

Financial summary

This summary provides an overview of the financial performance during 2017–18 and position as at 30 June 2018 for the Library Board of Queensland (the Library Board). The Library Board's performance is reported as the Parent Entity (the Library Board only) and the Library Board and the Queensland Library Foundation (the Foundation) is reported as the Economic Entity. The Foundation is a controlled entity of the Library Board.

Statement of Comprehensive Income

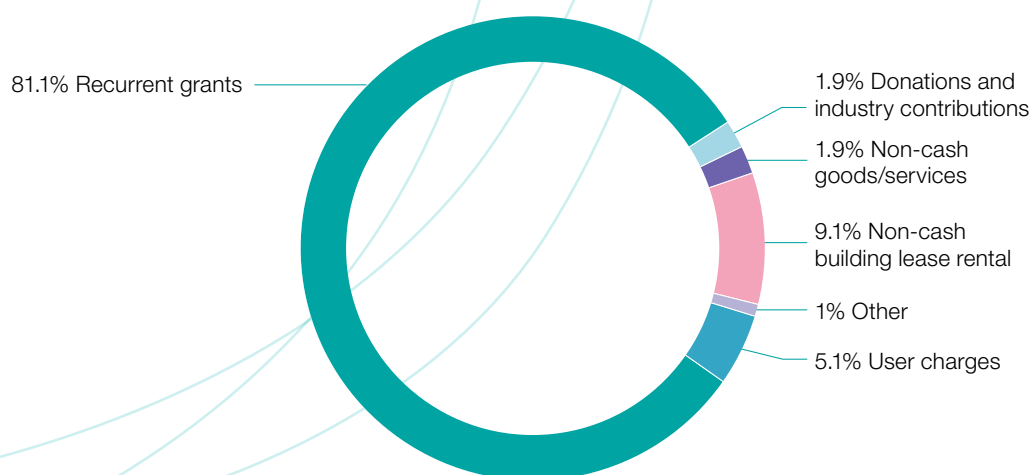
The Statement of Comprehensive Income for the Economic Entity is set out below.

Statement of Comprehensive Income	2018 \$'000	2017 \$'000
Total Income from Continuing Operations	78,499	79,926
Total Expenses from Continuing Operations	75,907	76,714
Operating Result from Continuing Operations	2,592	3,212
Increase in Asset Revaluation Reserve	-1,074	16,373
Total Comprehensive Income	1,518	19,585

Income

Government grants are a significant component of the Library Board's income (\$63.6M) in 2017–18 with User charges (\$4.0M), Donations and Sponsorships and Interest on funds invested (\$0.8M) comprising the total cash contribution. Other non-cash items recognised as income include the operating lease rental for the building (\$7.1M) and sponsorships, partnerships and legal deposit collection items (\$1.5M)

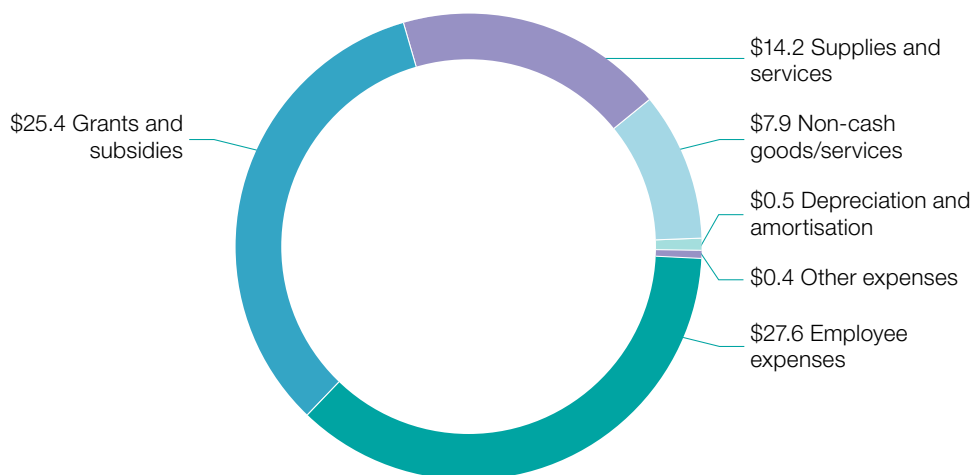
Economic Entity Income 2018



Expenses

Expenses for the Library Board were \$75.9M in 2017–18. The largest component is employee expenses (36%), with grants (33%), supplies and services (19%), non-cash costs (10%) and other expenses (2%) completing the total. The grants paid to public libraries include additional funding from the First 5 Forever family literacy initiative.

Economic Entity Expenses from Continuing Operations 2018 (\$M)



Operating Result from Continuing Operations

The Statement of Comprehensive Income from Continuing Operations shows a \$2.6M surplus for the Economic Entity. Of this, \$2.3M is the Library Board's operating result and \$0.3M is the Foundation's operating result.

Statement of Financial Position

The Statement of Financial Position sets out the net assets and equity of the Library Board. As at 30 June 2018, the net assets of the Library Board economic entity was \$149.9M which is an increase of \$1.52M from 2016–17. This increase is principally the result of collection purchases and donations, and work performed by staff and volunteers on digitising content from our heritage collection to create new intangible assets.

Financial Governance

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 2017–18 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*.

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 to the best of our knowledge and belief, financial internal controls of State Library 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 and consideration by the Library Board.

Library Board of Queensland and Controlled Entity

Financial Statements

FOR THE YEAR ENDED 30 JUNE 2018

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Chief Finance Officer (CFO) statement

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Note: 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

Right: The Red Box.
Photo by Stephen
Henry.



Library Board of Queensland and Controlled Entity

Statements of Comprehensive Income

FOR THE YEAR ENDED 30 JUNE 2018

	Note	Economic Entity		Parent Entity	
		2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Income from Continuing Operations					
Revenue					
User charges	B1	3,982	4,405	3,982	4,402
Grants and other contributions	B1	73,749	74,785	73,861	74,987
Other		768	736	620	587
Total Income from Continuing Operations		78,499	79,926	78,463	79,976
Expenses from Continuing Operations					
Employee expenses	B2	27,604	27,690	27,604	27,690
Supplies and services	B2	22,125	23,123	22,129	23,131
Grants and subsidies	B2	25,368	25,017	25,618	25,267
Depreciation and amortisation	C4	455	517	455	517
Other expenses	B2	355	367	340	353
Total Expenses from Continuing Operations		75,907	76,714	76,146	76,958
Operating Result from Continuing Operations		2,592	3,212	2,317	3,018
Other Comprehensive Income					
Items that will not be reclassified to Operating Result:					
Increase/(Decrease) in asset revaluation surplus	C7	(1,074)	16,373	(1,074)	16,373
Total Other Comprehensive Income		(1,074)	16,373	(1,074)	16,373
Total Comprehensive Income		1,518	19,585	1,243	19,391

The accompanying notes form part of these statements.

Library Board of Queensland and Controlled Entity

Statements of Financial Position

AS AT 30 JUNE 2018

	Note	Economic Entity		Parent Entity	
		2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Current Assets					
Cash and cash equivalents	C1	19,604	18,860	13,522	12,893
Receivables	C2	1,139	1,034	1,153	1,252
Inventories		193	213	193	213
Prepayments		1,250	893	1,250	893
Total Current Assets		22,186	21,000	16,118	15,251
Non-Current Assets					
Intangible assets	C3	9,520	8,585	9,520	8,585
Property, plant and equipment	C4	122,968	123,254	122,968	123,254
Total Non-Current Assets		132,488	131,839	132,488	131,839
Total Assets		154,674	152,839	148,606	147,090
Current Liabilities					
Payables	C5	1,728	1,578	1,730	1,624
Accrued employee benefits	C6	2,761	2,746	2,761	2,746
Unearned revenue		305	153	305	153
Total Current Liabilities		4,794	4,477	4,796	4,523
Total Liabilities		4,794	4,477	4,796	4,523
Net Assets		149,880	148,362	143,810	142,567
Equity					
Contributed equity		1,465	1,465	1,465	1,465
Accumulated surplus		78,410	75,818	72,340	70,023
Asset revaluation surplus	C7	70,005	71,079	70,005	71,079
Total Equity		149,880	148,362	143,810	142,567

The accompanying notes form part of these statements.

Library Board of Queensland and Controlled Entity

Statements of Changes in Equity

FOR THE YEAR ENDED 30 JUNE 2018

	Economic Entity \$'000	Parent Entity \$'000
Accumulated Surplus		
Balance 1 July 2016	72,606	67,005
Operating Result from Continuing Operations	3,212	3,018
Balance 30 June 2017	75,818	70,023
Operating Result from Continuing Operations	2,592	2,317
Balance 30 June 2018	78,410	72,340
Asset Revaluation Surplus (Note C7-2)		
Balance 1 July 2016	54,706	54,706
<i>Total Other Comprehensive Income</i> Increase in Asset Revaluation Surplus	16,373	16,373
Balance 30 June 2017	71,079	71,079
<i>Total Other Comprehensive Income</i> Decrease in Asset Revaluation Surplus	(1,074)	(1,074)
Balance 30 June 2018	70,005	70,005
Contributed Equity		
Balance 1 July 2016	1,465	1,465
Balance 30 June 2017	1,465	1,465
Balance 30 June 2018	1,465	1,465
TOTAL		
Balance 1 July 2016	128,777	123,176
Operating Result from Continuing Operations	3,212	3,018
<i>Total Other Comprehensive Income</i> Increase in Asset Revaluation Reserve	16,373	16,373
Balance 30 June 2017	148,362	142,567
Operating Result from Continuing Operations	2,592	2,317
<i>Total Other Comprehensive Income</i> Decrease in Asset Revaluation Surplus	(1,074)	(1,074)
Balance 30 June 2018	149,880	143,810

The accompanying notes form part of these statements.

Library Board of Queensland and Controlled Entity

Statements of Cash Flows

FOR THE YEAR ENDED 30 JUNE 2018

	Note	Economic Entity		Parent Entity	
		2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Cash flows from operating activities					
<i>Inflows:</i>					
User charges		3,609	5,139	3,661	5,118
Grants and other contributions		65,154	64,746	65,388	64,868
GST collected from customers		474	1,825	440	1,786
GST input tax credits from ATO		1,379	2,715	1,379	2,725
Interest receipts		733	735	586	586
Other		477	–	477	–
<i>Outflows:</i>					
Employee expenses		(27,573)	(27,676)	(27,573)	(27,676)
Supplies and services		(14,368)	(14,401)	(14,416)	(14,358)
Grants and subsidies		(25,368)	(25,017)	(25,618)	(25,267)
GST paid to suppliers		(1,431)	(2,675)	(1,431)	(2,674)
GST remitted to ATO		(494)	(1,820)	(431)	(1,815)
Other		(330)	(365)	(315)	(350)
Net cash provided by operating activities	CF-1	2,262	3,208	2,147	2,944
Cash flows from investing activities					
<i>Outflows:</i>					
Payments for valuables		(343)	(302)	(343)	(302)
Payments for library collection		(257)	(248)	(257)	(248)
Payments for property, plant and equipment		(266)	(162)	(266)	(162)
Proceeds from disposal of property, plant and equipment		32	–	32	–
Payments for intangibles		(684)	(556)	(684)	(556)
Net cash used in investing activities		(1,518)	(1,268)	(1,518)	(1,268)
Net increase in cash and cash equivalents		744	1,940	629	1,676
Cash and cash equivalents — opening balance		18,860	16,920	12,893	11,217
Cash and cash equivalents — closing balance	C1	19,604	18,860	13,522	12,893

The accompanying notes form part of these statements.

Notes to the statements of cash flows

CF-1 Reconciliation of Operating Result to Net Cash Provided by Operating Activities

	Economic Entity		Parent Entity	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Operating Surplus	2,592	3,212	2,317	3,018
Non-Cash items included in operating result:				
Depreciation and amortisation expense	455	517	455	517
Donation of intangibles	(251)	(366)	(251)	(366)
Donation of valuables	(400)	(512)	(400)	(512)
(Gain)/Loss on disposal of assets	(9)	2	(9)	2
<i>Changes in assets and liabilities</i>				
(Increase)/decrease in GST input tax credits receivable	(53)	40	(52)	51
Decrease in LSL reimbursement receivable	16	26	16	26
(Increase)/decrease in other receivables	(48)	419	126	320
Decrease in inventories	20	90	20	90
(Increase)/decrease in prepayments	(357)	50	(357)	50
Increase/(decrease) in accounts payable	150	(103)	106	(51)
Increase/(decrease) in unearned revenue	152	(160)	152	(160)
Increase/(decrease) in accrued employee benefits	15	(12)	15	(12)
Increase/(decrease) in GST payable	(20)	5	9	(29)
Net cash provided by operating activities	2,262	3,208	2,147	2,944

CF-2 Non-Cash Investing and Financing Activities

Assets and liabilities received or donated/transferred by the Library Board are recognised as revenue or expenses (refer B1-2 and B2-2) as applicable.

Library Board of Queensland and Controlled Entity

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2018

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A1 Objectives and principal activities of 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 the State Library of Queensland (the State Library).

The 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.

We build shared infrastructure through our investment in online content. We work with local government, public libraries and regional communities to create vibrant programs that help strengthen communities. We have a long history of working in partnership to increase the value we can deliver for Queensland. We support our enduring partnership with the Arts Statutory Bodies across the Cultural Precinct, and with Queensland State Archives and other local, state and national institutions collecting cultural heritage material. We have embraced the transition to sustainable business models through our work with the mining sector in regional Queensland and our innovative work in philanthropy.

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

In 2017–18 it also received revenue from sources including:

- building rentals;
- consultancy and training services;
- donations;
- 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 statement preparation

A2-1 General Information

This report covers the Library Board and its Controlled Entity, the Queensland Library Foundation.

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

The Library Board 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 Library Board's operations and its principal activities is included in note A1.

For information in relation to the Library Board's financial report please call the Finance Team on (07) 3842 9052, email finance@slq.qld.gov.au or visit the State Library of Queensland internet site www.slq.qld.gov.au.

A2-2 Compliance with Prescribed Requirements

The Library Board has prepared these financial statements in compliance with section 43 of the *Financial and Performance Management Standard 2009*. The financial statements comply with Queensland Treasury's Minimum Reporting Requirements for reporting periods beginning on and after 1 July 2017.

The Library Board is a not-for-profit entity and these general purpose financial statements are prepared on an accruals basis (except for the Statements of Cash Flows which are prepared on a cash basis) in accordance with Australian Accounting Standards and interpretations applicable for not-for-profit entities.

New accounting standards early adopted and/or applied for the first time in these financial statements are outlined in Note F3.

A2-3 Presentation

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

Comparative information reflects the audited 2016–17 financial statements.

Current/Non-Current Classification

Assets and liabilities are classified as either 'current' or 'non-current' in the Statements 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 the Library Board 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.

A2-4 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 Executive Director, Corporate Governance and Operations at the date of signing the Management Certificate.

A2-5 Basis of Measurement

Historical cost is used as the measurement basis in this financial report except for the following;

- Library collections which are measured at fair value; and
- Provisions expected to be settled 12 or more months after reporting date which are measured at their present value.

Historical Cost

Under historical cost, assets are recorded at the amount of cash or cash equivalents paid or the fair value of the consideration given to acquire assets at the time of their acquisition. Liabilities are recorded at the amount of proceeds received in exchange for the obligation or at the amounts of cash or cash equivalents expected to be paid to satisfy the liability in the normal course of business.

Fair Value

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 the observable inputs or estimated using another valuation technique. Fair value is determined using one of the following three approaches:

- The market approach uses prices and other relevant information generated by market transactions involving identical or comparable (i.e. similar) assets, liabilities or a group of assets and liabilities, such as a business.
- The cost approach reflects the amount that would be required currently to replace the service capacity of an asset. This method includes the current replacement cost methodology.
- The income approach converts multiple future cash flows amounts to a single current (i.e. discounted) amount. When the income approach is used, the fair value measurement reflects current market expectations about those future amounts.

Where fair value is used, the fair value approach is disclosed.

Present Value

Present value represents the present discounted value of the future net cash inflows that the item is expected to generate (in respect of assets) or the present discounted value of the future net cash outflows expected to settle (in respect of liabilities) in the normal course of business.

Net Realisable Value

Net realisable value represents the amount of cash or cash equivalents that could currently be obtained by selling an asset in an orderly disposal.

A2-6 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).

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

The parent entity financial statements include all income, expenses, assets, liabilities and equity of the Library Board only.

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.

The Library Board trades as the The State Library of Queensland (the State Library).

Purpose and Principal Activities

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

- (1) raising funds through gifts, grants and other forms of financial assistance, property and benefits for the State Library, including for buildings, infrastructure, library materials, facilities, programs and projects;
- (2) increasing public support and interest in the State Library; and
- (3) building the number of financial supporters of the State Library.

Audited Financial Transactions and Balances

Name of Controlled Entity	Total Assets \$'000		Total Liabilities \$'000		Total Revenue \$'000		Operating Result	
	2018	2017	2018	2017	2018	2017	2018	2017
Queensland Library Foundation	6,137	6,021	70	226	1,258	1,273	273	191

The 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 the 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 2017–18 financial statements are estimated to be \$6,300 (2017: \$6,200).

There are no non-audit services included in this amount.

	Economic Entity		Parent Entity	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000

B1 Revenue

B1-1 User Charges

The Library Shop	619	697	619	697
Building rentals	438	357	438	357
Research services	1,205	1,254	1,205	1,254
Network and internet services	129	239	129	239
First 5 Forever sales	167	615	167	615
Preservation services	40	14	40	14
Reproduction services	51	55	51	55
Ticket sales	63	88	63	85
Venue hire	899	868	899	868
Other	371	218	371	218
Total	3,982	4,405	3,982	4,402

Accounting Policy – User Charges

User charges controlled by the Library Board are recognised as revenue when the revenue has been earned and can be measured reliably. This occurs 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.

B1-2 Grants and Contributions

Accounting Policy – Grants, Contributions and Donations

Grants, contributions, donations and gifts are non-reciprocal in nature so do not require any goods or services to be provided in return. Corresponding revenue is recognised in the year in which the Library Board obtains control over the grant/contribution/donation (control is generally obtained at the time of receipt).

Contributed assets are recognised at their fair value.

Recurrent grants	63,490	62,683	63,487	62,676
Commonwealth grants	150	150	150	150
Queensland Library Foundation projects	–	–	973	1,074
Donations and industry contributions	1,513	2,389	655	1,524
Goods received below fair value	1,459	2,385	1,459	2,385
Operating lease rental – received below fair value	7,137	7,178	7,137	7,178
Total	73,749	74,785	73,861	74,987

Accounting Policy – Services received below fair 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 revenue and an expense.

	Economic Entity		Parent Entity	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000

B2 Expenses

B2-1 Employee Benefits Expense

Accounting Policy - Wages and Salaries, recreation leave

Wages and salaries due but unpaid at reporting date are recognised in the Statements of Financial Position at the current salary rates.

Where the Library Board expects such liabilities to be wholly settled within 12 months of reporting date, the liabilities are recognised at their undiscounted values.

Accounting Policy — Sick Leave

Prior history indicates that on average, sick leave taken each reporting period is less than the entitlement accrued. This is expected to continue in future periods. Accordingly, it is unlikely that existing accumulated entitlements will be used by employees and no liability for unused sick leave entitlements is recognised. 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.

Accounting Policy — Superannuation

Post-employment benefits for superannuation are provided through defined contribution (accumulation) plans or the Queensland Government's QSuper defined benefit plan as determined by the employee's conditions of employment.

Defined Contribution Plans — Contributions are made to eligible complying superannuation funds based on the rates specified in the relevant EBA or other conditions of employment. Contributions are expensed when they are paid or become payable following completion of the employee's service each pay period.

Defined Benefit Plan — 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*. The amount of contributions for defined benefit plan obligations is based upon the rates determined by the State Actuary. Contributions are paid by the Library Board at the specified rate following completion of the employee's service each pay period. The Library Board's obligations are limited to those contributions paid.

Accounting Policy — Workers' Compensation Premiums

The Library Board pays premiums to WorkCover Queensland in respect of its obligations for employee compensation. Workers' compensation insurance is a consequence of employing employees, but is not counted in an employee's total remuneration package. It is not employee benefits and is recognised separately as employee related expenses.

Key management personnel and remuneration disclosures are detailed in Note F1.

Key Management personnel and remuneration disclosures are detailed in Note F1.

Employee Benefits				
Wages and salaries	20,547	20,312	20,547	20,312
Employer superannuation contributions	2,765	2,739	2,765	2,739
Long service leave levy	454	479	454	479
Annual leave expenses	1,972	2,066	1,972	2,066
Employee Related Expenses				
Payroll tax	1,223	1,232	1,223	1,232
Other employee expenses	643	862	643	862
Total	27,604	27,690	27,604	27,690

	2018 No.	2017 No.
Full-Time Equivalent Employees	272	275

	Economic Entity		Parent Entity	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000

B2-2 Supplies and Services

Accounting Policy — Operating Lease Rentals

Operating lease payments are representative of the pattern of benefits derived from the leased assets and are expensed in the periods in which they are incurred. Incentives received on entering into operating leases are recognised as liabilities. Lease payments are allocated between rental expense and reduction of the liability.

Disclosure — Operating Leases

Operating leases are entered into as a means of acquiring access to office accommodation and fleet vehicles. Lease terms extend over a period of 5 to 10 years. The Library Board has no option to purchase the leased item at the conclusion of the lease although the lease provides for a right of renewal at which time the lease terms are renegotiated.

Operating lease rental expenses comprises the minimum lease payments payable under operating lease contracts. Lease payments are generally fixed, but with inflation escalation clauses on which contingent rentals are determined.

Advertising and graphic design	98	183	98	183
Bookshop and merchandising	429	421	429	421
Communications	323	398	323	398
Consultants and contractors	1,210	1,343	1,210	1,343
Corporate service charges	975	1,001	975	1,007
Electronic subscriptions	1,627	1,728	1,627	1,728
Exhibits and materials	22	99	22	99
Freight and postage	401	505	401	505
Furniture and equipment	353	442	353	442
Goods provided below fair value	807	1,508	807	1,508
Operating lease rental — provided below fair value	7,137	7,178	7,137	7,178
Operating lease rentals	510	384	510	384
Information technology	1,001	912	1,001	912
Library collections — new and existing	1,194	1,138	1,194	1,138
Materials and equipment	596	904	596	904
Motor vehicle costs	36	33	36	33
Printing, stationery and office supplies	198	243	198	243
Property services	3,233	2,902	3,233	2,902
Repairs and maintenance	235	242	235	242
Subscriptions and memberships	179	245	179	245
Sundries	1,247	929	1,251	932
Travel	314	384	314	384
Total	22,125	23,123	22,129	23,131

Accounting Policy — Services Rendered Free of Charge or for Nominal Value

Contribution 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 Environment and Science, own and maintain the State Library building. Rental is based on a market rental appraised by the State Valuation Service.

	Economic Entity		Parent Entity	
	2018	2017	2018	2017
	\$'000	\$'000	\$'000	\$'000

B2 Expenses (cont'd)

B2-3 Grants and Subsidies

Grants and subsidies				
Resources for Independent Libraries	19,780	23,860	19,780	23,860
Queensland Library Foundation subsidy	–	–	250	250
Regional Libraries Queensland equipment	44	44	44	44
Grants & subsidies paid to public libraries	5,544	1,113	5,544	1,113
Total	25,368	25,017	25,618	25,267

B2-4 Other Expenses

External audit fees	49	47	43	41
Internal audit fees	62	56	62	56
Insurance premiums	80	85	80	85
Bad and doubtful debts	37	8	37	8
Board fees and expenses	42	37	42	37
Loss on disposal of assets	25	2	25	2
Special payments:				
Ex Gratia payments	0	75	–	75
Other	60	57	51	49
Total	355	367	340	353

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.

Total external audit fees for the economic entity relating to the 2017–18 financial year are estimated to be \$48,800 (2017: \$47,200). These fees, paid to the Queensland Audit Office, relate to the audit of the financial statements only.

Special payments include Ex Gratia payments in respect to negotiated settlements for former employees.

Economic Entity		Parent Entity	
2018	2017	2018	2017
\$'000	\$'000	\$'000	\$'000

C1 Cash and cash equivalents

Accounting Policy — Cash and Cash Equivalents

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.

Imprest accounts	11	6	11	6
Cash at bank and on hand	305	124	214	90
Cash deposit accounts	19,288	18,730	13,297	12,797
Total	19,604	18,860	13,522	12,893

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 — Receivables

Receivables are measured at amortised cost which approximates their fair value at reporting date.

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.

Other debtors generally arise from transactions outside the usual operating activities of the Library Board and are recognised at their assessed values. Terms are a maximum of three months, no interest is charged and no security is obtained.

Disclosure — Credit Risk Exposure of Receivables

The maximum exposure to credit risk at balance date for receivables is the gross carrying amount of those assets inclusive of any provisions for impairment.

No collateral is held as security and no credit enhancements relate to receivables held by the Library Board. Receivables fall into one of the following categories when assessing collectability:

- within terms and expected to be fully collectible
- within terms but impaired
- past due but not impaired
- past due and impaired

All receivables within terms and expected to be fully collectible are considered of good quality based on recent collection history. Credit risk management strategies are detailed in Note D2.

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

Trade debtors	908	365	853	362
Less: Allowance for impairment loss	(29)	(11)	(29)	(11)
	879	354	824	351
GST receivable	212	159	200	148
GST payable	(26)	(46)	(20)	(11)
	186	113	180	137
Long service leave reimbursements	72	88	72	88
Queensland Library Foundation receivables	–	–	75	197
Other	2	479	2	479
Total	1,139	1,034	1,153	1,252

C3 Intangibles

C3-1 Recognition and Measurement

Accounting Policies

Software with a historical cost or other value equal to or greater than \$100,000 are recognised in the financial statements. Software with a lesser value is expensed. Any training costs are expensed as incurred.

There is no active market for any of the Library Board's intangible assets. As such, the assets are recognised and carried at historical cost less accumulated amortisation and accumulated impairment losses.

Expenditure on research activities relating to internally-generated intangible assets is recognised as an expense in the period in which it is incurred.

Costs associated with the internal development of computer software are capitalised and amortised under the amortisation policy below.

No intangible assets have been classified as held for sale or form part of a disposal group held for sale.

Digital Collections

In line with *Queensland Treasury's Non-Current Asset 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.

Revaluation of Intangible Assets

The John Oxley Library (JOL), Australian Library of Art (ALA) and the Information collections are measured at fair value in accordance with *AASB 116 Property, Plant and Equipment* and *NCAPs*.

In respect of the above mentioned collections, the cost of items acquired during the financial year has been judged by management of the Library Board to materially represent their fair value at the end of the reporting period.

Where intangible assets have an active market, they are measured at fair value, otherwise they are measured at cost.

C3-2 Impairment

Accounting Policy

All intangible assets are assessed for indicators of impairment on an annual basis. If an indicator of possible impairment exists, the Library Board 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.

Intangible assets are principally assessed for impairment by reference to the actual and expected continuing use of the asset by the Library Board, including discontinuing the use of the software. Recoverable amount is determined as the higher of the asset's fair value less costs to sell and its value-in-use.

	Economic Entity		Parent Entity	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
C3-3 Intangible Assets – Balances and Reconciliations of Carrying Amount				
Intangible Assets				
Heritage Digital Collection	9,517	8,582	9,517	8,582
Computer Software				
At cost	3	4	3	4
Less: Accumulated amortisation	–	(1)	–	(1)
Total	9,520	8,585	9,520	8,585
Intangible reconciliation				
Computer Software				
Carrying amount at 1 July	3	4	3	4
Amortisation	–	(1)	–	(1)
Computer Software carrying amount as at 30 June	3	3	3	3
Heritage Digital Collections				
Carrying amount at 1 July	8,524	7,563	8,524	7,563
Acquisitions/internally developed items	580	595	580	595
Donations	251	366	251	366
Heritage Digital Collections total as at 30 June	9,355	8,524	9,355	8,524
Heritage Digital Collections – Work in Progress				
Carrying amount at 1 July	58	96	58	96
Movement in Work in Progress*	104	(38)	104	(38)
Heritage Digital Collections Work in Progress as at 30 June	162	58	162	58
Heritage Digital Collections Carrying amount as at 30 June	9,517	8,582	9,517	8,582
Total Intangibles Carrying amount at 30 June	9,520	8,585	9,520	8,585

* Work in Progress represents purchases made but not yet catalogued

C4 Property, plant and equipment

C4-1 Recognition and Measurement

Accounting Policy – Recognition

Basis of Capitalisation and Recognition Thresholds

Items of property, plant and equipment, with the exception of the collections, with a historical cost or other value equal to or 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 applied 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.

Expenditure on property, plant and equipment is capitalised where it is probable that the expenditure will produce future service potential for the Library Board. Subsequent expenditure is only added to an asset's carrying amount if it increases the service potential or useful life of that asset. Maintenance expenditure that merely restores original service potential (lost through ordinary wear and tear) is expensed.

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.

Accounting Policy – Cost of Acquisition

Historical cost is used for the initial recording of all property, plant and equipment acquisitions. Historical cost is determined as the value given as consideration and costs incidental to the acquisition (such as architects' fees and engineering design fees), plus all other costs incurred in getting the assets ready for use.

Where assets are received free of charge from another Queensland Government entity (whether as a result of machinery-of-Government change or other involuntary transfer), the acquisition cost is recognised as the carrying amount in the books of the other entity immediately prior to the transfer.

Assets acquired at no cost or for nominal consideration, other than from another Queensland Government entity, are recognised at their fair value at date of acquisition.

Where an asset is acquired by means of a finance lease, the asset is recognised at the lower of the fair value of the leased property and the present value of the minimum lease payments. The lease liability is recognised at the same amount.

C4-2 Measurement using Historical Cost

Accounting Policy

Plant and equipment, (excluding major plant and equipment) is measured at historical cost in accordance with the Non-Current Asset Policies. The carrying amounts for such plant and equipment is not materially different from their fair value.

C4-3 Measurement using Fair Value

Accounting Policy

Heritage and cultural assets are measured at fair value as required by Queensland Treasury's Non-Current Asset Policies for the Queensland Public Sector.

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.

The cost of items acquired during the financial year has been judged by management of the Library Board to materially represent their fair value at the end of the reporting period. For further information regarding fair value measurement, please refer to Note D1.

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.

No index has been applied in 2017–18 based on advice received from Pickles Valuation Services.

An independent revaluation of the JOL and ALA collections was undertaken as at 30 June 2017 to determine the fair value of these assets. The revaluation was conducted by Pickles Valuation Services and was done in accordance with the reporting requirements of Queensland Treasury's Non-Current Asset Policies for the Queensland Public Sector, NCAP 7 — Accounting for Library Collections Policy and NCAP 3 – Valuation of Assets; the Australian Accounting Standard Boards (AASB) Standards AASB 13, AASB 116, AASB 136, and State Library Accounting for Library Collections Policy.

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.

Independent confirmation of the methodology used to value the Information collection is to be obtained by the State Library every 5 years as per NCAP 7. This confirmation was received as at 30 June 2017 from Pickles Valuation Services.

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

Accounting for changes in Fair Value

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 asset class.

For assets revalued using a cost valuation approach (e.g. current replacement cost) — accumulated depreciation is adjusted to equal the difference between the gross amount and carrying amount, after taking into account accumulated impairment losses. This is generally referred to as the 'gross method'.

For assets revalued using a market or income-based valuation approach — accumulated depreciation and accumulated impairment losses are eliminated against the gross amount of the asset prior to restating for the revaluation. This is generally referred to as the 'net method'.

C4-4 Depreciation

Accounting Policy

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 any estimated residual value, progressively over the estimated useful life to the entity.

Key Judgement: Straight line depreciation is used as that is consistent with the even consumption of service potential; of these assets over their useful life to the Library Board.

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.

Depreciation Rates

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

Class	Default Rate
Plant and equipment (>\$5,000)	
Computers	20%–25%
Servers & Switches	20%
Audio equipment	20%-33%
Air conditioning	11%
Furniture (Grand Piano)	2%
Leasehold Improvements	10%
Office equipment	20%–33%

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.

Economic Entity		Parent Entity	
2018	2017	2018	2017
\$'000	\$'000	\$'000	\$'000

C4 Property, plant and equipment (cont'd)

C4-5 Impairment

Accounting Policy

Indicators of Impairment and Determining Recoverable Amount

All non-current physical and intangible assets are assessed for indicators of impairment on an annual basis or, where the asset is measured at fair value, for indicators of a change in fair value/service potential since the last valuation was completed. Where indicators of a material change in fair value or service potential since last valuation arises, the asset is revalued at the reporting date under AASB 13 *Fair Value Measurement*. If an indicator of possible impairment exists, the Library Board determines the asset's recoverable amount under AASB 136 *Impairment of Assets*.

For all other remaining assets measured at cost, and assets within the economic entity held for the generation of cash flows, recoverable amount is equal to the higher of the fair value less costs of disposal and the asset's value in use.

Value in use is equal to the present value of the future cash flows expected to be derived from the asset, or where the Library Board no longer uses an asset and has made a formal decision not to reuse or replace the asset, the value in use is the present value of net disposal proceeds.

Recognising Impairment Losses

For assets measured at fair value, the impairment loss is treated as a revaluation decrease and offset against the asset revaluation surplus of the relevant class to the extent available. Where no asset revaluation surplus is available in respect of the class of asset, the loss is expensed in the statement of comprehensive income as a revaluation decrement.

For assets measured at cost, an impairment loss is recognised immediately in the statement of comprehensive income.

Reversal of Impairment Losses

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.

For assets measured at fair value, to the extent the original decrease was expensed through the statement of comprehensive income, the reversal is recognised in income, otherwise the reversal is treated as a revaluation increase for the class of asset through asset revaluation surplus.

For assets measured at cost, impairment losses are reversed through income.

C4-6 Property, Plant and Equipment – Cost

Heritage and Cultural Assets (Valuables):

John Oxley and Australian Library of Art Collections

At cost	344	–	344	–
At valuation	79,754	79,355	79,754	79,355
	80,098	79,355	80,098	79,355

Artworks

	35	35	35	35
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Total Heritage and Cultural Assets

	80,133	79,390	80,133	79,390
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Library Collections

At cost	257	248	257	248
At valuation	41,389	42,215	41,389	42,215
	41,646	42,463	41,646	42,463

Plant and equipment:

At cost	4,309	4,286	4,309	4,286
Less: Accumulated depreciation	(3,120)	(2,885)	(3,120)	(2,885)
	1,189	1,401	1,189	1,401

Total	122,968	123,254	122,968	123,254
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	Economic Entity		Parent Entity	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000

The library has property, plant and equipment with an original cost of \$2.185m that has been written down to a residual value of \$47,595 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 \$3,000.

The insured value of the expensed common use library collection is \$8.400m (2017: \$8.823m).

C4-7 Property Plant and Equipment – Balances and Reconciliations of Carrying Amount

Heritage and Cultural Assets (Valuables)

Level 3

Carrying amount at 1 July — at cost	–	298	–	298
Carrying amount at 1 July — at valuation	79,390	61,567	79,390	61,567
Acquisitions	343	302	343	302
Donations received	400	512	400	512
Net revaluation increments/(decrements)	–	16,711	–	16,711
Carrying amount at end of financial year	80,133	79,390	80,133	79,390

Library Collections

Level 3

Carrying amount at 1 July — at cost	248	261	248	261
Carrying amount at 1 July — at valuation	42,215	42,292	42,215	42,292
Acquisitions	257	248	257	248
Net revaluation increments/(decrements)	(1,074)	(338)	(1,074)	(338)
Carrying amount at end of financial year	41,646	42,463	41,646	42,463

Plant and Equipment

Carrying amount at 1 July — at cost	1,401	1,758	1,401	1,758
Acquisitions	266	162	265	162
Disposals	(23)	(2)	(23)	(2)
Depreciation expense	(455)	(517)	(455)	(517)
Carrying amount at end of financial year	1,189	1,401	1,189	1,401

Total

Carrying amount at 1 July — at cost	1,649	2,317	1,649	2,317
Carrying amount at 1 July — at valuation	121,605	103,859	121,605	103,859
Acquisitions	866	712	866	712
Donations received	400	512	400	512
Disposals	(23)	(2)	(23)	(2)
Net revaluation increments/(decrements)	(1,074)	16,373	(1,074)	16,373
Depreciation expense	(455)	(517)	(455)	(517)
Carrying amount at end of financial year	122,968	123,254	122,968	123,254

	Economic Entity		Parent Entity	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000

C5 Payables

Current				
Trade creditors	908	610	908	610
Accrued expenses	820	968	822	1,014
Total	1,728	1,578	1,730	1,624

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, net of applicable trade and other discounts. Amounts owing are unsecured.

C6 Accrued employee benefits

Recreation leave	2,259	2,297	2,259	2,297
Paid parental leave	(55)	(59)	(55)	(59)
Long service leave levy payable	123	121	123	121
Wages outstanding	434	379	434	379
Superannuation payable	–	8	–	8
Total	2,761	2,746	2,761	2,746

Accounting Policy – Accrued Employee Benefits

No provision for long service leave is recognised in the financial statements as the liability is held on whole-of-government basis and reported in those financial statements pursuant to AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

C7 Equity

C7-1 Contributed Equity

Accounting Policy

Interpretation 1038 *Contributions by Owners Made to Wholly Owned Public Sector Entities* specifies the principles for recognising contributed equity by the Library Board. The following items are recognised as contributed equity by the Library Board during the reporting and comparative years:

- Appropriations for equity adjustments
- Non-reciprocal transfers of assets and liabilities between wholly-owned Queensland State Public Sector entities as a result of machinery-of-Government changes

C7-2 Asset Revaluation Surplus by Asset Class

Accounting Policy

The asset revaluation surplus represents the net effect of upwards and downwards revaluations of assets to fair value.

	Economic & Parent Entity		
	Library Collections \$'000	Heritage & Cultural Assets \$'000	Total \$'000
2017			
Balance 1 July 2016	3,204	51,502	54,706
Revaluation increment/(decrement)	(338)	16,711	16,373
Balance 30 June 2017	2,866	68,213	71,079
2018			
Balance 1 July 2017	2,866	68,213	71,079
Revaluation increment/(decrement)	(1,074)	–	(1,074)
Balance 30 June 2018	1,792	68,213	70,005

D1 Fair value measurement

D1-1 Accounting Policies and Inputs for Fair Values

What is Fair Value?

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 are relevant to the characteristics of the assets/liabilities being valued. Observable inputs used by the Library Board include, but are not limited to, published sales data for heritage and cultural assets.

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 the 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 their 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.

Fair Value Measurement Hierarchy

Details of assets and liabilities measured under each category of fair value are set out in the tables at Note C4-7.

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; and
- 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 C4-3.

D1-2 Basis for Fair Values of assets and liabilities

Heritage and Cultural Assets

Effective Date of Last Specific Appraisal: 30/6/17

Valuation Approach: Market based assessment

Inputs: The collection was valued using level 3 observable inputs. Auction records, International and Australian dealer's catalogues, book seller's pricelists, and offerings on the internet. PVS has subscription services to ABPC (American Book Price Current), Rare Book Hub, AASD (Australian Art Sales Digest), and Findlotsonline as well as a number of auction houses. Descriptions and notes for items were attained from State Libraries One Search database.

Where market prices could not be easily established the value was determined using the price of a similar asset.

Current year Valuation Activity:

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 Pickles Valuation Service as to any index that should be applied since the comprehensive independent revaluation in 2017. The advice received was that no index was to be applied in the 2017–18 financial year.

Library Collections

Effective Date of Last Specific Appraisal: 30/6/18

Valuation Approach: Internal valuation based on purchase data collected as per NCAP 7.

Inputs: Purchase data over the past 5 years by category and sub-category along with collection counts.

Current year Valuation Activity: Library Collections are valued on an annual basis by management in line with Queensland Treasury's Non-Current Asset Accounting Policies for the Queensland Public Sector. The 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.

D2 Financial risk disclosures

D2-1 Accounting Policy

Recognition

Financial assets and financial liabilities are recognised in the Statements of Financial Position when the Library Board 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

The Library Board 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 the State Library are included further in this Note.

D2-2 Financial Instrument Categories

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

Category	Note	Economic Entity		Parent Entity	
		2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Financial Assets					
Cash and cash equivalents	C1	19,604	18,860	13,522	12,893
Receivables	C2	1,139	1,034	1,153	1,252
Total		20,743	19,894	14,675	14,145
Financial Liabilities					
Payables	C5	1,728	1,578	1,730	1,624
Total		1,728	1,578	1,730	1,624

No financial assets and financial liabilities have been offset and presented net in the Statements of Financial Position.

D2-3 Financial Risk Management

Risk Exposure

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.

The Library Board's activities expose it to a variety of financial risks as set out in the following table:

Risk Exposure	Definition	Exposure
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.	The Library Board 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.	The Library Board is exposed to liquidity risk in respect of its payables (Note C5).
Interest Risk	Interest risk refers to the situation where the Library Board may have reduced revenue due to the reduction of interest rates for invested funds.	The Library Board 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:

Risk Exposure	Measurement method	Risk Management Strategies
Credit Risk	Ageing analysis	The Library Board 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 the Library Board has sufficient funds available to meet employee and supplier obligations as they fall due.
Interest Risk	Interest rate sensitivity analysis	The Library Board 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, and payables is assumed to approximate fair value.

D3 Contingencies

There are no known material contingent assets or liabilities at balance date.

D4 Commitments

	Economic Entity		Parent Entity	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
Capital Expenditure Commitments				
Non-cancellable operating lease commitments				
Commitments under operating leases at reporting date (inclusive of non-recoverable GST input tax credits) are payable:				
Not later than one year	515	502	515	502
Later than one year but not later than five years	2,225	1,941	2,225	1,941
Later than five years	2,297	2,976	2,297	2,976
	5,037	5,419	5,037	5,419

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*	2,699	3,304	2,209	3,002
Later than one year and not later that five years*	1,074	1,081	979	930
	3,773	4,385	3,188	3,932

* Includes
Q ANZAC 100
Project funding

D5 Events after the balance date

There were no significant events occurring after the balance date.

D6 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 1058 *Income of Not-for-Profit Entities* and AASB 15 *Revenue from Contracts with Customers*

These standards will apply to the Library Board for its financial statements from 2019–20.

The Library Board has commenced analysing the new revenue recognition requirements under these standards and is yet to form conclusions about significant impacts. Potential future impacts identifiable at the date of this report are as follows:

- grants received to construct a non financial asset will be recognised as a liability, and subsequently progressively recognised as revenue as the Library Board satisfies its performance obligations under the grant. At present such grants are recognised as revenue upfront.
- under the new standards other grants presently recognised as revenue upfront may be eligible to be recognised as revenue progressively as the associated performance obligations are satisfied, but only if the associated performance obligations are enforceable and sufficiently specific. The Library Board is yet to evaluate the existing grant arrangements as to whether revenue from those grants could be deferred under the new requirements.
- grants that are not enforceable and or sufficiently specific will not qualify for deferral, and continue to be recognised as revenue as soon as they are controlled. The Library Board receives several grants for which there are no sufficiently specific performance obligations, so these grants will continue to be recognised as revenue upfront.

- depending on the respective contractual terms, the new requirements will potentially result in a change to the timing of revenue from sales to the Library Board's goods and services such that some revenue may need to be deferred to a later reporting period to the extent that the Library Board has received cash but has not met its associated obligations (such amounts would be reported as a liability in the meantime). The Library Board is yet to complete its analysis of existing arrangements for sale of its goods and services, but at this stage does not expect a significant impact on its present accounting practices.
- a range of new disclosures may be required by the new standards in respect of the Library Board's revenue.

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

These standards will first apply to the Library Board for its financial statements from 2018–19 with a 1 July 2018 date of transition. The main impact of these standards are that they will change the requirements for the classification, measurement, impairment and disclosures associated with the Library Board's financial assets. AASB 9 will introduce different criteria for whether financial assets can be measured at amortised cost or fair value.

The Library Board has reviewed the impact of AASB 9 on the classification and measurement of its financial assets. The following summarises the estimated impact (or ranges of estimates) of AASB 9 will change the categorisation and valuation of the amounts reported in Note D2-2:

There will be no change to either the classification or valuation of the cash and cash equivalent item.

- The Library Board's current receivables are short term in nature and as such, the carrying amount is expected to be a reasonable approximation of fair value. Changes in the fair value of those assets will be reflected in the Library Board's operating result.

- In relation to calculating impairment losses for the Library Board'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.
- The Library Board 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. The most likely ongoing disclosure impacts are expected to relate to the credit risk of financial assets subject to impairment.

AASB 16 Leases

This standard will first apply to the Library Board for its financial statements from 2019–20. When applied the standard supersedes AASB 117 *Leases*, AASB Interpretation 4 *Determining whether an arrangement contains a Lease*, AASB Interpretations 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 Statements of Financial Position under AASB 16. It is expected there will be a significant increase in assets and liabilities for State Library in proportion to the scale of the State Library'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 effective date, less any lease incentive received, the initial estimate of the restoration costs and any initial direct costs incurred by the lessee. The right-of-use asset will give rise to a 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 Statements 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 accumulative surplus (or other component of equity, as appropriate) at the date of initial application. The Library Board will await further guidance from Queensland Treasury on the transitional accounting method to be applied.

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

All other Australian accounting standards and interpretations with future effective dates are either not applicable to the Library Board's activities, or have no material impact on the Library Board.

	Economic Entity		Budget Variance \$'000
	2018 Actual \$'000	2018 Original Budget \$'000	

E1 Budgetary reporting disclosures

This section contains explanations of major variances between the Library Board's actual 2017–18 financial results and the original budget presented to Parliament.

E1-1 Budget to actual comparison – Statement of Comprehensive Income

Income from Continuing Operations			
Revenue			
User charges	3,982	3,809	173
Grants and other contributions	73,749	72,663	1,086
Other	768	675	93
Total Income from Continuing Operations	78,499	77,147	1,352
Expenses from Continuing Operations			
Employee expenses	27,604	29,561	(1,957)
Supplies and services	22,125	21,211	914
Grants and subsidies	25,368	25,612	(244)
Depreciation and amortisation	455	548	(93)
Other expenses	355	195	160
Losses on sale/revaluation of assets	-	20	(20)
Total Expenses from Continuing Operations	75,907	77,147	(1,240)
Operating Result from Continuing Operations	2,592	-	2,592
Other Comprehensive Income			
Items that will not be reclassified to Operating Result:			
Decrease in Asset Revaluation Reserve	(1,074)	-	(1,074)
Total Other Comprehensive Income	(1,074)	-	(1,074)
Total Comprehensive Income	1,518	-	1,518

E1-2 Explanation of Major Variances – Statement of Comprehensive Income

Grants and other contributions

The actual figure is higher than the original budget largely because of the recognition of 'goods received below fair value' revenue for: legal deposit collections; and the value of in-kind revenue from partnership agreements.

Employee expenses:

The actual figure is lower than the original budget principally due to a delay in filling vacant positions while an organisational realignment is completed.

Supplies and services:

The actual figure is higher than the original budget largely because of the value of in-kind expenditure provided towards partnership agreements.

Decrease in asset revaluation surplus:

During 2017–18, the average purchase prices over the past 5 years for the Information Collection reduced leading to a reduced value of that collection.

	Economic Entity		
	2018	2018	Budget Variance
	Actual	Original Budget	
	\$'000	\$'000	\$'000

E1-3 Budget to actual comparison – Statement of Financial Position

Current Assets			
Cash and cash equivalents	19,604	14,974	4,630
Receivables	1,139	869	270
Inventories	193	303	(110)
Other	1,250	765	485
Total Current Assets	22,186	16,911	5,275
Non-Current Assets			
Intangible assets	9,520	8,628	892
Property, plant and equipment	122,968	109,833	13,135
Total Non-Current Assets	132,488	118,461	14,027
Total Assets	154,674	135,372	19,302
Current Liabilities			
Payables	1,728	1,827	(99)
Accrued employee benefits	2,761	2,458	303
Other	305	311	(6)
Total Current Liabilities	4,794	4,596	198
Total Liabilities	4,794	4,596	198
Net Assets	149,880	130,776	19,104

E1-4 Explanation of Major Variances – Statement of Financial Position

Cash and cash equivalents:

The variance between the cash budget and the actual is due to the unplanned surplus of \$2.6m, partly due to lower than expected salaries resulting from delays to recruitment from an organisational realignment. In addition purchases of plant and equipment were delayed, resulting in higher cash.

Property, plant and equipment:

During 2016–17, an assessment of microfilm assets held within the JOL and ALA collections currently valued 'per title' was found to not represent the fair value of these assets. An independent valuation of these assets based on the number of microfilm rolls held was completed which resulted in an increase of \$16.112m in 2016–17 which was not completed in time for inclusion in the original 2017–18 budget.

	Variance Note	Economic Entity		Budget Variance \$'000
		2018 Actual \$'000	2018 Original Budget \$'000	
E1				
Budgetary reporting disclosures (cont'd)				
E1-5 Budget to actual comparison – Statement of Cash Flows				
Cash flows from operating activities				
<i>Inflows:</i>				
User charges		3,609	4,232	(623)
Grants and other contributions		65,154	65,485	(331)
GST collected from customers		474	–	474
GST input tax credits from ATO		1,379	–	1,379
Interest receipts		733	675	58
Other		477	311	166
<i>Outflows:</i>				
Employee expenses		(27,573)	(29,561)	1,988
Supplies and services		(14,368)	(14,033)	(335)
Grants and subsidies		(25,368)	(25,612)	245
GST paid to suppliers		(1,431)	–	(1,431)
GST remitted to ATO		(494)	–	(494)
Other		(330)	(929)	599
Net cash provided by operating activities		2,262	568	1,694
Cash flows from investing activities				
<i>Inflows:</i>				
Sale of non-financial assets		–	(20)	20
<i>Outflows:</i>				
Payment for non-financial assets		–	(1,934)	1,934
Payments for valuables		(343)	–	(343)
Payments for library collection		(257)	–	(257)
Payments for property, plant and equipment		(266)	–	(266)
Proceeds from disposal of property, plant and equipment		32	–	32
Payments for intangibles		(684)	–	(684)
Net cash used in investing activities		(1,518)	(1,954)	436
Net (decrease)/increase in cash and cash equivalents		744	(1,386)	2,130
Cash and cash equivalents – opening balance		18,860	16,360	2,500
Cash and cash equivalents – closing balance		19,605	14,974	4,630

E1-6 Explanation of Major Variances – Statement of Cash Flows**Net Cash provided by operating activities**

The variance between the net cash budget and the actual is due to the unplanned surplus of \$2.6M, partly due to lower than expected salaries resulting from delays to recruitment from an organisational realignment.

Payments for non-financial assets

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.

F1

Key management personnel (KMP) disclosures

F1-1 Details of Key Management Personnel

As from 2016–17, the State Library's responsible Minister is identified as part of the State Library's KMP, consistent with additional guidance included in the revised version of AASB 124 *Related Party Disclosures*. That Minister is the Minister for the Environment and the Great Barrier Reef, Minister for Science and Minister for the Arts.

The following details for non-Ministerial Key Management personnel include those positions that had authority and responsibility for planning, directing and controlling the activities of the agency during 2016–17 and 2017–18 as part of the Executive Management Team. Further information on these positions can be found in the body of the Annual Report under the section relating to Executive Management.

Position	Position Responsibility
State Librarian and CEO	The State Librarian and CEO is responsible for the proper and sound management of the State Library, under the authority of the Library Board of Queensland.
Executive Director, Corporate Governance and Operations	The Executive Director, Corporate Governance and Operations is responsible for providing a range of organisational services that underpin and support the State Library's activities.
Executive Director, Content and Client Services	The Executive Director, Content and Client Services is responsible for providing clients of the State Library with physical and virtual access to the state's diverse collections and services.
Executive Director, Public Libraries and Engagement	The Executive Director, Public Libraries and Engagement 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.

The following changes to position titles occurred during 2017–18:

The following positions were reported as KMP in 2016–17, but are not required in 2017–18 as they are no longer members of the Executive Management Team.

Executive Director, Engagement and Partnerships
 Executive Manager, Communications
 Executive Manager, People and Planning
 Director, Queensland Library Foundation

F1 Key management personnel (KMP) disclosures (cont'd)

F1-2 Remuneration Policies

Ministerial remuneration entitlements are outlined in the Legislative Assembly of Queensland's Members' Remuneration Handbook. The Library Board does not bear any cost of remuneration for its Minister. The majority of Ministerial entitlements are paid by the Legislative Assembly, with the remaining entitlements being provided by Ministerial Services Branch within the Department of the Premier and Cabinet. As all Ministers are reported as KMP of the Queensland Government, aggregate remuneration expenses for all Ministers is disclosed in the Queensland General Government and Whole of Government Consolidated Financial Statements which are published as part of Queensland Treasury's Report on State Finances.

State Library executives and senior managers 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 or as tenured senior officers.

Remuneration policy for the Library's Key Management personnel is set by the Queensland Public Service Commission as provided for under the *Public Service Act 2008*. Individual remuneration and other terms of employment (including motor vehicle entitlements and performance payments if applicable) are specified in employment contracts.

F1-3 KMP Remuneration Expense

The following disclosures focus on the expenses incurred by the State Library that is attributable to key management positions during the respective reporting periods. Therefore, the amounts disclosed reflect expenses recognised in the Statement of Comprehensive Income.

Remuneration expenses for key management personnel comprise the following components:

Short term employee expenses which include:

- salaries, allowances and leave entitlements earned and expensed for the entire year, or for that part of the year during which the employee occupied a KMP position;
- performance payments recognised as an expense during the year; and
- non-monetary benefits — consisting of provision of vehicle together with fringe benefits tax applicable to the benefit.

Long term employee expenses include amounts expensed in respect of long service leave entitlements earned.

Post-employment expenses include amounts expensed in respect of employer superannuation obligations.

Termination benefits 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.

Position	Short Term Employee Expenses		Long Term Employee Expenses \$'000	Post Employment Expenses \$'000	Termination Benefits \$'000	Total Expenses \$'000
	Monetary Expenses \$'000	Non-Monetary Benefits \$'000				
1 July 2017 – 30 June 2018						
<i>State Librarian & CEO</i>						
Current	295	7	6	35	–	343
Temporary Relieving	28	–	1	2	–	31
<i>Executive Director, Corporate Governance and Operations</i>						
Current	191	7	4	20	–	222
Temporary Relieving	3	–	–	–	–	3
<i>Executive Director, Content and Client Services</i>						
Current	172	7	4	18	–	201
<i>Executive Director, Public Libraries and Engagement</i>						
Current	175	7	4	19	–	205
Temporary Relieving	3	–	–	–	–	3
Total Remuneration	867	28	19	94	–	1,008
1 July 2016 – 30 June 2017						
<i>State Librarian and CEO</i>						
Current	241	–	5	28	–	274
Former (acting from 20/10/15 to 24/11/15; appointed from 27/11/15 until 02/09/2016)	42	–	1	5	–	48
Temporary Relieving	10	–	–	1	–	11
<i>Executive Director, Corporate Governance and Operations</i>						
Current	194	5	4	20	–	223
Temporary Relieving	5	–	–	1	–	6
<i>Executive Director, Content Development</i>						
Current	53	–	1	4	–	58
Former	135	–	40	13	2	190
<i>Executive Director, Regional Access and Public Libraries</i>						
Current	172	–	4	18	–	194
<i>Executive Director, Engagement & Partnerships</i>						
Current	167	–	4	18	–	189
Temporary Relieving	9	–	–	1	–	10
<i>Executive Manager, Communications</i>						
Current	56	–	1	7	–	64
Former	66	–	1	8	10	85
<i>Executive Manager, People and Planning</i>						
Current	138	–	3	15	–	156
Temporary Relieving	3	–	–	–	–	3
<i>Director, Queensland Library Foundation</i>						
Current	118	–	2	14	–	134
Total Remuneration	1,408	5	67	152	12	1,644

F1 Key management personnel (KMP) disclosures (cont'd)

F1-4 Library Board Remuneration

Library Board Fees, including both sitting fees and special assignment fees totalled \$44,000 (2017: \$36,666). Other fees such as fringe benefits tax, payroll tax, travel, catering and printing totalled \$32,172 (2017: \$27,609). The total cost of Library Board operations was therefore \$76,172 (2017: \$64,275).

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 Board members was as follows:

Name	Member From	Member To	2018	2017
Professor Andrew Griffiths (Chairperson)	March 2014		\$15,000	\$6,667
Cr Julia Leu	August 2016		\$-	\$-
Linda Apelt	March 2017		\$1,000	\$1,333
Emeritus Professor Tom Cochrane AM	March 2017		\$5,000	\$1,667
Dr Anita Heiss	March 2017		\$4,000	\$1,333
Professor Marek Kowalkiewicz	March 2017		\$5,000	\$1,667
Malcolm McMillan	March 2017		\$4,000	\$1,333
Dr Sandra Philips	March 2017		\$4,000	\$1,333
Bob Shead	March 2017		\$6,000	\$2,000
Emeritus Professor Roland Sussex OAM	November 2009	February 2017	\$-	\$3,333
Heather Linaker	March 2014	February 2017	\$-	\$3,333
Adjunct Professor Joan Sheldon AM	March 2014	February 2017	\$-	\$2,667
Matthew McDonnell	April 2008	February 2017	\$-	\$4,000
Scott Reid	February 2011	February 2017	\$-	\$3,333
Associate Professor Grace Sarra	February 2008	February 2017	\$-	\$2,667
Total			\$44,000	\$36,666

F2 Related party transactions

Transactions with people/entities related to KMP

The Library Board did not engage in any transactions, contracts or employment related activities with any people or entities related to Key Management Personnel.

Transactions with other Queensland Government-controlled entities

The Library Board's primary ongoing source of funding from Government for its services is recurrent grants (Note B1-2) which is provided in cash via the Department of Environment and Science.

The Library Board also receives grant funding for specific projects, provided in cash, via the Department of Environment and Science.

The Library Board's South Bank buildings are leased from Arts Queensland, free of charge with the fair value recognised as a non-cash contribution (Notes B1-2 and B2-2). Other buildings and motor vehicles are leased via the Department of Housing and Public Works under commercial arrangements (Note B2-2).

The Library Board receives administrative and facilities support on a fee for service basis from the Department of Environment and Science via the Corporate Administration Agency and Arts Queensland (Note B2-2).

The grants provided by the Library Board (Note B2-3) are annual grants to the Queensland Local Governments for the provision of Library Services to the people of Queensland.

F3 First year application of new accounting standards or change in policy

Changes in Accounting Policy

The Library Board did not voluntarily change any accounting policies during the financial year.

Accounting Standards Early Adopted

No Australian Accounting Standards have been early adopted for 2017–18.

Accounting Standards Applied for the First Time

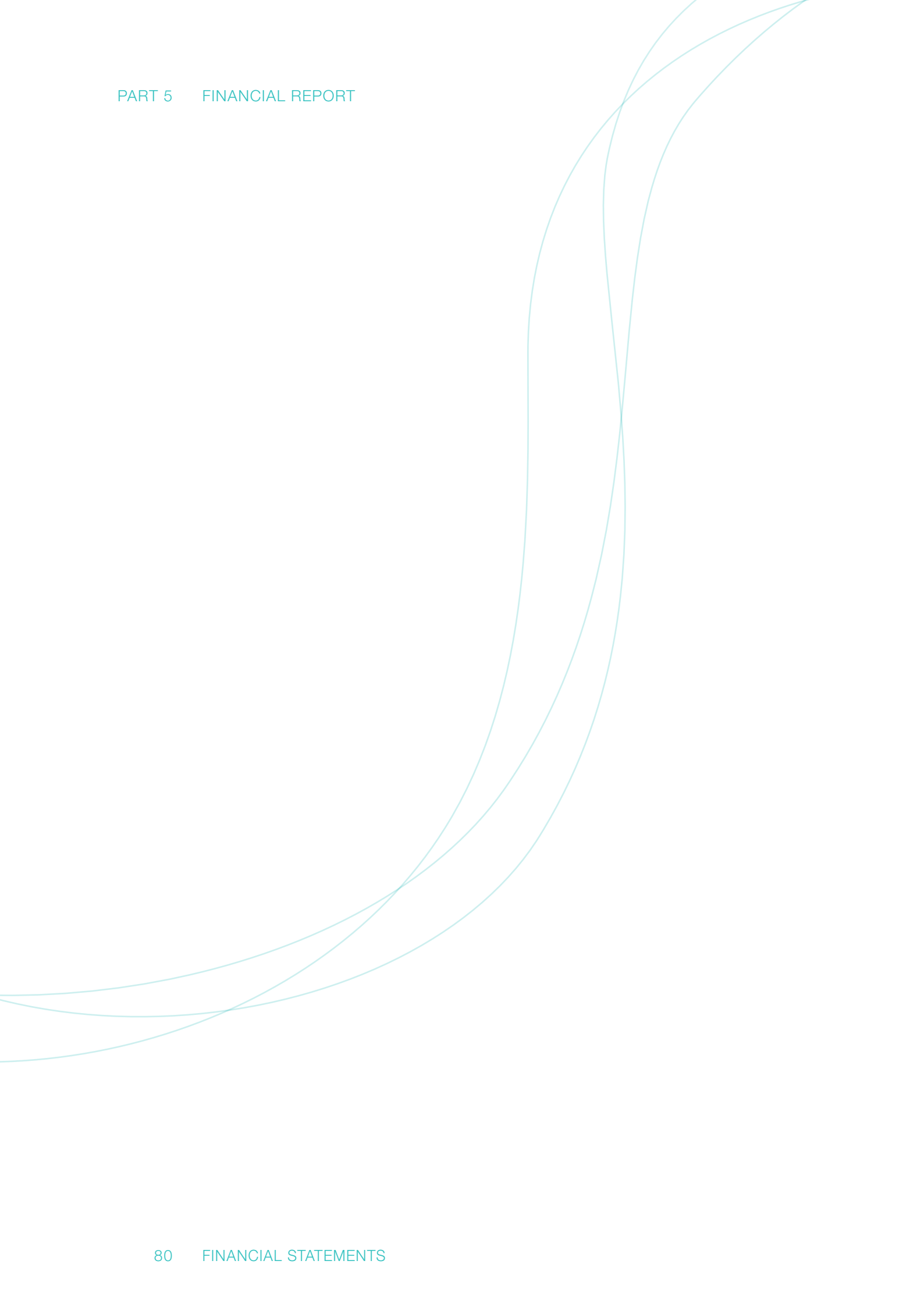
AASB 2016-2 Amendments to Australian Accounting Standards — Disclosure Initiative: Amendments to AASB 107 requires the disclosure of information that will allow users to understand changes in liabilities arising from financing activities. This amendment had no impact on the Library Board as it did not engage in any financing activities during the financial year.

AASB 2016-4 Amendments to Australian Accounting Standards — Recoverable Amount of Non-Cash Generating Specialised Assets for not-for-profit entities simplified and clarified the impairment testing requirements under AASB 136 for non-cash generating assets held by NFP entities. This amendment has not changed any reported amounts. References to the Depreciated Replacement Costs have been replaced with Current Replacement Costs in line with these amendments.

AASB 2017-2 Amendments to Australian Accounting Standards — Further Annual Improvements 2014–16 Cycle clarifies the scope of AASB 12 by specifying that the disclosure requirements of AASB 12 apply to an entity's interests in other entities that are classified as held for sale, held for distribution to owners in their capacity as owners or discontinued operations in accordance with AASB 5. This amendment had no effect as the Library Board had no interest in relevant entities held for sale or discontinued operations.

F4 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), section 43 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 2018, and of the financial position of the entity at the end of that year; and
- (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 Andrew Griffiths
Chairperson
Library Board of Queensland
Date: 21 August 2018



Vicki McDonald
State Librarian and CEO
State Library of Queensland
Date: 21 August 2018



Rita McLucas
Executive Director, Corporate Governance and Operations
State Library of Queensland
Date: 21 August 2018

Independent Auditor's Report



To the Members of Library Board of Queensland

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of Library Board of Queensland (the parent) and its controlled entity (the group).

In my opinion, the financial report:

- a) gives a true and fair view of the parent's and group's financial position as at 30 June 2018, and their financial performance and cash flows for the year then ended
- b) complies with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2009 and Australian Accounting Standards.

The financial report comprises the statements of financial position as at 30 June 2018, the statements of comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, notes to the financial statements including summaries of significant accounting policies and other explanatory information, and the certificate given by the Chairperson, State Librarian and CEO and Executive Director, Corporate Governance and Operations.

Basis for opinion

I conducted my audit in accordance with the *Auditor-General of Queensland Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

I am independent of the parent and group in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General of Queensland Auditing Standards*.

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

Other information

Other information comprises the information included in the group's annual report for the year ended 30 June 2018 but does not include the financial report and my auditor's report thereon. Those charged with governance are responsible for the other information.

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

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

I have nothing to report in this regard.

Responsibilities of the entity 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 the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2009 and Australian Accounting Standards, and for such internal control as the Board determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

The Board is also responsible for assessing the parent's and group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless it is intended to abolish the parent or group or to otherwise cease operations.

Auditor's responsibilities for the audit of the financial report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of the parent's and group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the group .
- Conclude on the appropriateness of the parent's and group's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent's or group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. I base my conclusions on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the parent or group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the audit of the group. I remain solely responsible for my audit opinion.

I communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2018:

- I received all the information and explanations I required.
- In my opinion, the prescribed requirements in relation to the establishment and keeping of accounts were complied with in all material respects.



Bhavik Deoji
as delegate of the Auditor-General



Queensland Audit Office
Brisbane