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To the Chair Libraries Board of South Australia

Opinion

I have audited the financial report of the Libraries Board of South Australia for the financial year ended 30 June 2024.

In my opinion, the accompanying financial report gives a true and fair view of the financial position of the Libraries Board of South Australia as at 30 June 2024, its financial performance and its cash flows for the year then ended in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards – Simplified Disclosures.

The financial report comprises:

- a Statement of Comprehensive Income for the year ended 30 June 2024
- a Statement of Financial Position as at 30 June 2024
- a Statement of Changes in Equity for the year ended 30 June 2024
- a Statement of Cash Flows for the year ended 30 June 2024
- notes, comprising material accounting policy information and other explanatory information
- a Certificate from the Acting Chair, Libraries Board of South Australia, Director, State Library of South Australia and the Manager Finance, Risk and Compliance, State Library of South Australia.

Basis for opinion

I conducted the audit in accordance with the *Public Finance and Audit Act 1987* and Australian Auditing Standards. My responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial report' section of my report. I am independent of the Libraries Board of South Australia. The *Public Finance and Audit Act 1987* establishes the independence of the Auditor-General. In conducting the audit, the relevant ethical requirements of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* have been met.

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

Responsibilities of the Director, State Library of South Australia and the Board for the financial report

The Director, State Library of South Australia is responsible for the preparation of the financial report that gives a true and fair view in accordance with relevant Treasurer's Instructions issued under the provisions of the *Public Finance and Audit Act 1987* and Australian Accounting Standards – Simplified Disclosures, and for such internal control as management determines is necessary to enable the preparation of the financial report that gives a true and fair view and that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Director, State Library of South Australia is responsible for assessing the entity's ability to continue as a going concern, taking into account any policy or funding decisions the government has made which affect the continued existence of the entity. The Director, State Library of South Australia is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the assessment indicates that it is not appropriate.

The Libraries Board of South Australia is responsible for overseeing the entity's financial reporting process.

Auditor's responsibilities for the audit of the financial report

As required by section 31(1)(b) of the *Public Finance and Audit Act 1987* and section 19(3) of the *Libraries Act 1982*, I have audited the financial report of the Libraries Board of South Australia for the financial year ended 30 June 2024.

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

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

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Libraries Board of South Australia's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Director, State Library of South Australia
- conclude on the appropriateness of the Director, State Library of South Australia'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 entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify the opinion. My conclusion is based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity 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.

My report refers only to the financial report described above and does not provide assurance over the integrity of electronic publication by the entity on any website nor does it provide an opinion on other information which may have been hyperlinked to/from the report.

I communicate with the Director, State Library of South Australia and the Chair, Libraries Board of South Australia about, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during the audit.



Daniel O'Donohue
Assistant Auditor-General (Financial Audit)

28 September 2024

Libraries Board of South Australia

Financial Statements

For the year ended 30 June 2024

Libraries Board of South Australia
Certification of the Financial Statements
For the year ended 30 June 2024

We certify that the:

- financial statements of the Libraries Board of South Australia:
 - are in accordance with the accounts and records of the Libraries Board of South Australia;
 - comply with relevant Treasurer's Instructions;
 - comply with relevant accounting standards; and
 - present a true and fair view of the financial position of the Libraries Board of South Australia at the end of the financial year and the result of its operation and cash flows for the financial year.
- internal controls employed by the Libraries Board of South Australia for the financial year over its financial reporting and its preparation of financial statements have been effective.



Joanne Cys
Acting Chair

Libraries Board of South Australia

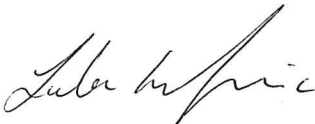
27 September 2024



Geoff Stempel
Director

State Library of South Australia

27 September 2024



Luba Cvetanovic
Manager Finance, Risk and Compliance

State Library of South Australia

27 September 2024

Libraries Board of South Australia
Statement of Comprehensive Income
For the year ended 30 June 2024

	Note	2024 \$'000	2023 \$'000
Income			
Recurrent operating grants	2.1	34 276	34 452
Fees and charges	2.2	143	79
Rent and facilities hire	2.3	175	145
Resources received free of charge	2.4	1 094	1 010
Investment income	2.5	958	745
Intra-government transfers		-	1 180
Council contributions		91	76
Recoveries		190	191
Other income		136	62
Total income		37 063	37 940
Expenses			
Staff related expenses	3.3	12 838	13 123
Supplies and services	4.1	9 539	8 149
Accommodation and facilities	4.2	3 431	3 117
Depreciation and amortisation	5.1, 5.2, 5.5	3 814	3 840
Subsidies to public libraries	4.3	12 729	12 877
Net loss from the disposal of non-current assets	4.4	2 009	569
Total expenses		44 360	41 675
Net result		(7 297)	(3 735)
Other Comprehensive Income			
Items that will not be reclassified to net result			
Net gain on sale of investments classified as fair value through other comprehensive income	4.4	277	-
Net loss on revaluation of land, buildings and compactus	5.1	(1 772)	-
Changes in fair value of investments classified as fair value through other comprehensive income	6.3	354	280
Total other comprehensive income		(1 141)	280
Total comprehensive result		(8 438)	(3 455)

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

Libraries Board of South Australia
Statement of Financial Position
As at 30 June 2024

	Note	2024 \$'000	2023 \$'000
Current assets			
Cash and cash equivalents	6.1	7 076	9 580
Receivables	6.2	1 769	1 689
Total current assets		8 845	11 269
Non-current assets			
Receivables	6.2	74	3
Property, plant and equipment	5.1	71 045	76 053
Intangible assets	5.5	15	69
Research and heritage collections	5.6	140 413	141 625
Investments	6.3	11 885	11 232
Total non-current assets		223 432	228 982
Total assets		232 277	240 251
Current liabilities			
Payables	7.1	1 987	1 932
Staff related liabilities	3.4	1 331	1 190
Provisions	7.2	73	38
Financial liabilities	7.3	7	11
Other liabilities	7.4	4	-
Total current liabilities		3 402	3 171
Non-current liabilities			
Staff related liabilities	3.4	2 053	2 001
Provisions	7.2	320	132
Financial liabilities	7.3	3	10
Total non-current liabilities		2 376	2 143
Total liabilities		5 778	5 314
Net assets		226 499	234 937
Equity			
Retained earnings		72 417	79 437
Investment reserve		2 073	1 719
Asset revaluation surplus		152 009	153 781
Total equity		226 499	234 937

The accompanying notes form part of these financial statements. The total equity is attributable to the SA Government as owner.

Libraries Board of South Australia
Statement of Changes in Equity
For the year ended 30 June 2024

	Asset revaluation surplus	Investment reserve	Retained earnings	Total equity
	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2022	153 781	1 439	83 172	238 392
Net result for 2022-23	-	-	(3 735)	(3 735)
Fair value movement of investments classified as fair value through other comprehensive income	-	280	-	280
Total comprehensive result for 2022-23	-	280	(3 735)	(3 455)
Balance at 30 June 2023	153 781	1 719	79 437	234 937
Net result for 2023-24	-	-	(7 297)	(7 297)
Gain on sale of investments classified as fair value through other comprehensive income	-	277	-	277
Transfer of revaluation gain on sale of investments from investment reserve to retained earnings	-	(277)	277	-
Fair value movement of investments classified as fair value through other comprehensive income	-	354	-	354
Net loss on revaluation of land, buildings and compactus	(1 772)	-	-	(1 772)
Total comprehensive result for 2023-24	(1 772)	354	(7 020)	(8 438)
Balance at 30 June 2024	152 009	2 073	72 417	226 499

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

Libraries Board of South Australia
Statement of Cash Flows
For the year ended 30 June 2024

	Note	2024 \$'000	2023 \$'000
Cash flows from operating activities			
<i>Cash inflows</i>			
Recurrent operating grants		34 276	34 436
Fees and charges		155	84
Rent and facilities hire		178	153
Bequests and donations		3	137
Investment income		919	837
Intra-government transfers		-	1 180
Council contributions		100	84
Recoveries		200	201
GST recovered from DPC		1 594	1 646
Other receipts		94	210
Cash generated from operating activities		37 519	38 968
<i>Cash outflows</i>			
Staff related payments		(12 446)	(13 667)
Payments for supplies and services		(9 563)	(9 008)
Payments for accommodation and facilities		(3 758)	(3 417)
Subsidies paid to public libraries		(13 452)	(13 489)
Cash used in operating activities		(39 219)	(39 581)
Net cash used in operating activities		(1 700)	(613)
Cash flows from investing activities			
<i>Cash inflows</i>			
Proceeds from the disposal of / maturity of investments		4 071	-
Proceeds from disposal of property, plant and equipment		2	3
Cash generated from investing activities		4 073	3
<i>Cash outflows</i>			
Purchase of heritage collections		(123)	(231)
Purchase of investments		(4 094)	(75)
Purchase of property, plant and equipment		(650)	(95)
Cash used in investing activities		(4 867)	(401)
Net cash used in investing activities		(794)	(398)
Cash flows from financing activities			
<i>Cash outflows</i>			
Repayment of principal portion of lease liabilities		(10)	(8)
Cash used in financing activities		(10)	(8)
Net cash used in financing activities		(10)	(8)
Net decrease in cash and cash equivalents		(2 504)	(1 019)
Cash and cash equivalents at the beginning of the period		9 580	10 599
Cash and cash equivalents at the end of the period	6.1	7 076	9 580

The accompanying notes form part of these financial statements.

Libraries Board of South Australia

Notes to and forming part of the financial statements

For the year ended 30 June 2024

1. About the Libraries Board of South Australia

The Libraries Board of South Australia (the Board) is a not-for-profit statutory authority established pursuant to section 8 of the *Libraries Act 1982* (the Act). The Board is charged with the management of the State Library of South Australia (SLSA) and the Public Library Services (PLS) under the Act.

1.1. Basis of preparation

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

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

The financial statements have been prepared based on a 12 month reporting period and presented in Australian currency. All amounts in the financial statements and accompanying notes have been rounded to the nearest thousand dollars (\$'000). The historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured.

Assets and liabilities that are to be sold, consumed or realised as part of the normal 12 month operating cycle have been classified as current assets or current liabilities. All other assets and liabilities are classified as non-current.

Significant accounting policies are set out throughout the notes.

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

- when the GST incurred on a purchase of goods or services is not recoverable from the Australian Taxation Office (ATO), in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item applicable; and
- receivables and payables, which are stated with the amount of GST included.

The Board is grouped with the Department of Premier and Cabinet (DPC) for GST purposes, and accordingly DPC prepares the Business Activity Statement on behalf of the Board via the grouping provisions of the GST legislation. Notwithstanding the use of these grouping provisions, intercompany cash alignment occurs to ensure the Board either recovers the net amount of GST recoverable from or disburses the amount payable to the ATO from DPC.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to the ATO from DPC is classified as part of operating cash flows.

1.2. Objectives and programs

Objectives

The objectives of the Board as prescribed under the Act are as follows:

- formulate policies and guidelines for the provision of public library services
- establish, maintain and expand collections of library materials
- administer the State Library
- promote, encourage and assist in the establishment, operation and expansion of public libraries and public library services by councils and others

Libraries Board of South Australia
Notes to and forming part of the financial statements
For the year ended 30 June 2024

1.2. Objectives and programs (continued)

Programs

The Board undertakes the following programs:

- *Provision of State Library Services* - to provide, through the SLSA, a comprehensive library and information service for the economic, educational, cultural and social benefit of South Australia and its citizens.
- *Support of Public Library Services* - to provide, through PLS and the distribution of State subsidies, an equitable and responsible provision of resources, support and services to public libraries and community information agencies.

The tables on the following pages present income, expenses, assets and liabilities attributable to each program.

Libraries Board of South Australia
Notes to and forming part of the financial statements
For the year ended 30 June 2024

1.2. Objectives and programs (continued)

Income and Expenses by program

for the year ended 30 June 2024

	Provision of State Library Services		Support of Public Library Services		Total	
	2024	2023	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income						
Recurrent operating grants	14 133	13 742	20 143	20 710	34 276	34 452
Fees and charges	143	79	-	-	143	79
Rent and facilities hire	175	145	-	-	175	145
Resources received free of charge	1 094	923	-	87	1 094	1 010
Investment income	771	618	187	127	958	745
Intra-government transfers	-	1 069	-	111	-	1 180
Council contributions	-	-	91	76	91	76
Recoveries	82	119	108	72	190	191
Other income	17	42	119	20	136	62
Total income	16 415	16 737	20 648	21 203	37 063	37 940
Expenses						
Staff related expenses	9 395	10 050	3 443	3 073	12 838	13 123
Supplies and services	4 040	3 343	5 499	4 806	9 539	8 149
Accommodation and facilities	3 431	3 117	-	-	3 431	3 117
Depreciation and amortisation	3 803	3 828	11	12	3 814	3 840
Subsidies to public libraries	-	-	12 729	12 877	12 729	12 877
Net loss from the disposal of non-current assets	2 009	569	-	-	2 009	569
Total expenses	22 678	20 907	21 682	20 768	44 360	41 675
Net result	(6 263)	(4 170)	(1 034)	435	(7 297)	(3 735)

Libraries Board of South Australia
Notes to and forming part of the financial statements
For the year ended 30 June 2024

1.2. Objectives and programs (continued)

Assets and liabilities by program

as at 30 June 2024

	Provision of State Library Services		Support of Public Library Services		Total	
	2024	2023	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Current assets						
Cash and cash equivalents	6 792	7 658	284	1 922	7 076	9 580
Receivables	1 049	554	720	1 135	1 769	1 689
Total current assets	7 841	8 212	1 004	3 057	8 845	11 269
Non-current assets						
Receivables	39	2	35	1	74	3
Property, plant and equipment	71 045	76 049	-	4	71 045	76 053
Intangible assets	13	60	2	9	15	69
Research and heritage collections	140 413	141 625	-	-	140 413	141 625
Investments	11 885	11 232	-	-	11 885	11 232
Total non-current assets	223 395	228 968	37	14	223 432	228 982
Current liabilities						
Payables	1 163	557	824	1 375	1 987	1 932
Staff related liabilities	1 090	936	241	254	1 331	1 190
Provisions	73	38	-	-	73	38
Financial liabilities	7	7	-	4	7	11
Other liabilities	4	-	-	-	4	-
Total current liabilities	2 337	1 538	1 065	1 633	3 402	3 171
Non-current liabilities						
Staff related liabilities	1 580	1 671	473	330	2 053	2 001
Provisions	320	132	-	-	320	132
Financial liabilities	3	10	-	-	3	10
Total non-current liabilities	1 903	1 813	473	330	2 376	2 143
Net assets	226 996	233 829	(497)	1 108	226 499	234 937

Libraries Board of South Australia
Notes to and forming part of the financial statements
For the year ended 30 June 2024

2. Income

2.1. Recurrent operating grants

Grants are recognised on receipt. The Board received an annual recurrent operating grant of \$34.276 million (2023: \$34.452 million) from DPC. The operating grant is the primary source of revenue for the Board.

2.2. Fees and charges

	2024	2023
	\$'000	\$'000
Photocopying services	6	2
Fees for services	133	72
Other fees and charges	4	5
Total revenues from fees and charges	143	79

Revenue from photocopying services is recognised at a point in time as services are provided. Revenue for fees for service including community co-contributions for the community newspaper digitisation project, and other fees and charges are recognised as services are provided.

2.3. Rent and facilities hire

	2024	2023
	\$'000	\$'000
Rental income	146	133
Facilities hire	29	12
Total revenues from rent and facilities hire	175	145

Revenue from facilities hire and rental income is recognised when services are provided.

Libraries Board of South Australia
Notes to and forming part of the financial statements
For the year ended 30 June 2024

2.4. Resources received free of charge

	2024	2023
	\$'000	\$'000
Artlab conservation services	179	180
Donated assets	418	230
Bequests and donations	3	137
Services received free of charge - Shared Services SA	262	255
Car parking	-	3
Valuation paid for by DPC	3	-
Services received free of charge - DPC ICT	229	205
Total resources received free of charge	1 094	1 010

Resources received free of charge are recorded as income in the Statement of Comprehensive Income at their fair value.

Under an arrangement with Artlab Australia, a division of DPC, Artlab Australia receives SA Government appropriation to perform conservation services on the Board's heritage collections. The value of this work performed is recognised as resources received free of charge in income and a corresponding amount included as preservation activities in note 4.1. Supplies and services.

Bequests and donations consist of cash and are included in the Statement of Cash Flows.

Valuation paid for by DPC relates to a desktop valuation by Liquid Pacific Asset Consultants to determine the fair value of land, buildings, compactus and improvements.

Contributions of services are recognised only when a fair value can be determined reliably, and the services would be purchased if they had not been donated. The Board receives Financial Accounting, Taxation, Payroll, Accounts Payable and Accounts Receivable services from Shared Services SA and ICT services from DPC free of charge.

2.5. Investment income

	2024	2023
	\$'000	\$'000
Dividends	300	341
Interest	355	212
Dividend imputation credits	106	121
Distributions	197	71
Total investment revenues	958	745

Interest revenue is recognised taking into account the interest rates applicable to the financial assets. Dividend income is recognised when the right to receive a dividend has been declared.

Libraries Board of South Australia
Notes to and forming part of the financial statements
For the year ended 30 June 2024

3. Board, committees and staff

3.1. Key management personnel

Key management personnel of the Board include the Minister for Arts, responsible for the Arts portfolio, the Chair and members of the Board, and the Director of the State Library of South Australia, the Associate Director, State Library Services, and the Associate Director, Public Library and Corporate Services, all of whom have responsibility for the strategic direction and management of the Board.

Total compensation for the Board's key management personnel was \$881 000 (2023: \$815 000). This amount excludes salaries and other benefits the Minister receives. The Minister's remuneration and allowances are set by the *Parliamentary Remuneration Act 1990* and the Remuneration Tribunal of SA respectively and are payable from the Consolidated Account (via the Department of Treasury and Finance (DTF)) under section 6 of the *Parliamentary Remuneration Act 1990*.

Transactions with key management personnel and other related parties

There were no significant transactions between key management personnel and other related parties.

3.2. Board and committee members

Members during the 2023-24 financial year were:

BM Linn AM (Chair)
MK Berghuis
A Culley
Prof. J Cys
JMH Finlay (retired)
J den Hartog
H Hashemi (retired)
K Kartinyeri
Prof. AE Nettelbeck
B Mather

Board and committee remuneration

The number of board members whose remuneration received or receivable falls within the following bands:

	2024	2023
\$0 - \$19 999	10	10
Total number of Board members	10	10

The total remuneration received or receivable by members was \$51 000 (2023: \$43 000). Remuneration of members reflects all costs of performing board and committee duties including sitting fees, superannuation contributions, salary sacrifice benefits, fringe benefits and any related fringe benefits tax paid.

Libraries Board of South Australia
Notes to and forming part of the financial statements
For the year ended 30 June 2024

3.3. Staff related expenses

	2024	2023
	\$'000	\$'000
Salaries and wages	8 879	8 846
Annual leave	897	866
Long service leave	391	210
Skills and experience retention leave	94	94
Targeted voluntary separation packages	221	1 158
Staff on-costs - superannuation	1 258	1 129
Staff on-costs - other	568	566
Board fees	46	39
Workers compensation provision adjustment	223	42
Other staff related expenses	261	173
Total staff related expenses	12 838	13 123

Staff on-costs - superannuation

The superannuation employment on-cost charge represents the Board's contributions to superannuation plans in respect of current services of current staff. DTF centrally recognises the superannuation liability in the whole-of-government financial statements.

Staff remuneration

The number of staff whose remuneration received or receivable falls within the following bands:

	2024	2023
	No.	No.
\$166 001 to \$186 000	-	1
\$186 001 to \$206 000	3	1
\$246 001 to \$266 000	1	1
Total	4	3

The total remuneration received by those staff for the year was \$830 000 (2023: \$637 000).

The table includes all staff who received remuneration equal to or greater than the base executive remuneration level during the year. Remuneration of staff reflects all costs of employment including salaries and wages, payments in lieu of leave, superannuation contributions, termination payments, salary sacrifice benefits, fringe benefits and any related fringe benefits tax paid.

Targeted voluntary separation packages (TVSP's)

	2024	2023
	\$'000	\$'000
Amounts paid to separated staff:		
Targeted voluntary separation packages	221	1 158
Leave paid to separated staff	52	349
Recovery from the Department of Treasury and Finance	-	(1 180)
Net cost to the Board	273	327

The number of staff who received a TVSP during the reporting period was 3 (2023:13).

Libraries Board of South Australia
Notes to and forming part of the financial statements
For the year ended 30 June 2024

3.4. Staff related liabilities

	2024	2023
	\$'000	\$'000
Current		
Annual leave	688	678
Long service leave	316	264
Skills and experience retention leave	86	94
Accrued salaries and wages	77	-
Staff on-costs	164	154
Total current staff related liabilities	1 331	1 190
Non-current		
Long service leave	1 862	1 820
Staff on-costs	191	181
Total non-current staff related liabilities	2 053	2 001
Total staff related liabilities	3 384	3 191

Staff related liabilities accrue as a result of services provided up to the reporting date that remain unpaid. Non-current staff related liabilities are measured at present value and current staff related liabilities are measured at nominal amounts.

Salaries and wages, annual leave, skills and experience retention leave, and sick leave

The liability for salaries and wages is measured as the amount unpaid at the reporting date at remuneration rates current at the reporting date.

The annual leave liability and the skills and experience retention leave liability in full are expected to be payable within 12 months and is measured at the undiscounted amount expected to be paid.

No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by staff is estimated to be less than the annual entitlement for sick leave.

The salary inflation rate for annual leave and skills and experience retention leave liability changed from 2% in 2023 to 2.4% in 2024.

Long service leave liability - measurement

The liability for long service leave is measured as the present value of expected future payments to be made in respect of services provided by staff up to the end of the reporting period using the projected unit credit method.

AASB 119 Employee Benefits contains the calculation methodology for long service leave liability.

The expected timing and amount of long service leave payments is determined through whole-of-government actuarial calculations, which are based on actuarial assumptions on expected future salary and wage levels, experience of employee departures and periods of service. These assumptions are based on staff data over SA Government entities.

The discount rate used in measuring the liability is reflective of the yield on long-term Commonwealth Government bonds. The yield on long-term Commonwealth Government bonds has increased from 4.0% in 2023 to 4.25% in 2024.

This increase in the bond yield, which is used as the rate to discount future long service leave cash flows, results in a decrease in the reported long service leave liability.

The actuarial assessment performed by the DTF resulted in an increase in the salary inflation rate from 2.5% in 2023 to 3.5% in 2024.

Libraries Board of South Australia
Notes to and forming part of the financial statements
For the year ended 30 June 2024

3.4. Staff related liabilities (continued)

The current portion of employee related liabilities reflects the amount for which the Board does not have right to defer settlement for at least 12 months after reporting date. For long service leave, the amount relates to leave approved before year end that will be taken within 12 months, expected amount of leave to be approved and taken by eligible employees within 12 months, and expected amount of leave to be paid on termination to eligible employees within 12 months.

Staff on-costs

Staff on-costs include payroll tax, ReturntoWorkSA levies and superannuation contributions and are settled when the respective staff related liabilities that they relate to are discharged. These on-costs primarily relate to the balance of leave owing to staff. Estimates as to the proportion of long service leave estimated to be taken as leave, rather than paid on termination, affects whether certain on-costs are recognised as a consequence of long service leave liabilities.

The Board contributes to several State Government and externally managed superannuation schemes. These contributions are treated as an expense when they occur. There is no liability for payments to beneficiaries as they have been assumed by the respective superannuation schemes. The only liability outstanding at reporting date relates to any contributions due but not yet paid to superannuation schemes.

As a result of an actuarial assessment performed by the DTF, the proportion of long service leave taken as leave has changed from 43% in 2023 to 44% in 2024 and the average factor for the calculation of staff superannuation on-costs has changed from 11.1% in 2023 to 11.5% in 2024. These rates are used in the staff on-cost calculation. The net financial impact of these changes in the current financial year is immaterial.

4. Expenses

4.1. Supplies and services

	2024	2023
	\$'000	\$'000
Information technology and communication charges	2 656	2 416
Freight, courier, and postage	2 276	2 007
Contractors	520	319
Marketing and promotion	513	312
Cataloguing and end processing	454	539
Minor equipment purchases	300	221
Projects	285	239
Licences	275	231
Insurance and risk management	236	228
Preservation activities	222	212
Electronic resources	214	172
Consultants' fees	165	221
Membership / Subscriptions	141	111
Accommodation	78	93
Maintenance	13	18
Exhibitions	13	11
Business services charge	262	255
Other*	916	544
Total supplies and services	9 539	8 149

* Includes audit fees paid/payable to the Audit Office of South Australia relating to work performed under the *Public Finance and Audit Act 1987* of \$59 000 (2023: \$58 000). No other services were provided by the Audit Office of South Australia.

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4.2. Accommodation and facilities

	2024	2023
	\$'000	\$'000
Accommodation	1 541	1 450
Facilities	1 392	1 104
Security	498	563
Total accommodation and facilities	3 431	3 117

Most of the Board's accommodation is provided by the Department for Infrastructure and Transport under Memoranda of Administrative Arrangement issued in accordance with Government-wide accommodation policies. These arrangements do not meet the definition of a lease set out in *AASB 16 Leases* and accordingly are expensed.

4.3. Subsidies to public libraries

	2024	2023
	\$'000	\$'000
Library materials contribution	6 988	7 140
Operating contribution	5 130	5 051
Being digital	51	115
Library materials local purchase contribution	525	537
Community information contribution	35	34
Total subsidies to public libraries	12 729	12 877

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4.4. Net loss from the disposal of non-current assets

	2024	2023
	\$'000	\$'000
Property, plant and equipment		
Proceeds from disposal	2	3
Less net book value of assets disposed	<u>(254)</u>	<u>(36)</u>
Net loss from disposal of property, plant and equipment	<u>(252)</u>	<u>(33)</u>
Research and heritage collections		
Less net book value of assets disposed	<u>(1 757)</u>	<u>(536)</u>
Net loss from disposal of research and heritage collections	<u>(1 757)</u>	<u>(536)</u>
Total proceeds from disposal included in Net Result	2	3
Less total net book value of assets disposed included in Net Result	<u>(2 011)</u>	<u>(572)</u>
Total net loss from disposal of non-current assets included in Net Result	<u>(2 009)</u>	<u>(569)</u>
Investments		
Proceeds from disposal through other comprehensive income (OCI)	4 072	-
Less net book value of assets disposed through OCI	<u>(3 795)</u>	<u>-</u>
Total net gain on sale of investments classified as fair value through OCI	<u>277</u>	<u>-</u>
Total assets		
Proceeds from disposal	4 074	3
Less net book value of assets disposed	<u>(5 806)</u>	<u>(572)</u>
Total net loss from disposal of non-current assets	<u>(1 732)</u>	<u>(569)</u>

5. Non-financial assets

5.1. Property, plant and equipment by asset class

Property, plant and equipment comprise tangible assets owned and right-of-use (leased) assets. The assets presented in the table on the following page do not meet the definition of investment property.

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5.1. Property, plant and equipment by asset class (continued)

Reconciliation 2023-24

	Land	Buildings and improv.	Compactus and lifts	Plant and equip.	Computer equip. ROU	Vehicles	Total Property, plant and equipment
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Carrying amount at the beginning of the period	12 300	62 002	1 250	263	217	21	76 053
Additions	-	469	30	139	140	-	778
Disposals	-	(246)	-	-	-	-	(246)
Depreciation and amortisation	-	(3 526)	(104)	(38)	(90)	(10)	(3 768)
Net revaluation (decrement)/increment	4 500	(6 443)	171	-	-	-	(1 772)
Carrying amount at the end of the period	16 800	52 256	1 347	364	267	11	71 045
Gross carrying amount							
Gross carrying amount	16 800	165 467	3 762	1 611	1 245	38	188 923
Accumulated depreciation	-	(113 211)	(2 415)	(1 247)	(978)	(27)	(117 878)
Carrying amount at the end of the period	16 800	52 256	1 347	364	267	11	71 045

Revaluation surplus relating to de-recognised property, plant and equipment is transferred to retained earnings on de-recognition.

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5.2. Useful life and depreciation

Depreciation and amortisation are calculated on a straight-line basis. Property, plant and equipment and intangible assets depreciation and amortisation are calculated over the estimated useful life as follows:

Class of asset	Useful life (years)
Buildings and improvements	5-40
Plant and equipment	3-20
Computer equipment	3-10
Compactus and lifts	14-30
Intangible assets	3-10
Right-of-use assets	Lease term

The research and heritage collections are kept under special conditions to minimise deterioration and are anticipated to have very long and indeterminate useful lives. No amount for depreciation has been recognised, as their service potential has not, in any material sense, been consumed during the reporting period.

Review of accounting estimates

Assets' residual values, useful lives and depreciation/amortisation methods are reviewed and adjusted, if appropriate, on an annual basis. Changes in the expected life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for prospectively by changing the time period or method, as appropriate.

5.3. Property, plant and equipment owned by the Board

All non-current assets with a value of \$10 000 or greater are capitalised, with the exception of the compactus and shelving category which is capitalised from \$500. Owned property, plant and equipment is subsequently measured at fair value. Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amounts of the assets and the net amounts are restated to the revalued amounts of the asset.

Revaluation of property, plant and equipment is undertaken on a regular cycle and is revalued at least every six years. However, if at any time management considers that the carrying amount of an asset materially differs from its fair value then the asset will be revalued regardless of when the last valuation took place.

Land and buildings

An independent desktop valuation of land, buildings and improvements was performed as at 30 June 2024 by a Certified Practising Valuer from Liquid Pacific Asset Consultants.

Fair value of land has been determined using the market approach. The valuation was based on recent market transactions for similar land in the area and includes adjustment for factors specific to the land such as size and location. For land classified as restricted in use, fair value was determined by applying an adjustment to reflect the restriction.

The fair value of buildings was determined using current replacement cost, due to there not being an active market. The current replacement cost considered the need for ongoing provision of government services, specialised nature and restricted use of the assets, their size, condition and location.

The valuation used estimates about construction materials that would be required to replace the buildings, information about current construction costs were derived from building costs guides, internal records such as recent tender documents, construction invoices etc. and the estimated useful life due to age and condition of the building.

Plant and equipment

All items of plant and equipment owned by the Board that had a fair value at the time of acquisition less than \$1.5 million or had an estimated useful life less than three years have not been revalued. The carrying value of these items is deemed to approximate fair value.

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5.4. Property, plant and equipment leased by the Board

Right-of-use assets leased by the Board as lessee are measured at cost and are disclosed in note 5.1.

Short-term leases of 12 months or less and low-value leases, where the underlying asset value is less than \$15 000, are not recognised as right-of-use assets.

The Board had 2 motor vehicle leases with the South Australian Government Financing Authority (SAFA). Motor vehicle leases are non-cancellable, with rental payments monthly in arrears. Motor vehicle lease terms can range from 3 years (60,000km) up to 5 years (100,000km). No contingent rental provisions exist within the lease agreements and no options exist to renew the leases at the end of their term.

The lease liabilities and interest related to the right-of-use assets are detailed in note 7.3. The Board's maturity analysis of its lease liabilities is disclosed in note 7.3. Cash outflows related to right of use assets are disclosed in note 7.3.

5.5. Intangible assets

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

The acquisition of or internal development of software is capitalised only when the expenditure meets the definition and recognition criteria and when the amount of expenditure is greater than or equal to \$10 000.

Reconciliation 2023-24

	<u>Computer software</u>	<u>Total</u>
	\$'000	\$'000
Carrying amount at the beginning of the period	69	69
Disposals	(8)	(8)
Amortisation	(46)	(46)
Carrying amount at the end of the period	15	15
Gross carrying amount		
Gross carrying amount	418	418
Accumulated amortisation	(403)	(403)
Carrying amount at the end of the period	15	15

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5.6. Research and heritage collections

	2024				2023			
	Opening balance	Additions	Disposals	Total	Opening balance	Additions	Disposals	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
General Reference Collections	55 258	130	(744)	54 644	55 382	166	(290)	55 258
Published Heritage Collections	20 609	283	(733)	20 159	20 512	103	(6)	20 609
Published Special Collections	24 958	50	(13)	24 995	24 930	77	(49)	24 958
Archival Collections	33 029	82	(267)	32 844	33 105	115	(191)	33 029
Significant or Iconic Collections	7 771	-	-	7 771	7 771	-	-	7 771
Total research and heritage collections	141 625	545	(1 757)	140 413	141 700	461	(536)	141 625

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5.6. Research and heritage collections (continued)

Valuation basis

Research and heritage collections

The collections were valued as at 30 June 2022 by Mr. P Tinslay, NCJV Registered Valuer, of Aon Risk Services (Fine Arts Division).

This valuer specialises in the valuation of heritage assets. This valuation has been carried out in accordance with the principles determined by the International Valuation Standards Committee. These international standards have been followed except where they are altered by Australian Law or by local standards as laid out by the Australian Property Institute.

The market approach has been utilised to determine fair value. The market approach provides an indication of value by comparing the subject asset with identical or similar assets for which price information is available. This approach considers the prices of identical or similar assets that are listed or offered for sale and may necessitate adjusting the price information from other transactions to reflect any differences in the terms of the actual transaction and the basis of value and any assumptions adopted in the valuation being undertaken, as well as differences in the legal, economic or physical characteristics of the assets in other transactions and the asset being valued.

Where inputs to the fair value measurement are considered level 2 in the fair value hierarchy they have been observed from the market and the valuer has made relatively minor adjustments for differences in asset characteristics.

The collection includes digital items received at no cost through legal deposit under the *Libraries Act 1982* and the Board is not able to sell, and items the State Library has digitised from the physical item or obtained another way. These digital collection items cannot be reliably measured or assigned a value and are immaterial to the overall collection value and/or size.

A review of the financial reporting of the Research and Heritage Collections was undertaken as part of the revaluation process. The outcome of this review is that for financial reporting purposes the collections will be grouped based on collection category rather than location or format.

6. Financial assets

6.1. Cash and cash equivalents

	2024	2023
	\$'000	\$'000
Deposits with the Treasurer	7 075	9 573
Libraries Board of South Australia Investment bank account	1	-
Cash on hand	-	7
Total cash and cash equivalents in the Statement of Financial Position	7 076	9 580
Total cash and cash equivalents in the Statement of Cash Flows	7 076	9 580

Cash is measured at nominal amounts.

Deposits with the Treasurer

Deposits with the Treasurer are funds held in the Libraries Board of South Australia Account, an account held with the Treasurer of South Australia pursuant to section 21 of the *Public Finance and Audit Act 1987* (PFAA), and funds held in the Arts South Australia Operating Account, an account held with the Treasurer of South Australia pursuant to section 8 of the PFAA.

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6.1. Cash and cash equivalents (continued)

The cash balance includes \$1.427 million (2023: \$1.705 million) of unspent funding allocated to public libraries for the purchase of library materials.

Trust Accounts

Public Library Services allocates funding to populations located in Aboriginal lands and unincorporated areas that currently do not have a local council authority. These funds are controlled by the Board and are included in the cash balance at 30 June 2024. The total of these accounts is \$178 000 (2023: \$268 000).

6.2. Receivables

	2024 \$'000	2023 \$'000
Current		
Contractual receivables		
Trade receivables	84	27
Total contractual receivables	<u>84</u>	<u>27</u>
Statutory receivables		
Workers compensation recoveries	1	-
GST input tax recoverable	304	342
Total statutory receivables	<u>305</u>	<u>342</u>
Prepayments	1 219	1 198
Accrued revenues	161	122
Total current receivables	<u>1 769</u>	<u>1 689</u>
Non-current		
Statutory receivables		
Workers compensation recoveries	5	2
Total statutory receivables	<u>5</u>	<u>2</u>
Prepayments	69	1
Total non-current receivables	<u>74</u>	<u>3</u>
Total receivables	<u><u>1 843</u></u>	<u><u>1 692</u></u>

Contractual receivables arise in the normal course of selling goods and services to other government agencies and to the public. Contractual receivables are normally settled within 30 days after the issue of an invoice, or the goods/services have been provided under a contractual arrangement.

Receivables, prepayments, and accrued revenues are non-interest bearing. Receivables are held with the objective of collecting the contractual cash flows and they are measured at amortised cost. Statutory receivables do not arise from contracts with customers. They are recognised and measured similarly to contractual receivables (except impairment) but are not classified as financial instruments for disclosure purposes.

Impairment losses were nil in 2024 (2023: nil) and relate to receivables arising from contracts with customers that are external to SA Government.

The net amount of GST recoverable from the ATO (via DPC) is included as part of receivables.

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6.3. Investments

	2024 \$'000	2023 \$'000
Non-current		
Shares and other investments		
Carrying amount at the beginning of period	11 232	10 877
Additions	4 094	75
Disposals	(3 795)	-
Investment market value movement at end of financial year	354	280
Total non-current investments	11 885	11 232

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

Dividends arising from all investments are recognised in the Statement of Comprehensive Income.

7. Liabilities

7.1. Payables

	2024 \$'000	2023 \$'000
Current		
Trade payables	1 928	1 874
Statutory payables		
Audit fees	59	58
Total statutory payables	59	58
Total current payables	1 987	1 932
Total payables	1 987	1 932

Payables are measured at nominal amounts.

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

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7.2. Provisions

All provisions are for workers compensation:

Reconciliation of the workers compensation provision:	2024	2023
	\$'000	\$'000
Carrying amount at the beginning of the period	170	130
Additional provisions recognised	84	40
Increase resulting from re-measurement	139	-
Carrying amount at the end of the period	393	170

The Board is an exempt employer under the *Return to Work Act 2014*. Under a scheme arrangement, the Board is responsible for the management of workers rehabilitation and compensation and is directly responsible for meeting the cost of workers' compensation claims and the implementation and funding of preventive programs. The Board is able to seek reimbursement for and payment of workers compensation medical redemption costs from DPC that may arise in the future to resolve claims.

Accordingly, a liability has been reported to reflect unsettled workers compensation claims. The workers compensation provision is based on an actuarial assessment of the outstanding liability as at 30 June 2024 provided by a consulting actuary engaged through the Office of the Commissioner of Public Sector Employment.

There is a significant degree of uncertainty associated with estimating future claim and expense payments and also around the timing of future payments due to the variety of factors involved. The liability is impacted by average claim sizes and other economic and actuarial assumptions.

7.3. Financial liabilities

All financial liabilities are leases. Lease liabilities have been measured via discounting lease payments using either the interest rate implicit in the lease (where it is readily determined) or DTF's incremental borrowing rate. There were no defaults or breaches on any of the lease liabilities throughout the year.

The associated interest costs were less than \$1 000 for 2023-24 and 2022-23.

Total cash outflows relating to the repayment of the principal portion of lease liabilities was \$10 000 (2023: \$8 000).

A maturity analysis of lease liabilities based on undiscounted gross cash flows is reported in the table below:

	2024	2023
	\$'000	\$'000
Lease liabilities		
Within one year	7	11
Later than one year but not longer than five years	3	10
Total lease liabilities (undiscounted)	10	21

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7.4. Other liabilities

	2024	2023
	\$'000	\$'000
Current		
Unearned revenue	4	-
Total other liabilities	<u>4</u>	<u>-</u>

8. Outlook

8.1. Unrecognised commitments

Commitments arising from contractual sources are disclosed at their nominal value.

Contractual commitments to acquire property, plant and equipment were nil in 2024 (2023: nil).

Other contractual commitments

	2024	2023
	\$'000	\$'000
Within one year	5 226	3 364
Later than one year but not longer than five years	2 764	1 371
Later than five years	-	220
Total other contractual commitments	<u>7 990</u>	<u>4 955</u>

Other contractual commitments predominantly comprise committed orders placed by public libraries through Public Library Services for libraries materials at the reporting date not recognised as liabilities in the financial statements. Other commitments are for a sortation and delivery service of South Australian Public Library Network material for distribution to South Australian Public Libraries and contracts for ICT.

8.2. Contingent assets and liabilities

The Board is not aware of any contingent assets or liabilities.

8.3. Events after the reporting period

There were no events occurring after the end of the reporting period that had a material financial implication on these financial statements.