,451	22,975
Queensland Library Foundation subsidy	-	-	250	265
Regional Libraries Queensland equipment	40	42	40	42
Grants and subsidies paid to public libraries	1,359	883	1,359	883
<b>Total</b>	<b>24,850</b>	<b>23,900</b>	<b>25,100</b>	<b>24,165</b>

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**Library Board of Queensland and controlled entities**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 30 June 2016**

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**B2 Expenses (continued)****B2-4 Other expenses***Accounting policy — Insurance*

The Library Board's non-current physical assets and other risks are insured through the Queensland Government Insurance Fund with premiums being paid on a risk assessment basis. In addition, the Library Board pays premiums to WorkCover Queensland in respect of its obligations for employee compensation and Directors and Officers insurance on behalf of Library Board members and staff.

	<b>Economic Entity</b>		<b>Parent Entity</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
External audit fees	47	45	41	40
Internal audit fees	55	53	55	53
Insurance premiums	75	71	75	71
Bad and doubtful debts	14	6	14	6
Board fees and expenses	34	33	34	33
Loss on disposal of assets	12	37	12	37
Special payments:				
Ex Gratia payments	90	-	90	-
Section 831 payment to previous employee	14	-	14	-
Other	39	39	35	34
<b>Total</b>	<b>380</b>	<b>284</b>	<b>370</b>	<b>274</b>

Total external audit fees for the economic entity relating to the 2015–16 financial year are estimated to be \$46,500 (2015: \$45,400). These fees, paid to the Queensland Audit Office, relate to the audit of the financial statements only.

Special payments during 2015–16 below \$5,000 include the following:

As part of the settlement offer to finalise negotiations for the State Government Entities Certified Agreement 2015, an undertaking was made that a Section 831 one-off payment of \$1,300 (or pro-rata) would be extended to those employees who resigned, retired or otherwise moved to other employment arrangements after 1 April 2016, but before the agreement was certified on 1 June 2016. These payments attracted applicable salary oncosts.

Ex Gratia payments includes negotiated settlements to former employees.

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**Library Board of Queensland and controlled entities**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 30 June 2016**

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**C1 Cash and equivalents***Accounting policy*

For the purposes of the Statements of Financial Position and the Statements of Cash Flows, cash assets include all cash and cheques received but not banked at 30 June as well as deposits at call with financial institutions.

	<b>Economic Entity</b>		<b>Parent Entity</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Imprest accounts	6	8	6	8
Cash at bank and on hand	59	38	44	36
Cash deposit accounts	16,855	17,954	11,167	12,432
<b>Total</b>	<b>16,920</b>	<b>18,000</b>	<b>11,217</b>	<b>12,476</b>

Funds are held in a Queensland Treasury Corporation 'at call' account as well as short-term term deposits with financial institutions.

**C2 Receivables***Accounting policy*

Trade debtors are recognised at the amounts due at the time of sale or service delivery i.e. the agreed purchase/contract price. Settlement of these amounts is required within 30 days from invoice date.

The collectability of receivables is assessed periodically with allowance being made for impairment.

Trade debtors	1,272	454	1,250	454
Less: Allowance for impairment loss	(22)	(8)	(22)	(8)
	<b>1,250</b>	<b>446</b>	<b>1,228</b>	<b>446</b>
GST receivable	199	259	199	259
GST payable	(41)	(42)	(40)	(38)
	<b>158</b>	<b>217</b>	<b>159</b>	<b>221</b>
Long service leave reimbursements	114	180	114	180
Queensland Library Foundation Receivables	-	-	117	102
Other	2	6	2	6
<b>Total</b>	<b>1,524</b>	<b>849</b>	<b>1,620</b>	<b>955</b>



**Library Board of Queensland and controlled entities**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 30 June 2016**

**C3 Intangibles**

**C3-1 Accounting policies**

Software with a value greater than \$100,000 is recognised in the financial statements. Software with a lesser value is expensed.

*Digital Collections*

In line with Queensland Treasury's *Non-Current Asset Accounting Policy — Accounting for Library Collections* (NCAP 7), the Library Board has recognised collections with a cost or other value greater than \$5,000 stored in electronic format and made accessible to the public (e.g. digitised physical collections, oral histories, digital stories and digital photographs) as intangible assets with indefinite useful lives, subject to annual review.

For in-house developed digital collection items (e.g. digitised physical collections, oral histories, digital stories and digital photographs), direct costs associated with

developing, creating and making accessible the items constitutes the cost of the items.

*Amortisation of Intangibles*

Costs associated with the development of digital collections have been capitalised. Following a review of conditions and circumstances under which digital collections are stored and maintained, it is considered that there is a sufficiently high standard to retain indefinite life status. Under *AASB 138 Intangible Assets*, these assets are not amortised.

The standard amortisation rate for software is 14%. All current software assets are fully amortised down to their residual value, but are still in use. These are in the process of being replaced by subscription based systems.

**C3-3 Intangible assets — Balances and reconciliations of carrying amount**

	<b>Economic Entity</b>		<b>Parent Entity</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Intangible Assets</b>				
Heritage digital collection	7,659	5,517	7,659	5,517
Computer software				
At cost	4	36	4	36
Less: Accumulated amortisation	-	(32)	-	(32)
<b>Total</b>	<b>7,663</b>	<b>5,521</b>	<b>7,663</b>	<b>5,521</b>
<b>Intangibles reconciliation</b>				
<b>Computer software</b>				
Carrying amount at 1 July	4	36	4	36
Amortisation	-	(32)	-	(32)
<b>Computer software carrying amount as at 30 June</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>
<b>Heritage digital collections</b>				
Carrying amount at 1 July	5,446	2,439	5,446	2,439
Acquisitions/ internally developed items	683	602	683	602
Donations	1,433	2,406	1,433	2,406
<b>Heritage digital collections total</b>	<b>7,563</b>	<b>5,447</b>	<b>7,563</b>	<b>5,447</b>
<b>Heritage digital collections — Work in progress</b>				
Carrying amount at 1 July	70	149	70	149
Movement in work in progress*	26	(79)	26	(79)
<b>Heritage digital collections WIP as at 30 June</b>	<b>96</b>	<b>70</b>	<b>96</b>	<b>70</b>
<b>Heritage digital collections carrying amount as at 30 June</b>	<b>7,659</b>	<b>5,517</b>	<b>7,659</b>	<b>5,517</b>
<b>Total Carrying amount at 30 June</b>	<b>7,663</b>	<b>5,521</b>	<b>7,663</b>	<b>5,521</b>

\*Work in Progress represents purchases made not yet catalogued

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**Library Board of Queensland and controlled entities**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 30 June 2016**

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**C4 Property, plant and equipment**

**C4-1 Accounting policies**

*Recognition Thresholds*

Items of property, plant and equipment, with the exception of the collections, with a cost or other value in excess of \$5,000 are recognised for financial reporting purposes in the year of acquisition. As per the *Non-Current Asset Accounting Policies for the Queensland Public Sector* (NCAPs), an asset recognition threshold of \$1,000,000 is applied to the reference collection (Information Collection) and a threshold of \$5,000 applies to the heritage and cultural collections (John Oxley Library (JOL) and Australian Library of Art (ALA)).

Items with a lesser value are expensed in the year of acquisition.

*Collections*

Capital expenditure on the State Library Information Collection is recorded as an addition to the collection. Purchases of common use collections are expensed on purchase.

*Heritage and Cultural Assets (Valuables)*

Capital expenditure on the JOL and ALA collections is recorded as an addition to Valuables. Due to the nature of these items, they are not depreciated in accordance with NCAP 7. Digital collections held within the JOL and ALA Collections have been treated as intangible assets since 2012–13. For further information regarding intangibles, please refer to Note C3.

*Acquisitions of Assets*

Actual cost is used for the initial recording of all non-current physical and intangible asset acquisitions. Cost is determined as the value given as consideration plus costs incidental to the acquisition, including all other costs incurred in getting the assets ready for use. However, any training costs are expensed as incurred.

Assets acquired at no cost or for nominal consideration, other than from an involuntary transfer from another Queensland

Government entity, are recognised at their fair value at date of acquisition in accordance with *AASB 116 Property, Plant and Equipment*.

*Measurement of property plant and equipment using fair value*

Heritage and cultural assets are measured at fair value as required by NCAPs. These assets are reported at their revalued amounts, being the fair value at the date of valuation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses where applicable (refer also to an explanation later in this note regarding the impact of different methods of accounting for accumulated depreciation and accumulated impairment losses in conjunction with revaluations).

The cost of items acquired during the financial year has been judged by management to materially represent their fair value at the end of the reporting period. For further information regarding fair value measurement, please refer to Note C4-4.

The JOL and ALA collections measured at fair value are comprehensively revalued at least once every five years. In the intervening years and where applicable, their previous valuations are materially kept up-to-date via the application of relevant indices. The application of such indices results in a valid estimation of the assets' fair values at reporting date. However, if a particular asset class experiences significant and volatile changes in fair value since the previous reporting period, that class is subject to specific appraisal in the reporting period, where practicable, regardless of the timing of the last specific appraisal.

Advice was sought from Australian Valuation Solutions as to any index that should be applied since the comprehensive independent revaluation in 2012. The advice received was that a -1.4% index (2015: zero %) was to be applied in the 2015–16 financial year.

**Library Board of Queensland and controlled entities**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 30 June 2016**

**C4 Property, plant and equipment (continued)**

**C4-1 Accounting policies (continued)**

*Measurement of property plant and equipment using fair value (continued)*

Fair value for the Information Collection is determined using average replacement cost based on the average cost of purchases over the last five years. This cost is applied to all titles in the collection at year end in line with NCAP 7. The fair values reported are based on appropriate valuation techniques that maximise the use of available and relevant observable inputs and minimise the use of unobservable inputs.

Any revaluation increment arising on the revaluation of an asset is credited to the asset revaluation surplus of the appropriate class, except to the extent it reverses a revaluation decrement for the class previously recognised as an expense. A decrease in the carrying amount on revaluation is charged as an expense, to the extent it exceeds the balance, if any, in the revaluation surplus relating to that class.

All other non-current assets are measured at cost in accordance with NCAPs 1–7.

*Measurement of property plant and equipment using cost*

Plant and equipment, (that is not classified as major plant and equipment) is measured at cost in accordance with the NCAPs. The carrying amounts for such plant and equipment at cost is not materially different from their fair value.

Separately identified components of assets are measured on the same basis as the assets to which they relate.

*Depreciation of Property, Plant and Equipment*

Property, plant and equipment is depreciated using the straight line method so as to allocate the net cost or revalued amount of each asset, less its estimated residual value, progressively over the estimated useful life to the entity.

Any expenditure that increases the originally assessed capacity or service potential of an asset is capitalised and the new depreciable

amount is depreciated over the remaining useful life of the asset to the entity.

For each class of depreciable assets, the following depreciation rates were used:

<b>Class</b>	<b>Rate</b>
<b>Plant and equipment</b>	
Computers (>\$5,000)	20%
Servers and switches	20%
Audio equipment	20%
Air conditioning	11%
Furniture (grand piano)	2%
Leasehold improvements	10%
Office equipment	20%

*Depreciation of collections*

Depreciation is not applied to the reference collection based on the characteristics of the collection in accordance with NCAP 7. The useful life of the collection is sufficiently long that the resultant depreciation expense would be immaterial in amount.

*Impairment of Non-Current Assets*

All non-current physical and intangible assets are assessed for indicators of impairment on an annual basis. If an indicator of possible impairment exists, management determines the asset's recoverable amount. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

The asset's recoverable amount is determined as the higher of the asset's fair value less costs to sell and depreciated replacement cost.

An impairment loss is recognised immediately in the Statements of Comprehensive Income, unless the asset is carried at a revalued amount. When the asset is measured at a revalued amount, the impairment loss is offset against the asset revaluation surplus of the relevant class to the extent available.

**Library Board of Queensland and controlled entities**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 30 June 2016**

**C4 Property, plant and equipment (continued)**

**C4-1 Accounting policies (continued)**

*Depreciation of Property, Plant and Equipment (continued)*

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income, unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

When an asset is revalued using either a market or income valuation approach, any accumulated impairment losses at that date are eliminated against the gross amount of the asset prior to restating for the revaluation.

**C4-2 Property, plant and equipment — Cost**

	Economic Entity		Parent Entity	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
<b>Property, plant and equipment</b>				
Heritage and Cultural Assets (Valuables):				
At cost	298	372	299	372
At valuation	61,567	61,250	61,566	61,250
	<u>61,865</u>	<u>61,622</u>	<u>61,865</u>	<u>61,622</u>
Library Collections				
At cost	262	351	262	351
At valuation	42,291	42,069	42,291	42,069
	<u>42,553</u>	<u>42,420</u>	<u>42,553</u>	<u>42,420</u>
Plant and equipment:				
At cost	4,192	3,929	4,192	3,929
Less: Accumulated depreciation	(2,434)	(2,274)	(2,434)	(2,274)
	<u>1,758</u>	<u>1,655</u>	<u>1,758</u>	<u>1,655</u>
<b>Total</b>	<u>106,176</u>	<u>105,697</u>	<u>106,176</u>	<u>105,697</u>

The library has property, plant and equipment with an original cost of \$1.383M that has been written down to a residual value of \$0.026M still being used in the provision of services. Included in this is collection related software assets with an original cost of \$0.716M and a residual value of \$0.004M.

The insured value of the expensed common use library collection is \$10.771m (2015: \$9.805m).

**Library Board of Queensland and controlled entities**  
**STATEMENTS OF CHANGES IN EQUITY**  
**For the year ended 30 June 2016**

**C4 Property, plant and equipment (continued)**

**C4-3 Property, plant and equipment — Balances and reconciliations of carrying amount**

	Heritage and Cultural Assets (Valuables)		Library Collections		Plant and Equipment		Total	
	Economic entity		Economic entity		Economic entity		Economic entity	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Carrying amount at 1 July — at cost	372	318	351	376	1,655	1,740	2,378	2,434
Carrying amount at 1 July — at valuation	61,250	60,468	42,069	43,579	-	-	103,319	104,047
Acquisitions	298	372	261	351	590	414	1,149	1,137
Donations received	470	464	-	-	-	-	470	464
Disposals	-	-	-	-	(44)	(37)	(44)	(37)
Transfers between asset classes	342	-	(342)	-	-	-	-	-
Net revaluation increments/(decrements)	(867)	-	214	(1,886)	-	-	(653)	(1,886)
Depreciation expense	-	-	-	-	(443)	(462)	(443)	(462)
<b>Carrying amount at 30 June 2016</b>	<b>61,865</b>	<b>61,622</b>	<b>42,553</b>	<b>42,420</b>	<b>1,758</b>	<b>1,655</b>	<b>106,176</b>	<b>105,697</b>

**Library Board of Queensland and controlled entities**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 30 June 2016**

**C4 Property, plant and equipment (continued)**

**C4-4 Fair value measurement**

*Accounting policies and basis for Fair Value Measurement*

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 under current market conditions (i.e. an exit price) regardless of whether that price is directly derived from observable inputs or estimated using another valuation technique.

Observable inputs are publicly available data that is relevant to the characteristics of the assets/liabilities being valued.

Unobservable inputs are data, assumptions and judgements that are not available publicly, but are relevant to the characteristics of the assets/liabilities being valued. Significant unobservable inputs used by State Library include, but are not limited to, subjective adjustments made to observable data to take account of the characteristics of the Library Board's assets/liabilities and assessments of physical condition and remaining useful lives. Unobservable inputs are used to the extent that sufficient relevant and reliable observable inputs are not available for similar assets/liabilities.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

*Fair measurement hierarchy*

All assets and liabilities of the Library Board for which fair value is measured or disclosed in the financial statements are categorised within the following fair value hierarchy, based on the data and assumptions used in the most recent specific appraisals:

- level 1 — represents fair value measurements that reflect unadjusted quoted market prices in active markets for identical assets and liabilities
- level 2 — represents fair value measurements that are substantially derived

from inputs (other than quoted prices included within level 1) that are observable, either directly or indirectly

- level 3 — represents fair value measurements that are substantially derived from unobservable inputs.

None of the Library Board's valuations of assets or liabilities are eligible for categorisation into level 1 or level 2 of the fair value hierarchy. There were no transfers of non-financial assets between fair value hierarchy levels during the period.

More specific fair value information about the Library Board's Property, Plant and Equipment is outlined in Note C4-1.

*Heritage and Cultural Assets*

Heritage and cultural assets were subject to specific appraisal by the Australian Valuation Office (AVO) in 2011–12 with indices applied in 2013–14 (as advised by the AVO). The AVO has since ceased operations. An index of -1.4% has been applied in 2014–15 as advised by Australian Valuation Solutions who are experienced in the valuation of Heritage and Cultural assets. As there is no active market for the Library's heritage assets, their fair value is determined by subjective comparisons of items with similar assets with observable inputs such as published sales information and assessments of the physical condition, storage and preservation techniques applied to collection items and remaining "useful life" of collection items. Unobservable inputs are used to the extent that sufficient relevant and reliable observable inputs are not available for similar assets/liabilities.

*Library Collections*

Library Collections are valued on an annual basis by management in line with Queensland Treasury and Trade's *Non-Current Asset Accounting Policies for the Queensland Public Sector*. State Library uses acquisition records for the previous 5 years in calculating average purchase prices which are then applied to titles within the Library Collection.

**Library Board of Queensland and controlled entities**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 30 June 2016**

**C5 Payables**

**Accounting policy — Payables**

Trade creditors are recognised upon receipt of the goods or services ordered and are measured at the nominal amount i.e. agreed purchase/contract price, gross of applicable trade and other discounts. Amounts owing are unsecured and are generally settled on 30 day terms.

	Economic Entity		Parent Entity	
	2016	2015	2016	2015
	\$'000	\$'000	\$'000	\$'000
<b>Payables</b>				
Trade creditors	705	579	705	579
Accrued expenses	976	797	970	794
<b>Total</b>	<b>1,681</b>	<b>1,376</b>	<b>1,675</b>	<b>1,373</b>

**C6 Accrued employee benefits**

Recreation leave	2,287	2,239	2,287	2,239
Parental Leave	1	8	1	8
Long service leave levy payable	134	114	134	114
Wages outstanding	310	152	310	152
Superannuation payable	26	11	26	11
<b>Total</b>	<b>2,758</b>	<b>2,524</b>	<b>2,758</b>	<b>2,524</b>

**C7 Equity**

Non-reciprocal transfers of assets and liabilities between wholly-owned Queensland public sector entities as a result of machinery-of-Government changes are adjusted to Contributed Equity in accordance with *Interpretation 1038 Contributions by Owners Made to Wholly Owned Public Sector Entities*. Appropriations for equity adjustments are similarly designated.

The balance of Contributed Equity of \$1.465m represents the transfer (and later adjustments) of the former Provision for Long Service Leave to Queensland Treasury upon establishment of the centralised Long Service Levy Scheme in 2000.

**C7-1 Asset revaluation surplus by class**

Asset revaluation surplus by class	Economic and Parent Entity		
	Library Collections	Heritage and Cultural Assets	Total
	2015	2015	2015
	\$'000	\$'000	\$'000
<b>Balance 1 July 2014</b>	4,876	52,369	57,245
Revaluation increment/(decrement)	(1,886)	-	(1,886)
<b>Balance 30 June 2015</b>	<b>2,990</b>	<b>52,369</b>	<b>55,359</b>
	<b>Library Collections</b>	<b>Heritage and Cultural Assets</b>	<b>Total</b>
	<b>2016</b>	<b>2016</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Balance 1 July 2015</b>	2,990	52,369	55,359
Revaluation increment/(decrement)	214	(867)	(653)
<b>Balance 30 June 2016</b>	<b>3,204</b>	<b>51,502</b>	<b>54,706</b>

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**Library Board of Queensland and controlled entities**  
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**For the year ended 30 June 2016**

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**D1 Financial Risk Disclosures**

**D1-1 Accounting policy**

*Recognition*

Financial assets and financial liabilities are recognised in the Statement of Financial Position when State Library becomes party to the contractual provisions of the financial instrument.

*Classification*

Financial instruments are classified and measured as follows:

- Receivables — held at amortised cost
- Payables — held at amortised cost.
- Cash and cash equivalents — fair value through profit and loss.

State Library does not enter into transactions for speculative purposes, nor for hedging.

All other disclosures relating to the measurement and financial risk management of financial instruments held by State Library are included in this Note.

**D1-2 Financial instrument categories**

The Library Board has the following categories of financial assets and financial liabilities:

Category	Note	Economic Entity		Parent Entity	
		2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
<b>Financial Assets</b>					
Cash and cash equivalents	<b>C1</b>	16,920	18,000	11,217	12,476
Receivables	<b>C2</b>	1,524	849	1,620	955
<b>Total</b>		<b>18,444</b>	<b>18,849</b>	<b>12,837</b>	<b>13,431</b>
<b>Financial Liabilities</b>					
Payables	<b>C5</b>	1,681	1,376	1,675	1,373
<b>Total</b>		<b>1,681</b>	<b>1,376</b>	<b>1,675</b>	<b>1,373</b>



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**Library Board of Queensland and controlled entities**  
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**D1 Financial Risk Disclosures (continued)**

**D1-3 Financial risk management**

*Risk exposure*

The Library Board's activities expose it to a variety of financial risks — interest rate risk, credit risk and liquidity risk. These are set out in the table below.

Financial risk management is implemented pursuant to Government and Library Board policy. These policies focus on the unpredictability of financial markets and seek to minimise potential adverse effects on the financial performance of the Library Board.

All financial risk is managed by Executive Management under policies approved by the Library Board. The Library Board provides written principles for overall risk management, as well as policies covering specific areas.

<b>Risk Exposure</b>	<b>Definition</b>	<b>Exposure</b>
Credit Risk	Credit risk exposure refers to the situation where the Library Board may incur financial loss as a result of another party to a financial instrument failing to discharge their obligation.	State Library is exposed to credit risk in respect of its receivables (Note C2).
Liquidity Risk	Liquidity risk refers to the situation where the Library Board may encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.	State Library is exposed to liquidity risk in respect of its payables (Note C5).
Interest Rate Risk	Interest risk refers to the situation where State Library may have reduced revenue due to the reduction of interest rates for invested funds.	State Library is exposed to Interest Risk in respect of its investments (Note C1).

*Risk measurement and management strategies*

The Library Board measures risk exposure using a variety of methods as follows:

<b>Risk Exposure</b>	<b>Measurement method</b>	<b>Risk management strategies</b>
Credit Risk	Ageing analysis.	State Library aims to reduce the exposure to credit risk through the monitoring of outstanding amounts on a regular basis.
Liquidity Risk	Government revenue is received in advance. Other revenues and expenses closely monitored.	This strategy aims to reduce the exposure to liquidity risk by ensuring State Library has sufficient funds available to meet employee and supplier obligations as they fall due.
Interest Rate Risk	Interest rate sensitivity analysis.	State Library aims to reduce this exposure through the monitoring of interest rates available from various financial institutions.

*Measurement — Fair value*

The carrying value of trade receivables, less any allowance for impairment plus payables is assumed to approximate fair value.

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**Library Board of Queensland and controlled entities**  
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**D2 Contingencies**

Matters outstanding from the prior year were resolved during 2015–16 except for one case under consideration by Workcover Queensland which has been resolved since balance date with no material outcome to the Library Board.

**D3 Commitments**

	<b>Economic Entity</b>		<b>Parent Entity</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Commitments for Expenditure</b>				
<b><i>Non-cancellable operating lease commitments</i></b>				
Commitments under operating leases at reporting date are inclusive of non-recoverable GST only and are payable as follows:				
Not later than one year	252	479	252	479
Later than one year and not later than five years	195	256	195	256
	<u>447</u>	<u>735</u>	<u>447</u>	<u>735</u>

Operating leases are entered into as a means of acquiring access to office accommodation necessary for effective operations. Lease payments are generally fixed, but with escalation clauses on which contingent rentals are determined.

No renewal or purchase options exist in relation to operating leases and no operating leases contain restrictions on financing or other leasing activities.

***Expenditure Commitments***

Payable

Not later than one year*	3,157	2,161	2,781	1,883
Later than one year and not later than five years*	1,602	4,202	1,602	4,202
	<u>4,759</u>	<u>6,363</u>	<u>4,383</u>	<u>6,085</u>

\*Includes Q ANZAC 100 Project funding

**D4 Events after the balance date**

There were no significant events occurring after the balance date.

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**Library Board of Queensland and controlled entities**  
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**D5 Future impact of accounting standards not yet effective**

At the date of authorisation of the financial report, the expected impacts of new or amended Australian Accounting Standards issued but with future commencement dates are set out below:

*AASB 124 - Related Party Disclosures*

From reporting periods beginning on or after 1 July 2016, State Library will need to comply with the requirements of *AASB 124 Related Party Disclosures*. That accounting standard requires a range of disclosures about the remuneration of key management personnel, transactions with related parties/entities, and relationships between parent and controlled entities. State Library already discloses information about the remuneration expenses for key management personnel (refer to Note F1) in compliance with requirements from Queensland Treasury. Therefore, the most significant implications of AASB 124 for State Library's financial statements will be the disclosures to be made about transactions with related parties, including transactions with key management personnel or close members of their families.

*AASB 15 Revenue from Contracts with Customers*

This Standard will become effective from reporting periods beginning on or after 1 January 2018 and contains much more detailed requirements for the accounting for certain types of revenue from customers. Depending on the specific contractual terms, the new requirements may potentially result in a change to the timing of revenue from sales of State Library's goods and services, such that some revenue may need to be deferred to a later reporting period to the extent that State Library has received cash but has not met its associated obligations (such amounts would be reported as a liability (unearned revenue) in the meantime). State Library is yet to complete its analysis of current arrangements for sale of its goods and services, but at this stage does not expect a significant impact on its present accounting practices.

*AASB 9 Financial Instruments and AASB 2014-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)*

These Standards will become effective from reporting periods beginning on or after 1 January 2018. The main impacts of these standards on State Library are that they will change the requirements for the classification, measurement, impairment and disclosures associated with State Library's financial assets. AASB 9 will introduce different criteria for whether financial assets can be measured at amortised cost or fair value.

At this stage, and assuming no change in the types of transactions the agency enters into, all of the agency's receivables are expected to remain at amortised cost.

Another impact of AASB 9 relates to calculating impairment losses for State Library's receivables. Assuming no substantial change in the nature of State Library's receivables, as they don't include a significant financing component, impairment losses will be determined according to the amount of lifetime expected credit losses.

On initial adoption of AASB 9, State Library will need to determine the expected credit losses for its receivables by comparing the credit risk at that time to the credit risk that existed when those receivables were initially recognised.

The agency will not need to restate comparative figures for financial instruments on adopting AASB 9 as from 2018–19. However, changed disclosure requirements will apply from that time. A number of one-off disclosures will be required in the 2018–19 financial statements to explain the impact of adopting AASB 9. Assuming no change in the types of financial instruments that the agency enters into, the most likely ongoing disclosure impacts are expected to relate to the credit risk of financial assets subject to impairment, and investments in unquoted equity instruments measured at fair value through other comprehensive income and derecognition of these items. All other Australian accounting standards and interpretations with future commencement dates are either not applicable to the agency's activities, or have no material impact on the agency.

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**Library Board of Queensland and controlled entities**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**D5 Future impact of accounting standards not yet effective (continued)**

**AASB 16 Leases**

This Standard will become effective for reporting periods beginning on or after 1 January 2019. When applied, the standard supersedes AASB 117 Leases, AASB Interpretation 4 Determining whether an Arrangement contains a Lease, AASB Interpretation 115 Operating Leases — Incentives and AASB Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

**Impact for Lessees**

Unlike AASB 117 Leases, AASB 16 introduces a single lease accounting model for lessees. Lessees will be required to recognise a right-of-use asset (representing rights to use the underlying leased asset) and a liability (representing the obligation to make lease payments) for all leases with a term of more than 12 months, unless the underlying assets are of low value. In effect, the majority of operating leases (as defined by the current AASB 117) will be reported on the statement of financial position under AASB 16. The impact on the reported assets and liabilities would be largely in proportion to the scale of the agency's leasing activities.

The right-of-use asset will be initially recognised at cost, consisting of the initial amount of the associated lease liability, plus any lease payments made to the lessor at or before the commencement date, less any lease incentive received, the initial estimate

of restoration costs and any initial direct costs incurred by the lessee. The right-of-use asset will give rise to depreciation expense.

The lease liability will be initially recognised at an amount equal to the present value of the lease payments during the lease term that are not yet paid. Current operating lease rental payments will no longer be expensed in the Statement of Comprehensive Income. They will be apportioned between a reduction in the recognised lease liability and the implicit finance charge (the effective rate of interest) in the lease. The finance cost will also be recognised as an expense. AASB 16 allows a 'cumulative approach' rather than full retrospective application to recognising existing operating leases. If a lessee chooses to apply the 'cumulative approach', it does not need to restate comparative information. Instead, the cumulative effect of applying the standard is recognised as an adjustment to the opening balance of accumulated surplus (or other component of equity, as appropriate) at the date of initial application. State Library will await further guidance from Queensland Treasury on the transitional accounting method to be applied.

State Library has not yet quantified the impact on the Statement of Comprehensive Income or the Statement of Financial Position of applying AASB 16 to its current operating leases, including the extent of additional disclosure required.

**D6 Non-cash financing and investing activities**

Assets and liabilities donated to/transferred by State Library and recognised as revenues and expenses (where applicable for the current year) are set out in Notes B1-2 and B2-2 respectively.

**E1 Budgetary reporting disclosures**

This section discloses the agency's original published budgeted figures for 2015–16 compared to actual results, with explanations of major variances, in respect of the agency's Statement of Comprehensive Income, Statement of Financial Position and Statement of Cash Flows.

**Library Board of Queensland and controlled entities**  
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**E2 Budget to actual comparison — Statement of comprehensive income**

NB. A budget vs actual comparison, and explanations for major variances, has not been included for the Statement of Changes in Equity, as major variances relating to that statement have been addressed in explanations of major variances for other statements.

	Variance notes	Economic Entity			
		Original Budget 2016 \$'000	Actual 2016 \$'000	Variance \$'000	Variance % of Budget
<b>Income from continuing operations</b>					
<b>Revenue</b>					
User charges	1	3,579	4,183	604	17%
Grants and other contributions	2	64,016	75,236	11,220	18%
Interest		800	903	103	13%
<b>Total income from continuing operations</b>		<b>68,395</b>	<b>80,322</b>	<b>11,927</b>	<b>17%</b>
<b>Expenses from continuing operations</b>					
Employee expenses	2	27,276	28,269	(993)	(4%)
Supplies and services	3	15,816	23,887	(8,071)	(51%)
Grants and subsidies		24,457	24,850	(393)	(2%)
Depreciation and amortisation		537	475	62	12%
Other expenses		195	368	(173)	(89%)
Loss on sale/revaluation of assets		37	12	25	68%
<b>Total expenses from continuing operations</b>		<b>68,318</b>	<b>77,861</b>	<b>(9,543)</b>	<b>(14%)</b>
<b>Operating result from continuing operations</b>		<b>77</b>	<b>2,461</b>	<b>(2,384)</b>	<b>(3096%)</b>
<b>Other comprehensive income</b>					
<i>Items that will not be reclassified to operating result:</i>					
Increase (decrease) in asset revaluation surplus	4	-	(653)	(653)	100%
Total items that will not be reclassified subsequently to operating result		-	(653)	(653)	100%
<b>Total comprehensive income</b>		<b>77</b>	<b>1,808</b>	<b>1,731</b>	<b>2248%</b>

**E2-1 Explanation of major variances — Comprehensive income**

1. The increase in the actual user charges compared to the original budget is principally due to the \$424,000 charged on a cost recovery basis for First 5 Forever training kits.
2. The actual figure is higher than the original budget largely because of the recognition of 'goods received below fair value' revenue (\$8.8M) for the value of operating lease rentals received from Arts Queensland, legal deposit collections and the value of digitisation of Queensland newspapers for the Trove catalogue by the National Library of Australia as well as the receipt of additional funding for enterprise bargaining and one-off 'Section 831' employee payments.
3. The actual figure is higher than the original budget largely because of the recognition of the operating lease rentals expense (\$7.2M) received in kind from Arts Queensland.
4. The actual revaluation decrement is due to a -1.4% revaluation index that was applied to the heritage collection based on advice from an independent professional, when none had been anticipated.

**Library Board of Queensland and controlled entities**  
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**E3 Budget to actual comparison — Statement of financial position**

	Variance notes	Economic Entity			
		Original Budget 2016 \$'000	Actual 2016 \$'000	Variance \$'000	Variance % of Budget
<b>Current Assets</b>					
Cash and cash equivalents	1	11,817	16,920	5,103	43%
Receivables	1	2,739	1,524	(1,215)	(44%)
Inventories		235	303	68	29%
Other		605	943	338	56%
<b>Total Current Assets</b>		<b>15,396</b>	<b>19,690</b>	<b>4,294</b>	<b>28%</b>
<b>Non Current Assets</b>					
Intangible assets	2	3,314	7,663	4,349	131%
Property, plant and equipment	2	110,484	106,176	(4,308)	(4%)
<b>Total Non Current Assets</b>		<b>113,798</b>	<b>113,839</b>	<b>41</b>	<b>0%</b>
<b>Total Assets</b>		<b>129,194</b>	<b>133,529</b>	<b>4,335</b>	<b>3%</b>
<b>Current Liabilities</b>					
Payables		1,688	1,681	7	0%
Accrued employee benefits	3	1,884	2,758	(874)	(46%)
Other		14	313	(299)	(2,136%)
<b>Total Current Liabilities</b>		<b>3,586</b>	<b>4,752</b>	<b>(1,166)</b>	<b>(33%)</b>
<b>Non Current Liabilities</b>					
Accrued employee benefits	3	543	-	543	100%
<b>Total Non-Current Liabilities</b>		<b>543</b>	<b>-</b>	<b>543</b>	<b>100%</b>
<b>Net Assets</b>		<b>125,065</b>	<b>128,777</b>	<b>3,712</b>	<b>3%</b>
<b>Total Equity</b>	4	<b>125,065</b>	<b>128,777</b>	<b>3,713</b>	<b>3%</b>

**E3-1 Explanation of Major Variances — Statement of financial position**

1. The variance between the cash budget and the actual is due to the opening cash balance being \$4.6M lower than budget. In addition receivables were lower than expected, resulting in higher cash.
2. The variances between the original budget and the actual for both intangibles and property plant and equipment is due to an incorrect split between the intangible collection and the physical collection budget.
3. The variance between the employee benefits compared with the budget is due to the incorrect budget allocation across current and non-current benefits when employee benefits are now all categorised as current.
4. The higher actual equity compared to the budget is due to the higher than expected surpluses for the 2014–15 and 2015–16 financial years when the original budget was developed well before the end of the 2014–15 financial year. The Q ANZAC grant funding received in advance contributed to these surpluses.

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**E4 Budget to actual comparison — Statement of cash flows**

Statement of Cash Flows	Variance notes	Economic Entity			
		Original Budget 2016 \$'000	Actual 2016 \$'000	Variance \$'000	Variance % of Budget
<b>Cash flows from operating activities</b>					
<i>Inflows:</i>					
User charges		4,002	3,379	(623)	(16%)
Grants and other contributions		64,016	65,522	1,506	2%
GST collected from customers		-	501	501	100%
GST input tax credits from ATO		-	1,682	1,682	100%
Interest receipts		800	814	14	2%
Other		311	89	(222)	(71%)
<i>Outflows:</i>					
Employee expenses		(27,276)	(27,969)	(693)	(3%)
Supplies and services		(15,816)	(15,898)	(82)	(1%)
Grants and subsidies		(24,457)	(24,850)	(393)	(2%)
GST paid to suppliers		-	(1,624)	(1,624)	(100%)
GST remitted to ATO		-	(500)	(500)	(100%)
Other		(929)	(368)	561	60%
<b>Net cash provided used by operating activities</b>		<b>651</b>	<b>778</b>	<b>127</b>	<b>20%</b>
<b>Cash flows from investing activities</b>					
<i>Inflows:</i>					
Sales of property, plant and equipment		(37)	-	37	100%
<i>Outflows:</i>					
Payments for non financial assets		(2,167)	-	2,167	100%
Payments for valuables	1	-	(298)	(298)	(100%)
Payments for library collection	1	-	(261)	(261)	(100%)
Payments for property, plant and equipment	1	-	(590)	(590)	(100%)
Payments for intangibles	1	-	(709)	(709)	(100%)
<b>Net cash provided by (used in) investing activities</b>		<b>(2,204)</b>	<b>(1,858)</b>	<b>344</b>	<b>(16%)</b>
Net increase/(decrease) in cash and cash equivalents		(1,553)	(1,080)	472	30%
Cash and cash equivalents at beginning of financial year		13,370	18,000	4,630	35%
<b>Cash and cash equivalents at end of financial year</b>		<b>11,817</b>	<b>16,920</b>	<b>5,102</b>	<b>43%</b>

**E4-1 Explanation of Major Variances — Statement of cash flows**

1. The original budget does not include a breakdown across the asset categories and therefore variances to actual are overstated within each category. Overall, the original budget is higher than the actual for investing activities mainly due to delays to property plant and equipment replacement.

**Library Board of Queensland and controlled entities**  
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**F1 Key management personnel disclosures**

**F1-1 Details of key management personnel**

State Library executives employed by the Library Board are paid at rates set by Government for Senior Executives and Senior Officers. These executives are engaged as employees under the *Libraries Act 1988 (Qld)* or as executives under the *Public Service Act 2008* on renewable contracts as tenured senior officers.

The following details for Key Management personnel include those positions that had authority and responsibility for planning, directing and controlling the activities of the agency during 2015–16. Further information on these positions can be found in the body of the Annual Report under the section relating to Executive Management.

**State Librarian**

The State Librarian is responsible for the proper and sound management of State Library, under the authority of the Library Board of Queensland.

Incumbent	Contract classification and appointment authority	Date of initial appointment	Date of resignation or cessation
Current	CEO, appointment by the Governor in Council on the recommendation of the Library Board (Board Employee)	27 November 2015	
	CEO (Acting) appointment by the Library Board (Board Employee)	20 October 2015	26 November 2015
Former	CEO 6.2, appointed by the Governor in Council on the recommendation of the Library Board (Board Employee)	27 February 2012	26 November 2015
Temporary relieving	Existing employees have been required to temporarily relieve in this position when the incumbent was on approved leave.	n/a	n/a

**Director, Corporate services**

The Director, Corporate Services is responsible for providing a range of organisational services that underpin and support State Library's activities.

Incumbent	Contract classification and appointment authority	Date of initial appointment	Date of resignation or cessation
Current	SES 2 (equivalent), appointed by State Librarian under the Libraries Act (Board employee)	13 January 2014	

**Director, Content Development**

The Director, Content Development is responsible for providing clients of State Library with physical and virtual access to the State's diverse collections and services.

Incumbent	Contract classification and appointment authority	Date of initial appointment	Date of resignation or cessation
Current	SES 2 (equivalent), appointed by State Librarian under the Libraries Act (Board employee)	8 October 2013	
Temporary relieving	Existing employees have been required to temporarily relieve in this position when the incumbent was on approved leave.	n/a	n/a



**Library Board of Queensland and controlled entities**  
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**F1 Key management personnel disclosures (continued)**

**F1-1 Details of key management personnel (continued)**

**Director, Regional Access and Public Libraries**

The Director, Regional Access and Public Libraries is responsible for providing support for Local Government and communities to deliver library services in over 340 library and Indigenous Knowledge Centre (IKC) service points in Queensland.

Incumbent	Contract classification and appointment authority	Date of initial appointment	Date of resignation or cessation
Current	S122, public service appointment under the Public Service Act	6 June 2016	
Former	SES2 (equivalent) appointed by State Librarian under the Libraries Act (Board employee) for a period of 11 months S122, public service appointment under the Public Service Act for a period of 3 months	10 March 2015	13 May 2016
Temporary relieving	Existing employees have been required to temporarily relieve in this position when the incumbent was on approved leave.	n/a	n/a

**Director, Engagement and Partnerships#**

The Director Engagement and Partnerships is responsible for driving SLQ's emphasis on innovative, cohesive and collaborative programs and service delivery, bringing together visitor and information services, and engagement with specific audiences.

Incumbent	Contract classification and appointment authority	Date of initial appointment	Date of resignation or cessation
Current	SES 2, appointed by State Librarian under the Libraries Act (Board employee)	Originally appointed: 13 April 2010. Appointed to current position: 10 March 2015	
Temporary relieving	Existing employees have been required to temporarily relieve in this position when the incumbent is on approved leave.	n/a	n/a

# The Director, Engagement and Partnerships held the position of Director, Regional Access and Public Libraries until 10 March 2015.

**Executive Manager, Communication**

The Executive Manager Communications develops and delivers a long term marketing vision for the organisation, leading and directing State Library's marketing, communications and web services staff in support of the Strategic Plan and Operational Plan.

Incumbent	Contract classification and appointment authority	Date of initial appointment	Date of resignation or cessation
Current	A08, permanent public service appointment under the Public Service Act	1 December 2015	
Former	A08, permanent public service appointment under the Public Service Act	10 August 2015	20 November 2015
Temporary relieving	Existing employees have been required to temporarily relieve in this position when the incumbent is on approved leave.	n/a	n/a

**Library Board of Queensland and controlled entities**  
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**F1 Key management personnel disclosures (continued)**

**F1-1 Details of key management personnel (continued)**

**Executive Manager, People and Planning**

The Executive Manager, People and Planning supports the State Librarian and Executive Group in shaping and setting State Library's strategic agendas by driving an integrated approach to strategic, operational and business planning across the Library.

Incumbent	Contract classification and appointment authority	Date of initial appointment	Date of resignation or cessation
Current	SO2, permanent public service appointment under the Public Service Act	16 June 2012	
Temporary relieving	Existing employees have been required to temporarily relieve in this position when the incumbent was on approved leave or seconded to another role.	n/a	n/a

**Executive Manager, Queensland Library Foundation**

The Director, Queensland Library Foundation is responsible for developing and delivering the fundraising and sponsorship arrangements to support the many activities and programs of State Library.

Incumbent	Contract classification and appointment authority	Date of initial appointment	Date of resignation or cessation
Current	AO8, temporary public service appointment under the Public Service Act	24 August 2015	
Temporary relieving	Existing employees have been required to temporarily relieve in this position when the incumbent was on approved leave.	n/a	n/a

**Executive Adviser**

The Executive advisor oversees the Office of the State Librarian and manages a team of specialists including Communications and Marketing, the Queensland Library Foundation Office as well as managing Government and Library Board Liaison and Research.

Incumbent	Contract classification and appointment authority	Date of initial appointment	Date of resignation or cessation
Former	SO1, permanent public service appointment under the Public Service Act	18 May 2015	11 March 2016

This position has not been filled since the resignation of the previous incumbent.

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**Library Board of Queensland and controlled entities**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**F1 Key management personnel disclosures (continued)**

**Accounting policy — remuneration**

Remuneration policy for the agency's Key Management personnel is set by the Queensland Public Service Commission as provided for under the *Public Service Act 2008*. The remuneration and other terms of employment for the Key Management personnel are specified in employment contracts. The contracts provide for other benefits including motor vehicles.

For the 2015–16 year, remuneration of Key Management personnel increased by 2.5% in accordance with government policy.

Remuneration packages for Key Management personnel comprise the following components:

- Short term employee benefits which include:
  - **Monetary Expenses** — consisting of base salary, allowances and leave entitlements paid and provided for the entire year or for that part of the year during which the employee occupied the specified position. Amounts disclosed equal the amount expensed in the Statement of Comprehensive Income.
  - **Non-monetary benefits** — consisting of provision of vehicle together with fringe benefits tax applicable to the benefit.
- Long term employee benefits include long service leave accrued and annual leave not expected to be settled within 12 months.
- Post employment benefits include superannuation contributions.
- Redundancy payments are not provided for within individual contracts of employment. Contracts of employment provide only for notice periods or payment in lieu of notice on termination, regardless of the reason for termination.

Total fixed remuneration is calculated on a 'total cost' basis and includes the base and non-monetary benefits, long term employee benefits and post employment benefits.

**Library Board of Queensland and controlled entities**  
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**F1 Key management personnel disclosures (continued)**

**F1-2 Key management personnel remuneration expense**

**1 July 2015 – 30 June 2016**

Position (date resigned if applicable)	Short Term Employee Expenses		Long Term Employee Expenses	Post Employment Expenses	Termination Benefits	Total Expenses
	Monetary Expenses	Non- Monetary Benefits				
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<i>State Librarian**</i>						
Current (acting from 20/10/15 to 24/11/15; appointed from 27/11/15)	197	-	4	20	-	221
Former	154	-	2	11	16	183
Temporary Relieving	26	-	1	2	-	29
<i>Director, Corporate Services</i>						
	188	-	4	18	-	210
<i>Director, Content Development</i>						
Current	171	-	4	18	-	193
Temporary Relieving	14	-	0	1	-	15
<i>Director, Regional Access and Public Libraries</i>						
Current	10	-	0	1	-	11
Former	153	-	3	16	7	179
Temporary Relieving	10	-	0	1	-	11
<i>Director, Engagement and Partnerships</i>						
Current	152	-	3	16	-	171
Temporary Relieving	6	-	0	1	-	7
<i>Executive Manager, Communications</i>						
Current	73	-	2	8	-	83
Former	45	-	1	4	16	66
Temporary Relieving	16	-	0	2	-	18
<i>Executive Manager, People and Planning</i>						
Current	121	-	2	15	-	138
Temporary Relieving	85	-	2	8	-	95
<i>Executive Director, Queensland Library Foundation</i>						
Current	98	-	2	12	-	112
Temporary Relieving	19	-	0	2	-	21
<i>Executive Adviser</i>	89	-	2	11	27	129
<b>Total Remuneration</b>	<b>1,627</b>	<b>-</b>	<b>32</b>	<b>167</b>	<b>66</b>	<b>1,891</b>

\*\*The remuneration paid is higher due to the contract completion of the former State Librarian as well as overlaps during paid leave absence.

**Library Board of Queensland and controlled entities**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 30 June 2016**

**F1 Key management personnel disclosures (continued)**

**F1-2 Key management personnel remuneration expense (continued)**

**1 July 2014 – 30 June 2015**

Position (date resigned if applicable)	Short Term Employee Expenses		Long Term Employee Expenses	Post Employment Expenses	Termination Benefits	Total Expenses
	Monetary Expenses	Non- Monetary Benefits				
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
State Librarian	250	1	5	26	-	282
Director, Corporate Services	178	-	4	18	-	200
Director, Content Development	170	-	4	18	-	192
Director, Regional Access and Public Libraries	67	-	1	7	-	75
Director, Engagement and Partnerships	94	-	2	10	25	131
Director, Regional Access and Public Libraries <sup>#</sup>	103	-	2	10	-	115
Director, Engagement and Partnerships <sup>#</sup>	63	-	1	7	-	71
Executive Manager, Communications*	101	-	9	13	32	155
Executive Manager, People and Planning*	124	-	3	15	-	142
Executive Director, Queensland Library Foundation*	83	-	2	8	1	94
Executive Adviser	15	-	-	2	-	17
<b>Total Remuneration</b>	<b>1,248</b>	<b>1</b>	<b>33</b>	<b>134</b>	<b>58</b>	<b>1,474</b>

<sup>#</sup>The Director of Engagements and Partnerships held the position of Director, Regional Access and Public Libraries until 10 March 2015.

\*During 2014–15, Executive Managers Communications and People & Planning, and Executive Director Queensland Library Foundation ceased being members of the Executive Team but were re-instated during 2015–16.

**Library Board of Queensland and controlled entities**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 30 June 2016**

**F1 Key management personnel disclosures (continued)**

**F1-3 Library board remuneration**

Library Board Fees, including both sitting fees and special assignment fees totalled \$33,091 (2015: \$33,000). Other fees such as fringe benefits tax, payroll tax, travel, catering and printing totalled \$28,628 (2015: \$28,284). The total cost of Library Board operations was therefore \$61,719 (2015: \$61,284).

Fees paid to members of the Library Board are in accordance with the guidelines provided for the *Remuneration Procedures for Part-time Chairs and Members of Queensland Government Bodies*. These amounts exclude expenses associated with the hosting and transport to meetings.

Remuneration of the Board was as follows:

<b>Name</b>	<b>Appointment date</b>	<b>2016</b>	<b>2015</b>
Jan Thomas (Chairperson)*	6 March 2014	-	-
Roland Sussex OAM (Deputy Chairperson)	5 November 2009	\$5,000	\$5,000
Andrew Griffiths	6 March 2014	\$4,000	\$4,000
Heather Linaker	6 March 2014	\$5,000	\$5,000
Joan Sheldon	6 March 2014	\$4,091	\$4,000
Matthew McDonnell	24 April 2008	\$6,000	\$6,000
Scott Reid	8 February 2011	\$5,000	\$5,000
Grace Sarra	8 February 2008	\$4,000	\$4,000
<b>Total</b>		<b>\$33,091</b>	<b>\$33,000</b>

\* Jan Thomas has opted not to receive payment for her work on the Board.

Max Walters (Library Foundation Chair) was added as a non Board member of the Audit and Risk Management Committee and earned \$1,000 for attendance.

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**Library Board of Queensland and controlled entities**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**For the year ended 30 June 2016**

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**F2 First year application of new accounting standards or change in policy**

**Changes in Accounting Policy**

State Library did not voluntarily change any accounting policies during the financial year but in 2015–16 has recognised the fair value of the operating lease rental provided by Arts Queensland for the first time. Comparatives have been amended to include this disclosure refer to notes B1-2 and B2-2.

**Accounting Standards Early Adopted for 2015–16**

Two Australian Accounting Standards have been early adopted for the 2015–16 year as required by Queensland Treasury. These are:

*AASB 2015-2 Amendments to Australian Accounting Standards — Disclosure Initiative: Amendments to AASB 101 [AASB 7, AASB 101, AASB 134 & AASB 1049]*

The amendments arising from this standard seek to improve financial reporting by providing flexibility as to the ordering of notes, the identification and location of significant accounting policies and the presentation of sub-totals, and provides clarity on aggregating line items. It also emphasises only including material disclosures in the notes. The library has applied this flexibility in preparing the 2015–16 financial statements, including co-locating significant accounting policies with the related breakdowns of financial statement figures in the notes.

*AASB 2015-7 Amendments to Australian Accounting Standards — Fair Value Disclosures of Not-for-Profit Public Sector Entities [AASB 13]*

This standard amends AASB 13 Fair Value Measurement and provides relief to not-for-profit public sector entities from certain disclosures about property, plant and equipment that is primarily held for its current service potential rather than to generate future net cash inflows. The relief applies to assets under *AASB 116 Property, Plant and Equipment* which are measured at fair value and categorised within Level 3 of the fair value hierarchy (refer to Note C4-4).

As a result, the following disclosures are no longer required for those assets. In early adopting the amendments, the following disclosures have been removed from the 2015–16 financial statements:

- disaggregation of certain gains/losses on assets reflected in the operating result;
- quantitative information about the significant unobservable inputs used in the fair value measurement; and
- a description of the sensitivity of the fair value measurement to changes in the unobservable inputs .

**Accounting Standards Applied for the First Time in 2015–16**

No other Australian Accounting Standards effective for the first time in 2015–16 had any material impact on this financial report.

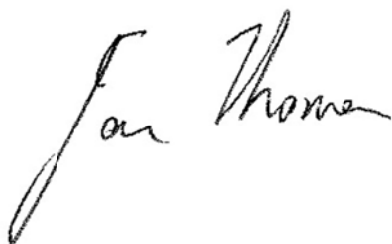
**F3 Taxation**

The Library Board is a State body as defined under the Income Tax Assessment Act 1936 and is exempt from Commonwealth taxation with the exception of Fringe Benefits Tax (FBT) and Goods and Services Tax (GST). FBT and GST are the only Commonwealth taxes accounted for by the Library Board. The Library Board is a Deductible Gift Recipient for taxation purposes.

## Certificate of The Library Board Of Queensland

These general purpose financial statements have been prepared pursuant to section 62(1) of the *Financial Accountability Act 2009* (the Act), relevant sections of the *Financial and Performance Management Standard 2009* and other prescribed requirements. In accordance with section 62(1)(b) of the Act we certify that in our opinion:

- (a) the prescribed requirements for the establishment and keeping the accounts have been complied with in all material respects; and
- (b) the statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of the Library Board and the consolidated entity for the financial year ended 30 June 2016, and of the financial position of the entity at the end of that year.
- (c) these assertions are based on an appropriate system of internal controls and risk management processes being effective, in all material respects, with respect to financial reporting throughout the reporting period.



**Professor Jan Thomas**

Chairperson  
Library Board of Queensland

Date: 23 August 2016



**Sonia Cooper**

State Librarian and CEO  
State Library of Queensland

Date: 23 August 2016



**Rita McLucas**

Director, Corporate Services  
State Library of Queensland

Date: 23 August 2016



# Independent Audit Report

To the Board of the Library Board of Queensland

## Report on the Financial Report

I have audited the accompanying financial report of Library Board of Queensland, which comprises the statements of financial position as at 30 June 2016, the statements of comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and certificates given by the Chairperson, State Librarian and Director of Corporate Services of the entity and the consolidated entity comprising the Library Board of Queensland and the entities it controlled at the year's end or from time to time during the financial year.

### *The Board's Responsibility for the Financial Report*

The Board is responsible for the preparation of the financial report that gives a true and fair view in accordance with prescribed accounting requirements identified in the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2009*, including compliance with Australian Accounting Standards. The Board's responsibility also includes such internal control as the Board determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

My responsibility is to express an opinion on the financial report based on the audit. The audit was conducted in accordance with the *Auditor-General of Queensland Auditing Standards*, which incorporate the Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit is planned and performed to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control, other than in expressing an opinion on compliance with prescribed requirements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board, as well as evaluating the overall presentation of the financial report including any mandatory financial reporting requirements approved by the Treasurer for application in Queensland.

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

### *Independence*

The Auditor-General Act 2009 promotes the independence of the Auditor General and all authorised auditors. The Auditor-General is the auditor of all Queensland public sector entities and can be removed only by Parliament.

The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which audit powers are to be exercised. The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.

*Opinion*

In accordance with s.40 of the *Auditor-General Act 2009* —

- (a) I have received all the information and explanations which I have required; and
- (b) in my opinion —
  - (i) the prescribed requirements in relation to the establishment and keeping of accounts have been complied with in all material respects; and
  - (ii) the financial report presents a true and fair view, in accordance with the prescribed accounting standards, of the transactions of Library Board of Queensland and the consolidated entity for the financial year 1 July 2014 to 30 June 2015 and of the financial position as at the end of that year.

*Other Matters — Electronic Presentation of the Audited Financial Report*

Those viewing an electronic presentation of these financial statements should note that audit does not provide assurance on the integrity of the information presented electronically and does not provide an opinion on any information which may be hyperlinked to or from the financial statements. If users of the financial statements are concerned with the inherent risks arising from electronic presentation of information, they are advised to refer to the printed copy of the audited financial statements to confirm the accuracy of this electronically presented information.



J WELSH FCPA  
(as Delegate of the Auditor-General of Queensland)



Queensland Audit Office  
Brisbane