



Children riding goats at a sports meeting in Longreach, Queensland, c 1920-1930, photographer unknown, John Oxley Library, SLQ.

Part 5: Financial report

Financial summary

This summary provides an overview of the financial performance during 2016–17 and position as at 30 June 2017 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.

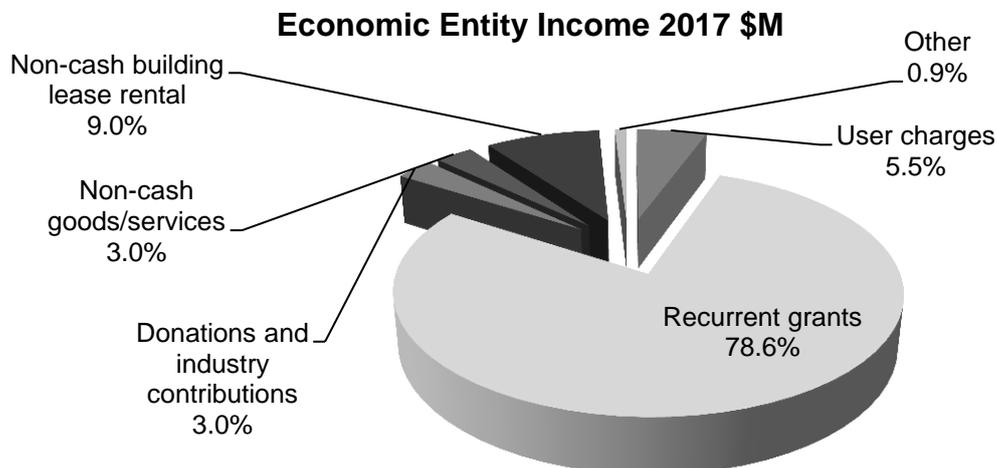
Statement of Comprehensive Income

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

Statement of Comprehensive Income	2017 \$'000	2016 \$'000
Total Income from Continuing Operations	79,926	80,322
Total Expenses from Continuing Operations	76,714	77,861
Operating Result from Continuing Operations	3,212	2,461
Increase in Asset Revaluation Reserve	16,373	(653)
Total Comprehensive Income	19,585	1,808

Income

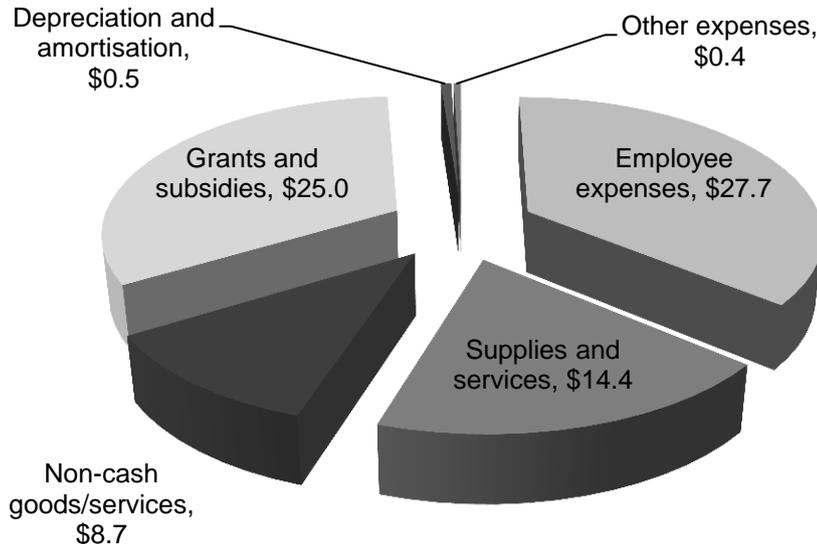
Government grants comprise a significant component of the Library Board’s income (\$62.8M) in 2016–17 with the next largest contributor being the benefit received free of charge for building rental (\$7.2M). Other sources of income include user charges (\$4.4M), donations and sponsorships (\$2.4M), other non-cash contributions (\$2.4M) and interest on funds invested (\$0.7M).



Expenses

Expenses for the Library Board were \$76.714M in 2016–17. The largest component is salaries (36%), with grants (33%), supplies and services (19%), non-cash costs (11%) and other expenses (1%) 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 2017 (\$M)



Operating Result from Continuing Operations

The Statement of Comprehensive Income from Continuing Operations shows a \$3.2M surplus for the Economic Entity. Of this, \$3.0M is the Library Board's operating result and \$0.2M is the Foundation's operating result. The Library Board's surplus represents the value of funds applied to asset (collection) additions (\$2.0M) as well as delays to projects funded in 2016–17 which will be completed in 2017–18.

Other Comprehensive Income — increase in asset revaluation reserve

The total comprehensive income for the Economic Entity of \$19.585M is principally due to an increase of \$16.373M in the asset revaluation surplus as a result of the independent revaluation of the Library Board's Heritage Collections undertaken in 2016–17. Much of this increase is due to a revision in accounting estimates whereby the fair value of microfilm assets was more accurately represented by valuing the number of rolls of film rather than the titles.

Statement of Financial Position

The Statement of Financial Position sets out the net assets and equity of the Library Board. As at 30 June 2017, the net assets of the Library Board economic entity was \$148.4M, an increase of \$19.6M (or 15%) over 2015–16. This increase is principally the result of collection purchases and donations; work performed by staff, volunteers and the National Library of Australia on digitising content from our heritage collection; and the 2017 independent valuation.

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 2016–17 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*.

Library Board of Queensland and controlled entities

Financial Statements for the financial year ended 30 June 2017

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Chief Finance Officer (CFO) statement

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

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.

Library Board of Queensland and controlled entities
STATEMENTS OF COMPREHENSIVE INCOME
For the year ended 30 June 2017

	Notes	Economic Entity		Parent Entity	
		2017	2016	2017	2016
		Actual \$'000	Actual \$'000	Actual \$'000	Actual \$'000
Income from Continuing Operations					
Revenue					
User charges	B1	4,405	4,183	4,402	4,183
Grants and other contributions	B1	74,785	75,236	74,987	75,450
Interest		736	903	587	740
Total Income from Continuing Operations		79,926	80,322	79,976	80,373
Expenses from Continuing Operations					
Employee expenses	B2	27,690	28,269	27,690	28,269
Supplies and services	B2	23,123	23,887	23,131	23,884
Grants and subsidies	B2	25,017	24,850	25,267	25,100
Depreciation and amortisation	C4	517	475	517	475
Other expenses	B2	367	380	353	370
Total Expenses from Continuing Operations		76,714	77,861	76,958	78,098
Operating Result from Continuing Operations		3,212	2,461	3,018	2,275
Other Comprehensive Income					
<u>Items that will not be reclassified to Operating Result:</u>					
Increase/(Decrease) in asset revaluation surplus	C7	16,373	(653)	16,373	(653)
Total Other Comprehensive Income		16,373	(653)	16,373	(653)
Total Comprehensive Income		19,585	1,808	19,391	1,622

The accompanying notes form part of these statements.

Library Board of Queensland and controlled entities
STATEMENTS OF FINANCIAL POSITION
As at 30 June 2017

	Notes	Economic Entity		Parent Entity	
		2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Current Assets					
Cash and cash equivalents	C1	18,860	16,920	12,893	11,217
Receivables	C2	1,034	1,524	1,252	1,620
Inventories		213	303	213	303
Prepayments		893	943	893	943
Total Current Assets		21,000	19,690	15,251	14,083
Non-Current Assets					
Intangible assets	C3	8,585	7,663	8,585	7,663
Property, plant and equipment	C4	123,254	106,176	123,254	106,176
Total Non-Current Assets		131,839	113,839	131,839	113,839
Total Assets		152,839	133,529	147,090	127,922
Current Liabilities					
Payables	C5	1,578	1,681	1,624	1,675
Accrued employee benefits	C6	2,746	2,758	2,746	2,758
Unearned revenue		153	313	153	313
Total Current Liabilities		4,477	4,752	4,523	4,746
Total Liabilities		4,477	4,752	4,523	4,746
Net Assets		148,362	128,777	142,567	123,176
Equity					
Contributed equity		1,465	1,465	1,465	1,465
Accumulated surplus		75,818	72,606	70,023	67,005
Asset revaluation surplus	C7	71,079	54,706	71,079	54,706
Total Equity		148,362	128,777	142,567	123,176

The accompanying notes form part of these statements.

Library Board of Queensland and controlled entities
STATEMENTS OF CHANGES IN EQUITY
For the year ended 30 June 2017

	Accumulated Surplus		Asset Revaluation Surplus (Note C7-2)		Contributed equity		TOTAL	
	Economic Entity \$'000	Parent Entity \$'000	Economic Entity \$'000	Parent Entity \$'000	Economic Entity \$'000	Parent Entity \$'000	Economic Entity \$'000	Parent Entity \$'000
Balance 1 July 2015	70,145	64,730	55,359	55,359	1,465	1,465	126,969	121,554
Operating Result from Continuing Operations	2,461	2,275	-	-	-	-	2,461	2,275
<i>Total Other Comprehensive Income</i>								
Decrease in Asset Revaluation Surplus	-	-	(653)	(653)	-	-	(653)	(653)
Balance 30 June 2016	72,606	67,005	54,706	54,706	1,465	1,465	128,777	123,176
Operating Result from Continuing Operations	3,212	3,018	-	-	-	-	3,212	3,018
<i>Total Other Comprehensive Income</i>								
Increase in Asset Revaluation Surplus	-	-	16,373	16,373	-	-	16,373	16,373
Balance 30 June 2017	75,818	70,023	71,079	71,079	1,465	1,465	148,362	142,567

The accompanying notes form part of these statements.

Library Board of Queensland and controlled entities
STATEMENTS OF CASH FLOWS
For the year ended 30 June 2017

	Notes	Economic Entity		Parent Entity	
		2017	2016	2017	2016
		\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities					
<i>Inflows:</i>					
User charges		5,139	3,379	5,118	3,401
Grants and other contributions		64,746	65,522	64,868	65,721
GST collected from customers		1,825	501	1,786	471
GST input tax credits from ATO		2,715	1,682	2,725	1,672
Interest receipts		735	814	586	651
Other		-	89	-	89
<i>Outflows:</i>					
Employee expenses		(27,676)	(27,969)	(27,676)	(27,969)
Supplies and services		(14,401)	(15,898)	(14,358)	(15,898)
Grants and subsidies		(25,017)	(24,850)	(25,267)	(25,100)
GST paid to suppliers		(2,675)	(1,624)	(2,674)	(1,612)
GST remitted to ATO		(1,820)	(500)	(1,815)	(469)
Other		(365)	(368)	(350)	(358)
Net cash provided by operating activities	CF-1	3,208	778	2,944	599
Cash flows from investing activities					
<i>Outflows:</i>					
Payments for valuables		(302)	(298)	(302)	(298)
Payments for library collection		(248)	(261)	(248)	(261)
Payments for property, plant and equipment		(162)	(590)	(162)	(590)
Payments for intangibles		(556)	(709)	(556)	(709)
Net cash used in investing activities		(1,268)	(1,858)	(1,268)	(1,858)
Net increase/(decrease) in cash and cash equivalents		1,940	(1,080)	1,676	(1,259)
Cash and cash equivalents — opening balance		16,920	18,000	11,217	12,476
Cash and cash equivalents — closing balance	C1	18,860	16,920	12,893	11,217

The accompanying notes form part of these statements.

Library Board of Queensland and controlled entities
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2017

Notes to the Statements of Cash Flows

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

	Economic Entity		Parent Entity	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Operating Surplus	3,212	2,461	3,018	2,275
<i>Non-cash items included in operating result</i>				
Depreciation and amortisation expense	517	475	517	475
Donation of intangibles	(366)	(1,433)	(366)	(1,433)
Donation of valuables	(512)	(470)	(512)	(470)
Loss on disposal of assets	2	12	2	12
<i>Changes in assets and liabilities</i>				
Decrease in GST input tax credits receivable	40	60	51	60
Decrease in LSL reimbursement receivable	26	66	26	66
(Increase)/decrease in other receivables	419	(800)	320	(793)
(Increase) in inventories	90	(55)	90	(55)
(Increase)/decrease in prepayments	50	(194)	50	(194)
Increase/(decrease) in accounts payable	(103)	305	(51)	302
Increase/(decrease) in unearned revenue	(160)	118	(160)	118
Increase/(decrease) in accrued employee benefits	(12)	234	(12)	234
Increase/(decrease) in GST payable	5	(1)	(29)	2
Net cash provided by operating activities	3,208	778	2,944	599

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 entities
For the year ended 30 June 2017

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Library Board of Queensland and controlled entities**NOTES TO THE FINANCIAL STATEMENTS****For the year ended 30 June 2017****A1 Objectives and Principal Activities of the Library Board of Queensland**

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

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

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

In 2016–17 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 of Queensland and its controlled entity, the Queensland Library Foundation.

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

State Library is controlled by the State of Queensland which is the ultimate parent.

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

Stanley Place
South Brisbane Qld 4101

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

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

Library Board of Queensland and controlled entities
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2017

A2 Basis of Financial Statement preparation (continued)

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 2016.

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 is 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

There have been no changes to comparative information in 2016–17.

Current/Non-Current Classification

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

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

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

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 the 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 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 on 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/depreciated 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.

Library Board of Queensland and controlled entities
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2017

A2 Basis of Financial Statement preparation (continued)

A2-5 Basis of measurement (continued)

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). The Library Board has adopted the principles outlined in Australian Accounting Standard *AASB 10 Consolidated Financial Statements* and *AASB 12 Disclosure of Interests in Other Entities*. This approach is considered appropriate as it reflects the relationship between the Library Board's core business activities and those of the Foundation.

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

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.

Purpose and Principal Activities

The Foundation's purposes is to act as an agent of and to assist 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 State Library, including for buildings, infrastructure, library materials, facilities, programs and projects;
- (2) increasing public support and interest in State Library; and

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

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

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

The Queensland Audit Office audits the Foundation. Total external audit fees relating to the 2016–17 financial statements are estimated to be \$6,200 (2016: \$6,000). There are no non-audit services included in this amount.

Audited Financial Transactions and Balances

Name of Controlled Entity	Total Assets \$'000		Total Liabilities \$'000		Total Revenue \$'000		Operating Result	
	2017	2016	2017	2016	2017	2016	2017	2016
Queensland Library Foundation	6,021	5,728	226	124	1,273	1,261	191	188

Library Board of Queensland and controlled entities
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2017

B1 Revenue**B1-1 User Charges**

	Economic Entity		Parent Entity	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
The Library Shop	697	672	697	672
Building rentals	357	323	357	323
Research service	1,254	1,220	1,254	1,220
Network and internet services	239	301	239	301
First 5 Forever sales	615	424	615	424
Preservation services	14	69	14	69
Reproduction services	55	57	55	57
Ticket sales	88	83	85	83
Venue hire	868	717	868	717
Other	218	317	218	317
Total	4,405	4,183	4,402	4,183

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 and contributions*

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.

	Economic Entity		Parent Entity	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Recurrent grants	62,683	62,740	62,676	62,740
Commonwealth grants	150	65	150	65
Queensland Library Foundation projects	-	-	1,074	1,057
Endowments	-	50	-	-
Donations and industry contributions	2,389	2,545	1,524	1,752
Goods received below fair value	2,385	2,617	2,385	2,617
Operating lease rental — received below fair value	7,178	7,219	7,178	7,219
Total	74,785	75,236	74,987	75,450

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.

Library Board of Queensland and controlled entities
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2017

B2 Expenses

B2-1 Employee benefits expense

Accounting policy — Wages, 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.

For unpaid entitlements expected to be paid within 12 months, the liabilities are recognised at their undiscounted values. As the Library Board expects such liabilities to be wholly settled within 12 months of reporting date, the liabilities are recognised at undiscounted amounts.

Accounting policy — Sick leave

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 condition 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 Treasurer on the advice of 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 an employee benefit and is recognised separately as employee related expenses.

Key Management Personnel and remuneration disclosures are detailed in Note F1

	Economic Entity		Parent Entity	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Employee Benefits				
Wages and salaries	20,312	20,690	20,312	20,690
Employer superannuation contributions	2,739	2,732	2,739	2,732
Long service leave levy	479	482	479	482
Annual leave expenses	2,066	2,080	2,066	2,080
Employee Related Expenses				
Payroll Tax	1,232	1,261	1,232	1,261
Other employee expenses	862	1,024	862	1,024
Total	27,690	28,269	27,690	28,269

Full-time equivalent Employees:

275 288

Library Board of Queensland and controlled entities
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2017

B2 Expenses (continued)

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 storage facilities. 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.

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

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

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

	Economic Entity		Parent Entity	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Advertising and graphic design	183	226	183	226
Bookshop and merchandising	421	474	421	474
Communications	398	460	398	460
Consultants and contractors	1,343	2,207	1,343	2,207
Corporate service charges	1,001	1,122	1,007	1,122
Electronic subscriptions	1,728	1,672	1,728	1,672
Exhibits and materials	99	102	99	102
Freight and postage	505	485	505	485
Furniture and equipment	442	587	442	587
Goods provided below fair value	1,508	715	1,508	715
Operating lease rentals — provided below fair value	7,178	7,219	7,178	7,219
Operating lease rentals	384	471	384	471
Information technology	912	827	912	827
Library collections — new and existing	1,138	1,254	1,138	1,254
Materials and equipment	904	547	904	547
Motor vehicle costs	33	50	33	50
Printing, stationery and office supplies	243	595	243	595
Property services	2,902	2,793	2,902	2,793
Repairs and maintenance	242	286	242	286
Subscriptions and memberships	245	334	245	334
Sundries	930	1,020	932	1,017
Travel	384	441	384	441
Total	23,123	23,887	23,131	23,884

Library Board of Queensland and controlled entities
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2017

B2 Expenses (continued)

B2-3 Grants and subsidies

	Economic Entity		Parent Entity	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Grants and subsidies				
Resources for Independent Libraries	23,860	23,451	23,860	23,451
Queensland Library Foundation subsidy	-	-	250	250
Regional Libraries Queensland equipment	44	40	44	40
Grants and subsidies paid to public libraries	1,113	1,359	1,113	1,359
Total	25,017	24,850	25,267	25,100

B2-4 Other expenses

External audit fees	47	47	41	41
Internal audit fees	56	55	56	55
Insurance premiums	85	75	85	75
Bad and doubtful debts	8	14	8	14
Board fees and expenses	37	34	37	34
Loss on disposal of assets	2	12	2	12
Special payments:				
Ex Gratia payments	75	90	75	90
Section 831 payment to previous employee	-	14	-	14
Other	57	39	49	35
Total	367	380	353	370

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 2016–17 financial year are estimated to be \$47,200 (2016: \$46,500). 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.

Library Board of Queensland and controlled entities
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2017

C1 Cash and 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 receipted but not banked at 30 June as well as deposits at call with financial institutions.

	Economic Entity		Parent Entity	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Imprest accounts	6	6	6	6
Cash at bank and on hand	124	59	90	44
Cash deposit accounts	18,730	16,855	12,797	11,167
Total	18,860	16,920	12,893	11,217

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	365	1,272	362	1,250
Less: Allowance for impairment loss	(11)	(22)	(11)	(22)
	354	1,250	351	1,228
GST receivable	159	199	148	199
GST payable	(46)	(41)	(11)	(40)
	113	158	137	159
Long service leave reimbursements	88	114	88	114
Queensland Library Foundation Receivables	-	-	198	117
Other	479	2	478	2
Total	1,034	1,524	1,252	1,620

Library Board of Queensland and controlled entities
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2017

C3 Intangibles

C3-1 Accounting policies

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

Digital Collections

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

For in-house developed digital collection items (e.g. digitised physical collections, oral histories, digital stories and digital photographs), direct costs associated with developing, creating and making accessible the items constitutes the cost of the items.

Amortisation of Intangibles

Costs associated with the development of digital collections have been capitalised. Following a review of conditions and circumstances under which digital

collections are stored and maintained, it is considered that there is a sufficiently high standard to retain indefinite life status. Under *AASB 138 Intangible Assets*, these assets are not amortised.

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

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.

Library Board of Queensland and controlled entities
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2017

C3 Intangibles (continued)

C3-2 Intangible assets — Balances and reconciliations of carrying amount

	Economic Entity		Parent Entity	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Intangible Assets				
Heritage digital collection	8,582	7,659	8,582	7,659
Computer software				
At cost	4	4	4	4
Less: Accumulated amortisation	(1)	-	(1)	-
Total	8,585	7,663	8,585	7,663
Intangibles reconciliation				
Computer software				
Carrying amount at 1 July	4	4	4	4
Amortisation	(1)	-	(1)	-
Computer software carrying amount as at 30 June	3	4	3	4
Heritage digital collections				
Carrying amount at 1 July	7,563	5,446	7,563	5,446
Acquisitions/internally developed items	595	683	595	683
Donations	366	1,433	366	1,433
Heritage digital collections total	8,524	7,563	8,524	7,563
Heritage digital collections — Work in progress				
Carrying amount at 1 July	96	70	96	70
Movement in work in progress*	(38)	26	(38)	26
Heritage digital collections work in progress as at 30 June	58	96	58	96
Heritage digital collections carrying amount as at 30 June	8,582	7,659	8,582	7,659
Total Intangibles Carrying amount at 30 June	8,585	7,663	8,585	7,663

*Work in Progress represents purchases made not yet catalogued

Library Board of Queensland and controlled entities
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2017

C4 Property, plant and equipment

C4-1 Accounting policies

Basis of capitalisation and recognition thresholds

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

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

Collections

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

Heritage and Cultural Assets (Valuables)

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

Cost of acquisition

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

Assets acquired at no cost or for nominal consideration, other than from an involuntary transfer from another Queensland Government entity, are recognised at their fair value at date of acquisition in accordance with AASB 116 *Property, Plant and Equipment*.

Measurement of property plant and equipment using fair value

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

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

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 SLQ Accounting for Library Collections Policy.

Library Board of Queensland and controlled entities
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2017

C4 Property, plant and equipment (continued)

C4-1 Accounting policies (continued)

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

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

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

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

As part of the independent valuation undertaken by Pickles Valuation Service, a valuation was obtained for art works owned by State Library that have not been previously recognised. These assets have been recognised for the first time in 2016–17 (note C4-2).

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

Revision in Accounting Estimates

During 2016–17, an assessment of microfilm assets held within the JOL and ALA collections previously 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 as opposed to number of titles was completed which resulted in a value of \$16.112M at 30 June 2017. Had this been applied at 30 June 2016 the value would have been \$16.046M.

Measurement of property plant and equipment using cost

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

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

Depreciation of Property, Plant and Equipment

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

Any expenditure that increases the originally assessed capacity or service potential of an asset is capitalised and the new depreciable amount is depreciated over the remaining useful life of the asset to the entity.

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

Class	Default Rate
Plant and equipment (>\$5,000)	
Computers	20%–25%
Servers and 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.

Library Board of Queensland and controlled entities
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2017

C4 Property, plant and equipment (continued)

C4-1 Accounting policies (continued)

Impairment of Non-Current Assets

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

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

An impairment loss is recognised immediately in the Statements of Comprehensive Income, unless the asset is carried at a revalued amount. When the asset is measured at a revalued amount, the impairment loss is offset against the

asset revaluation surplus of the relevant class to the extent available.

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

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

C4-2 Property, plant and equipment — Cost

	Economic Entity		Parent Entity	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Heritage and Cultural Assets (Valuables):				
John Oxley and Australian Library of Art Collections				
At cost	-	298	-	298
At valuation	79,355	61,567	79,355	61,567
	79,355	61,865	79,355	61,865
Artworks	35	-	35	-
Total Heritage and Cultural Assets	79,390	61,865	79,390	61,865
Library Collections				
At cost	248	261	248	261
At valuation	42,215	42,292	42,215	42,292
	42,463	42,553	42,463	42,553
Plant and equipment:				
At cost	4,286	4,192	4,286	4,192
Less: Accumulated depreciation	(2,885)	(2,434)	(2,885)	(2,434)
	1,401	1,758	1,401	1,758
Total	123,254	106,176	123,254	106,176

Library Board of Queensland and controlled entities
STATEMENTS OF CHANGES IN EQUITY
For the year ended 30 June 2017

C4 Property, plant and equipment (continued)

C4-2 Property, plant and equipment — Cost (continued)

The library has property, plant and equipment with an original cost of \$2.066M that has been written down to a residual value of \$43,923 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 \$8.823m (2016: \$10.771m).

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

	Heritage and Cultural Assets (Valuables)		Library Collections		Plant and Equipment		Total	
	Economic entity		Economic entity		Economic entity		Economic entity	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Carrying amount at 1 July — at cost	298	372	261	351	1,758	1,655	2,317	2,378
Carrying amount at 1 July — at valuation	61,567	61,250	42,292	42,069	-	-	103,859	103,319
Acquisitions	302	298	248	261	162	590	712	1,149
Donations received	512	470	-	-	-	-	512	470
Disposals	-	-	-	-	(2)	(44)	(2)	(44)
Transfers between asset classes	-	342	-	(342)	-	-	-	-
Net revaluation increments/(decrements)	16,711	(867)	(338)	214	-	-	16,373	(653)
Depreciation expense	-	-	-	-	(517)	(443)	(517)	(443)
Carrying amount at 30 June 2016	79,390	61,865	42,463	42,553	1,401	1,758	123,254	106,176

Library Board of Queensland and controlled entities
STATEMENTS OF CHANGES IN EQUITY
For the year ended 30 June 2017

C4 Property, plant and equipment (continued)

C4-3 Property, plant and equipment — Balances and reconciliations of carrying amount (continued)

	Heritage and Cultural Assets (Valuables)		Library Collections		Plant and Equipment		Total	
	Parent entity		Parent entity		Parent entity		Parent entity	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Carrying amount at 1 July — at cost	298	372	261	351	1,758	1,655	2,317	2,378
Carrying amount at 1 July — at valuation	61,567	61,250	42,292	42,069	-	-	103,859	103,319
Acquisitions	302	298	248	261	162	590	712	1,149
Donations received	512	470	-	-	-	-	512	470
Disposals	-	-	-	-	(2)	(44)	(2)	(44)
Transfers between asset classes	-	342	-	(342)	-	-	-	-
Net revaluation increments/(decrements)	16,711	(867)	(338)	214	-	-	16,373	(653)
Depreciation expense	-	-	-	-	(517)	(443)	(517)	(443)
Carrying amount at 30 June 2016	79,390	61,865	42,463	42,553	1,401	1,758	123,254	106,176

Library Board of Queensland and controlled entities
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2017

C5 Payables

	Economic Entity		Parent Entity	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Current				
Trade creditors	610	705	610	705
Accrued expenses	968	976	1,014	970
Total	1,578	1,681	1,624	1,675

Accounting policy — Payables

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

C6 Accrued employee benefits

Recreation leave	2,297	2,287	2,297	2,287
Parental Leave	(59)	1	(59)	1
Long service leave levy payable	121	134	121	134
Wages outstanding	379	310	379	310
Superannuation payable	8	26	8	26
Total	2,746	2,758	2,746	2,758

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 — Contributed Equity*

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 class

	Economic and Parent Entity		
	Library Collections	Heritage and Cultural Assets	Total
	2016	2016	2016
	\$'000	\$'000	\$'000
Balance 1 July 2015	2,990	52,369	55,359
Revaluation increment/(decrement)	214	(867)	(653)
Balance 30 June 2016	3,204	51,502	54,706
	2017	2017	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

Library Board of Queensland and controlled entities
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2017

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

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic

benefits by using the asset in its highest and best use.

Fair measurement hierarchy

Details of assets and liabilities measured under each category of fair value are set out in the tables at Note C4-3.

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

- level 1 — represents fair value measurements that reflect unadjusted quoted market prices in active markets for identical assets and liabilities
- level 2 — represents fair value measurements that are substantially derived from inputs (other than quoted prices included within level 1) that are observable, either directly or indirectly
- level 3 — represents fair value measurements that are substantially derived from unobservable inputs.

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

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

Library Board of Queensland and controlled entities
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2017

D1 Fair value measurement (continued)

D1-2 Basis for Fair Values of assets and liabilities

Heritage and Cultural Assets

Effective date of last specific appraisal: 30/06/2017

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 was attained from SLQ's 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: 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 SLQ Accounting for Library Collections Policy.

Library Collections

Effective date of last specific appraisal: 30/06/2017

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. State Library uses acquisition records for the previous 5 years in calculating average purchase prices which are then applied to titles within the Library Collection.

Library Board of Queensland and controlled entities
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2017

D2 Financial Risk Disclosures

D2-1 Accounting policy

Recognition

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

Classification

Financial instruments are classified and measured as follows:

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

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

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

D2-2 Financial instrument categories

State Library has the following categories of financial assets and financial liabilities:

Category	Note	Economic Entity		Parent Entity	
		2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Financial Assets					
Cash and cash equivalents	C1	18,860	16,920	12,893	11,217
Receivables	C2	1,034	1,524	1,252	1,620
Total		19,894	18,444	14,145	12,837
Financial Liabilities					
Payables	C5	1,578	1,681	1,624	1,675
Total		1,578	1,681	1,624	1,675

Library Board of Queensland and controlled entities
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2017

D2 Financial Risk Disclosures (continued)

D2-3 Financial risk management

Risk exposure

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

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

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

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.	State Library is exposed to credit risk in respect of its receivables (Note C2).
Liquidity Risk	Liquidity risk refers to the situation where the Library Board may encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.	State Library is exposed to liquidity risk in respect of its payables (Note C5).
Interest Risk	Interest risk refers to the situation where State Library may have reduced revenue due to the reduction of interest rates for invested funds.	State Library is exposed to Interest Risk in respect of its investments (Note C1).

Risk measurement and management strategies

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

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

Measurement — Fair value

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

D3 Contingencies

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

Library Board of Queensland and controlled entities
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2017

D4 Commitments

	Economic Entity		Parent Entity	
	2017	2016	2017	2016
	\$'000	\$'000	\$'000	\$'000
Commitments for Expenditure				
<i>Non-cancellable operating lease commitments</i>				
Commitments under operating leases at reporting date are inclusive of non-recoverable GST only and are payable as follows:				
Not later than one year	502	252	502	252
Later than one year and not later than five years	1,941	195	1,941	195
Later than five years	2,976	-	2,976	-
	5,419	447	5,419	447

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

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

Expenditure Commitments

Payable

Not later than one year*	3,304	3,157	3,002	2,781
Later than one year and not later than five years*	1,081	1,602	930	1,602
	4,385	4,759	3,932	4,383

*Includes Q ANZAC 100 Project funding

D5 Events after the balance date

There were no significant events occurring after the balance date.

Library Board of Queensland and controlled entities
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2017

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. 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 commenced reviewing the measurement of its financial assets against the new AASB 9 classification and measurement requirements. However, as the classification of financial assets at the date of initial application of the new standard will depend on the facts and circumstances existing at that date, the Library Board's conclusions will not be confirmed until closer to that time. At this stage and assuming no change in the types of transactions the Library Board enters into, all of the Library Board's financial assets are expected to be required to be measured at fair value. In case of the Library Board's current receivables, as they are short term in nature, 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.

Library Board of Queensland and controlled entities
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2017

D6 Future impact of accounting standards not yet effective (continued)

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

Another impact of AASB 9 relates to calculating impairment losses for the Library Board's receivables. Assuming no substantial change in the nature of 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. On initial adoption of AASB 9, the Library Board will need to determine the expected credit losses for its receivables by comparing the credit risk at that time to the credit risk that existed when those receivables were initially recognised.

The 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. Assuming no change in the types of financial instruments that the Library Board enters into, 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 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 statement of financial position under AASB 16. It is expected there will be a significant increase in assets and liabilities for SLQ in proportion to the scale of the SLQ'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 depreciation expense.

The lease liability will be initially recognised at an amount equal to the present value of the lease payments during the lease term that are not yet paid. Current operating lease rental payments will no longer be expensed in the Statement of Comprehensive Income. They will be apportioned between a reduction in the recognised lease liability and the implicit finance charge (the effective rate of interest) in the lease. The finance cost will also be recognised as an expense.

AASB 16 allows a 'cumulative approach' rather than full retrospective application to recognising existing operating leases. If a lessee chooses to apply the 'cumulative approach', it does not need to restate comparative information. Instead, the cumulative effect of applying the standard is recognised as an adjustment to the opening balance of accumulated surplus (or other component of equity, as appropriate) at the date of initial application. 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 Statement of Comprehensive Income or the Statement of Financial Position of applying AASB 16 to its current operating leases, including the extent of additional disclosure required.

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.

Library Board of Queensland and controlled entities
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2017

E1 Budgetary reporting disclosures

This section contains explanations of major variances between the Library Board's actual 2016–17 financial results and the original budget presented to Parliament.

E1-1 Budget to actual comparison — Statement of comprehensive income

	Variance Note	Economic Entity		Budget Variance \$'000
		Actual 2017 \$'000	Original Budget 2017 \$'000	
Income from continuing operations				
Revenue				
User charges		4,405	3,581	824
Grants and other contributions		74,785	64,459	10,326
Interest		736	804	(68)
Total income from continuing operations		79,926	68,844	11,082
Expenses from continuing operations				
Employee expenses		27,690	28,085	(395)
Supplies and services		23,123	15,323	7,800
Grants and subsidies		25,017	24,736	281
Depreciation and amortisation		517	468	49
Other expenses		367	195	172
Losses on sale/revaluation of assets		-	37	(37)
Total expenses from continuing operations		76,714	68,844	7,870
Operating result from continuing operations		3,212	-	3,212
Other comprehensive income				
<i>Items that will not be reclassified to operating result:</i>				
Increase in asset revaluation surplus		16,373	-	16,373
Total other comprehensive income		16,373	-	16,373
Total comprehensive income		19,585	-	19,585

E1-2 Explanation of major variances — Statement of comprehensive income

User charges

The increase in the actual user charges compared to the original budget is principally due to the higher cost recovery received for First 5 Forever training kits.

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: the value of operating lease rentals (\$7.2M) received from Arts Queensland; legal deposit collections; and the value of digitisation of Queensland newspapers for the Trove catalogue by the National Library of Australia.

Supplies and services

The actual figure is higher than the original budget largely because of the recognition of 'goods received below fair value' revenue (\$7.2M) for the value of operating lease rentals received from Arts Queensland.

Library Board of Queensland and controlled entities
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2017

E1 Budgetary reporting disclosures (continued)

E1-2 Explanation of major variances — Statement of comprehensive income (continued)

Increase in asset revaluation surplus

During 2016–17, an assessment of microfilm assets held within the JOL & 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.

E1-3 Budget to actual comparison — Statement of financial position

	Variance Note	Economic Entity		
		Actual 2017 \$'000	Original Budget 2017 \$'000	Budget Variance \$'000
Current Assets				
Cash and cash equivalents		18,860	15,567	3,293
Receivables		1,034	893	141
Inventories		213	248	(35)
Prepayments		893	749	144
Total Current Assets		21,000	17,457	3,543
Non Current Assets				
Intangible assets		8,585	6,453	2,132
Property, plant and equipment		123,254	109,198	14,056
Total Non Current Assets		131,839	115,651	16,188
Total Assets		152,839	133,108	19,731
Current Liabilities				
Payables		1,578	1,428	150
Accrued employee benefits		2,746	2,516	230
Unearned revenue		153	195	(42)
Total Current Liabilities		4,477	4,139	338
Total Liabilities		4,477	4,139	338
Net Assets		148,362	128,969	19,393

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 \$3.2M, partly due to grant payments received in advance. In addition purchases of plant and equipment were delayed, resulting in higher cash.

Intangible assets

The increase in intangible assets reflects State Library's increased focus on both purchasing digital assets, such as digital stories and oral histories, and digitising the unique collections.

Property, plant and equipment

During 2016–17, an assessment of microfilm assets held within the JOL & 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.

Library Board of Queensland and controlled entities
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2017

E1 Budgetary reporting disclosures (continued)

E1-5 Budget to actual comparison — Statement of cash flows

	Variance Note	Actual 2017 \$'000	Economic Entity Original Budget 2017 \$'000	Budget Variance \$'000
Cash flows from operating activities				
<i>Inflows:</i>				
User charges		5,141	4,004	1,137
Grants and other contributions		64,746	64,459	287
GST collected from customers		1,825	-	1,825
GST input tax credits from ATO		2,715	-	2,715
Interest receipts		735	804	(69)
Other		-	311	(311)
<i>Outflows:</i>				
Employee expenses		(27,676)	(28,085)	410
Supplies and services		(14,401)	(15,323)	922
Grants and subsidies		(25,017)	(24,736)	(281)
GST paid to suppliers		(2,675)	-	(2,675)
GST remitted to ATO		(1,820)	-	(1,820)
Other		(365)	(929)	564
Net cash provided used by operating activities		3,208	505	2,703
Cash flows from investing activities				
<i>Inflows:</i>				
Sales non-financial assets		-	(37)	37
<i>Outflows:</i>				
Payments for non-financial assets		-	(1,759)	1,759
Payments for valuables		(302)	-	(302)
Payments for library collection		(248)	-	(248)
Payments for property, plant and equipment		(162)	-	(162)
Payments for intangibles		(556)	-	(556)
Net cash used in investing activities		(1,268)	(1,796)	528
Net (decrease)/increase in cash and cash equivalents		1,940	(1,291)	3,231
Cash and cash equivalents — opening balance		16,920	16,858	(5,641)
Cash and cash equivalents — closing balance		18,860	15,567	(2,409)

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 \$3.2M, partly due to grant payments received in advance. In addition purchases of plant and equipment were delayed, resulting in higher cash.

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.

Library Board of Queensland and controlled entities
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2017

F1 Key management personnel (KMP) disclosures

F1-1 Details of key management personnel

As from 2016–17, State Library's responsible Minister is identified as part of 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 Innovation, Science and the Digital Economy and Minister for Small Business.

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 2015–16 and 2016–17. 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 is responsible for the proper and sound management of 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 State Library's activities.
Executive Director, Content Development	The Executive Director, Content Development is responsible for providing clients of State Library with physical and virtual access to the State's diverse collections and services.
Executive Director, Regional Access and Public Libraries	The Executive Director, Regional Access & Public Libraries is responsible for providing support for Local Government and communities to deliver library services in over 340 library and Indigenous Knowledge Centre (IKC) service points in Queensland.
Executive Director, Engagement & Partnerships	The Executive Director, Engagement & Partnerships is responsible for driving SLQ's emphasis on innovative, cohesive and collaborative programs and service delivery, bringing together visitor and information services, and engagement with specific audiences.
Executive Manager, Communications	The Executive Manager Communications develops and delivers a long-term marketing vision for the organisation, leading and directing State Library's marketing, communications and web services staff in support of the Strategic Plan and Operational Plan.
Executive Manager, People and Planning	The Executive Manager, People and Planning supports the State Librarian and Executive Group in shaping and setting State Library's strategic agendas by driving an integrated approach to strategic, operational and business planning across State Library.
Director, Queensland Library Foundation	The Director, Queensland Library Foundation is responsible for developing and delivering the fundraising and sponsorship arrangements to support the many activities and programs of State Library.

The following changes to position titles occurred during 2016–17:

Current (2016–17)	Previously (2015–16)
Executive Director, Corporate Governance and Operations	Director, Corporate Services
Executive Director, Content Development	Director, Content Development
Executive Director, Regional Access and Public Libraries	Director, Regional Access and Public Libraries
Executive Director, Engagement & Partnerships	Director, Engagement & Partnerships
Director, Queensland Library Foundation	Executive Director, Queensland Library Foundation

Library Board of Queensland and controlled entities
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2017

F1 Key management personnel (KMP) disclosures (continued)

F1-2 Remuneration policies

Ministerial remuneration entitlements are outlined in the Legislative Assembly of Queensland's Members' Remuneration Handbook. State Library 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 as from 2016–17, 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 State 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.

Remuneration expenses for key management personnel comprise the following components:

- *Short term employee benefits* 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 was a key management person
 - performance payments recognised as an expense during the year
 - 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.

*Library Board of Queensland and controlled entities***NOTES TO THE FINANCIAL STATEMENTS**
For the year ended 30 June 2017**F1 Key management personnel (KMP) disclosures (continued)****F1-3 KMP remuneration expense**

The following disclosures focus on the expenses incurred by 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.

1 July 2016 — 30 June 2017

Position	Short Term Employee Expenses		Long-Term Employee Expenses	Post Employment Expenses	Termination Benefits	Total Expenses
	Monetary Expenses	Non-Monetary Benefits				
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<i>State Librarian 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 and 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

Library Board of Queensland and controlled entities
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For the year ended 30 June 2017

F1 Key management personnel (KMP) disclosures (continued)

F1-3 KMP remuneration expense (continued)

1 July 2015 — 30 June 2016

Position	Short Term Employee Expenses		Long-Term Employee Expenses	Post Employment Expenses	Termination Benefits	Total Expenses
	Monetary Expenses \$'000	Non-Monetary Benefits \$'000	\$'000	\$'000	\$'000	\$'000
<i>State Librarian and CEO</i>						
Current (acting from 20/10/15 to 24/11/15; appointed from 27/11/15)	197	-	4	20	-	221
Former	154	-	2	11	16	183
Temporary Relieving	26	-	1	2	-	29
<i>Executive Director, Corporate Governance and Operations</i>						
Current	188	-	4	18	-	210
<i>Executive Director, Content Development</i>						
Current	171	-	4	18	-	193
Temporary Relieving	14	-	-	1	-	15
<i>Executive Director, Regional Access and Public Libraries</i>						
Current	10	-	-	1	-	11
Former	153	-	3	16	7	179
Temporary Relieving	10	-	-	1	-	11
<i>Executive Director, Engagement and Partnerships</i>						
Current	152	-	3	16	-	171
Temporary Relieving	6	-	-	1	-	7
<i>Executive Manager, Communications</i>						
Current	73	-	2	8	-	83
Former	45	-	1	4	16	66
Temporary Relieving	16	-	-	2	-	18
<i>Executive Manager, People and Planning</i>						
Current	121	-	2	15	-	138
Temporary Relieving	85	-	2	8	-	95
<i>Director, Queensland Library Foundation</i>						
Current	98	-	2	12	-	112
Temporary Relieving	19	-	-	2	-	21
<i>Executive Adviser (resigned 11/03/2016)</i>						
	89	-	2	11	27	129
Total Remuneration	1,627	-	32	167	66	1,891

Library Board of Queensland and controlled entities
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2017

F1 Key management personnel disclosures (continued)

F1-4 Library board remuneration

Library Board Fees, including both sitting fees and special assignment fees totalled \$36,666 (2016: \$33,091). Other fees such as fringe benefits tax, payroll tax, travel, catering and printing totalled \$27,609 (2016: \$28,628). The total cost of Library Board operations was therefore \$64,275 (2016: \$61,719).

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

Remuneration of the Board was as follows:

Name	Appointment date	Member to	2017	2016
Professor Jan Thomas (Chairperson until 28/02/2017)*	March 2014	February 2017	-	-
Emeritus Professor Roland Sussex OAM	November 2009	February 2017	\$3,333	\$5,000
Heather Linaker	March 2014	February 2017	\$3,333	\$5,000
Adjunct Professor Joan Sheldon AM	March 2014	February 2017	\$2,667	\$4,091
Matthew McDonnell	April 2008	February 2017	\$4,000	\$6,000
Scott Reid	February 2011	February 2017	\$3,333	\$5,000
Associate Professor Grace Sarra	February 2008	February 2017	\$2,667	\$4,000
Professor Andrew Griffiths (Chairperson from 01/03/2017)	March 2014		\$6,667	\$4,000
Cr Julia Leu	September 2016		-	-
Linda Apelt	March 2017		\$1,333	-
Emeritus Professor Tom Cochrane AM	March 2017		\$1,667	-
Dr Anita Heiss	March 2017		\$1,333	-
Professor Marek Kowalkiewicz	March 2017		\$1,667	-
Malcolm McMillan	March 2017		\$1,333	-
Dr Sandra Phillips	March 2017		\$1,333	-
Bob Shead	March 2017		\$2,000	-
Total			\$36,666	\$33,091

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

Max Walters (Library Foundation Chair) was added as a non Board member of the Audit and Risk Management Committee in 2016 and earned \$1,000 (2016: \$1,000) for attendance.

Library Board of Queensland and controlled entities
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2017

F2 Related party transactions

Transactions with people/entities related to KMP

State Library 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

State Library'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 Science, Information Technology and Innovation (DSITI).

State Library also receives grant funding for specific projects, provided in cash, via the Department of the Premier and Cabinet and DSITI.

State Library'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).

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

The grants provided by State Library (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

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

Accounting Standards Early Adopted

No Australian Accounting Standards have been early adopted for 2016–17.

Accounting Standards Applied for the First Time in 2016–17

The only Australian Accounting Standard that became effective for the first time in 2016–17, and materially impacted on this financial report, is AASB 124 *Related Party Disclosures*. This standard requires note disclosures about key management personnel (KMP) remuneration expenses and other related party transactions, and does not impact on financial statement line items. As Queensland Treasury already required disclosure of KMP remuneration expenses, there was minimal impact for the Library Board's disclosures compared to 2015–16 (refer to Note F1). Material related party transactions for 2016–17 are disclosed in Note F2. No comparative information is required in respect of 2015–16.

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 2017, 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: 29 August 2017



Vicki McDonald

State Librarian and CEO
State Library of Queensland

Date: 29 August 2017



Rita McLucas

Executive Director
Corporate Governance and Operations
State Library of Queensland

Date: 29 August 2017

Independent Audit Report

To the Board of the 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 2017, 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 2017, 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 the 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.

Key audit matters

I have determined that there are no key audit matters to communicate in my report.

Other information

Other information comprises the information included in the entity's annual report for the year ended 30 June 2017, 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. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. 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* and the *Financial and Performance Management Standard 2009* and Australian Accounting Standard, 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 the 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 of 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 and 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, misrepresentation, 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 an ongoing concern. If I conclude that a material uncertainty exists, I am required to draw attention to 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 2017:

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



John Welsh
as delegate of the Auditor-General



Queensland Audit Office
Brisbane

SLQ develops sustainable services, is innovative in its use of funding and establishes strong partnerships.

It inspires the way people live, work, play and learn, wherever they are.