West Gippsland Libraries

ANNUAL REPORT 2018-19

ACKNOWLEDGEMENT OF COUNTRY

West Gippsland Libraries acknowledges the Traditional Owners of the lands our libraries serve: the Bunurong, Wurundjeri, and Taungurung peoples of the Kulin nation, and the Brataualung people of the GunaiKurnai nation. We pay our respects to Elders past, present, and future.

OUR COMMITMENT TO CHILD SAFETY

West Gippsland Libraries is committed to the safety and wellbeing of all children and young people.

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CHAIRPERSON'S MESSAGE

CR GEOFF ELLIS
Chair of the Board

On behalf of the Board, I would like to say that we are immensely proud of the efforts being made by West Gippsland Libraries staff to continually attract more people into our libraries.

As a regular library patron, I often see first-hand the effort our librarians and library officers go to in our branches to make people's library experiences enriching and entertaining, via events, advice, information, or social connection.

This year the Board has been impressed by the focus on improving people's access to library services.

Among the highlights are:

- The introduction of longer staffed hours and out of hours access at Foster Library;
- The introduction of weekly Story Time activities at Bass Valley Children's Centre;
- The opening of Drouin Library's accessibility-focused upgrades with Jane Garrett MP in attendance;
- The creation of a new Community Library in Welshpool, with tremendous support and encouragement from that community; and
- A decision in consultation with the community regarding the location of Community Libraries in Grantville and San Remo, both which will be delivered on in 2019-20

To the librarians, library officers and other staff at West Gippsland Libraries, I thank you for your hard work and determination in positioning our libraries for future growth, and very much look forward to 2019-20.

CEO'S MESSAGE

More than 27,000 West Gippsland residents – representing 23 percent of our region's population – are active library members.

Our focus in 2018-19 was to find new and exciting ways to engage people, bringing them into contact with library services.

Some of the highlights for our organisation this year have been:

- The provision of not one, but two regional youth festivals under the new brand of 'Meet Up';
- A Fonterra-sponsored Story Time at Warragul which included an outdoor petting zoo;
- A 62% increase in e-Resource loans;
- A 12% increase in event attendance across the entire region, reflecting the community's appetite for life-long learning;
- The launch of a new, modern website; and
- The implementation of the Patron Point email marketing system to better communicate our services, events and items for loan with patrons.

On behalf of the staff at West Gippsland Libraries I would like to thank all of our valued patrons for their continued love of our libraries, and we look forward to sharing more exciting advancements with you in the coming year.

LEANNE WILLIAMS
Chief Executive Officer

OUR VISION

We build knowledge and skills that strengthen our communities.
We provide library services, programs and collections that are accessible and equitable.
We will create partnerships to improve our service, share our knowledge and facilitate interaction within our communities. We will continuously improve our value to the community.

DISCOVER

Our libraries
are the centre
for reading and
learning

CONNECT

We support
everyone in our
community

ENJOY

Our libraries
are creative and
innovative

OUR MISSION AND VALUES

Earlier in the year, the Board participated in a values workshop which unveiled the core values we as a Corporation will use to guide us to deliver a quality service to our diverse communities.
We are building a future based on our chosen values, and our people live by them when representing West Gippsland Libraries.

BRAVERY

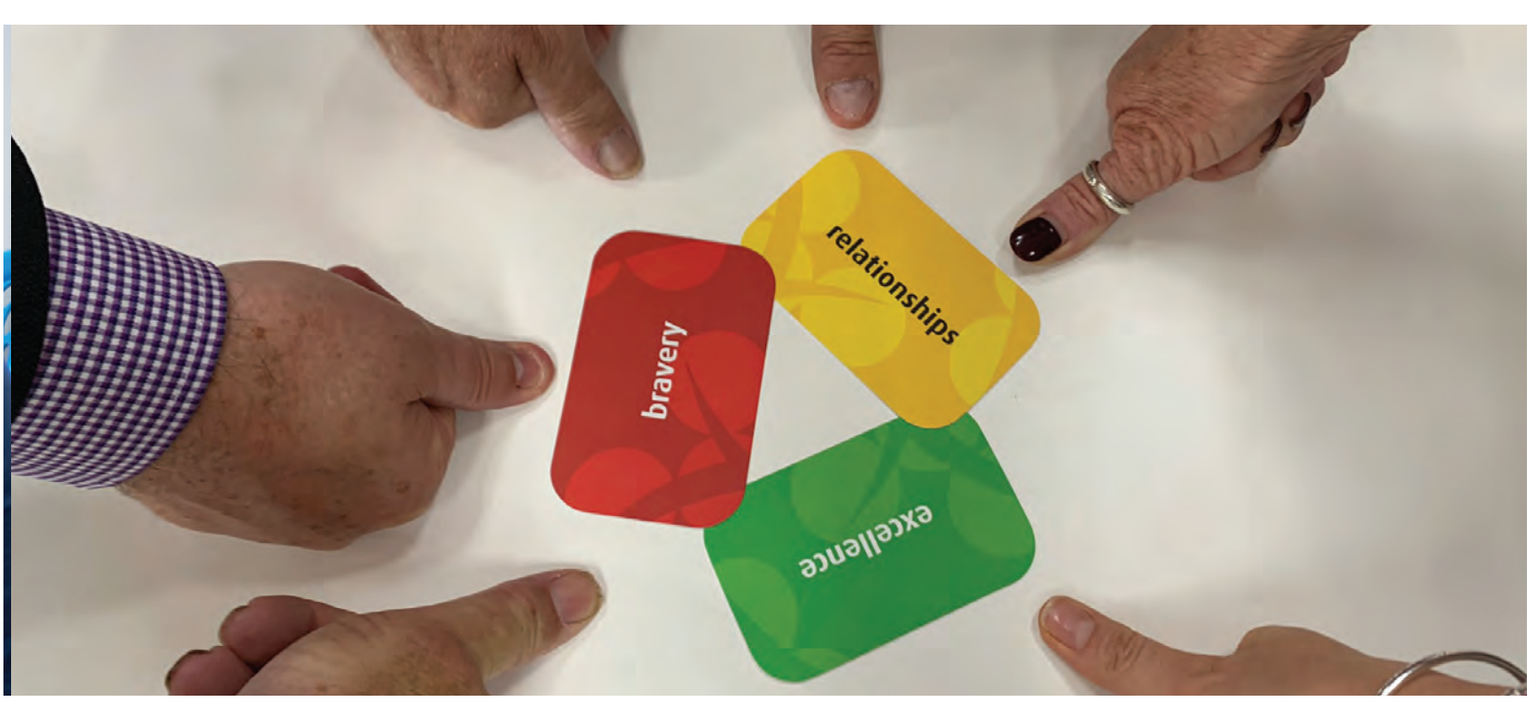
We will anticipate and bravely adapt with the changing needs of our communities.

RELATIONSHIPS

We will build relationships with our stakeholders, communities and each other.

EXCELLENCE

We will deliver excellence in everything we do.



OUR COMMUNITY ADVISORY COMMITTEE

West Gippsland Libraries has a Community Advisory Committee (CAC) that provides guidance to the Board on Library service matters.

The purpose of the CAC is to:

- Provide advice to the Board and Chief Executive Officer (CEO) on matters or projects that fall within the CAC objectives.
- Seek advice from the Board on the strategic direction of West Gippsland Libraries.
- Promote West Gippsland Libraries to members of the community.

The CAC, Board, and member Councils are committed to:

- Improving the quality of the library service for residents of the Region.
- Meeting the needs and interests of the users/potential users of the service.
- Achieving the best possible standard of service.
- Communicating effectively, supporting each other and working in a partnership based on mutual respect.
- Recognising the vital role each party plays and their reliance upon each other in meeting service objectives.

BASS COAST REGION

Nola Thorpe
(whole year)

Mary Schooneveldt
(whole year)

Catherine Robinson
(8/2/2019 - current)

BAW BAW REGION

David Lyons
(whole year)

Gordon Dadswell
(ret. 14/6/2019)

Holly Perriam
(whole year)

SOUTH GIPPSLAND REGION

Christine Kemper
(whole year)

Christine McKinlay
(whole year)

OUR BOARD

West Gippsland Libraries is established under section 196 of the Local Government Act 1989 as a separate entity to that of the Council's that have established it.

West Gippsland Libraries is governed by a Board that is made up of six representatives, two from each Shire, comprising one Councillor and one Senior Officer representative.

The Board met on seven occasions during 2018-19 at alternating locations across the region.

In December 2018 the Board voted to re-elect Cr. Geoff Ellis (pictured) to the position of Chair and Cr. Alyson Skinner to Deputy Chair.

The Board provides essential guidance and governance to West Gippsland Libraries, offering invaluable direction and promotion of our services to best meet the needs of the communities they represent.

BASS COAST SHIRE COUNCIL

Cr Geoff Ellis
(whole year)

Mark Brady
(1/07/18 to 3/05/19)

Jodi Kennedy
(06/05/19 - 30/06/19)

BAW BAW SHIRE COUNCIL

Cr Keith Cook
(whole year)

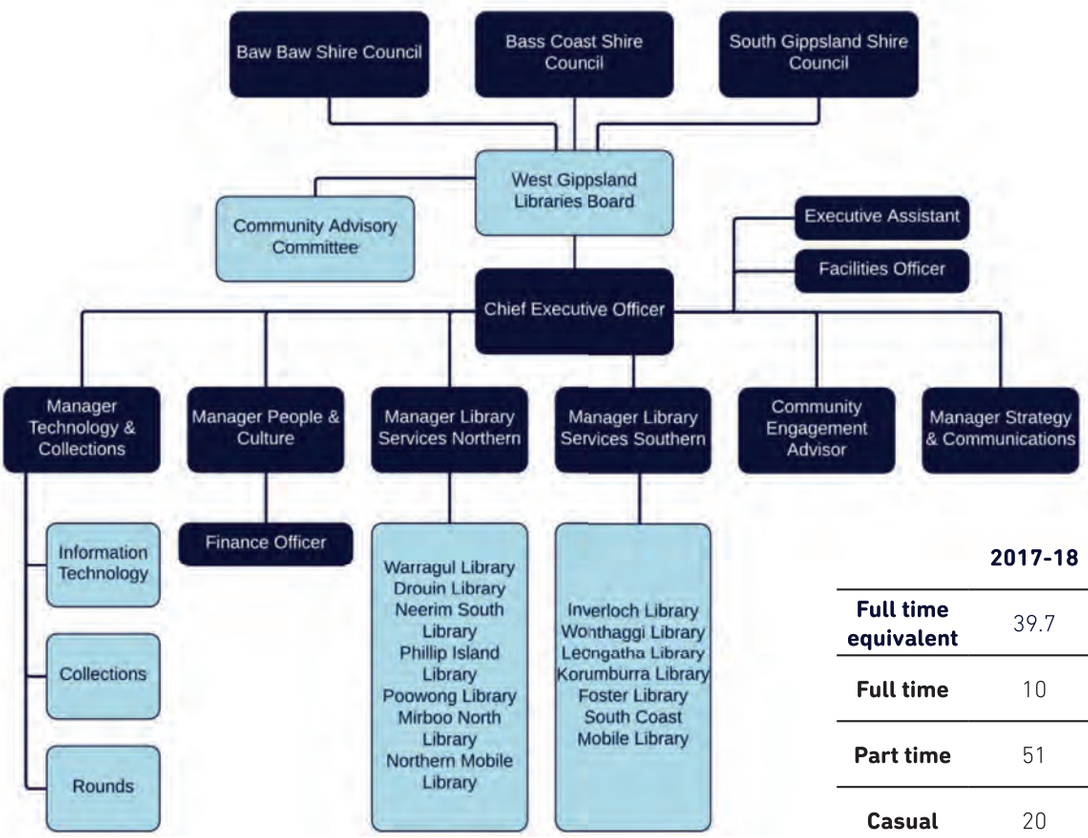
Mark Dupe
(whole year)

SOUTH GIPPSLAND SHIRE COUNCIL

Cr Alyson Skinner
(1/07/18 to 19/06/19)

Faith Page
(whole year)

OUR PEOPLE



	2017-18	2018-19
Full time equivalent	39.7	40.0
Full time	10	11
Part time	51	57
Casual	20	19

West Gippsland Libraries employs a team of full time, part time and casual staff across three Shire regions and 12 locations.

2018-19
BY THE NUMBERS

25,791
ACTIVE USERS

40,754
MEMBERS

551,371
VISITS

851,873
LOANS

46%
ONLINE SIGN-UPS

12%
PROGRAM ATTENDEES

2%
ACTIVE MEMBERS

62%
ELECTRONIC LOANS

12 static libraries

2 mobile libraries

22 communities

3 municipalities

116,918
Population covered

8,187 ^{2}
Area serviced (kms)

415
combined weekly opening hours

CELEBRATING OUR SUCCESS

We hosted two Meet Up youth festivals which featured a number of events tailored towards younger people aged 12 and 25 years. Both festivals brought several hundred people into our libraries.

Inverloch's knitting group celebrated six years of meeting together at our Inverloch Library. It's a group whose members have formed strong friendships and enjoy each other's company.

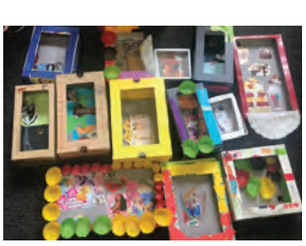
Police offier and Bass Coast Shire councillor Bruce Kent was among the number of local faces who read Alpaccas with Maracas to groups of young children for National Simultaneous Storytime.

Library staff Daniel Best and Kathie Olden helped students from Drouin Secondary College become 'work ready'

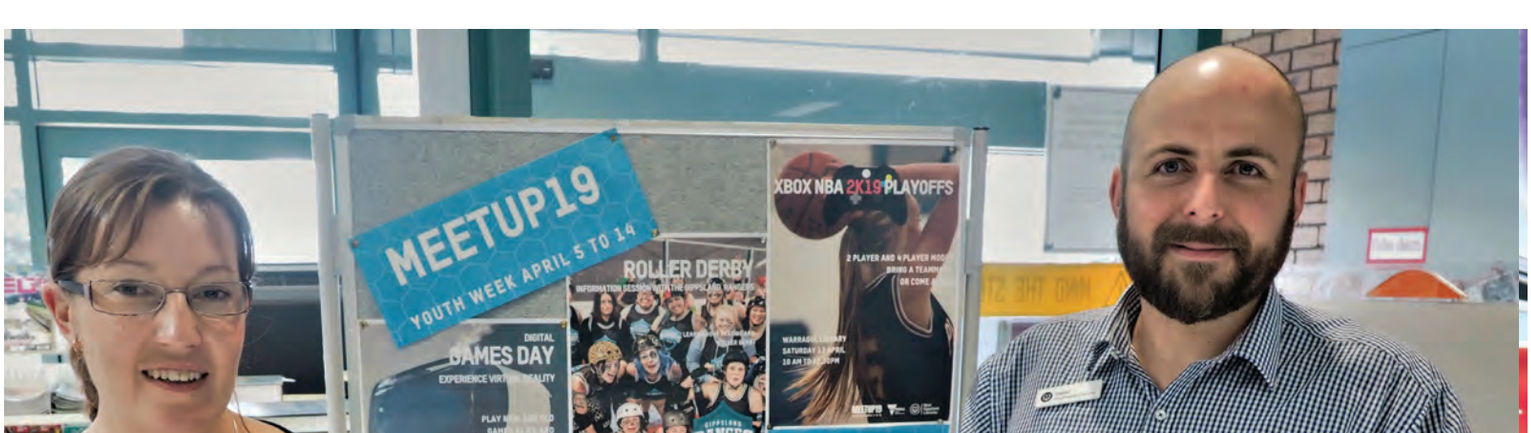
Jane Garrett MP officially opened our newly-renovated Drouin Library in May 2019. The upgrades were made possible by co-contributions from Baw Baw Shire Council and the State Government.

Easter craft activities were a hit with young kids at multiple branches for the Easter school holiday period.

Animals of Oz brought living rockpools to our libraries for school holiday activities., leaving as many as 30 kids per session spellbound by crabs, sea stars and anemone.



Kids at Phillip Island re-used recycled materials to create paper portraits in a special craft activit



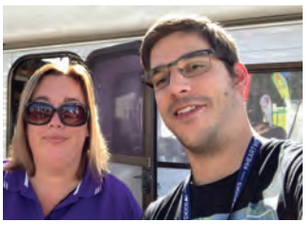
CELEBRATING OUR SUCCESS

A statewide campaign to advocate for more State Government funding for public libraries commenced in August 2018. Our CEO Leanne Williams attended the launch and subsequent events.

South Gippsland resident Gillian Mertens led a Yoghurt Making class at Korumburra Library and shared her story with us in a special video on our Facebook Page.

Laura Grimshaw was among the kids who completed their 1000 Books Before School challenge. More than 600 kids from around our region enrolled in the program between 2016 and 2018.

In February, Friends of Inverloch Library arranged for Dr Elizabeth Kleinhenz, the author of Germaine: The Life of Germaine Greer, to speak at Inverloch Library. More than 100 people attended the event.



West Gippsland Libraries partnered with the Baw Baw Shire's Maternal Child and Family Health team to host an information stand at FarmWorld 2019, at Lardner Park.

Wonthaggi Library staff member, Karen, helped foster a growing love of poetry in Bass Coast by maintaining the'Bass Coast Poetry Wall' and hosting children's poetry workshops.

Trish Lott from Cake It! Decorations and Supplies led cake decorating classes with a festive theme. Attendees learned various techniques such as how to work with fondant icing.

Around 200 people attended a Fonterra-sponsored Story Time event which, with generous support from the Fonterra Grass Roots Fund, featured a petting zoo, face painting and free snacks.

STRATEGY ONE

ENHANCE OUR LIBRARY SERVICE MODELS TO BETTER MEET THE NEEDS OF OUR COMMUNITY

We have worked to expand opening hours or open new services in line with growing community needs.

Expanded hours introduced in 2018-19 include:

- Cowes (Phillip Island) Library began opening on Mondays between 10am and 5pm, from 8 October 2018.
- Welshpool Community Library opened in June 2019, providing 25 hours of library service time to the region and its surrounding towns. It replaced the former South Coast Mobile Library service.
- Foster Library increased its staffed opening hours on Mondays and Thursdays.
- Foster Library also introduced technology to facilitate a 24-hour open access model (launching FY 2019-20)
- In September 2018, Drouin Library's hours were amended to provide a more consistent opening time, a small increase in opening hours, and the addition of a second Story Time session due to the popularity of the existing one.

IN PROGRESS

Pilot a roaming customer service model	On hold pending software support from vendor
Deploy accessible and modern community libraries along the Bass Coast waterline, San Remo and Welshpool	Welshpool now open and work is well advanced on other community libraries
Pilot click and collect points across the region.	Likely to occur in FY 2019-20

STRATEGY TWO

ENABLE AND FACILITATE NEW LEARNING OPPORTUNITIES LED BY THE COMMUNITY

This year featured a number of community led programs that partnered with our libraries.

In September 2018 and April 2019 we ran a week-long youth festival called Meet Up. Each festival featured multiple unique and new events designed to encourage teenagers back into the libraries.

In May, Trafalgar author Nansi Kunse partnered with West Gippsland Libraries to commence the Books By Us pogram with Grade Four students at Trafalgar Primary School. The program will conclude in the 2019-20 financial year.

In June, library team members Kathie Olden and Daniel Best enjoyed participating in the Drouin Secondary College Ready for Work Program, a pilot developed between the college and local businesses and services to support students in their learning by conducting a 'real life' experience of applying for a job.

IN PROGRESS

Identify opportunities for simplifying our events process.	Our new website launched in June 2019 and features an Events section. Library staff now use the Canva platform to design and print their own promotional materials. Email marketing platform, Patron Point, is also developing an Eventbrite integration so we can better market our events to active members.
Partner with community experts to deliver unique learning opportunities	A significant number of events are daytime or evening talks hosted by local authors and experts in their chosen fields. With the marketing strategy now complete, work will continue in 2019-20 to identify and partner with relevant experts.

STRATEGY THREE

IMPROVE OUR ENGAGEMENT WITH EARLY YEARS AND YOUNG PEOPLE

This year we ran two youth festivals, each featuring multiple events aged at attracting people between 12 and 25 years to our libraries. Events ranged from make-up classes to Xbox Gaming competitions, Gap Year and first car seminars, bicycle repair workshops, and virtual reality hands-on sessions.

Meet Up 18 was held in September 2018, and was unique in that it hosted a launch day at three sites: Leongatha, Warragul and Wonthaggi. These launch events attracted over 1,300 people. The festival's events attracted a combined 700 participants in the target age range of 12 to 25.

Meet Up 19 was held in April 2019 and its events attracted 832 people in the target age range within just one week. The festival was launched at Nyora where the mobile library attended the season's first football and netball competition, with several hundred people in attendance.

In March 2019, we expanded our outreach programming along the Bass Coast Waterline region with the introduction of weekly Story Time programs at the Bass Valley Children's Centre. West Gippsland Libraries donated a 100-book strong collection to the Centre for children to use as a small library, so to encourage reading.

Other highlights included the roll-out of Future Labs and a visit by Warragul Theatre Company's actors to Drouin Library.

IN PROGRESS

Better understand and address the drop off of young people who previously use the library	We successfully trialled new events in our Meet Up festivals. Some events, such as Future Labs, have been rolled out regionally, with more to follow. The festival is also planned to become an annual affair, funded by Youth Week grants.
Enhance our early years outreach programs	Story Time introduced at Bass Valley Children's Centre. Young families, including pre-school and early primary school aged children, have been identified as a key marketing segment, so expect the furhter expansion of outreach activities in 2019-20.

STRATEGY FOUR

EXPLORE NEW AND RENOVATED SPACES THAT REFLECT MODERN LEARNING APPROACHES

This year the Foster Library was renovated to include a fresh new interior, reorganised and flexible space, and 24-hour access.

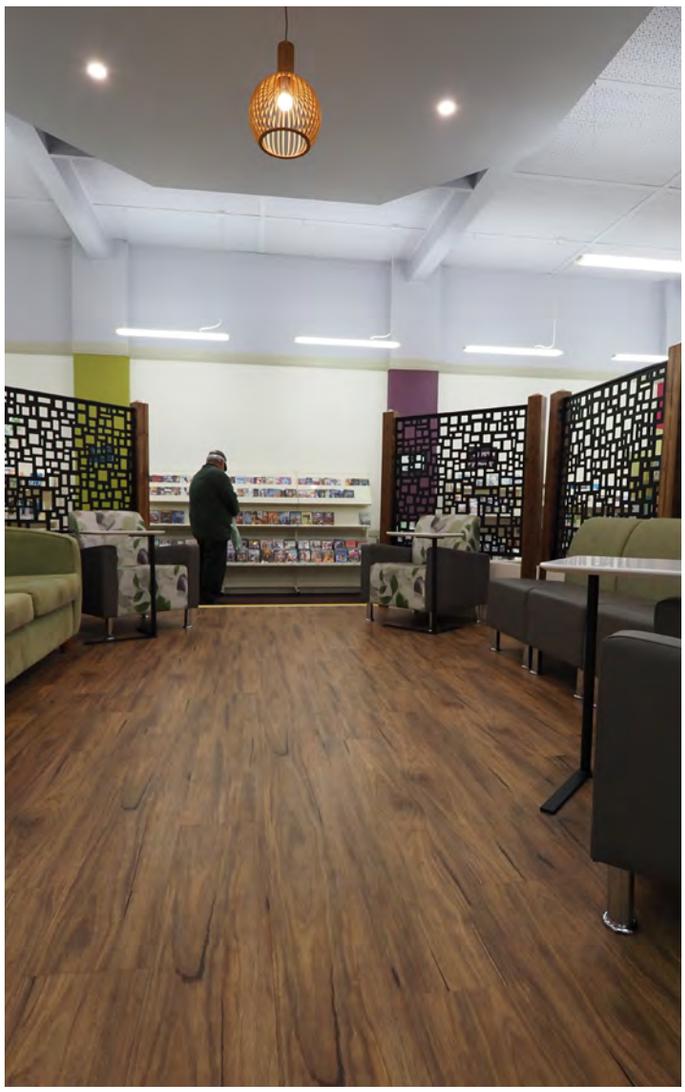
Works were also completed at Drouin Library in May, including a bold new exterior designed to help residents identify the library component of the shared facade.

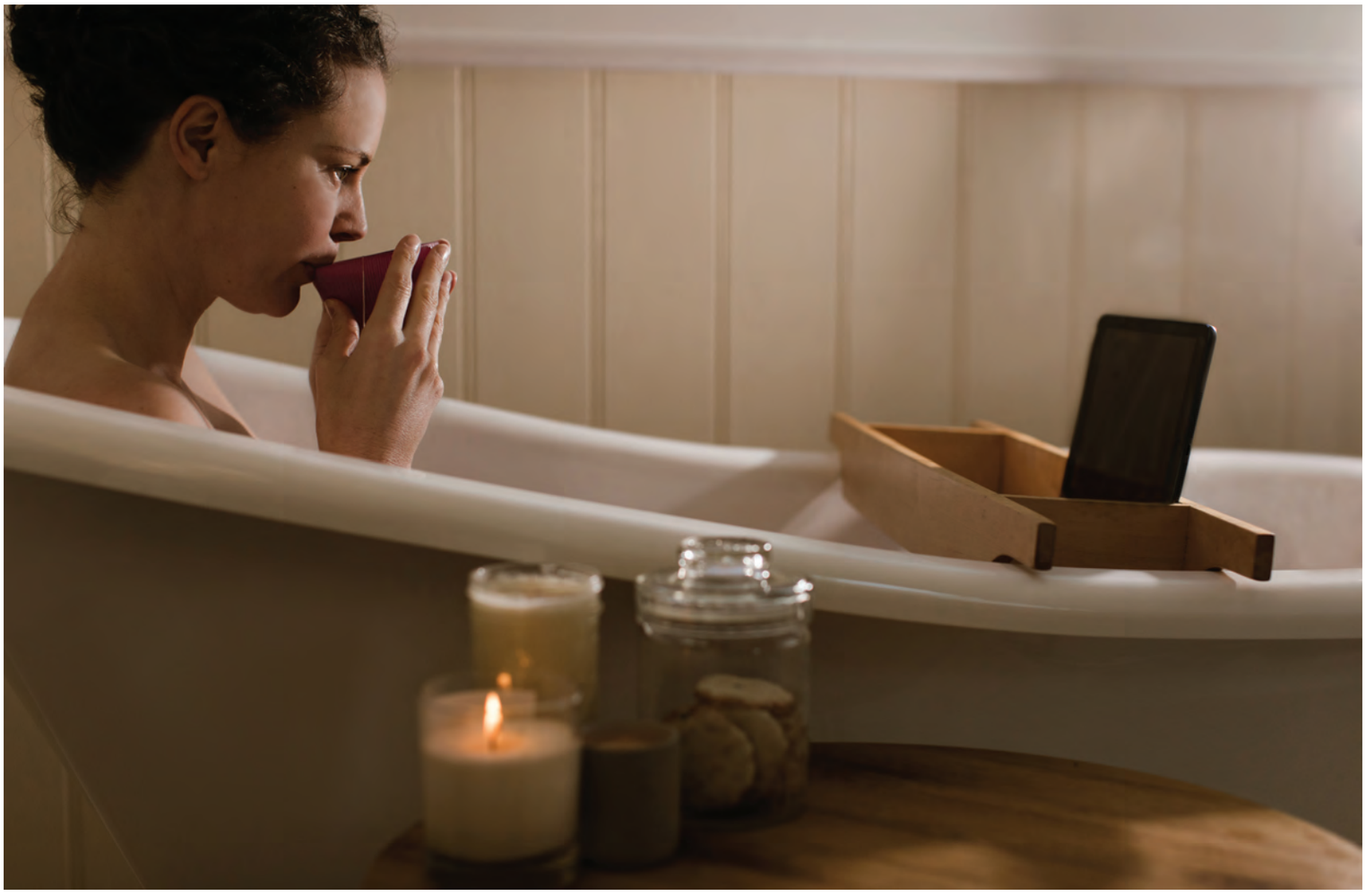
West Gippsland Libraries launched its partnership with The Herd Coworking space in Warragul at the end of May. The partnership means that Library members wanting to work in an office environment, but who cannot afford the overheads, can access The Herd for free using their membership. This allows people of any socio-economic status to bring their business idea to life, surrounded by some of Gippsland's most experience entrepeneurs.

Also of significance was the retirement of the underutilised South Coast Mobile Library in South Gippsland, and the subsequent opening of the Welshpool Community Library in the Welshpool Rural Transaction Centre, which expands the area's available library time significantly.

IN PROGRESS

Develop a renewal plan for dynamic library furniture.	Completed and costed, roll out not yet started.
Pilot creative design and library layouts options that can accommodate our patron's diverse needs.	We are achieving this through flexible furniture and shelving design during refurbishments as they occur, with Foster, Drouin and Welshpool among this year's examples.





STRATEGY FIVE

TEST ALTERNATIVE ENGAGEMENT APPROACHES TO PROMOTE TRUE INCLUSIVITY AND ACCESSIBILITY

A brand new, modern, and responsive website was launched in June 2019. The new site prioritises our catalgoue search and library location features - the two features which account for approximately 90 percent of all website usage. The site also incorporates a News section where announcements are made public, and there are plans to add blogs from key staff and community members in 2019-20.

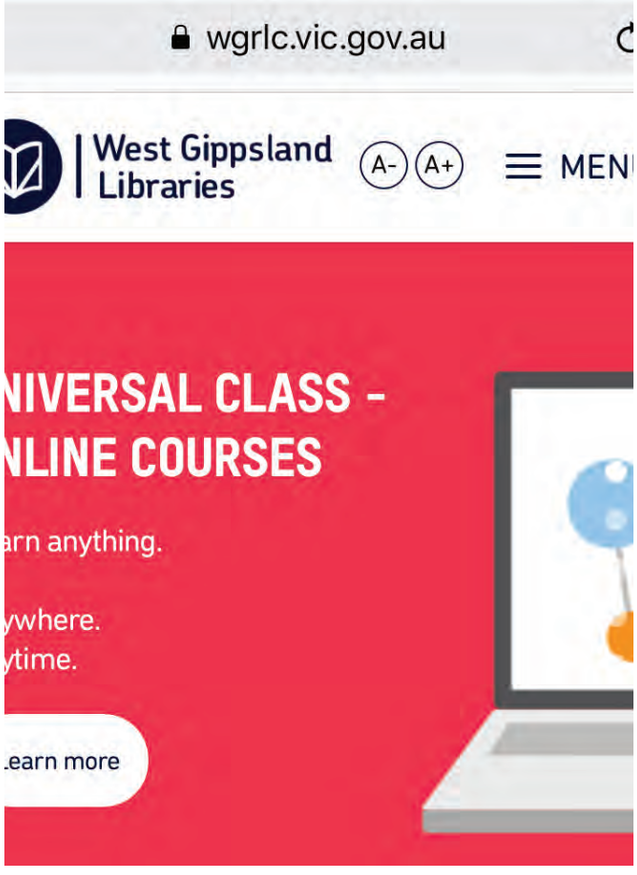
In-depth marketing research found that keeping patrons returning to use services was the organisation's greatest challenge, and so email marketing via a library engagement platform known as Patron Point was implemented in February 2019. This will help us to communicate new material, events and much more to our patrons on a regular basis, with the view that they then return to use our services more often.

At the start of the financial year the Facebook page had 1,812 followers and grew to 2,470 by the end of the financial year. This represents a 36% increase in the Facebook audience in a single year - it's biggest single-year increase since it launched in 2010.

Spurring-on this increase was a commitment to high-level video and photographic content. Around 70 videos were published on Facebook this financial year, generating 93,000 video views.

IN PROGRESS

Go above and beyond to engage with our missing demographics	Ongoing. Marketing strategy and individual marketing plans per site to be completed in 2019-20 financial year.



STRATEGY SIX

SUPPORT OUR COMMUNITY TO EXPLORE AND LEARN ABOUT NEW AND EMERGING TRENDS

In2018-19, we continued to invest in virtual reality technology and proactively took it to multiple branches throughout the year, where it was immensely popular with both young and old patrons.

We also introduced our first-ever streaming movie service, Kanopy, which allows patrons to choose from any of the 30,000 titles on offer and stream them to their personal devices or connected televisions.

2019 also saw the launch of the new West Gippsland Libraries iPhone, iPad and Android device application, which makes our services even more accessible and easy to explore. Tech Talks still occur in our branches, and are designed to help older patrons learn how to use their PC or smart device to access our online resources.

IN PROGRESS

Integrate new technology into our programs.	Ongoing
Lead by example to promote high standards of digital literacy in the community	Ongoing. Recruitment for all positions now includes demonstrating the applicants' technology skills by creating a video as part of the application process.

STRATEGY SEVEN

PROMOTE A CULTURE THAT ENCOURAGES FLEXIBILITY, EXPLORATION AND PERSONAL GROWTH

West Gippsland Libraries is committed making our workplaces safe, comfortable and supportive for our staff.

In 2018-19, we introduced our Children in the Workplace Policy to enshrine our approach to flexibility that allows many of staff to integrate their family and work lives to remove the unnecessary stresses that can come with juggling both priorities.

We held a Staff Development Day in November 2018 at which Gus Balbontin, fomer CEO of Lonely Planet, presented about the need to adapt and move with patrons' needs. On the same day, our staff workshopped innovative ideas that the Leadership Team has since considered for implementation.

Regular quarterly meetings are held to unite our people and to take the time to listen and learn to what is happening across our broad network of library branches. Staff with ideas that require Leadership Team approval are also encouraged to prepare and present to the Leadership Team, presenting professional development opportunities for those who wish to be more deeply involved wih the transformation of our libraries moving forward.

IN PROGRESS

Pilot flexible cloud based employee management systems to support our people.	Suitable solutions are still being explored

STRATEGY EIGHT

EXPLORE DIVERSE REVENUE OPPORTUNITIES TO COMPLEMENT OUR SERVICE

The funding of public libraries was made quite prominent this financial year when Public Libraries Victoria launched the statewide advocacy campaign, Libraries Change Lives, to encourage State Government to increase library funding.

Both the support of this campaign, and the focus on establishing a marketing strategy, which will inform our programming and services moving forward by identifying outstanding community needs, means additional revenue opportunities were limited mainly to small grants in 2018-19.

In September 2018 we hosted a Fonterra-sponsored Story Time at Warragul Library that was supported by the Fonterra Grass Roots Fund with a $2,000 grant received the previous financial year.

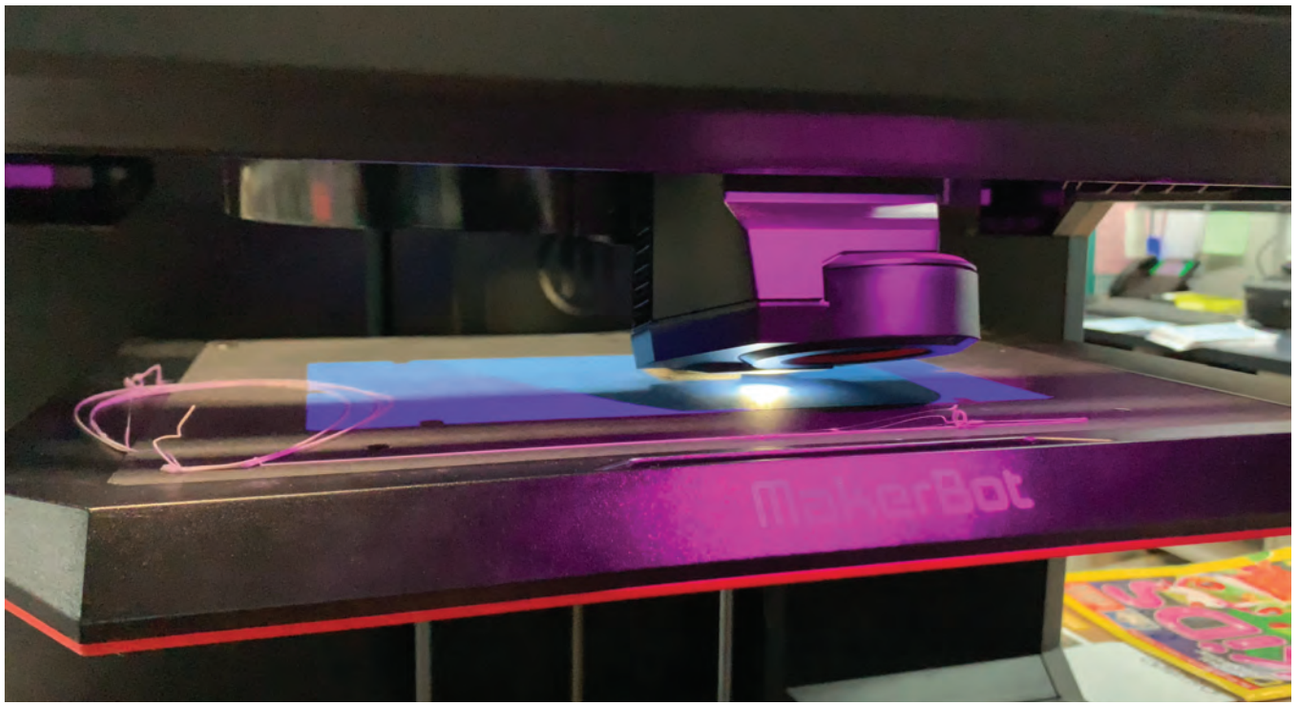
In April 2019, the State Government provided $2,000 in Youth Week grant funding to support our Meet Up 2019 youth festival of events.

In May 2019, we applied, and were later successful, for a $1,000 grant from the Grace Marion Wilson Trust to support the Books By Us program.

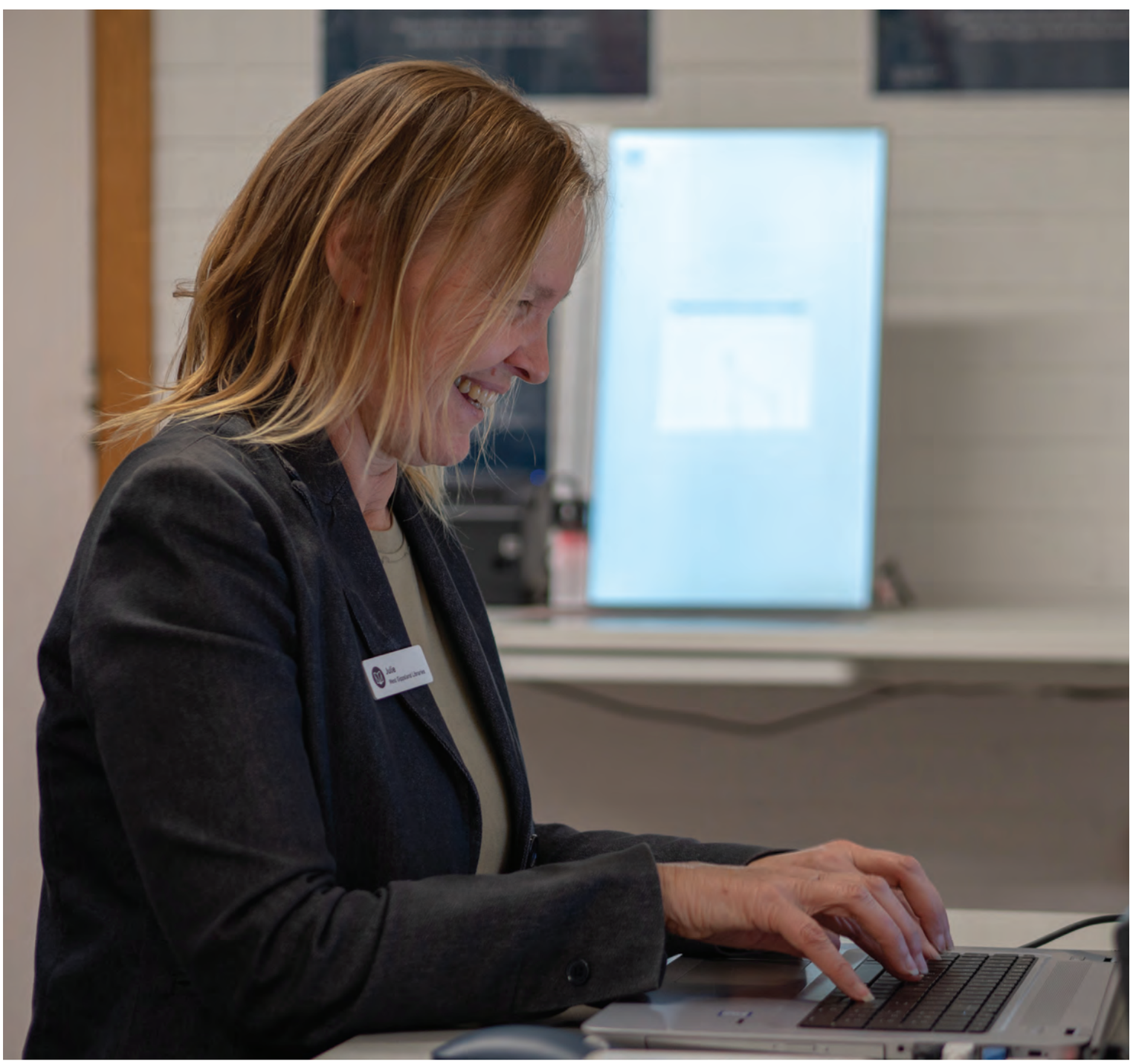
We look forward to an increased focus on diverse revenue opportunities in 2019-20.

IN PROGRESS

Explore opportunities for funding value-adding services	Not started yet



LIBRARY PERFORMANCE



COMPARATIVE PERFORMANCE SUMMARY
July 2014 – June 2019

	2014/15	2015/16	2016/17	2017/18	2018/19
Membership and Visits					
Members	41,326	42,293	42,336	40,404	**40,754**
New Members	7,271	6,063	6,003	5,946	**6,027**
Total Number of Visits	579,324	592,175	585,995	567,897	**551,371**
Visits per Member	14.02	14.00	13.84	14.06	**13.53**
Visits per Capita	5.56	5.61	5.51	4.99	**4.72**
Total Region Population [A]	104,145	105,505	106,377	113,711	**116,918**
Total Open Hours per Week @ All Service Points [B]	399.0	396.75	397.75	402.75	**415**
Total EFT Staff	36.97	40.89	40.49	39.70	**40**
Total Circulation (Includes e-Library Renewals)	849,053	855,556	830,163	846,239	**851,873**
Total e-Resource circulation	27,949	37,883	46,757	64,675	**105,043**
Online Renewals	*44,649	51,988	53,149	58,784	**61,242**
Online Renewals as % of Total Circulation	5.69%	6.08%	6.40%	6.95%	**7.19%**
Reservations (Includes e-Library Holds)	190,437	197,813	189,881	196,987	**188,344**
Online Holds	122,184	131,697	130,350	140,320	**134,032**
Online Holds as % of Reservations	64.16%	66.58%	68.65%	71.23%	**71.16%**
Online Access [C]	301,380	206,077	208,426	202,150	**214,987**
Online Library Databases	51,947	51,508	58,881	29,138	**25,362**
New Purchases (physical items)	17,303	18,456	19,687	19,704	**21,703**
Program attendees	38,040	40,783	41,933	45,885	**51,477**
Wifi users	-	25,579	30,231	32,691	**33,562**
Public PC sessions	66,366	65,179	65,080	60,506	**55,800**
Game console sessions	2,448	2,314	2,448	3,622	**3,033**
Overdue Notices	30,304	31,532	29,204	27,989	**28,418**
Loans per Capita	8.15	8.11	7.80	7.44	**7.29**
Loans per Member	20.55	20.23	19.61	20.94	**20.90**
Loans per Visit	1.47	1.46	1.42	1.49	**1.55**
Loans per Open Hour	40.92	41.47	40.14	40.41	**39.48**
Reservations as % of Loans	22.43%	23.12%	22.87%	23.28%	**22.11%**
Overdue Notices as % of Loans	3.65%	3.69%	3.52%	3.31%	**3.34%**

Notes:
A) Population statistics from ERP (released June each year)
B) Includes NDSC hours
C) From January 2014 to February 2015 external and internal network changes resulted in overcounting of sessions.
*Figure updated

VISITATION STATISTICS
July 2014 – June 2019

Shire	Branch	2015/16	2016/17	2017/18	2018/19
Bass Coast Shire	Inverloch	72,742	67,264	64,232	65,715
	Phillip Island	62,767	64,396	64,362	62,208
	South Coast Mobile	6,439	5,379	5,657	6,098
	Wonthaggi	147,195	146,039	138,294	132,078
	Totals	**289,143**	**283,078**	**272,545**	**266,099**
Baw Baw Shire	Northern Mobile	16,675	16,413	16,441	16,211
	Drouin	38,531	37,433	38,102	39,176
	Neerim South	7,882	6,955	3,265	2,875
	Warragul	111,324	114,563	113,168	109,430
	Totals	**174,412**	**175,364**	**170,976**	**167,692**
South Gippsland Shire	Foster	19,149	19,096	18,349	13,882
	Korumburra	25,451	24,812	24,612	24,359
	Leongatha	58,343	58,514	55,218	53,673
	Mirboo North	17,001	17,326	18,487	18,174
	Poowong	7,049	5,696	5,351	5,099
	Northern Mobile (Nyora Stop)	430	465	661	545
	South Coast Mobile	1,712	1,644	1,506	1,390
	Totals	**129,135**	**127,553**	**124,187**	**117,122**
Regional Support Centre		-	-	189	458
	Grand Totals	**592,690**	**585,995**	**567,897**	**551,371**

Notes:

1st April 2016 - 3rd May 2016 - South Coast Mobile off the road. Small van used at sites for circulations & holds.
August 2015 - May 2016 - Phillip Island people counter error resulted in under counting the number of visits for this period. Corrected figures for the period were added retrospectively in September 2016
South Coast Mobile - No Library visits 4th January 2017 until 8th February 2017 - Faulty Thermal counter power injector.
February 2017 - May 2017 - Neerim South Library (NS) main door access ramp closed off due to major renovations.
Regional Support Centre visits are meeting room hire attendees

CIRCULATION STATISTICS
July 2014 – June 2018

Shire	Branch	2015/16	2016/17	2017/18	2018/19
Bass Coast Shire	Inverloch	67,467	60,935	63,702	62,388
	Phillip Island	72,572	77,664	79,421	73,508
	South Coast Mobile	18,139	17,808	16,855	16,698
	Wonthaggi	139,582	127,634	119,057	112,402
	Totals	**297,760**	**284,041**	**279,035**	**264,996**
Baw Baw Shire	Northern Mobile	48,986	48,055	43,879	44,474
	Drouin	63,479	61,940	66,146	66,444
	Neerim South	10,909	7,579	6,407	7,541
	Noojee	9	-	-	-
	Warragul	173,994	170,109	172,587	163,323
	Totals	**297,377**	**287,683**	**289,019**	**281,782**
South Gippsland Shire	Foster	35,978	34,421	35,088	32,644
	Korumburra	41,993	40,127	39,256	37,778
	Leongatha	98,861	92,943	92,914	89,233
	Mirboo North	25,636	22,782	24,370	21,998
	Poowong	8,160	9,755	10,584	8,811
	Northern Mobile (Nyora Stop)	1,224	1,280	1,727	1,526
	Welshpool Community Library	-	-	-	43
	South Coast Mobile	5,755	5,815	5,051	4,724
	Totals	**217,547**	**207,123**	**208,990**	196,757
Regional Support Centre		4,989	4,559	4,520	3,295
eResources (eAudiobooks & eBooks)		29,460	46,757	64,675	105,043
	Grand Totals	**855,556**	**830,163**	**846,239**	**851,873**

Notes :

Noojee Library closed June 30th 2015.
Neerim South Library (NS) main door access ramp closed off due to major renovations February 2017 - May 2017
Welshpool Community Library opened 24 June 2019.

BUSINESS PLAN

West Gippsland Libraries operates in accordance with the provisions of the Local Government Act 1989, and a range of legislative and regulatory frameworks.

The Corporation also acts in accordance with the Regional Library Agreement (2014). The Corporation will therefore:

- Meet the legislative and regulatory requirements of a Regional Library Corporation
- Deliver organisational financial accountability
- Demonstrate good governance
- Advocate and lobby for the recognition of the importance of library service funding at a local and state government level
- Maintain and enhance efficiencies in corporate support services, including enhanced electronic service delivery
- Effectively manage staff resources across eleven static libraries, two mobile library services, three mobile library depots and the Regional Support Centre
- Annually review the Corporation's 4 Year Financial Plan and refine the 10 Year Long Term Financial Plan
- Provide the financial capacity to ensure that new infrastructure and technology can be implemented, delivering the best result for each dollar to be expended
- Act in accordance with the Enterprise Agreement 2017-2020
- Brief new Board members as and when required
- Review Corporation Strategic Plans:
- Marketing, Collection, Digital and Early Years
- Become a more sustainable organisation, reviewing mobile services, reviewing debt recovery, local laws, loan commitments, Friends of Library support and, staffing structures
- Comply with statutory and good governance requirements by reporting and preparing regular financial statements
- Enter into funding Agreements with the State Government that enhance library services for West Gippsland users
- Give priority to improving Occupational Health and Safety, region wide
- Obtain access to an expert Copyright resource
- Improve reporting processes to ensure knowledgeable staff and Board members
- Provide support to small and emerging businesses

EQUAL EMPLOYMENT OPPORTUNITY

West Gippsland Libraries continues to have a strong focus on equal employment opportunity with measures in place to ensure that the workplace is free of discrimination and harassment. No complaints have been lodged with the Equal Opportunity Commission about the Corporation's activities.

FREEDOM OF INFORMATION

The public has the right under the FOI Act to apply for access to Corporation information, including viewing documents and/or obtaining personal copies. Applicants dissatisfied with an FOI decision have the opportunity to apply for a review by the CEO, independent of the FOI decision-maker. No requests were received during 2018-19. In addition the Corporation makes available the required documentation pursuant to the Local Government Act 1989.

INFORMATION PRIVACY

The primary legislative obligations applying to the Corporation's treatment of personal information are contained in the Victorian Government's Privacy and Data Protection Act 2014. The legislation prescribes a number of Information Privacy Principles that the Corporation is required to comply with to promote and ensure the fair and reasonable collection and handling of personal and health information. West Gippsland Libraries will continue to comply with the privacy principles contained in the Act.

PROTECTED DISCLOSURES ACT

The purpose of the Protected Disclosures Act 2012 is to encourage and facilitate the making of disclosures in relation to the improper conduct of Council and its employees and to provide protection for persons making disclosures against detrimental action. The Corporation fully supports the Act, having a high regard for transparency and accountability. In accordance with Section 70 of the Protected Disclosure Act, the following information is provided:

a) Information about how to access the Protected Disclosure Procedures document. The procedures are available by request.

b) The number of disclosures made to the Corporation and notified to the IBAC for assessment.

There were no disclosures made to the Corporation during the period of 1 July 2018 and 30 June 2019.

INSURANCE

West Gippsland Libraries has placed its required insurance policies with the Municipal Association of Victoria's Liability Mutal Insurance. As an agent for the Victorian WorkCover Authority, and as required by the Accident Compensation Act 1985, the Corporation placed its workers compensation insurance needs with Gallagher Bassett Services, Workers Compensation Vic Pty Ltd.

FINANCIAL REPORT

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WEST GIPPSLAND REGIONAL LIBRARY CORPORATION
CERTIFICATION OF THE FINANCIAL REPORT

In my opinion the accompanying financial statements have been prepared in accordance with the *Local Government Act 1989* and the *Local Government (Planning and Reporting) Regulations 2014*, Australian Accounting Standards and other mandatory professional reporting requirements.

Leanne Williams
Principal Accounting Officer

Date: *13th September 2019*
Drouin

In our opinion, the accompanying financial statements present fairly the financial transactions of West Gippsland Regional Library Corporation for the year ended 30 June 2019 and the financial position of the Corporation as at that date.

As at the date of signing, we are not aware of any circumstances which would render any particulars in the financial statements to be misleading or inaccurate.

We have been authorised by the Corporation and by the *Local Government (Planning and Reporting) Regulations 2014* to certify the financial statements in their final form.

Cr Keith Cook – Baw Baw Shire Council
Board Member

Date: *13th September 2019*
Drouin

Faith Page – South Gippsland Shire Council
Board Member

Date: *13th September 2019*
Drouin

Leanne Williams
Chief Executive Officer

Date: *13th September 2019*
Drouin

Independent Auditor's Report

Victorian Auditor-General's Office

To the Board Members of the West Gippsland Regional Library Corporation

Opinion	I have audited the financial report of the West Gippsland Regional Library Corporation (the corporation) which comprises the: • balance sheet as at 30 June 2019 • comprehensive income statement for the year then ended • statement of changes in equity for the year then ended • statement of cash flows for the year then ended • statement of capital works for the year then ended • notes to the financial report, including significant accounting policies • certification of the financial report. In my opinion the financial report presents fairly, in all material respects, the financial position of the corporation as at 30 June 2019 and its financial performance and cash flows for the year then ended in accordance with the relevant financial reporting requirements of the *Local Government Act 1989* and applicable Australian Accounting Standards.
Basis for Opinion	I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. My independence is established by the *Constitution Act 1975.* My staff and I are independent of the corporation 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 Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.
Board Members' responsibilities for the financial report	The Board Members of the corporation are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the *Local Government Act 1989*, and for such internal control as the Board Members determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error. In preparing the financial report, the Board Members are responsible for assessing the corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.

Level 31 / 35 Collins Street, Melbourne Vic 3000
T 03 8601 7000 enquiries@audit.vic.gov.au www.audit.vic.gov.au

Auditor's responsibilities for the audit of the financial report

As required by the *Audit Act 1994,* my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit 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 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 the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the corporation's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board Members
- conclude on the appropriateness of the Board Members' 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 corporation's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the corporation 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.

I communicate with the Board Members 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.

MELBOURNE
25 September 2019

Jonathan Kyvelidis
as delegate for the Auditor-General of Victoria

COMPREHENSIVE INCOME STATEMENT

For the year ended 30 June 2019

	Note	2019 $	2018 $
INCOME			
User Fees	2.1	76,810	76,868
Grants (recurrent)	2.2	878,547	857,487
Grants (non-recurrent)	2.2	83,486	6,250
Contributions – monetary	2.3	5,075,741	4,969,948
Other Income	2.4	75,342	73,946
TOTAL INCOME		**6,189,926**	**5,984,499**
EXPENSES			
Employee Costs	3.1	3,720,341	3,617,633
Materials and services	3.2	803,315	748,716
Depreciation & Amortisation	3.3	839,509	762,652
Borrowing Costs	3.4	95,558	102,922
Other Expenses	3.5	329,729	381,303
TOTAL EXPENSES		**5,788,452**	**5,613,226**
SURPLUS FOR THE YEAR		**401,474**	**371,273**
TOTAL COMPREHENSIVE RESULT		**401,474**	**371,273**

The above comprehensive income statement should be read with the accompanying notes.

BALANCE SHEET

As at 30 June 2019

	Note	2019 $	2018 $
ASSETS			
Current Assets			
Cash and cash equivalents	4.1	1,482,236	1,307,774
Other financial assets	4.1	1,000,000	1,000,000
Trade and other receivables	4.1	19,732	22,761
Other assets	4.2	31,941	12,562
Total Current Assets		**2,533,909**	**2,343,097**
Non-Current Assets			
Property, plant and equipment	5.1	4,253,251	4,135,020
Total Non-Current Assets		**4,253,251**	**4,135,020**
TOTAL ASSETS		**6,787,160**	**6,478,117**
LIABILITIES			
Current Liabilities			
Trade and other payables	4.3	306,513	313,455
Provisions	4.5	749,985	753,047
Interest-bearing liabilities	4.4	112,871	114,647
Total Current Liabilities		**1,169,369**	**1,181,149**
Non-Current Liabilities			
Provisions	4.5	102,974	70,753
Interest-bearing liabilities	4.4	1,066,896	1,179,768
Total Non-Current Liabilities		**1,169,870**	**1,250,521**
TOTAL LIABILITIES		**2,339,239**	**2,431,670**
NET ASSETS		**4,447,921**	**4,046,447**
EQUITY			
Accumulated Surplus		3,425,836	2,972,224
Reserves	8.1	1,022,085	1,074,223
TOTAL EQUITY		**4,447,921**	**4,046,447**

The above balance sheet should be read with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2019

	Note	Total 2019 $	Accumulated Surplus 2019 $	Revaluation Reserve 2019 $	Facilities Reserve 2019 $
2019					
Balance at beginning of the financial year		4,046,447	2,972,224	634,239	439,984
Surplus for the year		401,474	401,474	-	-
Transfer to Reserves	8.1	-	52,138	-	(52,138)
Balance at end of the financial year		**4,447,921**	**3,425,836**	**634,239**	**387,846**

		Total 2018 $	Accumulated Surplus 2018 $	Revaluation Reserve 2018 $	Facilities Reserve 2018 $
2018					
Balance at beginning of the financial year		3,675,174	2,743,806	634,239	297,129
Surplus for the year		371,273	371,273	-	-
Transfer to Reserves	8.1	-	(142,855)	-	142,855
Balance at end of the financial year		**4,046,447**	**2,972,224**	**634,239**	**439,984**

The above statement of changes in equity should be read with the accompanying notes.

STATEMENT OF CASH FLOWS

For the year ended 30 June 2019

	Note	2019 Inflows/ (Outflows) $	2018 Inflows/ (Outflows) $
CASH FLOWS FROM OPERATING ACTIVITIES			
User Fees		83,899	83,447
Grants		962,033	863,737
Contributions and Donations		5,072,031	4,968,459
Interest		53,044	42,696
Other receipts		22,915	26,792
Net GST Refund		200,352	173,457
Payments to Suppliers		(1,374,981)	(1,254,781)
Payments to Employees		(3,675,229)	(3,608,259)
Other payments		(1,265)	(1,687)
NET CASH PROVIDED BY OPERATING ACTIVITIES	**8.2**	**1,342,799**	**1,293,861**
CASH FLOWS USED IN INVESTING ACTIVITIES			
Payments for property, plant and equipment		(957,740)	(645,554)
Payments for investments		-	(1,000,000)
Proceeds from sale of property, plant and equipment		-	-
NET CASH USED IN INVESTING ACTIVITIES		**(957,740)**	**(1,645,554)**
CASH FLOWS USED IN / FROM FINANCING ACTIVITIES			
Finance costs		(95,950)	(103,129)
Proceeds from borrowings		-	-
Repayment of borrowings		(114,647)	(118,636)
NET CASH USED IN FINANCING ACTIVITIES		**(210,597)**	**(221,765)**
Net increase / (decrease) in cash and cash equivalents		174,462	(573,458)
Cash and cash equivalents at the beginning of the financial year		1,307,774	1,881,232
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	**4.1**	**1,482,236**	**1,307,774**

The above statement of cash flows should be read with the accompanying notes.

STATEMENT OF CAPITAL WORKS

For the year ended 30 June 2019

	Note	2019 $	2018 $
PROPERTY			
Buildings			
Leasehold Improvements		73,970	1,650
TOTAL PROPERTY		**73,970**	**1,650**
PLANT & EQUIPMENT			
Motor Vehicles		1,955	-
Fixtures, Fittings & Furniture		112,897	22,450
Computers & Telecommunications		113,662	27,160
Library Collection		655,256	594,294
TOTAL PLANT & EQUIPMENT		**883,770**	**643,904**
TOTAL CAPITAL WORKS EXPENDITURE	**5.1**	**957,740**	**645,554**
Represented by:			
New Asset Expenditure		228,514	49,610
Asset Renewal Expenditure		655,256	594,294
Asset Upgrade Expenditure		73,970	1,650
TOTAL CAPITAL WORKS EXPENDITURE	**5.1**	**957,740**	**645,554**

The above statement of capital works should be read with the accompanying notes.

NOTES TO THE FINANCIAL REPORT

For the year ended 30 June 2019

OVERVIEW

Introduction

The West Gippsland Regional Library Corporation was established by an Order of the Governor in Council on 11 December 1995 and is a body corporate.

The Corporation's main office is located at 65 Victoria Street, Warragul.

Statement of Compliance

These financial statements are a general purpose financial report that consists of a Comprehensive Income Statement, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows, Statement of Capital Works and notes accompanying these financial statements. The general purpose financial report complies with the Australian Accounting Standards (AAS), other authoritative pronouncements of the Australian Accounting Standards Board, the *Local Government Act 1989*, and the *Local Government (Planning and Reporting) Regulations 2014.*

Significant accounting policies

(a) Basis of Accounting

The accruals basis of accounting has been used in the preparation of these financial statements, whereby assets, liabilities, equity, income and expenses are recognised in the reporting period to which they relate, regardless of when cash is received or paid.

Judgements, estimates and assumptions are required to be made about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated judgements are based on professional judgement derived from historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Revisions to accounting estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision. Judgements and assumptions made by management in the application of AAS's that have significant effects on the financial statements and estimates relate to:

- the fair value of land, buildings, plant and equipment (refer to Note 5.1)
- the determination of depreciation for buildings, plant and equipment (refer to Note 5.1)
- the determination of employee provisions (refer to Note 4.5)

Unless otherwise stated, all accounting policies are consistent with those applied in the prior year. Where appropriate, comparative figures have been amended to accord with current presentation, and disclosure has been made of any material changes to comparatives.

NOTES TO THE FINANCIAL REPORT

For the year ended 30 June 2019

Note 1 Performance against budget

The performance against budget notes compare the Corporation's financial plan, expressed through its annual budget, with actual performance. The Local Government (Planning and Reporting) Regulations 2014 requires explanation of any material variances. The Corporation has adopted a materiality threshold of the lower of 10 percent or $50,000 where further explanation is warranted. Explanations have not been provided for variations below the materiality threshold unless the variance is considered to be material because of its nature.

The budget figures detailed below are those adopted by the Corporation on 28 June 2018. The Budget was based on assumptions that were relevant at the time of adoption of the Budget. The Corporation sets guidelines and parameters for income and expense targets in this budget in order to meet the Corporations planning and financial performance targets for both the short and long-term. The budget did not reflect any changes to equity resulting from asset revaluations, as their impacts were not considered predictable.

These notes are prepared to meet the requirements of the Local Government Act 1989 and the Local Government (Planning and Reporting) Regulations 2014.

1.1. Income and Expenditure

	Ref	Budget 2019 $	Actual 2019 $	Variance 2019 $	Variance %
INCOME					
Grants	1	898,676	962,033	63,357	7.1%
Contributions		5,058,641	5,075,741	17,100	0.3%
User Fees		78,611	76,810	(1,801)	-2.3%
Interest		50,000	52,437	2,437	4.9%
Other Income	2	13,393	22,905	9,512	71.0%
TOTAL INCOME		**6,099,321**	**6,189,926**	**90,605**	**1.5%**
EXPENSES					
Employee Benefits	3	3,779,756	3,720,341	59,415	1.6%
Operating Expenses		1,164,911	1,133,044	31,867	2.7%
Depreciation & Amortisation		824,393	839,509	(15,116)	-1.8%
Finance Costs		98,039	95,558	2,481	2.5%
TOTAL EXPENSES		**5,867,099**	**5,788,452**	**78,647**	**1.3%**
SURPLUS/(DEFICIT) FOR THE YEAR		**232,222**	**401,474**	**169,252**	**72.9%**

NOTES TO THE FINANCIAL REPORT

For the year ended 30 June 2019

Note 1 Performance against budget (cont'd)

(i) Explanation of material variations

Ref	Item	Explanation
1	Grants	Grants income exceeded budget due to the receipt of the Foster Library Grant which wasn't budgeted
2	Other Income	Other Income is quite varied and includes a range of items, including minor item sales, room hire income and other miscellaneous amounts. The amount of income is difficult to predict, being largely consumer driven. Room hire, insurance claim proceeds and donations are the primary reasons for exceeding the budgeted amount.
3	Employee Benefits	Employee benefits was less than budgeted due mainly to changes to staffing structure and temporary vacancies

1.2. Capital Works

	Ref	Budget 2019 $	Actual 2019 $	Variance 2019 $	Variance %
CAPITAL WORKS EXPENDITURE					
Book Stock		635,412	655,256	(19,844)	-3.1%
Furniture & Equipment	1	215,000	226,559	(11,559)	-5.4%
Motor Vehicles		-	1,955	(1,955)	0.0%
Leasehold Improvements		-	73,970	(73,970)	0.0%
TOTAL CAPITAL WORKS EXPENDITURE		**850,412**	**957,740**	**(107,328)**	**-12.6%**
REPRESENTED BY					
New asset expenditure	1	45,000	228,514	(183,514)	-407.8%
Asset renewal expenditure	1	805,412	655,256	150,156	18.6%
Asset upgrade expenditure		-	73,970	(73,970)	0.0%
TOTAL CAPITAL WORKS EXPENDITURE		**850,412**	**957,740**	**(107,328)**	**-12.6%**

(i) Explanation of material variations

Ref	Item	Explanation
1	Furniture & Equipment New asset expenditure Asset renewal expenditure	Capital expenditure exceeded budget during the year primarily due to the projects undertaken on the Drouin and Foster Libraries. Both projects were not budgeted, however were fully funded from a combination of grant funding and allocations from Facilities Reserves.

NOTES TO THE FINANCIAL REPORT

For the year ended 30 June 2019

		2019 $	2018 $
Note 2	**Funding for the delivery of our services**		

2.1. User Fees

Fines & Penalties	20,755	23,194
Photocopying & Printing	49,986	48,781
Other Fees & Charges	6,069	4,893
	76,810	**76,868**

User fees are recognised as revenue when the service has been provided or the Corporation has otherwise earned the income.

2.2. Funding from other levels of government

Grants were received in respect of the following:

Summary of Grants		
State funded grants	878,547	857,487
Others - non-government	83,486	6,250
Total grants received	**962,033**	**863,737**
(a) Operating Grants		
Recurrent		
State Government - General Purpose		
Public Libraries Grant Program	852,594	831,575
Premier's Reading Challenge	25,953	25,912
Total recurrent operating grants	**878,547**	**857,487**

NOTES TO THE FINANCIAL REPORT

For the year ended 30 June 2019

		2019 $	2018 $
Note 2	**Funding for the delivery of our services (cont'd)**		
	Others - Specific Purpose		
	Ramahyuck District Aboriginal Corporation - Yarning Program	-	4,000
	High Road to Reading Program	-	250
	Fonterra Australia Children and Young People Grant	-	2,000
	Ecovantage	7,486	-
	DELWP - Foster Living Libraries Infrastructure	69,000	-
	South Gippsland Water	1,000	-
	Dept. Education & Training - Trainee	2,500	-
	Dept. Human Service - Youth Week	2,000	-
	Dept. Human Service - Science Week	1,500	-
	Total Others - Specific Purpose	**83,486**	**6,250**
	Total non-recurrent operating grants	**83,486**	**6,250**
	Total operating grants	**962,033**	**863,737**

Grant income is recognised when the Corporation obtains control of the contribution. Control is normally obtained upon receipt (or acquittal) or upon earlier notification that a grant has been secured.

2.3. Contributions

Monetary	5,075,741	4,969,948
	5,075,741	**4,969,948**

Monetary contributions are recognised as revenue when the Corporation obtains control over the contributed funds.

2.4. Other income

Interest	52,437	47,456
Fuel Tax Credits	2,858	2,706
Other	20,047	23,784
Total Other Income	**75,342**	**73,946**

Interest is recognised as it is earned.

Other income is measured at the fair value of the consideration received or receivable and is recognised when the Corporation gains control over the right to receive the income.

NOTES TO THE FINANCIAL REPORT

For the year ended 30 June 2019

		2019 $	2018 $
Note 3	**The cost of delivering services**		
3.1.	**Employee costs**		
	Wages and salaries	3,404,025	3,299,059
	WorkCover	13,824	17,799
	Superannuation	302,492	300,775
	Total employee costs	**3,720,341**	**3,617,633**
	(b) Superannuation		
	The Corporation made contributions to the following funds:		
	Defined Benefits Funds		
	Employer contributions to Local Authorities Superannuation Fund (Vision Super)	32,733	30,704
		32,733	30,704
	Employer contributions payable at reporting date	-	-
	Accumulation Funds		
	Employer contributions to Local Authorities Superannuation Fund (Vision Super)	150,395	164,524
	Employer contributions - other funds	118,239	105,548
		268,634	270,072
	Employer contributions payable at reporting date	1,125	-
	Refer to note 8.3 for further information relating to the Corporation's superannuation obligations.		
3.2.	**Materials and services**		
	Accounting Fees	32,899	44,451
	Cleaning	85,802	98,908
	Computers and equipment lease payments	16,603	14,677
	Consultants	21,996	27,015
	Property rents	38,696	40,662
	Memberships	92,511	72,304
	Equipment - minor purchases	11,610	9,345
	Postage and Stationery	34,017	35,158
	Marketing and Advertising	80,264	59,698
	Insurance	37,241	40,201
	Motor vehicle expenses	56,251	52,603
	Collection Subscriptions	91,087	76,066
	General expenses	204,338	177,628
	Total materials and services	**803,315**	**748,716**

NOTES TO THE FINANCIAL REPORT

For the year ended 30 June 2019

		2019 $	2018 $
Note 3	**The cost of delivering services (cont'd)**		
3.3.	**Depreciation and amortisation**		
	Motor Vehicles	32,403	32,078
	Furniture, Equipment and Computers	220,475	229,598
	Library Collections	544,107	460,556
	Buildings	35,000	35,000
	Leasehold Improvements	7,524	5,420
	Total depreciation and amortisation	**839,509**	**762,652**
3.4.	**Borrowing Costs**		
	Interest - Borrowings	95,558	102,922
	Total finance costs	**95,558**	**102,922**

Borrowing costs are recognised as an expense in the period in which they are incurred, except where they are capitalised as part of a qualifying asset constructed by the Corporation.

3.5.	**Other expenses**		
	Auditors' remuneration - VAGO - audit of the financial statements	16,000	9,100
	Bank Charges	1,265	1,687
	Utilities	104,688	92,700
	Maintenance - Information Systems & Equipment	157,483	209,900
	Maintenance - Facilities	31,079	48,558
	Maintenance - Vehicles	19,214	19,358
	Total other expenses	**329,729**	**381,303**

NOTES TO THE FINANCIAL REPORT

For the year ended 30 June 2019

		2019 $	2018 $
Note 4	**Our financial position**		

4.1. Financial assets

(a) Cash and cash equivalents

Cash on hand	1,540	1,490
Cash at bank	980,696	706,284
Term Deposits - current	500,000	600,000
Total cash and cash equivalents	**1,482,236**	**1,307,774**

(b) Other financial assets

Term Deposits - current	1,000,000	1,000,000
Total cash and cash equivalents	**1,000,000**	**1,000,000**

The Corporation's cash and cash equivalents are not subject to any external restrictions that limit amounts available for discretionary use.

Cash and cash equivalents include cash on hand, deposits at call, and other highly liquid investments with original maturities of 90 days or less, net of any outstanding bank overdrafts.

Other financial assets are valued at fair value, at balance date. Term deposits are measured at original cost. Any unrealised gains and losses on holdings at balance date are recognised as either a revenue or expense.

(c) Trade and other receivables

Current

Statutory receivables		
GST Refundable	15,924	19,653
Non statutory receivables		
Trade and Other Receivables	3,560	2,850
Other debtors	248	258
Total current trade and other receivables	**19,732**	**22,761**

Short term receivables are carried at invoice amount. A provision for doubtful debts is recognised based on an expected credit loss model. This model considers both historic and forward looking information in determining the level of impairment. Long term receivables are carried at amortised cost using the effective interest rate method.

NOTES TO THE FINANCIAL REPORT

For the year ended 30 June 2019

		2019 $	2018 $
Note 4	**Our financial position (cont'd)**		

Ageing of Receivables

The ageing of the Corporation's trade & other receivables (excluding statutory receivables) that are not impaired was:

Current (not yet due)	1,070	2,876
Past due by up to 30 days	1,919	-
Past due between 31 and 180 days	571	232
Past due by more than 1 year		-
Total Trade & Other Receivables	**3,560**	**3,108**

At balance date, other debtors representing financial assets were past due but not impaired. These amounts relate to a number of independent customers for whom there is no recent history of default.

4.2. Non-financial assets

(a) Other assets

Prepayments	16,985	-
Accrued income	14,956	12,562
Total other assets	**31,941**	**12,562**

4.3. Payables

(a) Trade and other payables

Trade payables	125,683	149,488
Accrued Expenses	180,830	163,967
Total trade and other payables	**306,513**	**313,455**

4.4. Interest-bearing liabilities

Current

Borrowings - secured	61,895	56,353
Finance Leases	50,976	58,294
	112,871	114,647

Non-current

Borrowings - secured	991,430	1,053,326
Finance Leases	75,466	126,442
	1,066,896	1,179,768
Total	**1,179,767**	**1,294,416**

Borrowings are secured by the property situated at 65 Victoria Street, Warragul.

NOTES TO THE FINANCIAL REPORT

For the year ended 30 June 2019

		2019 $	2018 $
Note 4	**Our financial position (cont'd)**		

(a) The maturity profile for the Corporation's borrowings is:

Not later than one year	61,895	56,353
Later than one year and not later than five years	303,169	280,127
Later than five years	688,261	773,199
	1,053,325	**1,109,679**

Borrowings are initially measured at fair value, being the cost of the interest bearing liabilities, net of transaction costs. The measurement basis subsequent to initial recognition depends on whether the Corporation has categorised its interest-bearing liabilities as either financial liabilities designated at fair value through the profit and loss, or financial liabilities at amortised cost. Any difference between the initial recognised amount and the redemption value is recognised in net result over the period of the borrowing using the effective interest method.

The classification depends on the nature and purpose of the interest bearing liabilities. The Corporation determines the classification of its interest bearing liabilities at initial recognition.

(b) The maturity profile for the Corporation's finance lease liabilities is:

Not later than one year	50,976	58,294
Later than one year and not later than five years	75,466	126,442
	126,442	**184,736**
Minimum future lease payments	132,284	196,409
Less future finance charges	(5,842)	(11,673)
Present value of minimum lease payments	**126,442**	**184,736**

The finance lease obligations represent liabilities in respect of the rental of RFID equipment. The agreement for the rental of RFID equipment will require the equipment of be returned at the completion of the term, or a further term to be negotiated.

NOTES TO THE FINANCIAL REPORT

For the year ended 30 June 2019

	2019 $	2018 $

Note 4 Our financial position (cont'd)

4.5. Provisions

2019	Annual leave $	Long service leave $	Total $
Balance at beginning of the financial year	193,549	630,251	823,800
Additional provisions	273,750	99,756	373,506
Change in the discounted amount arising because of time and the effect of any change in the discount rate	-	14,821	14,821
Amounts used	(282,955)	(76,213)	(359,168)
Balance at the end of the financial year	184,344	668,615	852,959

2018	$	$	$
Balance at beginning of the financial year	194,233	632,794	827,027
Additional provisions	274,857	76,260	351,117
Change in the discounted amount arising because of time and the effect of any change in the discount rate	-	(1,031)	(1,031)
Amounts used	(275,541)	(77,773)	(353,313)
Balance at the end of the financial year	193,549	630,251	823,800

	2019 $	2018 $
Current provisions expected to be settled within 12 months		
Annual leave	184,344	193,549
Long service leave	76,993	94,811
	261,337	**288,360**
Current provisions expected to be settled after 12 months		
Long service leave	488,648	464,687
	488,648	**464,687**
Total Current Provisions	**749,985**	**753,047**
Non-current		
Long service leave	102,974	70,753
Total Non-current Provisions	**102,974**	**70,753**
Aggregate carrying amount of employee provisions	**852,959**	**823,800**

NOTES TO THE FINANCIAL REPORT

For the year ended 30 June 2019

	2019 $	2018 $

Note 4 Our financial position (cont'd)

The calculation of employee costs and benefits includes all relevant on-costs and are calculated as follows at reporting date.

Wages and salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulated sick leave expected to be wholly settled within 12 months of the reporting date are recognised in the provision for employee benefits in respect of employee services up to the reporting date, classified as current liabilities and measured at their nominal values.

Liabilities that are not expected to be wholly settled within 12 months of the reporting date are recognised in the provision for employee benefits as current liabilities, measured at the present value of the amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

Long service leave

Liability for long service leave (LSL) is recognised in the provision for employee benefits. LSL is measured at present value. Unconditional LSL is disclosed as a current liability. Conditional LSL that has been accrued, where an employee is yet to reach a qualifying term of employment, is disclosed as a non - current liability.

Key assumptions:	**2019**	**2018**
- discount rate	1.11%	2.34%
- inflation rate	4.31%	3.88%
- settlement rate	98.58%	98.29%

4.6. Financing Arrangements

	2019 $	2018 $
The Corporation has the following funding arrangements in place as at the end of the period.		
Leases	126,442	184,736
Loans	1,053,325	1,109,679
Less: Used facilities	(1,179,767)	(1,294,415)
Unused facilities	-	-

NOTES TO THE FINANCIAL REPORT

For the year ended 30 June 2019

	2019 $	2018 $

Note 4 Our financial position (cont'd)

4.7. Commitments

The Corporation has entered into the following commitments. Commitments are not recognised in the Balance Sheet. Commitments are disclosed at their nominal value and presented inclusive of the GST payable.

	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Total
	$	$	$	$
2019				
IT services	55,957	9,326	-	65,283
Cleaning contracts	61,101	10,184	-	71,285
	117,058	19,510	-	136,568
2018				
IT Services	62,990	55,957	9,326	128,273
Cleaning contracts	61,101	61,101	10,184	132,386
	124,091	117,058	19,510	260,659

At the reporting date, the Corporation had obligations under non-cancellable operating leases for the lease of equipment for use within the Corporations activities (these obligations are not recognised as liabilities) as outlined above.

Operating lease commitments

	2019 $	2018 $
Not later than 1 year	14,188	14,188
Later than 1 year and not later than 5 years	9,459	23,647
	23,647	37,835

Lease payments for operating leases are required by the accounting standard to be recognised on a straight line basis, rather than expensed in the years in which they are incurred.

NOTES TO THE FINANCIAL REPORT

For the year ended 30 June 2019

Note 5 Assets we manage

5.1. Property, plant and equipment

Summary of property, plant and equipment

2019	At Fair Value 30 June 2018 $	Acquisition of assets $	Depreciation and amortisation (note 3.3) $	At Fair Value 30 June 2019 $
Motor Vehicles	120,077	1,955	(32,403)	89,629
Furniture, equipment and computers	639,196	226,559	(220,475)	645,280
Library collections	1,667,419	655,256	(544,107)	1,778,568
Leasehold improvements	39,356	73,970	(7,524)	105,802
Buildings	1,668,972	-	(35,000)	1,633,972
Total property, plant and equipment	4,135,020	957,740	(839,509)	4,253,251

Asset recognition thresholds and depreciation periods

Property, plant and equipment	Depreciation Period	Threshold Limit $
Library Collection		
Materials	2 - 10 years	All
e-Collection	2 years	All
Buildings		
Leasehold Improvements	7 - 10 years	500
Freehold	50 years	500
Furniture and Equipment		
Furniture and Equipment - other	5 - 10 years	500
Furniture and Equipment - electronic	2 - 5 years	500
Plant		
Vehicles	5 - 10 years	500

NOTES TO THE FINANCIAL REPORT

For the year ended 30 June 2019

Note 5 Assets we manage (cont'd)

(a) Property

	Buildings - non specialised $	Leasehold improvements $	Total Property Assets $
At fair value 1 July 2018	1,750,000	217,962	1,967,962
Accumulated depreciation at 1 July 2018	(81,028)	(178,606)	(259,634)
	1,668,972	39,356	1,708,328
Movements in fair value			
Additions	-	73,970	73,970
	-	73,970	73,970
Movements in accumulated depreciation			
Depreciation and amortisation	(35,000)	(7,524)	(42,524)
	(35,000)	(7,524)	(42,524)
At fair value 30 June 2019	1,750,000	291,932	2,041,932
Accumulated depreciation at 30 June 2019	(116,028)	(186,130)	(302,158)
	1,633,972	105,802	1,739,774

NOTES TO THE FINANCIAL REPORT

For the year ended 30 June 2019

Note 5 Assets we manage (cont'd)

(b) Plant, equipment and library collections

	Furniture, equipment and computers $	Library collections $	Motor vehicles $	Total plant, equipment and library collections $
At 1 July 2018	1,555,896	6,487,916	418,261	8,462,073
Accumulated depreciation at 1 July 2018	(916,700)	(4,820,497)	(298,184)	(6,035,381)
	639,196	1,667,419	120,077	2,426,692
Movements in fair value				
Additions	226,559	655,256	1,955	883,770
Disposal	-	-	-	-
	226,559	655,256	1,955	883,770
Movements in accumulated depreciation				
Depreciation and amortisation	(220,475)	(544,107)	(32,403)	(796,985)
Accumulated depreciation of disposals	-	-	-	-
	(220,475)	(544,107)	(32,403)	(796,985)
At 30 June 2019	1,782,455	7,143,172	420,216	9,345,843
Accumulated depreciation at 30 June 2019	(1,137,175)	(5,364,604)	(330,587)	(6,832,366)
	645,280	1,778,568	89,629	2,513,477

Plant, equipment and library collections are carried at depreciated cost which given their nature approximate their fair value.

NOTES TO THE FINANCIAL REPORT

For the year ended 30 June 2019

Note 5 Assets we manage (cont'd)

Acquisition

The purchase method of accounting is used for all acquisitions of assets, being the fair value of assets provided as consideration at the date of acquisition plus any incidental costs attributable to the acquisition. 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.

In accordance with the Corporation's policy, the threshold limits have applied when recognising assets within an applicable asset class and unless otherwise stated are consistent with the prior year.

Depreciation and amortisation

Buildings, land improvements, plant and equipment, infrastructure, and other assets having limited useful lives are systematically depreciated over their useful lives to the Corporation in a manner which reflects consumption of the service potential embodied in those assets. Estimates of remaining useful lives and residual values are made on a regular basis with major asset classes reassessed annually. Depreciation rates and methods are reviewed annually.

Where assets have separate identifiable components that are subject to regular replacement, these components are assigned distinct useful lives and residual values and a separate depreciation rate is determined for each component.

Straight line depreciation is charged based on the residual useful life as determined each year.

Depreciation periods used are listed below and are consistent with the prior year unless otherwise stated.

Finance leases

Leases of assets where substantially all the risks and rewards incidental to ownership of the asset are transferred to the Corporation are classified as finance leases. Finance leases are capitalised, recording an asset and a liability at the lower of the fair value of the asset and the present value of the minimum lease payments, including any guaranteed residual value. Lease payments are allocated between the reduction of the lease liability and the interest expense. Leased assets are depreciated on a straight line basis over their estimated useful lives to the Corporation where it is likely that the Corporation will obtain ownership of the asset or over the term of the lease, whichever is the shorter. Leased assets are currently being amortised over a 2 to 5 year period.

Repairs and maintenance

Where the repair relates to the replacement of a component of an asset and the cost exceeds the capitalisation threshold the cost is capitalised and depreciated. The carrying value of the replaced asset is expensed.

Leasehold improvements

Leasehold improvements are recognised at cost and are amortised over the unexpired period of the lease or the estimated useful life of the improvement, whichever is the shorter. At balance date, leasehold improvements are amortised over a 10 to 20 year period.

NOTES TO THE FINANCIAL REPORT

For the year ended 30 June 2019

Note 5 Assets we manage (cont'd)

Valuation of land and buildings

Valuation of land and buildings were undertaken by a qualified independent valuer Corey McMahon of CJA Lee Property [API Member Number 62829]. The valuation of land and buildings is at fair value, being market value based on highest and best use permitted by relevant land planning provisions. Land and buildings have not been revalued during 2018/19 as the movement in land and buildings values were not significant based on Valuer-General indices published by the Department of Treasury and Finance Victoria. Where land use is restricted through existing planning provisions the valuation is reduced to reflect this limitation. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement.

Details of the Corporation's land and buildings and information about the fair value hierarchy as at 30 June 2019 are as follows:

	Level 1 $	Level 2 $	Level 3 $	Date of Valuation
Buildings	-	-	1,633,972	Mar 2016

Note 6 People and relationships

6.1. Board and key management remuneration

(a) Key Management Personnel

Details of persons holding the position of key management personnel at any time during the year are:

Board Members

Cr Geoff Ellis	Bass Coast Shire Council
Ms Jodi Kennedy (from 6/05/19 to 30/06/19)	Bass Coast Shire Council
Mr Mark Brady (from 1/07/18 to 3/05/19)	Bass Coast Shire Council
Cr Keith Cook	Baw Baw Shire Council
Mr Mark Dupe	Baw Baw Shire Council
Cr Alyson Skinner (from 1/07/18 to 19/06/19)	South Gippsland Shire Council
Ms Faith Page	South Gippsland Shire Council

Chief Executive Officer

Ms Leanne Williams

NOTES TO THE FINANCIAL REPORT

For the year ended 30 June 2019

Note 6 People and relationships (cont'd)

	2019 No.	2018 No.
Total Number of Board Members	7	9
Chief Executive Officer and other Key Management Personnel	1	1
Total Key Management Personnel	8	10

(b) Remuneration of Key Management Personnel

	2019 $	2018 $
Total remuneration of key management personnel was as follows:	-	-
Short-term benefits	167,978	154,118
Post-employment benefits	15,417	14,104
Long-term benefits	4,346	3,862
Termination benefits	-	-
Total	187,741	172,084

The numbers of key management personnel whose total remuneration from the Corporation and any related entities fall within the following bands:

	2019 No.	2018 No.
Nil	7	9
$170,000 - $179,999	-	1
$180,000 - $189,999	1	-
	8	10

(c) Senior Officers Remuneration

A Senior Officer is an officer of the Corporation, other than Key Management Personnel, who:

(a) has management responsibilities and reports directly to the Chief Executive Officer; or

(b) whose total annual remuneration exceeds $148,000.

NOTES TO THE FINANCIAL REPORT

For the year ended 30 June 2019

Note 6 People and relationships (cont'd)

The number of Senior Officers are shown below in their relevant income bands:

	2019 No.	2018 No.
Income Range:		
$70,000 - $79,999	1	-
$80,000 - $89,999	1	-
$100,000 - $109,999	1	1
$110,000 - $119,999	-	2
$120,000 - $129,999	3	1
	6	4
Total remuneration for the reporting year for Senior Officers included above amounted to:	$630,726	$453,790

6.2. Related party disclosure

(a) Transactions with related parties

During the period the Corporation entered into the following transactions with parties with related parties:

	Shire Contributions to the Corporation as per the Regional Library Agreement	
Board Member	2019 $	2018 $
Cr. Keith Cook, Baw Baw Shire Council Mr Mark Dupe, Baw Baw Shire Council	**1,826,893**	**1,790,414**
Cr Geoff Ellis, Bass Coast Shire Council Mr Mark Brady, Bass Coast Shire Council Ms Jodi Kennedy, Bass Coast Shire Council	**1,822,308**	**1,794,943**
Cr. Alyson Skinner, South Gippsland Shire Council Ms Faith Page, South Gippsland Shire Council	**1,409,440**	**1,381,751**

No further transactions were entered into with related parties by the Corporation during the period.

(b) Outstanding balances with related parties

The are no balances outstanding at the end of the reporting period in relation to transactions with related parties. (2017/18, nil)

NOTES TO THE FINANCIAL REPORT

For the year ended 30 June 2019

Note 6 People and relationships (cont'd)

(c) Loans to/from related parties

No loans have been made, guaranteed or secured by the Corporation to key management personnel during the reporting year. (2017/18, nil)

(d) Commitments to/from related parties

No transactions other than remuneration payments or the reimbursement of approved expenses were entered into by the Corporation with key management personnel, or related parties of such key management personnel during the reporting year. (2017/18, nil)

Note 7 Managing uncertainties

7.1. Contingent assets and liabilities

(a) Contingent assets

There are no anticipated contingent assets.

(b) Contingent liabilities

Superannuation

The Corporation has obligations under a defined benefit superannuation scheme that may result in the need to make additional contributions to the scheme, matters relating to this potential obligation are outlined below. As a result of the volatility in financial markets the likelihood of making such contributions in future periods exists.

Future superannuation contributions

In addition to the disclosed contributions, the Corporation was not required to pay any unfunded liability payments to Vision Super during the 2018/19 year. There were no contributions outstanding and no loans issued from or to the above schemes as at 30 June 2019. There are no expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2020.

7.2. Change in accounting standards

The following new AAS's have been issued that are not mandatory for the 30 June 2019 reporting period. The Corporation has assessed these pending standards and has identified the following potential impacts will flow from the application of these standards in future reporting periods.

Revenue from contracts with customers (AASB 15) (applies 2019/20 for LG sector)

The standard shifts the focus from the transaction-level to a contract-based approach. Recognition is determined based on what the customer expects to be entitled to (rights and obligations), while measurement encompasses estimation by the entity of the amount expected to be entitled for performing under the contract. The full impact of this standard is not known however it is most likely to impact where contracts extend over time, where there are rights and obligations that may vary the timing or amount of the consideration, or where there are multiple performance elements. This has the potential to impact on the recognition of certain grant income. It is expected that there will be no material impact to the Corporation.

Amendments to Australian Accounting Standards – Deferral of AASB 15 for Not-for-Profit Entities (AASB 2016-7) (applies 2019/20)

The key changes include the simplified requirements for the classification and measurement of financial assets, a new hedging accounting model and a revised impairment loss model to recognise impairment losses earlier, as opposed to the current approach that recognises impairment only when incurred.

NOTES TO THE FINANCIAL REPORT

For the year ended 30 June 2019

Note 7 Managing uncertainties (cont'd)

Leases (AASB 16) (applies 2019/20)

The classification of leases as either finance leases or operating leases is eliminated for lessees. Leases will be recognised in the Balance Sheet by capitalising the present value of the minimum lease payments and showing a 'right-of-use' asset, while future lease payments will be recognised as a financial liability. The nature of the expense recognised in the profit or loss will change. Rather than being shown as rent, or as leasing costs, it will be recognised as depreciation on the 'right-of-use' asset, and an interest charge on the lease liability. The interest charge will be calculated using the effective interest method, which will result in a gradual reduction of interest expense over the lease term. The Corporation has adopted the new lease standard effective from the prior financial year.

Income of Not-for-Profit Entities (AASB 1058) (applies 2019/20)

This standard replaces AASB 1004 Contributions and establishes revenue recognition principles for transactions where the consideration to acquire an asset is significantly less than fair value to enable to not-for-profit entity to further its objectives. It is not expected that there will be any impact to the Corporation.

7.3. Financial instruments

(a) Objectives and policies

The Corporation's principal financial instruments comprise cash assets, term deposits, receivables (excluding statutory receivables), payables (excluding statutory payables) and bank borrowings. Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument is disclosed in Note 1 of the financial statements. Risk management is carried out by senior management under policies approved by the Corporation. These policies include identification and analysis of the risk exposure to the Corporation and appropriate procedures, controls and risk minimisation.

(b) Market Risk

Market risk is the risk that the fair value or future cash flows of our financial instruments will fluctuate because of changes in market prices. The Corporation's exposures to market risk are primarily through interest rate risk with only insignificant exposure to other price risks and no exposure to foreign currency risk. Components of market risk to which we are exposed are discussed below.

NOTES TO THE FINANCIAL REPORT

For the year ended 30 June 2019

Note 7 Managing uncertainties (cont'd)

Interest Rate Risk

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. The Corporation does not hold any interest bearing financial instruments that are measured at fair value, and therefore has no exposure to fair value interest rate risk. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Corporation has minimal exposure to cash flow interest rate risk through its cash and deposits that are at floating rates.

Investment of surplus funds is made with approved financial institutions under the Local Government Act 1989. We manage interest rate risk by adopting an investment policy that ensures:
- diversification of investment product,
- monitoring of return on investment,
- benchmarking of returns and comparison with budget.

There has been no significant change in the Corporation's exposure, or its objectives, policies and processes for managing interest rate risk or the methods used to measure this risk from the previous reporting period. Interest rate movements have not been sufficiently significant during the year to have an impact on the Corporation's year end result.

(c) Credit Risk

Credit risk is the risk that a contracting entity will not complete its obligations under a financial instrument and cause us to make a financial loss. We have exposure to credit risk on some financial assets included in our balance sheet. To help manage this risk:
- we have a policy for establishing credit limits for the entities we deal with;
- we may require collateral where appropriate; and
- we only invest surplus funds with financial institutions which have a recognised credit rating specified in our investment policy.

Trade and other receivables consist of a large number of customers, spread across the consumer, business and government sectors. Credit risk associated with the Corporation's financial assets is minimal because the main debtor is the Victorian Government. Apart from the Victorian Government we do not have any significant credit risk exposure to a single customer or groups of customers.

There are no material financial assets which are individually determined to be impaired.
We may also be subject to credit risk for transactions which are not included in the balance sheet, such as when we provide a guarantee for another party. Details of our contingent liabilities are disclosed in note 7.1.

The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements. The Corporation does not hold any collateral.

NOTES TO THE FINANCIAL REPORT

For the year ended 30 June 2019

Note 7 Managing uncertainties (cont'd)

(d) Liquidity Risk

Liquidity risk includes the risk that, as a result of our operational liquidity requirements or we will not have sufficient funds to settle a transaction when required, we will be forced to sell a financial asset at below value or may be unable to settle or recover a financial asset.

To help reduce these risks the Corporation:

- have a liquidity policy which targets a minimum and average level of cash and cash equivalents to be maintained;
- have readily accessible standby facilities and other funding arrangements in place;
- have a liquidity portfolio structure that requires surplus funds to be invested within various bands of liquid instruments;
- monitor budget to actual performance on a regular basis; and
- set limits on borrowings relating to the percentage of loans to revenue and percentage of loan principal repayments to revenue.

The Corporation's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed in the face of the balance sheet and is deemed insignificant based on prior periods' data and current assessment of risk.

There has been no significant change in the Corporation's exposure, or its objectives, policies and processes for managing liquidity risk or the methods used to measure this risk from the previous reporting period.

With the exception of borrowings, all financial liabilities are expected to be settled within normal terms of trade. Details of the maturity profile for borrowings are disclosed at Note 4.4.

(e) Sensitivity disclosure analysis

Taking into account past performance, future expectations, economic forecasts, and management's knowledge and experience of the financial markets, the Corporation believes the following movements are 'reasonably possible' over the next 12 months.

• A parallel shift of + 1% and -1% in market interest rates (AUD) from year-end rates of 1.75%.

These movements will not have a material impact on the valuation of the Corporation's financial assets and liabilities, nor will they have a material impact on the results of the Corporation's operations.

7.4. Fair value measurement

Fair value hierarchy

The Corporation's financial assets and liabilities are not valued in accordance with the fair value hierarchy. The Corporation's financial assets and liabilities are measured at amortised cost.

The Corporation measures certain assets and liabilities at fair value where required or permitted by Australian Accounting Standards. AASB 13 Fair value measurement, aims to improve consistency and reduce complexity by providing a definition of fair value and a single source of fair value measurement and disclosure requirements for use across Australian Accounting Standards.

NOTES TO THE FINANCIAL REPORT

For the year ended 30 June 2019

Note 7 Managing uncertainties (cont'd)

AASB 13 defines fair value as 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. Fair value under AASB 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within a fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1	Quoted (unadjusted) market prices in active markets for identical assets or liabilities
Level 2	Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
Level 3	Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For the purpose of fair value disclosures, the Corporation has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

In addition, the Corporation determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Revaluation

Subsequent to the initial recognition of assets, non-current physical assets, other than plant and equipment, are measured at their fair value, being 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. At balance date, the Corporation reviewed the carrying value of the individual classes of assets measured at fair value to ensure that each asset materially approximated its fair value. Where the carrying value materially differed from the fair value at balance date, the class of asset was revalued.

Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use of an asset result in changes to the permissible or practical highest and best use of the asset. In addition, the Corporation undertakes a formal revaluation of land and buildings on a regular basis ranging from 5 to 7 years. The valuation is performed either by independent experts.

NOTES TO THE FINANCIAL REPORT

For the year ended 30 June 2019

Note 7 Managing uncertainties (cont'd)

Where the assets are revalued, the revaluation increments are credited directly to the asset revaluation reserve except to the extent that an increment reverses a prior year decrement for that class of asset that had been recognised as an expense in which case the increment is recognised as revenue up to the amount of the expense. Revaluation decrements are recognised as an expense except where prior increments are included in the asset revaluation reserve for that class of asset in which case the decrement is taken to the reserve to the extent of the remaining increments. Within the same class of assets, revaluation increments and decrements within the year are offset.

Impairment of assets

At each reporting date, the Corporation reviews the carrying value of its assets to determine whether there is any indication that these assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, is compared to the assets carrying value. Any excess of the assets carrying value over its recoverable amount is expensed to the comprehensive income statement, unless the asset is carried at the revalued amount in which case, the impairment loss is recognised directly against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same class of asset.

7.5. Events occurring after balance date

No matters have occurred after balance date that require disclosure in the financial report. (2017/18, nil)

Note 8 Other matters

8.1. Reserves

	Balance at beginning of reporting period $	Transfer from Accumulated Surplus $	Increment (decrement) $	Balance at end of reporting period $
(a) Asset Revaluation Reserve				
2019				
Buildings	393,732	-	-	393,732
Library Collections	240,507	-	-	240,507
	634,239	-	-	634,239
2018				
Buildings	393,732	-	-	393,732
Library Collections	240,507	-	-	240,507
	634,239	-	-	634,239

The asset revaluation reserve is used to record the increased (net) value of the Corporation's assets over time.

NOTES TO THE FINANCIAL REPORT

For the year ended 30 June 2019

Note 8 Other matters (cont'd)

	Balance at beginning of reporting period $	Transfer from Accumulated Surplus $	Increment (decrement) $	Balance at end of reporting period $
(b) Facilities Reserve				
2019				
Facilities Reserve	439,984	(52,138)	-	387,846
	439,984	(52,138)	-	387,846
2018				
Facilities Reserve	297,129	142,855	-	439,984
	297,129	142,855	-	439,984
Total Reserves	**1,074,223**	**(52,138)**	**-**	**1,022,085**

The facilities reserve is used to retain any unspent budgeted facilities maintenance expenditure, to be utilised for future facility improvements.

	2019 $	2018 $
8.2. Reconciliation of cash flows from operating activities to surplus		
Surplus for the year	401,474	371,273
Depreciation and amortisation	839,509	762,652
(Profit)/loss on disposal of property, plant and equipment	-	-
Finance Costs	95,558	102,922
Change in assets and liabilities:		
(Increase)/decrease in trade and other receivables	3,029	11,089
(Increase)/decrease in prepayments	(16,985)	2,049
(Increase)/decrease in accrued income	(2,394)	(4,759)
Increase/(decrease) in trade and other payables	(6,551)	51,862
Increase/(decrease) in provisions	29,159	(3,227)
Net cash provided by operating activities	1,342,799	1,293,861

NOTES TO THE FINANCIAL REPORT

For the year ended 30 June 2019

Note 8 Other matters (cont'd)

8.3. Superannuation

The Corporation makes the majority of its employer superannuation contributions in respect of its employees to the Local Authorities Superannuation Fund (the Fund). This Fund has two categories of membership, accumulation and defined benefit, each of which is funded differently. Obligations for contributions to the Fund are recognised as an expense in the Comprehensive Income Statement when they are made or due.

Accumulation

The Fund's accumulation categories, Vision MySuper/Vision Super Saver, receive both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (for the year ended 30 June 2018, this was 9.5% as required under Superannuation Guarantee legislation).

Defined Benefit

The Corporation does not use defined benefit accounting for its defined benefit obligations under the Fund's Defined Benefit category. This is because the Fund's Defined Benefit category is a pooled multi-employer sponsored plan. Council makes employer contributions to the Defined Benefit category of the Fund at rates determined by the Trustee on the advice of the Fund Actuary. For the year ended 30 June 2019, this rate was 9.5% of members' salaries (9.5% in 2017/2018).

As at 30 June 2017, a full triennial actuarial investigation was completed. The vested benefit index (VBI) of the Defined Benefit category of which the Corporation is a contributing employer was 103.1%. To determine the VBI, the Fund Actuary used the following long-term assumptions:

Net Investment Returns - 6.5% p.a
Salary Information - 3.5% p.a
Price inflation (CPI) - 2.5% p.a

Vision Super has advised that the VBI at 30 June 2019 was 107.1%. The VBI is to be used as the primary funding indicator. Because the VBI was above 100%, the 30 June 2017 actuarial investigation determined the Defined Benefit category was in a satisfactory financial position and that no change was necessary to the Defined Benefit category's funding arrangements from prior years

2017 triennial actuarial investigation surplus amounts

The Fund's triennial actuarial investigation as at 30 June 2017 identified the following in the defined benefit category of which the Corporation is a contributing employer:

A VBI surplus of $69.8 million
A total service liability surplus of $193.5 million.
A discounted accrued benefits surplus of $228.8 million.

The VBI surplus means that the market value of the fund's assets supporting the defined benefit obligations exceed the vested benefits that the defined benefit members would have been entitled to if they had all exited on 30 June 2017. The Corporation was notified of the 30 June 2017 VBI during August 2017.

An interim actuarial investigation is being conducted for the Fund's position as at 30 June 2019. It is anticipated that this actuarial investigation will be completed in December 2019.

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