

1. Introduction

Chairman's Report



This year, the National Library of Australia has achieved major milestones, particularly in relation to furthering our goal of providing rapid access to information resources.

In 2003, the Senate Environment, Communications, Information Technology and the Arts Reference Committee tabled 11 recommendations from its inquiry *Libraries in the Online Environment*. The National Library has used the views expressed by the Australian library sector in their submissions to this committee as a guide in the development of its new services. A consistent theme in the submissions was that the Library should provide free public access to the significant database describing the collections of Australian libraries. With strong support from the library sector, this was achieved on 27 February 2006 when Senator the Hon. Helen Coonan, Minister for Communications, Information Technology and the Arts, launched Libraries Australia. An Australian first, this new, free service enables all Australians with Internet access to satisfy their information needs by selecting from over 42 million items in 800 libraries across Australia.

Another milestone was the launch on 2 December 2005 of a major collaborative exhibition, *National Treasures from Australia's Great Libraries*. Developed and co-ordinated by the Library on behalf of the Council of Australian State Libraries, *National Treasures* features 170 rare items from the collections of all the national, state and territory libraries. The exhibition, which is free to visitors, will tour for the next two years to every capital city. Through its different themes, such as 'Under the Southern Cross' and 'National Obsessions', the exhibition tells the story of what it means to be an Australian. The Council would like to acknowledge the strong support from the corporate sector, in particular the Principal Sponsor AAMI. Significant support has also been provided by the Australian Government through the Visions of Australia and Art Indemnity Australia programs. In the 10 weeks that it was on display at the National Library, 73,000 people visited the exhibition.

The Library is seeking to raise funds and support from individuals and the corporate sector to build a permanent Treasures Gallery so that many of our

iconic collection items can regularly be on view to the public. There has been a pleasing level of interest in the proposed Treasures Gallery and this has been the focus of our fundraising efforts in the second half of the year.

During the year, members of Council and senior staff of the Library have been discussing future challenges and trends that will impact on the Library's collecting and services. Providing easy and rapid access to information resources remains our key goal but the Library will pursue this in new and different ways over the next three years. The National Library's *Directions for 2006–2008*, published in January, embodies these ideas. In particular, the Library will seek new partnerships with organisations, individuals and communities who can help us make our collections and services more visible in the information-seeking world.

In July, the Library embarked on the implementation of a wide-ranging workforce plan. A top priority is leadership and team skills programs that are preparing staff for the challenge of collecting and managing information resources in an increasingly competitive and complex information environment.

I am confident that the Council and staff of the Library will meet the challenges ahead of them. There are many opportunities for new partnerships and innovation and the Library is well placed to take advantage of these. Thank you to all who work so hard to make the National Library a strong and vibrant institution.

Sir James Gobbo AC CVO

The National Library of Australia in 2005–2006: Director-General's Review

The National Library of Australia actively supports learning, creative and intellectual endeavour, and the dissemination of knowledge, ideas and information. New technologies are transforming the ways in which information is created, published, stored and accessed and the National Library is committed to adopting those technologies to meet the needs of our users.

Our major undertaking is 'to enhance learning and knowledge creation by further simplifying and integrating services that allow our users to find and get material, and by establishing new ways of collecting, sharing, recording, disseminating and preserving knowledge' (*Directions for 2006–2008*). This year, we have made significant progress towards achieving this goal.

Sharing the National Collection

The National Library has been building the Australian National Bibliographic Database for a quarter of a century. Available through Libraries Australia, this catalogue enables Australians to locate and obtain material from the collections of the National Library and over 800 Australian libraries, including state and university libraries, and most public, research, government and special libraries. In June 2006, the database listed 42 million items.

The launch of the free Libraries Australia service on 27 February 2006 provides all Australians with access to the combined collections of Australian libraries. This service enables individuals and community groups to discover the resources of Australian libraries and provides ways for them to obtain these resources, whether borrowing from a library, getting copies through Copies Direct or buying through an online bookshop. The service provides immediate access to over 600,000 digital resources—including manuscripts, pictures, maps, printed music, books and government reports.

The Library's *Directions for 2006–2008* includes undertakings to explore new ways of collecting digital material; to support the dissemination of knowledge created by our users; and to enhance opportunities

for existing and new users to share ideas, including through the development of innovative online 'spaces'. This year, the Library has embarked on a number of initiatives to meet these objectives.

In January, the Library announced a new partnership with Yahoo!7. Aimed at increasing the availability of contemporary images on PictureAustralia, the partnership invites individuals to contribute images through Yahoo's Flickr photograph-sharing website. This partnership is the National Library's first effort to reach out to new online 'spaces'. The project provides enhanced opportunities for existing and new users to share images and will contribute to the long-term development of PictureAustralia.

The Library continues to create digital versions of items in its Australian collections as a way of improving access to these collections, serving the increasing demand for online resources and providing digital content for services such as MusicAustralia and other Library websites. In 2005–2006, newly digitised material included:

- all of the Library's collection items that were part of the *National Treasures from Australia's Great Libraries* exhibition, including the eight volumes of the 1848 first edition of Gould's *Birds of Australia* and Matthew Flinders' chart of *Terra Australis*
- the unpublished autograph manuscript from Lieutenant William Bligh's voyage in the *Bounty's* launch from the ship to Tofua and subsequently to Timor, 28 April to 14 June 1789. This is the original notebook from which Bligh wrote all his subsequent narratives



- the Library's maps documenting Dutch maritime exploration to the north, west and south of Australia during the seventeenth century, including charts from the voyages of Hessel Gerritsz in 1627–1628, Jan Jansson's *India Orientalis Nova Descriptio* and the new world map by Hendrick Hondius of 1630, Willem Blaeu's 1635 map *India quae Orientalis* and two 1697 manuscript charts of Rottneest island and the Swan River by Willem Vlamingh
- over 1,000 photographs from the J.C. Williamson collection of photographs of Australian theatrical productions and some visiting companies, including portraits of Australian and overseas actors who appeared in J.C. Williamson productions, particularly between 1945 and 1975.

The Library's publishing program, which includes books, merchandise and online publications, expanded into biography with the launch of *T.W. Edgeworth David: A Life* by David Branagan and a new biography series, *An Australian Life*. The first two books in the series were *Alan Moorehead: A Rediscovery* by Ann Moyal and *Kylie Tennant: A Life* by Jane Grant.

Developing the National Collection

The Library recognises that the strength of its national and international reputation is dependant upon the quality of our collections. Every year a wide range of published material is routinely acquired through deposit, purchase or donation. Many original works are also collected that contribute to the

documentary record or are socially or culturally significant. In 2005–2006, more than 282,000 items in a wide range of formats were acquired.

Following months of negotiations, the Library purchased 56 rare and exquisite First Fleet watercolours from Britain. Known as the Ducie Collection, after the Earls of Ducie who owned the watercolours, the collection is attributed to George Raper, a midshipman on the *Sirius*. This is the largest and most significant collection of First Fleet art to have come on the market since 1953, when Rex Nan Kivell purchased a sketchbook of drawings by Governor Hunter at a London auction.

A number of outstanding world maps were also acquired by the Library, including a Chinese woodcut folding wall-map of the world from 1710 and a previously unknown and unrecorded map from 1740 by John Bowles. This depicts the east coast of Australia 30 years before James Cook's survey and is the earliest known recording of the coast on a map-sheet by a British cartographer.

In recognition of the changing ways in which information is being created and published, the Library has been selectively archiving Australian websites. Now in its 10th year, PANDORA, Australia's Web Archive, contains nearly 10,000 titles and 20,000 snapshots of websites. During June and July 2005, the Library undertook the first harvest of the whole Australian web domain. Approximately 185 million unique files were harvested from 811,000 website hosts. Undertaking such large-scale harvesting periodically will enable the Library to obtain and archive snapshots of the Australian web at given times.

Leading a National Agenda

The Library works closely with state libraries on a wide range of collaborative projects. As a member of the Council of Australian State Libraries (CASL), the Library developed and managed the major travelling exhibition *National Treasures from Australia's Great Libraries* on behalf of all state and territory libraries. This unique exhibition highlighting the

magnificent collections of Australia's libraries opened at the National Library in December 2005. An online exhibition, an events and education program and a major publication were developed to accompany the exhibition. The exhibition would not have been possible without the unprecedented support of Australia's private and public sectors. Principal Sponsor AAMI and major sponsors Qantas, News Limited, Hoyts, Animal Logic, Accor, SBS and ABC Local Radio generously provided over \$1.5 million worth of support. The Australian Government also provided support through the Visions of Australia funding program, which has enabled the exhibition to tour Australia, and the Art Indemnity Australia program through which the Commonwealth acts as an insurer in case of any loss or damage to an indemnified exhibition.

As a member of CASL, the Library has contributed significantly to the *Information Access Plan: Integrating Australian Library Services on the Web*, aimed at improving online public access to information through state and public libraries. The Library also developed a collaborative website in celebration of the 400th anniversary of the *Duyfken* voyage and the first charting of the Australian coastline, and to showcase early Dutch maps held in CASL libraries.

In April 2006, the National Library hosted the Innovative Ideas Forum, providing an opportunity for librarians, information technology experts and others to share information about new ideas, developments and trends in providing access to information via the Internet. The forum brought together a range of speakers on topics including infrastructure developments, resource discovery and delivery.

The Community Heritage Grants Program, funded by the Australian Government through the National Library, the Department of Communications, Information Technology and the Arts, the National Archives of Australia, the National Film and Sound Archive and, for the first time, the National Museum of Australia, continued to expand. This year, funding applications were received from 226 organisations and 76 were selected to receive funding totalling \$377,865. All states and territories were represented

in the successful group. Over the past 12 years, 426 projects throughout Australia have received more than \$1.6 million in funding, as well as training opportunities. The grant money is used for collection assessments, preservation surveys, conservation treatments, preservation training, digitisation, and purchasing quality storage material or environmental monitoring equipment.

A significant development during the year was the establishment by the Library of a new working group, Managing Access to Government Digital Information Resources (MAGDIR), with membership from GeoScience Australia, the Australian Bureau of Statistics, the National Archives of Australia, and the Australian Government Information Management Office. The aim of MAGDIR is to develop agreements on the roles and responsibilities of member agencies for managing and providing access to government digital information resources, and to work together to find solutions to common, associated problems. It is intended that membership be extended to other agencies in the new financial year.

The Library regularly consults the research and library communities concerning issues surrounding the use of its collections. In October the Library hosted an Asia Research Forum attended by librarians, researchers and academics from Asian Studies disciplines. The forum explored trends in research about Asia and the implications for libraries collecting Asian research materials, including the Library's own role in meeting researchers' needs.

Also in October, the National Licensing Forum endorsed a proposal to pursue a national license for a core set of Australian full-text electronic resources

or products to be provided through all libraries to their users, and to establish a national consortium to pursue this goal, with support from the National Library. The National Licensing Proposal Working Group has continued to work towards this goal with subgroups having responsibility for governance, pricing models, products and communication. A survey was sent to Australian libraries to identify the products to which libraries currently subscribe. As a result of this survey, the national consortium will initially focus on Australian general reference, news and current affairs, and health products.

The annual meeting of the Peak Bodies Forum—comprising key organisations in the Australian library sector—was hosted by the National Library in December 2005. The meeting discussed issues of mutual interest, including national licensing and other resource-sharing matters, copyright, new technologies and the future of library catalogues in online service delivery.

Contributing to International Activities

In recent years the Library has increasingly been collaborating with international institutions, reflecting in part the Library's strong interest in the development and application of new technologies. These technologies provide significant opportunities to enhance services and to improve the preservation of, and access to, documentary and cultural heritage material.

The Library's international activities in 2005–2006 were diverse.

- I participated in the Conference of Directors of National Libraries and,

with other senior Library staff, attended the International Federation of Library Associations and Institutions meeting in Oslo, Norway.

- The Library hosted the 2005 meeting of the Directors of International Standard Serial Numbers (ISSN) National Centres, in September, in conjunction with the International ISSN Agency. Over 20 countries were represented at the meeting.
- Aid was provided to the National Library of the Solomon Islands in the form of books and, with AusAID's assistance, an Australian volunteer librarian was placed there for six months. This arrangement was aimed at providing help with re-establishing public and school library services and the development of the national collection after the civil unrest of recent years was resolved.
- Deirdre Kiorgaard, the Library's Director of Bibliographic Standards and Strategy, was appointed Chair of the Joint Steering Committee for the revision of the Anglo-American cataloguing rules. These cover the description of, and the provision of access points for, all commonly collected library materials.
- The National Library continued to participate in the work of the International Internet Preservation Consortium, which is developing software tools to extend the capability of national libraries to collect, archive and preserve digital publications on the World Wide Web.
- With other senior staff, I visited the National Library of New Zealand in November as part of the annual information exchange between both libraries and attended the New Zealand National Digital Forum.

Moving Forward as an Organisation

In order to establish foundations on which the Library can develop new services and initiatives in the future, 2005 was a year of significant forward planning. Library Council members and senior staff reviewed

the Library's strategic directions and prepared the document *Directions for 2006–2008*, which was published in January 2006.

In the 2004–2005 Budget, the Australian Government approved funding of \$9.9 million over four years for the construction of a purpose-built repository. Construction of the new repository began in 2005 and will be completed in August 2006. Planning and preparing to move collection material to the new repository has been a major focus this year. A total of 43 kilometres of material is scheduled to be transferred from July 2006. The repository will allow the Library's collection storage requirements to be met until 2013, and the land offers the possibility for future expansion. The Library has agreed to make available 10 kilometres of shelving to the National Archives of Australia until January 2010.

As part of the 2006–2007 Budget, the Australian Government announced additional funding of \$9.8 million over the next two financial years to enable the necessary refurbishment of the Library podium. The works are expected to commence in January 2007 and be completed by June 2008.

Over recent years the Library has invested considerably in workforce planning activities, recognising the importance of providing opportunities for staff to develop their skills and to contribute creatively to the organisation. The framework for much of this activity is the Library's Strategic Workforce Plan, which was developed in consultation with all Library staff.

The priority in the Library's Strategic Workforce Plan is the development of leadership capability. To this end, leadership development programs have been implemented during 2005–2006, including Focus on Leadership addresses. The inaugural address was given by Ms Lisa Paul, Secretary, Department of Education, Science and Training. Mr Robert Belleville, CEO of Promina, gave the second address in the series. More intensive leadership training was provided for 25 senior staff during February 2006.

An Annual Training Plan has been developed in consultation with each Library Division, and includes the provision of team skills training. This project will

provide training to all staff of the Library over three years, and in 2005–2006 176 people were trained in nine workshops. In addition, a series of Focus Lectures given by each Division has commenced. These aim to inform staff of work practices and new developments across the institution.

Library staff also commenced work to develop a new Collective Agreement. The current agreement expires in June 2007.

Future Outlook and Planning

In 2005 the Library established a Development Council, whose members have agreed to work as a support group to assist the National Library to raise off-budget funds. An initial priority for the group is to raise funds for a specially designed Treasures Gallery, which will display some of the iconic items central to an understanding of Australian history and culture. The Library is grateful to the donors who have contributed to the Treasured Partners fundraising program during 2005–2006.

More generally, the Library is committed to pursuing collaborative opportunities with national and international institutions to further the Library's relationships with the scholarly and research communities and to continue to maintain its place at the leading edge of developments in information technology affecting the collection and preservation of documentary heritage material.

Identifying new ways to make the Library's collections and services easy to find and to access will remain a key priority, as will the Library's support for creative and scholarly activity based

on our highly significant Australian collections.

The Library is considering a modest set of projects that will allow it to explore successful web technologies, such as wikis and blogs, to forge new partnerships that reach beyond the traditional Library sphere and to understand new technology perspectives from a broader world. Developing an understanding of how the Library can take advantage of the new online medium can only be gained through experimentation. The Library intends to explore new ways to engage with the users of our websites and the scholarly community that go beyond the Library's traditional role.

A key activity for the Library will be the large-scale conversion of printed collection materials into digital formats that can be accessed online by all Australians. Technology and the marketplace now support the large-scale conversion of printed, text-based material into digital formats that can be searched and displayed online. Subject to funding availability, the Library will exploit this development to undertake the digitisation of significant Australian material, such as newspapers and journals. The achievement of this goal represents the Library's highest priority in the period 2006–2008.

The Library will upgrade the software and infrastructure components that support the acquisition, management and delivery of the Library's digital collections. This upgrade will not only support the collaborative web services and digitisation activities mentioned above but will also enable third parties to deposit digital content with the Library.

Summary of Financial Performance

Operating Outcome

During 2005–2006, operating revenues, including revenue from government, amounted to \$72.014 million and operating expenses were \$68.565 million, resulting in a net operating surplus of \$3.449 million.

Operating Revenue

Total operating revenue of \$72.014 million for 2005–2006 was \$1.996 million above budget and compares to total actual revenue of \$70.183 million for the 2004–2005 financial year. Figure 1.1 below shows a comparison of revenue across items against budget and against the 2004–2005 financial year. Please note the use of a logarithmic scaling in this graph.

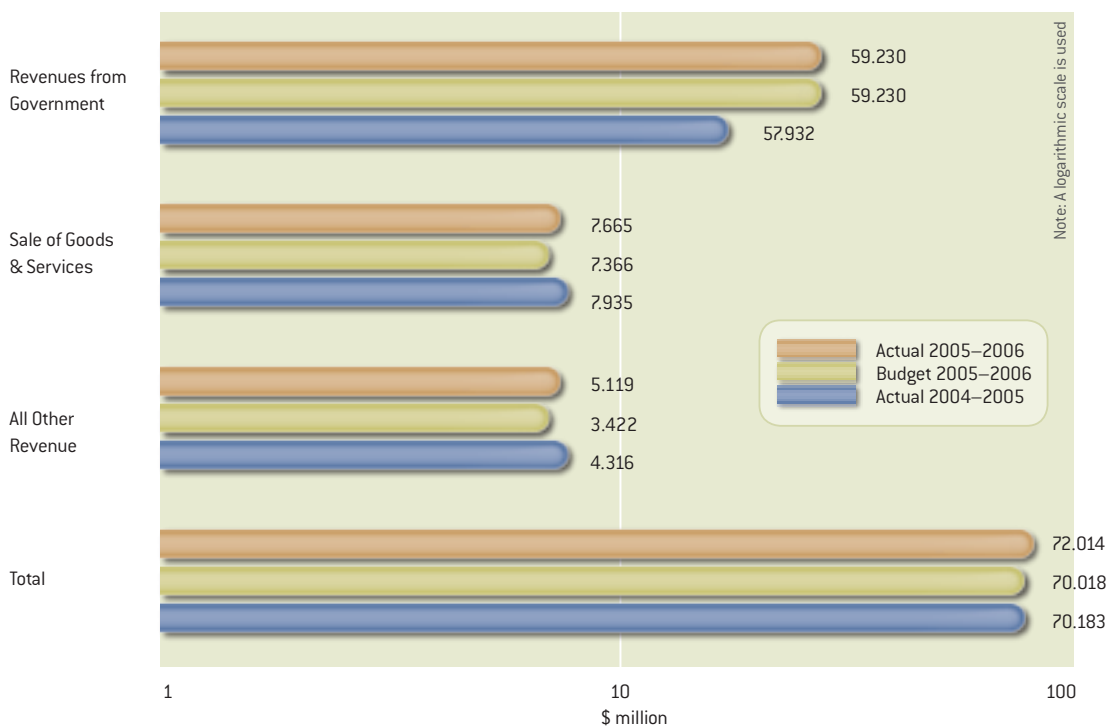


Figure 1.1 Operating Revenues 2005–2006 and 2004–2005

The major variations between financial years relate to the increase in revenue from government, where appropriation revenue increased by \$1.298 million, and an increase in other revenues of \$0.803 million. The increase in appropriation revenue reflects the receipt of additional funding for the provision of additional storage (\$0.794 million); improved security for the Australian overseas mission (\$0.002 million); with the balance of the increase primarily representing the net effect of parameter adjustments and the efficiency dividend (\$0.502 million). The increase in other revenue largely reflects

an increase in interest revenue (\$0.659 million), as a result of increased interest rates and additional funds being held in interest-bearing deposits; and the receipt of additional grant revenue (\$0.416 million). The increase in grant revenue is primarily the result of the receipt of additional support by Australian Government agencies for the Community Heritage Grants Program (\$0.305 million).

Operating Expenses

Total operating expenses of \$68.565 million were \$0.278 million below budget and \$2.029 million more than the 2004–2005 financial year expenditures. Figure 1.2 shows a comparison of expenditure across items and against budget and the 2004–2005 financial year. Please note the use of a logarithmic scaling in this graph.

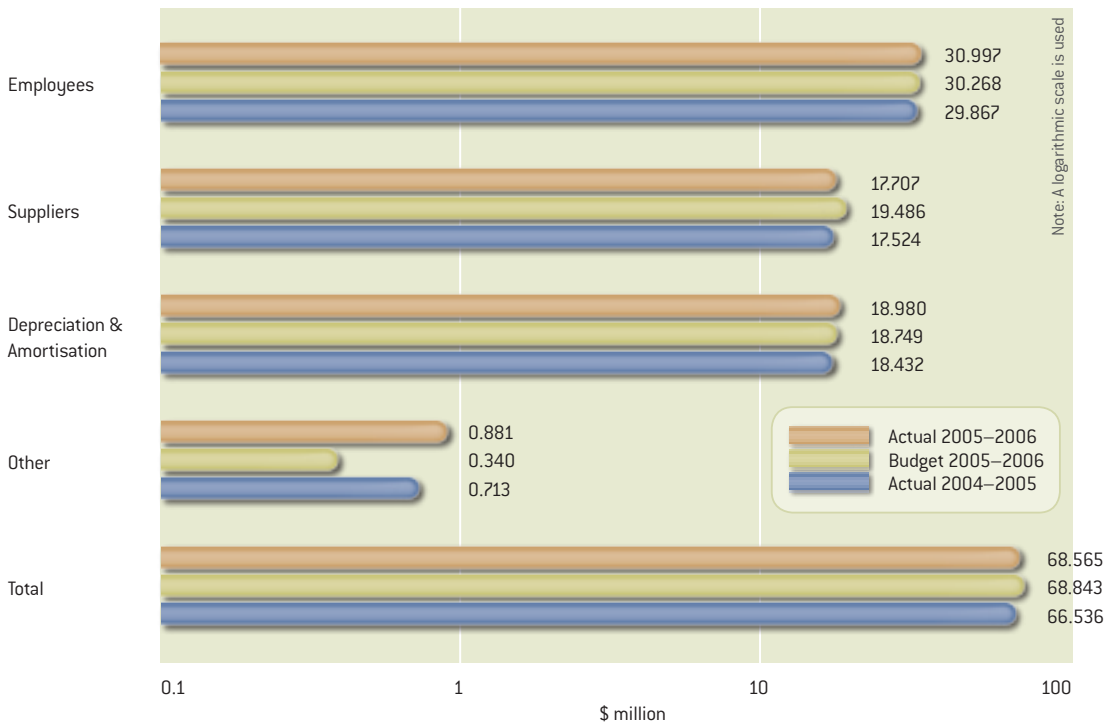


Figure 1.2 Operating Expenses 2005–2006 and 2004–2005

The major variation between financial years of \$2.029 million in operating expenses primarily relates to increased employee expenses (\$1.130 million), largely the result of pay increases, with the balance of the variation a result of minor increases in supplier expenses (\$0.183 million); depreciation and amortisation expenses (\$0.548 million); and other expenses (\$0.168 million).

Equity

The Library's total equity decreased by \$64.958 million to \$1,675.772 million in 2005–2006. The net decrease was a result of an equity injection (\$7.485 million); a net revaluation decrement (-\$75.921 million) following the revaluation of the Library's collections, plant and equipment, land and buildings; a change in accounting policy related to the calculation of the allowance for doubtful debts

following the introduction of Australian Equivalents to International Accounting Standards (\$0.029 million); and the net operating result (\$3.449 million).

Total Assets

As Figure 1.3 shows, the total value of the Library's assets decreased by \$64.426 million to \$1,690.286 million in 2005–2006.

The variation between financial years for non-financial assets (\$67.966 million) was largely the result of the revaluation of the Library's collections, plant and equipment, land and buildings (-\$75.921 million) and increased investment in the Library's collections,

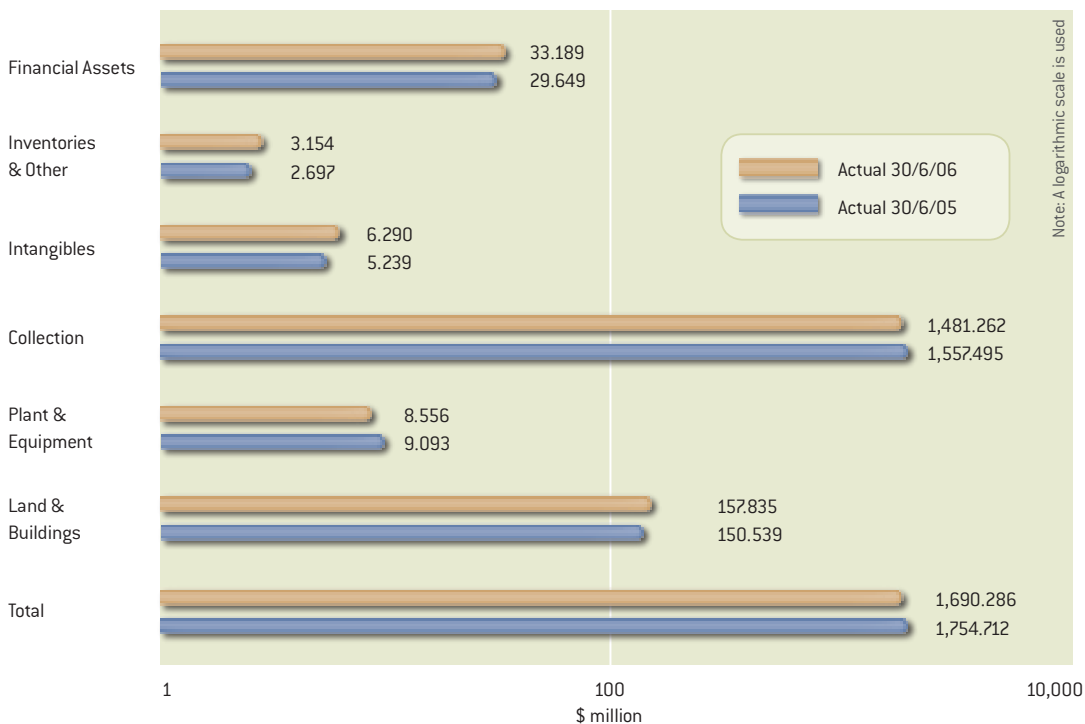


Figure 1.3 Total Assets 2005–2006 and 2004–2005

plant and equipment, land and buildings (\$12.096 million). The increased investment is the result of additional building works (\$5.142 million) largely associated with the construction of the Library's new repository; the purchase of land for the new repository (\$0.840 million); additional acquisition of collection material (\$3.748 million) and increases in the acquisition of the plant and equipment (\$2.367 million), which included the purchase of shelving for the new repository (\$1.731 million). In addition, there were minor movements in the value of inventories (\$0.072 million) and the value of prepaid supplier expenses (\$0.385 million). The increase in financial assets (\$3.540 million) relates to an increase in receivables (\$0.161 million); an increase in cash at bank (\$3.812 million), which primarily reflects not fully consuming the funding received for the purchase

of Library collections; a minor increase in investments under section 18 of the CAC Act (\$0.164 million) as a result of increased investment of Library Trust Fund moneys; and a reduction in accrued revenues (-\$0.597 million), primarily a result of the changed billing arrangements for the Library's online services.

Total Liabilities

As Figure 1.4 shows, the Library's total liabilities increased by \$0.532 million from last financial year to \$14.514 million.

The main changes in liabilities relate to a minor increase in supplier payables (\$0.276 million); a reduction in lease liabilities (-\$0.067 million); and increased employee provisions (\$0.323 million), which reflects the timing of the last pay period in 2005–2006 and a minor reduction in the value of accrued leave provisions.

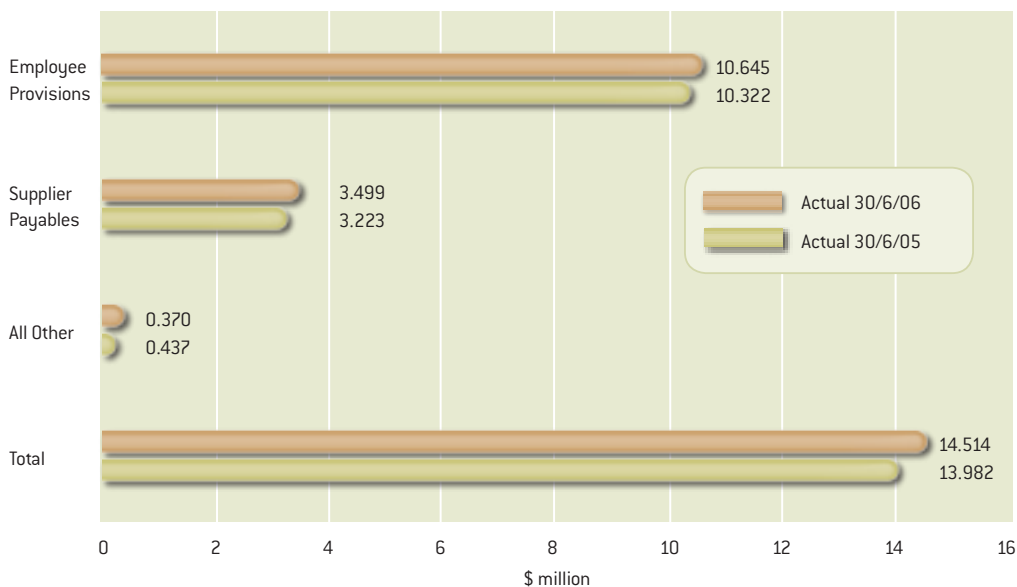


Figure 1.4 Total Liabilities 2005–2006 and 2004–2005

Cash Flow

Overall, in 2005–2006 there was an increase in the Library’s cash balance, which increased by \$3.812 million to \$29.709 million as at 30 June 2006. The Library holds cash to meet existing liabilities and fund ongoing operational activities, including asset purchases. Figure 1.5 shows a comparison of cash flow items for 2005–2006 and 2004–2005.

The increase (\$0.606 million) in net operating activities reflects the comments previously made for Operating Revenues and Operating Expenses. The increase (\$10.706 million) in the net investing activities primarily reflects an increase in the investment in property, plant and equipment (\$12.235 million) and a reduction in the flow of funds through interest-bearing deposits with terms greater than 90 days (\$1.266 million). The variation (\$3.534 million) in net cash from financing activities reflects the receipt of additional funding for the Library’s new repository (\$3.557 million).

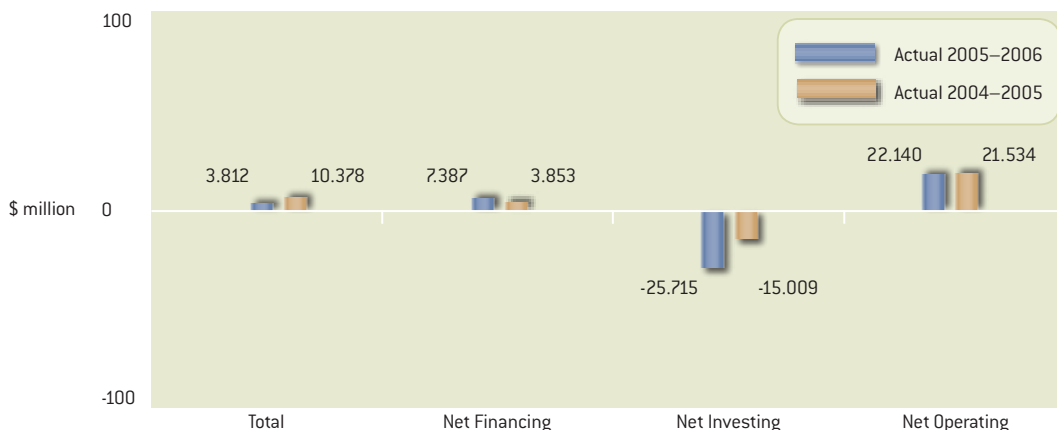


Figure 1.5 Net Cash Flow 2005–2006 and 2004–2005

Resource Table

Table 1.1. shows the total resources for Outcome 1 in 2005–2006.

	Budget \$'000	Actual \$'000	Variation to Budget \$'000
Departmental Appropriations			
Output 1.1 – The Collection	17,455	17,455	—
Output 1.2 – Information Services	32,692	32,692	—
Output 1.3 – Public Programs	5,717	5,717	—
Output 1.4 – Australian Library Network Services	3,366	3,366	—
Contributing to Price of Departmental Outputs	59,230	59,230	—
Revenue from Other Sources			
Output 1.1 – The Collection	3,096	3,615	519
Output 1.2 – Information Services	1,802	2,565	763
Output 1.3 – Public Programs	1,588	2,169	581
Output 1.4 – Australian Library Network Services	4,302	4,435	133
Total Revenue from Other Sources	10,788	12,784	1,996
Total Price of Departmental Outputs and Resourcing^a	70,018	72,014	1,996
Average staffing level (numbers)	449	445	-4

Table 1.1 Total Resources for Outcome 1 2005–2006

(a) Total revenue from government and from other sources.

Note: The budget is as published in the *Portfolio Budget Statements 2005–2006* and incorporates the additional funding provided through the *Portfolio Supplementary Additional Estimates*. This also applies to Tables 3.1, 3.3, 3.5 and 3.7.



2. Corporate Overview

ROLE

The functions of the Library are set out in Section 6 of the *National Library Act 1960*. They are:

- (a) to maintain and develop a national collection of library material, including a comprehensive collection of library material relating to Australia and the Australian people;
- (b) to make library material in the national collection available to such persons and institutions, and in such manner and subject to such conditions, as the Council determines with a view to the most advantageous use of that collection in the national interest;
- (c) to make available such other services in relation to library matters and library material (including bibliographical services) as the Council thinks fit, and in particular, services for the purposes of:
 - i. the library of the Parliament;
 - ii. the authorities of the Commonwealth; and
 - iii. the Territories; and
 - iv. the Agencies (within the meaning of the *Public Service Act 1999*);
- (d) to co-operate in library matters (including the advancement of library science) with authorities or persons, whether in Australia or elsewhere, concerned with library matters.

The Library is one of several agencies within the Communications, Information Technology and the Arts portfolio with responsibilities for collecting Australian cultural heritage materials and making these available to the Australian public. Senator the Hon. Rod Kemp, Minister for the Arts and Sport, is the Minister responsible for the Library together with the Portfolio Minister, Senator the Hon. Helen Coonan, Minister for Communications, Information Technology and the Arts. The affairs of the Library are conducted by the National Library Council, with the Director-General as chief executive officer and member of the Council.

LEGISLATION

The Library was established under the *National Library Act 1960* which defines the Library's role, corporate governance and financial management framework. As a Commonwealth Statutory Authority, the Library is subject to the *Commonwealth Authorities and Companies Act 1997* (CAC Act) which provides the reporting and accountability framework.

ORGANISATION

The Library's senior management structure comprises the Director-General and eight Assistant Directors-General. Figure 2.1 describes the divisional organisational structure and senior management structure at 30 June 2006.

DIRECTOR-GENERAL

Ms Jan Fullerton AO

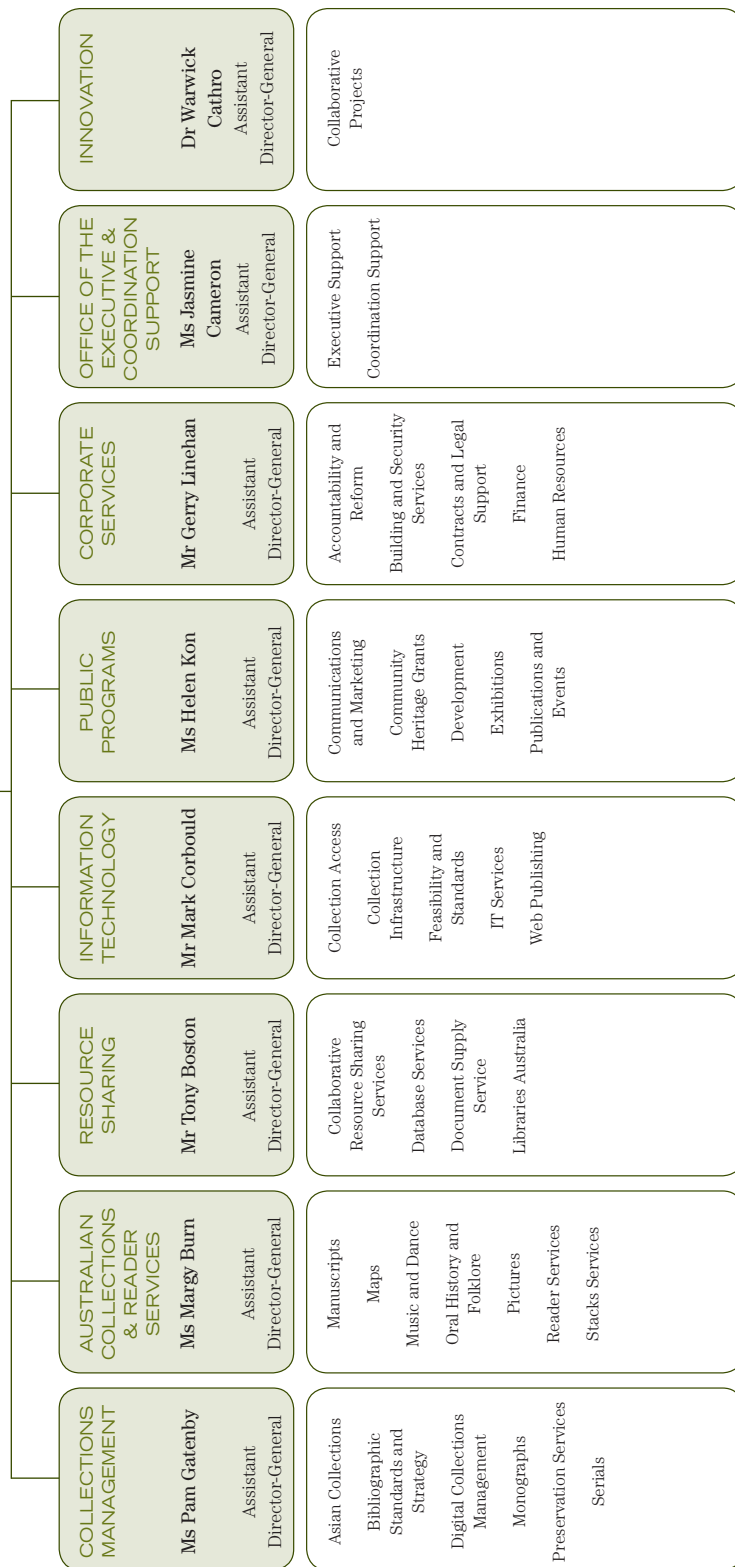


Figure 2.1 Organisational Structure

OUTCOME AND OUTPUTS STRUCTURE

Figure 2.2 shows the relationship between Outcome 1, the contributing outputs for the Library and the organisational structure. Financial details by outcome, outputs and output groups are provided in Table 1.1 on page 14.

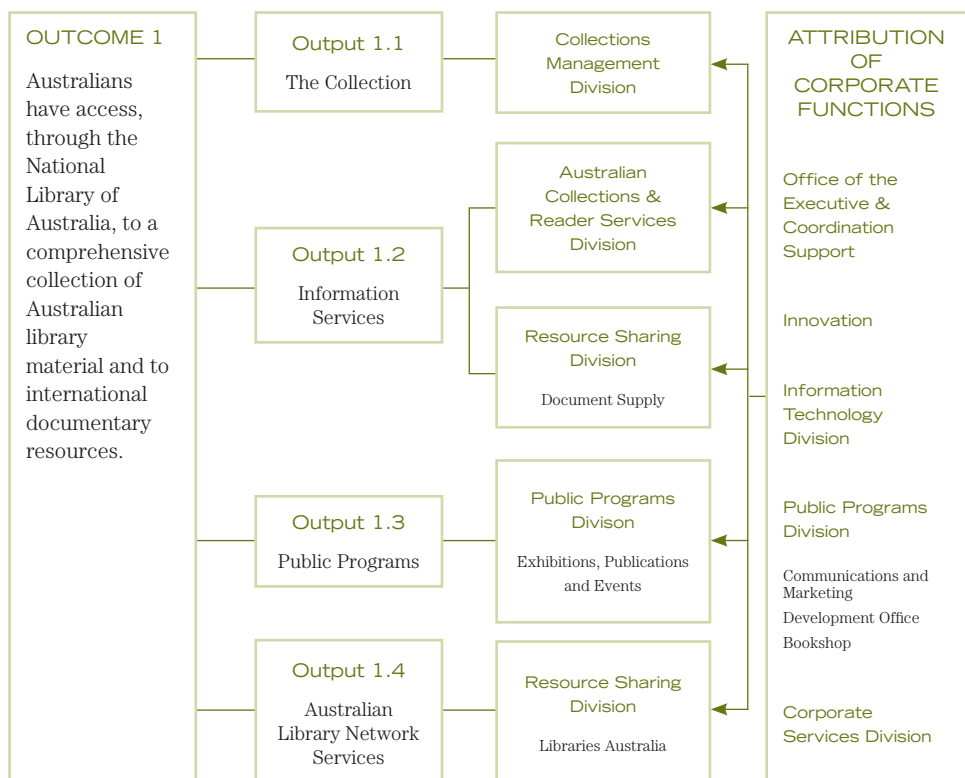


Figure 2.2 Outcome 1: Outputs and Organisational Structure 2005–2006

CORPORATE GOVERNANCE

Figure 2.3 shows the key elements of the Library’s corporate governance.

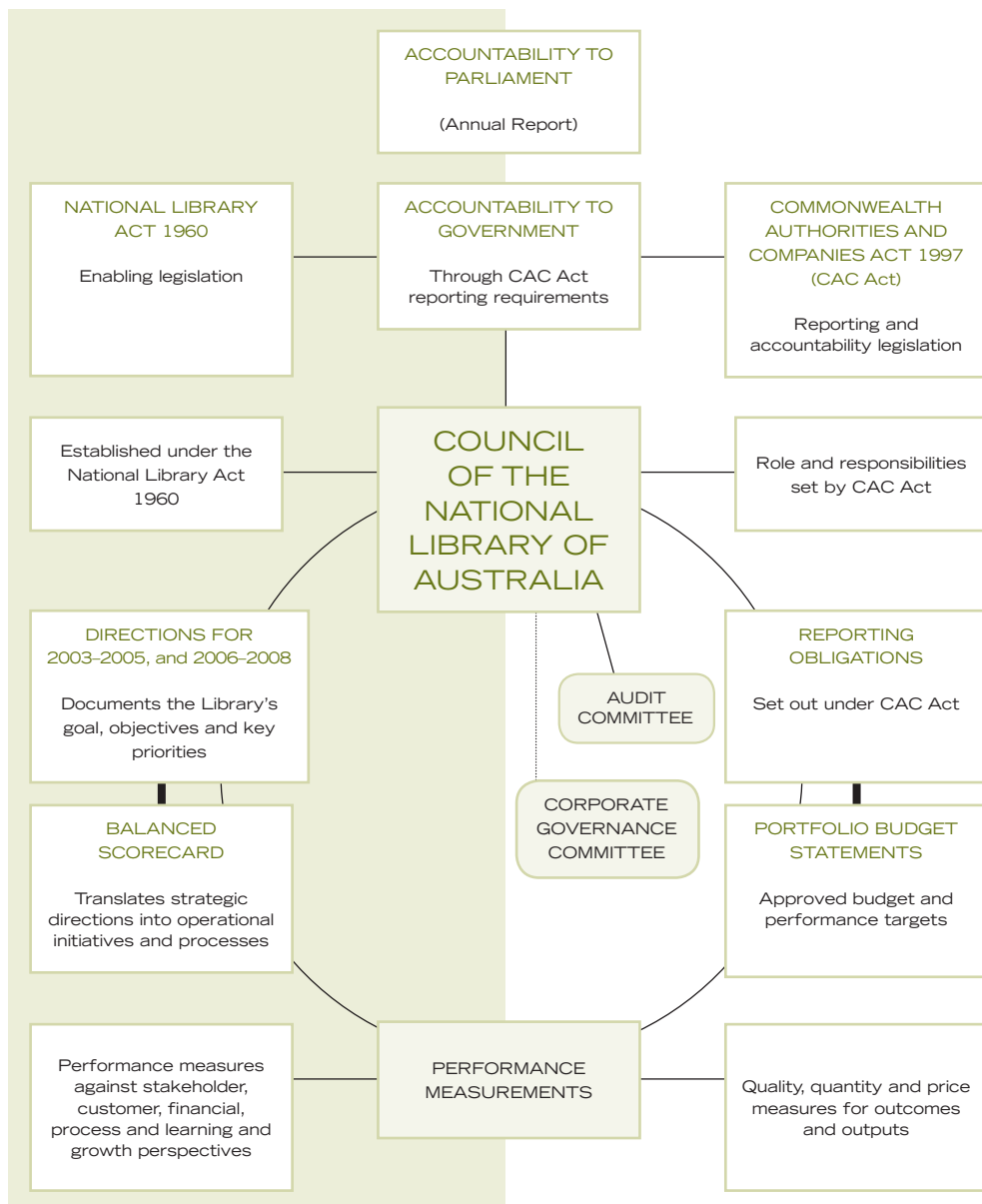


Figure 2.3 Corporate Governance

The National Library Council

The *National Library Act 1960* provides that a Council shall conduct the affairs of the Library. The Council has 12 members, including the Director-General, one senator elected by the Senate, and one member of the House of Representatives elected by that House. Appendix A lists the Council members and their attendance at Council meetings.

In addition to general administrative and financial matters, in 2005–2006 the Council considered a range of specific issues, among them the following:

- strategic directions 2006–2008
- the National Capital Authority's plans for the redevelopment of the Science and Humanities Campus in the Parliamentary Zone, including the Library forecourt
- the upgrade of the National Library podium
- the development of the new Library repository
- the report on the *Review of the Corporate Governance of Statutory Authorities and Office Holders* (the Uhrig Review)
- the Kinetica Redevelopment Project—including the implementation of Libraries Australia
- fundraising and sponsorship
- exhibitions and events, including the *National Treasures from Australia's Great Libraries* exhibition
- newspaper digitisation

- workforce strategy
- heritage management
- the National Library's Regional Office, located in Jakarta, Indonesia
- the first harvest of the whole Australian web domain
- significant acquisitions.

The Council has two advisory committees: the Audit Committee and the Corporate Governance Committee. Appendix A provides details.

The Audit Committee

The Audit Committee has the following role:

- to help the Library and members of the Council comply with their obligations under the *Commonwealth Authorities and Companies Act 1997*
- to provide a forum for communication among the members of the Council, senior managers of the Library, and the Library's internal and external auditors
- to ensure that there is an appropriate ethical climate in the Library and to review policies relating to internal controls and the management of risks.

The Audit Committee has a minimum of three non-executive Council members. The Director-General attends Audit Committee meetings. Appendix A provides details of Audit Committee membership and attendance at meetings.

In 2005–2006 the Audit Committee considered a range of matters. Among them were the following:

- preparation and auditing of the financial statements
- investment of Library Trust Monies
- contract management and training
- review of the control framework

- valuation of the collection
- fraud risk assessment and fraud control plan
- risk management
- assessment and reporting on Audit Committee performance
- progress with implementation of the recommendations in the Auditor-General's reports
- review of internal audit reports.

The Corporate Governance Committee

The Corporate Governance Committee has the following role:

- to evaluate the Council's effectiveness in its corporate governance role
- to evaluate the performance and remuneration of the Director-General
- to oversee the development of a list of prospective members for appointment to the Council, subject to consideration and approval by the Minister.

The committee has three non-executive Council members—the Chair, the Deputy Chair and the Chair of the Audit Committee—and has the power to co-opt one non-executive Council member from time to time. Appendix A lists the committee members.

The Corporate Management Group

The Corporate Management Group, consisting of the Director-General and eight senior executive staff, provides strategic and operational leadership for the Library. In particular, it monitors the achievement of objectives and strategies, oversees budget matters, develops policy, coordinates activities across the organisation, and oversees a range of operational issues. The group meets weekly.

A number of cross-organisational committees advise the Corporate Management Group in key

areas such as workforce planning, information technology, infrastructure, collection development, exhibitions and publications.

The Corporate Planning Framework

The Balanced Scorecard continues to provide the Library's principal planning support system, facilitating the integration of strategic, operational and budget planning. Since its adoption in 2000–2001, the scorecard has proven a successful performance management tool that is well accepted by staff and other stakeholders, including the Library Council. All scorecard achievements, initiatives and targets are reviewed regularly as part of the strategic management setting and monitoring processes.

The Risk Management Framework

The Library's Risk Management Framework provides effective tools for use by management and staff in the ongoing identification, evaluation and response to risks that may affect the collections, core business functions and the Library's strategic decision-making. The Library's Risk Management Register is central to this framework and as a consequence is subject to annual review. The register lists all identified risk exposures to the organisation and the latest review was completed in March 2006. All risks identified in the register are managed through established, mitigating planning processes, which include the Collection Disaster Plan, the Information Technology Disaster Recovery Plan, the Business Contingency

Plan for Critical Building Systems, and the Business Continuity Plan.

The importance of risk management is underscored by its ongoing significance within the Library's Emergency Planning Committee, a group of senior staff representing interests across the whole of the Library and offering a clear control structure to measure and discuss risks. New and emerging risk exposures are continuously identified and monitored by the Emergency Planning Committee. As a consequence of the annual review of the register, one newly constituted risk entered the top 10 risks. This relates to technology used to access machine-dependent data possibly becoming obsolete and thus affecting future access. As with other risks, this will be closely monitored throughout the year and re-assessed as part of the next review process.

PUBLIC ACCOUNTABILITY

External and Internal Audit

The Library's Audit Committee met three times during 2005–2006 to consider external and internal audit reports.

Australian National Audit Office Reports

The following Australian National Audit Office reports contain Auditor-General recommendations that have been implemented by the Library throughout the year.

2003–2004

- No. 19, *Property Management*
- No. 25, *Intellectual Property Policies and Practices in Commonwealth Agencies*

2004–2005

- No. 41, *Administration of Security Incidents, Including the Conduct of Security Investigations*
- No. 46, *Management of Trust Monies in CAC Act Entities*
- No. 49, *Administration of Fringe Benefits Tax*
- No. 52, *Legal Services Arrangements in the Australian Public Service*
- No. 55, *Workforce Planning*
- No. 57, *Purchasing Procedures and Practices*
- No. 59, *Safe and Accessible National Collections*

2005–2006

- No. 16, *The Management and Processing of Leave*

Internal Audit Reports

The Audit Committee considered the following internal audit reports:

- Goods and Services Tax Review
- Network Management and Administration
- Leave Processing Review
- Review of Australian Government Purchase Cards
- Control Framework Assessment Update
- Fraud Risk Assessment and Fraud Control Plan 2006–2008.

Parliamentary Committees and Government Inquiries

In August 2004, the Government released its response to the report on the *Review of the Corporate Governance of Statutory Authorities and Office Holders* (the Uhrig Review) and announced that Ministers would be required to assess their portfolio bodies against governance templates and then implement improvements to existing governance arrangements. The Library was consequently assessed against the principles and templates recommended in the Uhrig Review. As part of the appraisal, consideration was given to whether changes to existing arrangements would result in a more effective governance model. At the time of writing, the Library has yet to be advised of the outcome of the assessment by the Minister for the Arts and Sport.

The Library lodged a submission and attended a hearing of the House of Representatives Standing Committee on Legal and Constitutional Affairs in relation to a *Review of Technological Protection Measures*. Submissions were also lodged with the Attorney-General's Department on the *Fair Use Review of Copyright Exceptions* and with the Joint Committee on Publications *Inquiry into the Distribution of the Parliamentary Papers Series*.

Ministerial Directions

Under section 28 of the *Commonwealth Authorities and Companies Act 1997* the Minister for Communications, Information Technology and the Arts must consult Council members before notifying them of a general policy of government. No ministerial directions were received during 2005–2006.

Three general policies from previous financial years continue to be noted—policies on foreign exchange, cost recovery and a national code of practice for the construction industry.

Legal Action

In 2005–2006, action continued on the claim lodged in the ACT Supreme Court in 2003, on behalf of Wagdy Hanna and Associates Pty Ltd, seeking damages from the Library for an alleged breach of contract in respect of a 1996 tender process for one of the Library's off-site storage facilities.

The Ombudsman

No issues relating to the Library were referred to the Commonwealth Ombudsman's Office during 2005–2006.

Freedom of Information

The Library received no requests for access to documents under the *Freedom of Information Act 1982*. Appendix C provides a freedom of information statement; the Library's key supporting policies and documents are listed in Appendix D.

Indemnities and Insurance Premiums

Directors and officers of the Library are indemnified under the existing Comcover insurance coverage. Insurance premiums cover general liability; directors' and officers' indemnity; property loss, damage or destruction; business interruption/consequential loss; motor vehicles; personal accidents; and official travel overseas.

The National Library's 2005–2006 insurance premium decreased by 11.3 per cent on the previous financial year. This reduction is attributable to an improving commercial insurance market, a reward for a negligible claims history over the last seven years and overall risk management performance as measured in Comcover's 2005 Risk Management Benchmarking Survey. The latter resulted in the Library achieving the maximum premium discount of 5 per cent, based on its robust risk management practice.

Under the terms of the insurance schedule of cover, the Library may not disclose its insurance premium price.

Social Justice and Equity

The National Library serves a culturally and socially diverse Australian community and aims to make its collections accessible to all. The Library's collection exceeds seven million items, including material in 35 languages collected from all over the world. The Library's programs and services are developed with an emphasis on public accessibility and adhere to the principles outlined in the Australian Government's Charter of Public Service in a Culturally Diverse Community. The Library

considers that it is actively and conscientiously implementing the Charter and providing all Australians with the opportunity to access documentary resources of national significance, in accordance with the *National Library Act 1960*.

The Library aims to provide all Australians with equitable access to its services, in a manner suited to their individual needs. In particular, it does the following:

- provides an increasing range of services to Australians in any location through its website and travelling exhibitions
- collects Australian library materials in community languages for current and future research
- maintains high standards of physical access to its building and services through implementation of the Disability Action Plan
- helps community organisations—including geographically isolated and culturally diverse groups—preserve nationally significant documentary heritage collections through the Community Heritage Grants Program
- arranges special Library tours for community groups or groups for people with languages other than English
- celebrates community diversity through special events for NAIDOC Week, Women's History Month and other national celebrations of diversity.

As part of the Library's commitment to social justice and equity, regular surveys of on-site and remote users are undertaken to improve the Library's understanding of how services are used. Key stakeholders, including disability groups, are also consulted in the development of new or enhanced services. The Library reports annually on social justice and equity initiatives as part of the whole-of-government *Access and Equity Annual Report*.

Service Charter

The Service Charter sets out the Library's commitment to users, the standards of service users can expect, and the mechanisms for providing feedback or making a complaint. The charter is available via the website and as a print publication in standard and large print formats.

Overall adherence to the standards in the charter is reported on in Chapter 3, under Output 1.2. The service standards were met as follows:

- 98 per cent of reference enquiries were answered within standards (target: 95 per cent)
- 91 per cent of collection items were delivered within standards and timeframes (target: 90 per cent)
- the Library's website was available 24 hours a day for 99.03 per cent of the time (target: 99.5 per cent). The website availability was affected by a software problem that is still under investigation. Infrastructure changes have been implemented to minimise the occurrence and impact of this problem.

The Library welcomes feedback as well as suggestions for service improvements. Feedback forms are placed at service points throughout the Library and on the website. This year 53 formal compliments and 27 formal complaints were received from users, as Tables 2.1 and 2.2 show.

In addition a number of formal compliments were received from participants in national professional conferences and forums organised by the Library and contributors to National Library events and publications.

Subject	Number	Nature
The collection	4	New acquisition secured; quality of collection material.
Information services to individuals	25	Quality of staff; excellence and speed of services in reading rooms; introduction of wireless Internet access; excellence of reader education and presentations about new acquisitions, special collections and services; and collection delivery.
Public programs activities	18	Interesting place to visit; excellence of exhibition; excellence of staff; stimulating and interesting events; education program contributes well to student learning.
Services to libraries, publishers and other organisations	3	Excellence of staff; appreciation of support; appropriate pricing of pictures.
Facilities and other	3	Quality of venue hire service and support for events; appreciation of National Library Bookshop.
Total	53	

Table 2.1 Compliments Received 2005–2006

Subject	Number	Nature	Outcome
The collection	0		
Information services to individuals	11	Sunday 1.30 pm opening too late; Internet down times; behaviour of fellow users; staff member rude; misleading staff member; delay in response to off-site enquiry; call slip ordering of serials inflexible; links to databases not providing current content in full text; inconvenience of redeveloped website; problems connecting to wireless Internet service	The Library provided explanations and/or apologies in response to complaints. Staff have been reminded of the need for courtesy in dealing with users.
Public programs activities	4	Display cases in exhibition gallery too high for short people; incorrect spelling of website address in promotional material; disappointment with an event	The Library has provided explanations and/or apologies in response to complaints.
Facilities and other	12	Security guards too strict or incorrect in their dealings with exhibition visitors; hard to find the Library because of insufficient signage; insufficient signage inside the Library; bags above certain size not allowed into the reading rooms or exhibition gallery; insufficient longer-term car parking facilities; smoking allowed outside the building	The Library has provided explanations and/or apologies in response to complaints. Car parking and signage issues are being considered as part of a broader Parliamentary Triangle initiative and the Library has passed the complaints on to the National Capital Authority. Security exhibition procedures were reviewed and guards were reminded to be sensitive in their dealings with exhibition visitors.
Total	27		

Table 2.2 Complaints Received 2005–2006

Consultancy Services

The Library entered into 46 new consultancy contracts during 2005–2006, at a total actual expenditure of \$892,715 (inclusive of GST). In addition 10 ongoing consultancy contracts were active during the same period, involving total actual expenditure of \$615,592. The consultants were selected in accordance with processes described in the Library's Procurement Guidelines. Major consultancies included design work on the podium refurbishment project; software development; and technical advice for the upgrade of heating, ventilation and air conditioning systems. Other consultancies related to legal services; a heritage strategy; exhibition displays; and internal audit. Appendix E lists consultancies with an individual value of \$10,000 or more.

Advertising and Market Research

The advertising and market research organisations shown in Table 2.3 were contracted to provide services in 2005–2006, at a total cost of \$150,230.

Organisation	Cost	Purpose
Bearcage Productions	\$15,220	Video production services to assist in the launch and promotion of Libraries Australia
Canberra Mailing	\$2,704	Promotional advertising for Library events and publications
Environmetrics Pty Ltd	\$11,864	Evaluation of visitor satisfaction with the exhibition, <i>National Treasures from Australia's Great Libraries</i>
HMA Blaze	\$80,390	Newspaper advertising promoting the Library
Nielsen//NetRatings	\$31,515	Evaluation of website user satisfaction with MusicAustralia and Australia Dancing
Pirion	\$8,537	Promotional advertising for Library events and publications
Total	\$150,230	

Table 2.3 Advertising and Market Research 2005–2006

CORPORATE MANAGEMENT

Corporate management broadly covers the categories of people management and asset management. The Library also plays a part in corporate management across other collection and portfolio agencies through its role chairing the Corporate Management Forum and as payroll processor for the National Archives of Australia and the Australian Research Council.

People Management

Workforce Planning

The Workforce Planning Committee meets quarterly to discuss workforce planning initiatives across the Library, with particular reference to changes in workforce demographics and the evolving nature of the operating work environment. This year, discussion has focused on implementing a strategic approach to enhancing the capability of the Library's workforce.

The committee monitors the implementation of the Library's Strategic Workforce Plan and examines the workforce profile. The Strategic Workforce Plan was approved by the Council in August 2005. The plan provides a comprehensive strategy and a clear agenda for Library staff during the next five years. It describes key strategies aimed at ensuring that the Library will have a workforce that is flexible, innovative and able to assist the Library in meeting its *Directions for 2006–2008*.

The following are the main areas of focus in the Strategic Workforce Plan:

- leadership
- teams and collaboration
- development and learning
- innovation
- attracting and retaining suitably skilled people
- mobility and flexibility.

National Library staff were consulted during a review of the Library's performance management system. New assessment criteria place greater focus on critical areas—such as implementing the Library's *Directions for 2006–2008*, leadership, innovation and teamwork—and have been well received. In addition, the performance management system has been replaced by a module of the Library's Aurion payroll system which offers greater functionality. The new system was introduced together with training and piloted by senior staff in November 2005. The final training sessions for all staff were completed on 5 May 2006. A streamlined mechanism for identifying personal development needs has been incorporated into the performance management system and improved consultation with Division Heads on training priorities instituted.

In addition a draft Mature Age Worker Strategy has been developed and a series of Focus Lectures, delivered by each division to increase the awareness and understanding of other staff about the work of and innovations in each division, has been introduced.

Industrial Democracy: Certified and Workplace Agreements

The Library's Consultative Committee is a forum for consultation and discussion among management, staff and unions. The Committee met four times during 2005–2006, considering issues such as commitments under the Certified Agreement, the Healthy Work and Life Program, a Mature Age Worker Strategy and the Library's performance management framework.

The National Library of Australia Certified Agreement 2004–2007, pursuant to section 170LK of the *Workplace Relations Act 1996*, was certified by the Australian Industrial Relations Commission on 29 July 2004. The agreement was made direct with Library staff following a comprehensive consultative process. The agreement, which is due to expire in June 2007, has continued to work satisfactorily for the Library. Arrangements for the preparation of a new agreement in the context of the *Workplace Relations Amendment (Work Choices) Act 2005* are being considered, with a view to development work starting in the new financial year.

Remuneration, Including Non-salary Benefits

In accordance with the Principal Executive Office arrangements, the National Library Council determines the Director-General's remuneration.

At 30 June 2006, all eight Senior Executive Service (SES) staff and 73 of the non-SES staff were covered by Australian Workplace Agreements; the remaining 381 staff were covered by the National Library of Australia Certified Agreement 2004–2007.

Remuneration for SES and non-SES staff covered by an Australian Workplace Agreement is determined by the Director-General after consultation between the employee and the relevant Division Head. Table 2.4 shows the salary ranges for classifications below SES level and the number of Library employees at each level.

In 2005–2006, 424 staff were eligible to participate in performance assessments that were linked to possible performance pay outcomes.

As well as the non-salary benefits made available under the Certified Agreement, which have also been incorporated in the Workplace Agreements, staff have access to a range of benefits such as flexible working hours, additional study leave for distance education, cashing-out of some annual leave entitlements, uncapped personal leave, maternity leave at half-pay, and additional purchased leave provisions.

SES staff members have an entitlement to a vehicle and a mobile phone.

Classification	Salary Range	No of Employees
APS1	\$10,779 – \$34,836	2
APS2/Graduate	\$35,672 – \$39,556	78
APS3	\$40,630 – \$46,879	80
APS4	\$45,283 – \$52,536	70
APS5	\$50,508 – \$54,520	72
APS6	\$54,551 – \$71,632	70
EL1	\$69,769 – \$96,410	58
EL2	\$80,411 – \$106,595	24

Table 2.4 Salary Ranges Below SES Level and Number of Employees 30 June 2006

Fraud Risk Assessment and Fraud Control

In 2005 the Library reviewed and updated its Fraud Risk Assessment and Fraud Control Plan. Fraud control is taken very seriously and all Library staff are required to attend a rolling program of fraud and ethics education and awareness training. During 2006 the Library conducted a Control Framework Assessment, which determined the adequacy of management's response to high-level risks throughout the organisation. The Library also has in place fraud prevention, detection, investigation, reporting and data collection procedures and processes, which, together with the Fraud Risk Assessment and Fraud Control Plan, meet the specific needs of the Library and comply with the Commonwealth Fraud Control Guidelines.

Ethical Standards

The Library's Certified Agreement 2004–2007 endorses its commitment to and compliance with the Australian Public Service (APS) Values and Code of Conduct. As part of the ongoing induction program, all new staff receive a formal briefing on ethics and probity, including an overview of the Values and Code. The induction training throughout this year has placed particular focus on the APS Code of Conduct and Fraud Management Policy.

The Commonwealth Disability Strategy

The Library continues to meet the Commonwealth's guidelines in relation to the *Disability Discrimination Act 1992*. Its Disability Action Plan

ensures that people with a disability are not unfairly disadvantaged as clients of the Library or in any aspect of the Library's employment or working environment. Recruitment policies and selection processes provide that applicants are considered on merit. Selection documentation is distributed electronically and in hard copy on request. Applicants with a disability are offered assistance if they need it to attend an interview. In all training activities, participants with a disability are asked to notify in advance any particular requirements to ensure that these are accommodated. The Library's Workplace Diversity Policy offers to managers and staff additional guidance in connection with their obligations to disabled employees and prospective employees.

Workplace Diversity

At 30 June 2006, 72 per cent of Library staff were female and 27 per cent of staff had identified themselves as being of culturally and linguistically diverse backgrounds. This year, the Library has completed the review of the Workplace Diversity Program which commenced in 2004–2005. The revised program includes the development of a Mature Age Worker Strategy, the enhancement of recruitment and selection processes, the utilisation of the Australian Public Service Commission's Indigenous Graduate Program to source candidates for the 2007 Graduate Program, cross-cultural and disability awareness training, and improvements to capturing and reporting workforce diversity data.

Occupational Health and Safety

The Occupational Health and Safety Committee met four times during 2005–2006 and dealt with a variety of matters relating to health and safety principles and practices. The Committee is made up of 10 elected staff, three nominated staff representatives and three nominated management representatives. The elected staff representatives receive training in occupational health and safety legislation and their roles through the Workwatch Training Centre.

Individual performance indicators relating to occupational health and safety are incorporated at all classification levels. This necessitates greater understanding, assessment and compliance with occupational health and safety objectives by all staff. During the reporting year the Library continued a program of workplace assessments for staff. In addition, seminars and ergonomic advice were provided to staff through a range of avenues.

The Healthy Work and Life Program continues to promote healthy work and lifestyle practices and offers management and staff an appropriate avenue for sharing healthy lifestyle information and best-practice occupational health and safety advice.

There were no reportable incidents during 2005–2006.

The Library was not issued with notices or directions under sections 29, 45, 46 or 47 of the *Occupational Health and Safety (Commonwealth Employment) Act 1991*.

Asset Management

Plant and Equipment

The Asset Management Committee continued its strategic focus on whole-of-life plant and equipment management within the Library. The Committee oversees the Library's Plant and Equipment Asset Management Strategic Plan and coordinates asset acquisition programs for each financial year. It also develops and monitors a three-year forward Asset Acquisition Program for strategic planning purposes and an Asset Disposal Program using the Library's Asset Register. Major asset acquisitions in 2005–2006 included the replacement of all the Library's desktop computers, increased IT storage capacity and additional compactus shelving for the collections.

A review of the Library's asset management procedures was undertaken in June 2006 to determine whether any further enhancements could be made. The report is to be considered early in the new financial year.

The total value of the plant and equipment is \$8.556 million. The Library continues to use an integrated life-cycle management policy for these assets.

Collection Asset

The Australian Valuation Office, in consultation with statisticians from the University of Western Australia, valued the Library's collections at over \$1.481 billion. The collection is the Library's major asset, on which many Library services are based.

Land and Buildings

The Library's land and buildings are valued at \$157.835 million. The major components of these assets are managed by the Building Works Coordination Committee through the Long-term Strategic Management Plan for the Building, which provides a full condition appraisal and life-cycle cost analysis of the total building asset and sets the direction for building works, including a 15-year forward maintenance program. The plan is reviewed every three years, the most recent review being in late 2005.

The main Library building is located in the Science and Humanities Campus of the Parliamentary Triangle. The National Capital Authority is planning to refurbish the Library Forecourt (Campus Square). The Library is working with the authority to ensure the upgrade meets stakeholder requirements.

A number of air conditioning-related upgrades were completed throughout the year, including the upgrade to systems in the Oral History, Maps, Newspaper and Microform Reading Rooms, as well as climate control systems for the Exhibition Gallery and

Storage Area. The air conditioning works for the reading rooms will provide improved conditions for visitors and staff, while the air conditioning upgrades in the Exhibition Gallery and Storage Area were necessary to allow improved controlled environmental conditions for exhibition material. Work commenced on an upgrade of the building fire systems.

Funding of \$9.8 million was approved in the 2006–2007 Federal Budget for the refurbishment of the main building podium. A two-phase contract commenced in November 2005 to investigate initial options and undertake preliminary design and costing. As the Library's main building is a prominent and iconic Canberra site and is included on the Commonwealth Heritage List, all refurbishment work will be consistent with the Library's externally approved Heritage Management Plan and Strategy. Phase two of the contract for the detailed design and documentation has commenced. A procurement process will be undertaken for a construction contractor following completion of the design, documentation and approvals necessary for the project. It is anticipated that the phase-two design and documentation approvals and engagement of the construction contractor will be finalised before the end of 2006. Construction work is expected to commence in January 2007 and be completed in June 2008.

Construction of the new repository, funded as part of the 2004–2005 Federal Budget, is well under way and is scheduled to be completed in August 2006. As reported last year, the repository is being built in Hume, an industrial estate about 12 kilometres from the Library's Parkes site. It will have a storage area of 3,510 square

metres and be fitted out with high-rise shelving for the storage of books, newspapers and other printed material. The building will also incorporate 220 square metres of office and amenities space. Where possible, the design includes ecologically sustainable development principles, such as underground tanks to harvest rainwater that can be used for irrigation.

Heritage Management Strategy

In accordance with section 341ZA of the *Environmental Protection and Biodiversity Conservation Act 1999*, the Library has completed the preparation of a Heritage Strategy to manage the future protection and conservation of Commonwealth heritage values for the building. The Heritage Strategy has been reviewed by the Department of Environment and Heritage and has been endorsed by the Australian Heritage Council which advised that it is an excellent and clearly presented document.

Security and Business Continuity

The Library maintained its program of improving security systems and ensuring core business continuity. The Emergency Planning Committee, which is chaired by the Assistant Director-General, Corporate Services and reports to the Director-General, monitors all aspects of protective security and emergency planning. Committee members are senior staff with responsibility for corporate communications, security of personnel, the collections, the building and other assets. The security program is aligned to priorities identified in the Library's Risk Management Register.

A revision of the Library's Protective Security Policy and Procedures was undertaken during 2005–2006. During this period the Security Services Section was involved in delivering effective risk management solutions to a number of Library activities including the *National Treasures from Australia's Great Libraries* exhibition and celebrations for Australia Day. Protective security guarding arrangements, policy and procedures were reviewed and updated.

Security surveillance has been enhanced through the extension of security technologies linking the main Library building at Parkes Place and the new Hume repository. Security and emergency procedures and awareness were further improved by incorporating lessons learned in response to an ongoing innovative program of emergency training activities throughout the year.

The Library's business continuity arrangements were tested again this year when there was a failure of the PABX system over two days in February 2006. This incident necessitated the implementation of alternative communication strategies. As a result of the lessons learned from this and other incidents the Library undertook a review of business continuity planning with a series of recommendations being made based on current best practice.

Energy Consumption and Environment Protection

The Library has developed and implemented an Ecologically Sustainable Development Program to meet the requirements of the *Environment Protection and Biodiversity Act 1999* which focuses on six separate Environmental Management Plans (EMPs). These are:

- EMP 1—amending procurement guidelines to incorporate procedures that encourage the selection of suppliers that provide environmentally sustainable products
- EMP 2—the 100 per cent recycling of all aluminium cans
- EMP 3—the 100 per cent recycling of all fine paper
- EMP 4—the 80 per cent recycling of all cardboard
- EMP 5—the 100 per cent recycling of all toner cartridges
- EMP 6—maintaining energy efficient systems and reducing energy consumption.

Collection facilities have been established throughout the building for recycling aluminium cans, fine paper and cardboard. Collection facilities have also been established for used toner cartridges. The Library's procurement guidelines incorporate a section on environmental purchasing. Plant and equipment upgrades are designed and implemented to optimise energy efficiency so as to reduce energy consumption. Energy consumption is closely monitored to establish high-load areas and opportunities to reduce consumption are highlighted for implementation.

Competitive Tendering and Contracting

The Library market tests and utilises outsourcing options in cases where it can be demonstrated to be cost-beneficial. Two changes to outsourced arrangements occurred during the year: an open-tendering process for mailroom facilities and the renewal of the security guarding contract for one year.

Purchasing Policies

During the reporting year the Library continued to focus on cost-effective contract management and procurement practices, consistent with core Commonwealth purchasing principles. A procurement profile was prepared to examine the appropriateness of the Library's purchasing management framework and thresholds and, in particular, to ensure that purchasing transaction processing remains efficient. It was determined that the more prescriptive and detailed purchase procedures represented less than

0.2 per cent of transactions but 64 per cent of total expenditure on non-collection products and services; whereas expenditure under \$10,000 requiring simple processing skills represented 97 per cent of transactions in volume. While the Library continues to keep a watching brief and is conscious of any opportunities for reduction of overheads, these results indicated that there was no need for immediate major changes.

Along with other Commonwealth agencies, the Library prepared and published its first Annual Procurement Plan on the Government's AusTender website. Proposed purchases listed were those that are strategic or key to the Library's core business. The published plan excluded items for the collection.

To ensure contracts that support Library purchases are up-to-date and continue to reflect better practice, external legal advice was used to review and update all Library standard service contracts along with the one-page contract that accompanies all purchase orders. Similarly the procurement and contract checklists that are automatically sent out to staff undertaking tendering and contract activities were reviewed and further refined to provide clear instructions on purchasing policies and practices.

Project Management Methodology

In March 2006 the Library commenced a review of its in-house Project Management Methodology. The aim of the review was to streamline the current Project Management Templates and make recommendations on how best to simplify them whilst gaining maximum

benefit from their use, without compromising best practice or the integrity of the project management process. The Library also sought to incorporate a Risk Profile Report into the Project Management Methodology at each phase of a project as an effective management and reporting tool.

Other initiatives included reviewing the Library's processes for managing slippages to project schedules, implementing effective project closures and improving the documentation and accessibility of lessons learned from previous Library projects. The revised methodology incorporates procedures that direct Library Project Managers and Project Boards to review the lessons learned from previous projects prior to initiating a new Library project. Training on the new arrangements is expected to commence early in the new financial year.

Discretionary Grants

In 2005–2006 the Library operated six discretionary grant programs including a major new program.

- *Community Heritage Grants (CHG)*. With assistance from the Department of Communications, Information Technology and the Arts, the National Archives of Australia, the National Film and Sound Archive and the National Museum of Australia, the CHG Program awarded 76 grants of up to \$10,000 each to help community organisations preserve nationally significant cultural heritage.
- *Harold White Fellowships*. The Library funded four fellowships, awarded to established scholars and writers—Pamela Gutman, Bernadette Hince, Jemma Purdey and Carolyn Strange—who spent between three and four months at the Library researching collection material in their fields of expertise.
- *Norman McCann Summer Scholarships*. Funded by Mrs Pat McCann, the Library awarded four scholarships of six weeks duration to young Australians—Avan Stallard, Agnieszka Sobocinska, Dunya Lindsey and Georgia Sheills—

to undertake research on topics in Australian history or Australian literature.

- *The National Library of Australia National Folk Festival Fellowship.* With assistance from the National Folk Festival, the Library provided a four-week residency for folk performers Ben Stephenson and Adrian Barker to research original source materials in the Library's collections and prepare for a performance at the National Folk Festival.
- *Development of Library Professionals.* This was a one-off grant to assist with an internship by National Library staff member, Sophie Lewincamp, at the Library of Congress, working with conservation experts in techniques associated with heritage materials.
- *Kenneth Binns Travelling Fellowship.* Funded by Mrs Alison Sanchez to commemorate her father, Kenneth Binns, Chief Librarian of the Commonwealth National Library 1928–1947, the Fellowship supports travel for professional development by Library staff in the early stages of their career. The Fellowship supported Natasha Simons' investigation of resource sharing in Canada and Emma Kennedy's examination of virtual reference services for school students in New Zealand.

Co-operation on Corporate Management Issues within the Communications, Information Technology and the Arts Portfolio

During 2005–2006 the Library continued to chair the Corporate Management Forum. The forum consists of senior executives with corporate management responsibilities from nine agencies within the Communications, Information Technology and the Arts portfolio and two other agencies. The forum considers common issues in the areas of human resource management, financial management, information technology and facilities management, with a view to achieving economies of scale, sharing experience and encouraging best practice.

The forum met six times during the year. Among the matters it considered were the following:

- developments in relation to collection depreciation funding
- budget processes
- major procurement activities
- the *Review of the Corporate Governance of Statutory Authorities and Office Holders* (the Uhrig Review)
- development and implementation of heritage plans
- implementation of recommendations from the Australian National Audit Office's *Safe and Accessible National Collections* report
- risk and insurance
- media monitoring
- copyright
- business continuity
- Cabinet liaison arrangements
- information technology developments.

INFORMATION TECHNOLOGY

Information technology (IT) is used by the Library to facilitate and support the development of new online services, and to ensure sustainable and effective services are delivered using a cost-effective, reliable and responsive IT infrastructure.

As in 2004–2005, the major IT undertaking was the successful redevelopment of the Kinetica resource-sharing service, which resulted in the launch of Libraries Australia. While the development and implementation phases were completed in February 2006, significant resources were dedicated to operational and support issues for the new service for the remainder of the financial year.

IT resources are increasingly devoted to the support and enhancement of existing services, as a consequence of the successful development of services such as Libraries Australia, PictureAustralia, MusicAustralia, PANDORA, Australia's Web Archive and the digitisation of unique Australian material from the collection. This places significant constraints on the IT Division's capacity to support the implementation of new and innovative services.

Innovation

In 2005–2006, the Library undertook a range of IT development activities aimed at improving the Library's services. In addition to the redevelopment of Libraries Australia, these included:

- exploration of new partnerships outside the Library sector and the use of low-cost open web

technologies. This resulted in a collaboration with Yahoo!7 to utilise the Flickr photograph-sharing service, offering an improvement in the range of contemporary images available in PictureAustralia

- development of E-Resources, a service to help both on-site and off-site users find websites, indexes, full text e-journals and subject guides on a range of topics. E-Resources provides a rich and powerful search interface which prominently displays the most relevant resources returned after a search query, as well as resources on topics closely related to the search term
- partnering the Association for the Study of Australian Literature in a pilot program for hosting open access journals. The service uses an open-source management and publication system, together with the creative commons licensing model. This pilot allows the Library to explore a range of issues regarding an important form of scholarly electronic publication and the Library's role in collecting, preserving and providing access to this material
- extending the Library's online delivery system to allow audio from the Oral History and Folklore Collections to be made available to users via the Internet. This system is one of many emerging services (such as Internet radio and podcasting) that deliver audio content via the Internet. The audio delivery system positions the Library to provide enhanced access to audio collection material to all Australians as well as enabling more efficient and convenient access to restricted audio material within the Library's reading rooms
- planning to provide online services which support information sharing and the creation of knowledge by Library users. A 'National Library of Australia: Take Part' space is being developed, initially for the Australia Dancing service. This will allow users to create entries on dancers, companies and dance forms to enhance the content of the service. The 'Take Part' service will be expanded to other Library services and

the selected software will also be used to enhance internal communication within the Library.

Infrastructure and Services

The continuing growth in the size and number of Library digital services is supported by continuous improvement in the development and delivery of the Library's IT services and IT infrastructure. Following the successful redevelopment of Libraries Australia, the IT Division underwent a restructure to adopt a small-team development model aligned to business areas and to address the operational requirements resulting from the decision to bring in-house the support of Libraries Australia.

The Library achieved workflow productivity improvements through IT in a range of areas, including:

- the procurement of a Document Supply Management system
- support for additional collection material types in the Digital Collection Management system
- the introduction of an improved web authoring system
- an enhanced Cataloguing-in-Publication service.

The Library's digital collections currently occupy 77 terabytes of storage capacity. Figure 2.4 shows the growth in storage required to support the Library's digital collections. The routine selective digitisation of the Library's collections together with the acquisition of unique Australian born-digital material through PANDORA requires the Library to provide an additional 18 terabytes of storage each year. The first Australian web domain harvest undertaken in 2005 had a storage requirement of eight terabytes. Subsequent annual domain harvests are expected to be larger.

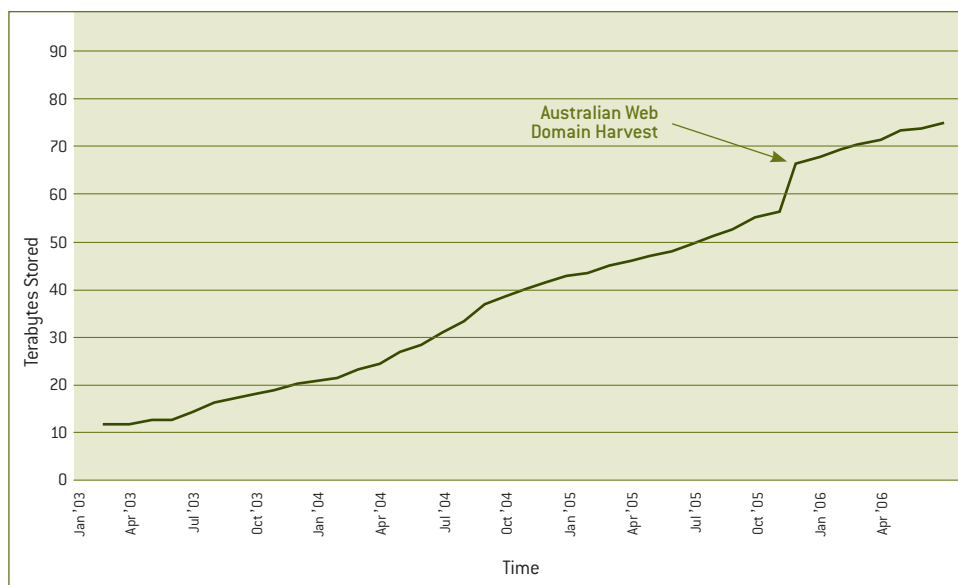


Figure 2.4 Growth in Digital Collection Storage

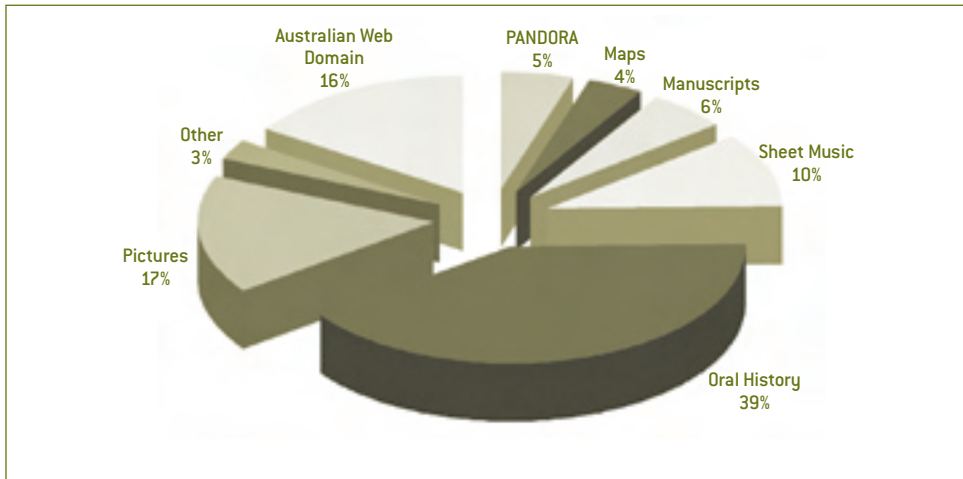


Figure 2.5 Digital Collections by Material Type

Figure 2.5 shows the Library's digital collection by material type. The Library also supports a substantial IT infrastructure to enable access to its own and other collections.

Figure 2.6 shows the growth in the use of several of the Library's key

web-based services since 2000. This chart illustrates two emerging trends. Firstly, the growth in usage of individual online Library services appears to plateau over time. For example, this has occurred with NLAweb. Secondly, ongoing growth in usage is driven by the regular release of new and innovative services such as MusicAustralia and Libraries Australia.

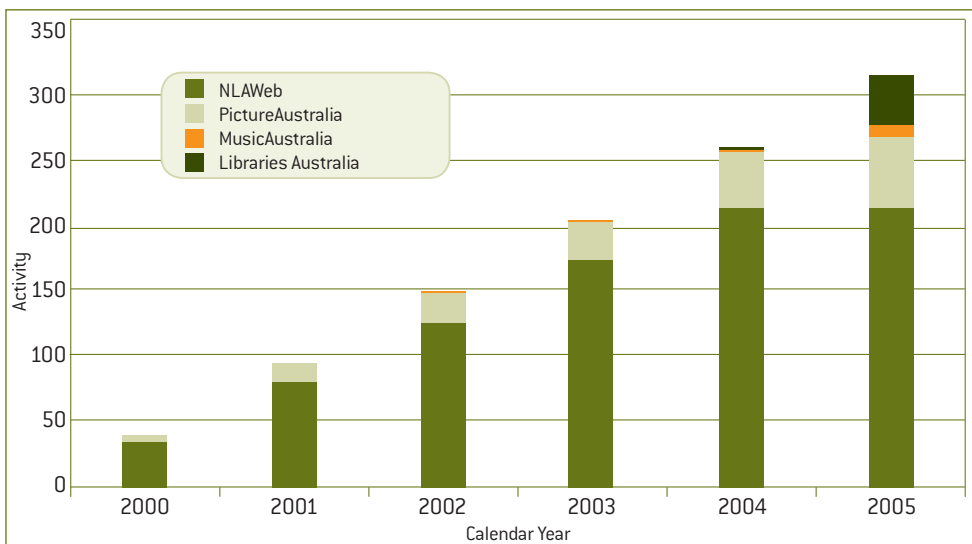


Figure 2.6 Web Usage

Underpinning the storage and access services discussed above must be reliable IT infrastructure. The average availability during the year of 10 key service areas is shown in Table 2.5.

The target availability of 99.5 per cent was met for all services except the network and the website. Network availability was affected by performance issues associated with the Library's firewalls. Interim changes were made pending planned replacement of the firewalls in 2006–2007. The website availability was affected by a software problem that is still under investigation. Infrastructure changes have been implemented to minimise the occurrence and impact of this problem.

Under its asset management program, the Library continues to regularly replace or upgrade IT infrastructure. The reporting year saw several important developments:

- the capacity of the tape and disk storage systems was substantially increased
- the majority of desktop computers were refreshed and the Library was pleased to support the Australian Government's Computer Technologies for Schools Project through the donation of approximately 500 desktop computers replaced as part of the refresh program

- a significant upgrade of server capacity for test and production systems commenced
- the Library procured and implemented the first stage of an IT Infrastructure Library Service Desk to support the achievement of increased service levels and to support corporate planning through improved reporting of IT support resource usage.

The Information Technology Division market-tested the provision of voice and data services, resulting in the consolidation of provision of its voice and data services through a single vendor.

The provision of a full-text search capability with the IT infrastructure was a priority for 2005–2006 and the Library selected an open source toolkit, Lucene, for this role. Lucene provides full-text search for PANDORA and is also used to analyse the Library's whole-of-domain web harvest. It will be extended to support full-text search across the Library's website.

Service	Availability (%)
Local Area Network	99.29
File Services (Microsoft Windows Servers)	99.99
Email (Microsoft Exchange)	99.97
Website	99.03
Integrated Library Management System	99.98
PANDORA	99.69
Finance One	100.00
Kinetica Search/Libraries Australia	99.69
Kinetica/Libraries Australia Document Delivery	99.73
PictureAustralia	100.00

Table 2.5 Service Availability 2005–2006

3. Report of Operations

In this chapter, the Library reports on its operations in terms of four outputs:

- Output 1.1—The Collection
- Output 1.2—Information Services
- Output 1.3—Public Programs
- Output 1.4—Australian Library Network Services.

OUTPUT 1.1—THE COLLECTION

Description

To 'ensure a comprehensive record of Australian history and endeavour, and a selected record of the world's knowledge, is collected, cared for and accessible', Australian library materials and a selection of non-Australian publications are collected, catalogued, and preserved by the Library for current and future access. The Australian collection includes print publications such as books, serials, maps, and music scores, which are collected comprehensively, and online publications and unpublished material such as manuscripts, pictures and oral histories, which are collected selectively. A considerable collection of general overseas and rare books materials, as well as world-class Asian and Pacific collections, augment the Australiana collections. Selected materials from the collections are digitised to provide immediate online access to their content. Preservation programs are in place for the print and digital collections to protect them for long-term access.

Table 3.1 provides details of funds appropriated and spent in support of this output in 2005–2006.

	Budget 2005–2006 \$'000	Actual 2005–2006 \$'000	Variation to Budget \$'000
Departmental appropriations	17,455	17,455	—
Revenue from other sources	3,096	3,615	519

Table 3.1 Output 1.1: Funds Appropriated and Spent 2005–2006

Performance

Outputs

Table 3.2 shows measures, targets and achievements in relation to Output 1.1 in 2005–2006.

	Measure	Target	Achieved
	Appropriate and effective collecting		
	Percentage of Australian publications within the Collection Development Policy that have been collected	85%	93%
Effectiveness	Effective access to the collection		
	Percentage of new items catalogued on the National Bibliographic Database	100%	97%
	Percentage of targeted older material catalogued on the National Bibliographic Database	100%	100%
Quality	Percentage of the items checked in, catalogued or indexed within standards/timeframes	95%	98%
	Percentage of the collection maintained within set standards	85%	88%
Quantity	Number of collection items stored and maintained	6,008,000	5,838,048
	Number of collection items acquired and/or processed or digitised	565,000	399,481
Price	Cost per collection item maintained	\$0.44	\$0.45
	Cost per collection item acquired and/or processed or digitised	\$31.62	\$42.10

Table 3.2 Output 1.1: Measures, Targets and Achievements 2005–2006

EFFECTIVENESS



Figure 3.1 Appropriate and Effective Collecting

Percentage of Australian publications within the Collection Development Policy that have been collected

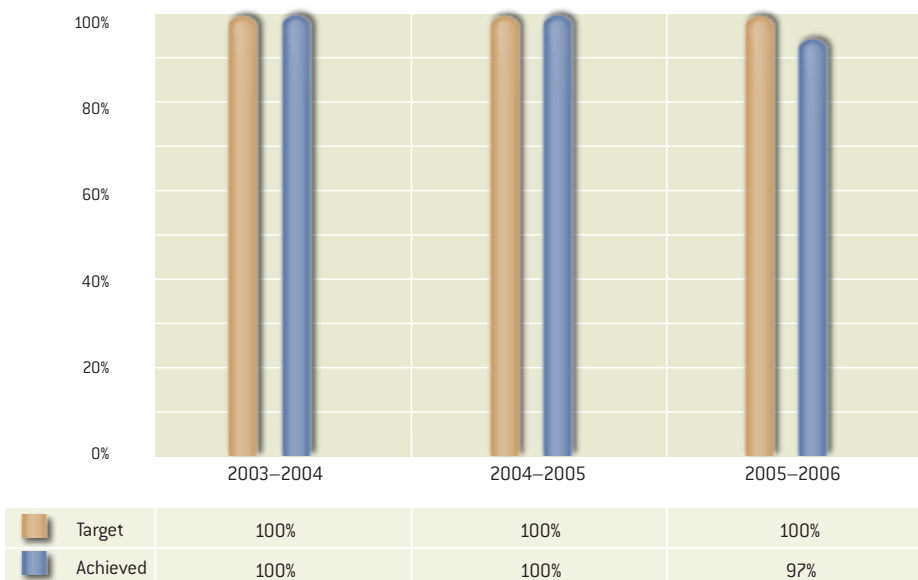


Figure 3.2 Effective Access to the Collection

Percentage of new items catalogued on the National Bibliographic Database

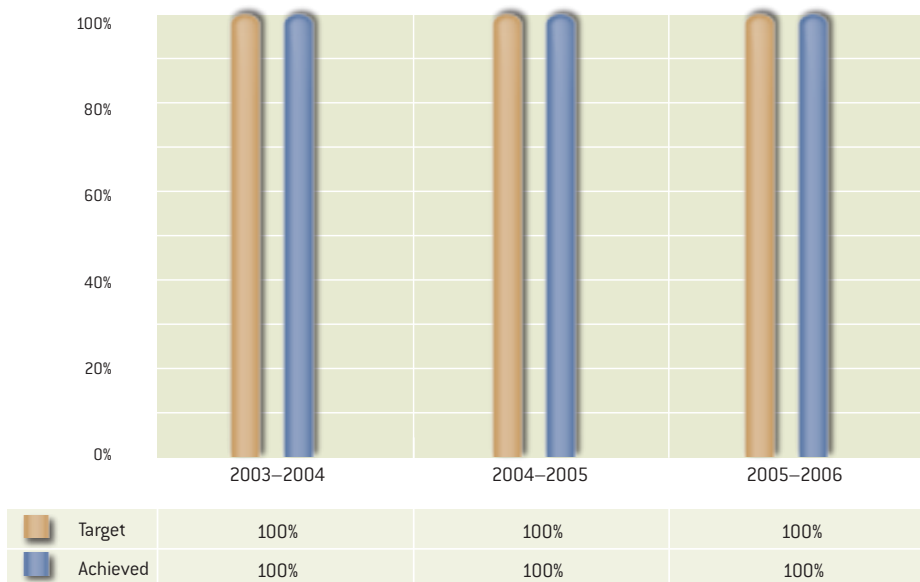


Figure 3.3 Effective Access to the Collection
 Percentage of targeted older material catalogued on the National Bibliographic Database

Comments on Performance— Effectiveness

Collecting new Australian publications on legal deposit was ahead of target: 93 per cent of publications were collected compared with a target of 85 per cent. This outcome continues the above-target performance of the previous two years. It is the result of ongoing awareness-raising among publishers of their legal deposit obligations and active claiming by the Library of titles not received under legal deposit provisions. The target for next financial year has been increased to 90 per cent.

Performance against the target for the percentage of new items catalogued was slightly below target at 97 per cent. This is due largely to the unavailability of suitably qualified staff throughout the year. The target for the percentage of older material catalogued onto the Australian National Bibliographic Database was met, improving awareness of the Library’s holdings.

QUALITY

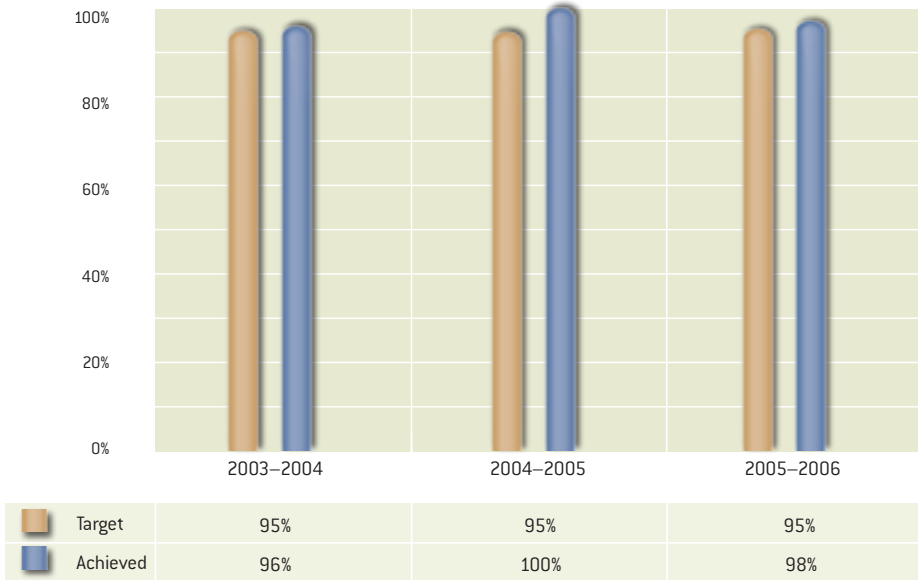


Figure 3.4 Percentage of the Items Checked In, Catalogued or Indexed Within Standards/Timeframes



Figure 3.5 Percentage of the Collection Maintained Within Set Standards

Comments on Performance— Quality

The target for the percentage of items checked in, catalogued or indexed within standards and timeframes was exceeded.

The Library aims to store all collection materials in environmental conditions that reflect their significance. The target of 85 per cent of the collection maintained within set standards represents what can reasonably be expected to be achieved with existing air conditioning systems. Performance exceeded the target of 85 per cent with 88 per cent of the collection maintained within set standards. This pleasing result exceeded outcomes from the previous two years due to external climatic conditions (a prolonged period of dry weather and low humidity) and to improvements in managing the environmental conditions in which the collections are housed. These improvements were achieved through the phased upgrade of the systems used for environmental management, which commenced in 2003–2004.



Figure 3.6 Collection Items Stored and Maintained



Figure 3.7 Collection Items Acquired and/or Processed or Digitised

Comments on Performance— Quantity

The combined target for the number of collection items acquired and/or processed or digitised was increased significantly over targets for the previous two years to 565,000 items in the expectation that the Library would commence large-scale digitisation of Australian newspapers in 2005–2006. However, the commencement date for this activity has been postponed, with the result that both the quantity targets were not met.

Individual targets for the number of new collection items acquired, the number of catalogue records added to the national online catalogue, and the number of journal index entries created, were all met.

PRICE



Figure 3.8 Cost per Collection Item Maintained



Figure 3.9 Cost per Collection Item Acquired and/or Processed or Digitised

KEY ISSUES AND DEVELOPMENTS

The trend towards publishing and disseminating information in digital, online form continues to have an impact on the Library's collection development activities. The amount of information in digital form that is collected increases each year and for some types of publications such as journals and government publications, the number of titles published in print form is declining. Ongoing improvements to the technology used to distribute and capture information in digital form enables the Library to employ efficient methods to collect and provide access to this information on a large scale. This trend took a leap forward this year with completion of the first harvest of the whole Australian web domain which added around 185 million unique files to the Library's collection of Australian web resources. In addition, the collection of overseas full-text online resources was increased with the acquisition of some significant collections including the *House of Commons Parliamentary Papers*, which provides online access to nineteenth-century British parliamentary papers, and *The Making of the Modern Economy: The Goldsmith's Kress Collection of Economic Literature 1450–1850*, an extensive collection of 61,000 books published between 1460 and 1850.

OUTPUT 1.2— INFORMATION SERVICES

Description

Information services—meeting the needs of users for rapid and easy access to collections and other resources—are delivered nationally and internationally. These services may be delivered on-site through the Library's reading rooms, or off-site via services including AskNow, a collaborative national online reference service, and Copies Direct, which provides access to library collections

through loans and the supply of copies. Access to the Library's collections is also provided through a range of electronic services including the collaborative websites, Australia Dancing and MusicAustralia.

Table 3.3 provides details of funds appropriated and spent in support of this output in 2005–2006.

Performance

Outputs

Table 3.4 shows measures, targets and achievements in relation to Output 1.2 in 2005–2006.

	Budget 2005–2006 \$'000	Actual 2005–2006 \$'000	Variation to Budget \$'000
Departmental appropriations	32,692	32,692	—
Revenue from other sources	1,802	2,565	763

Table 3.3 Output 1.2: Funds Appropriated and Spent 2005–2006

	Measure	Target	Achieved
Effectiveness	Percentage of requests for collection items that are met	90%	93%
Quality	Percentage of users satisfied with the information services provided	95%	86%
	Percentage of service charter standards met	100%	100%
Quantity	Number of information services transactions	6,778,000	8,179,757
Price	Cost per information services transaction	\$5.04	\$4.14

Table 3.4 Output 1.2: Measures, Targets and Achievements 2005–2006

EFFECTIVENESS

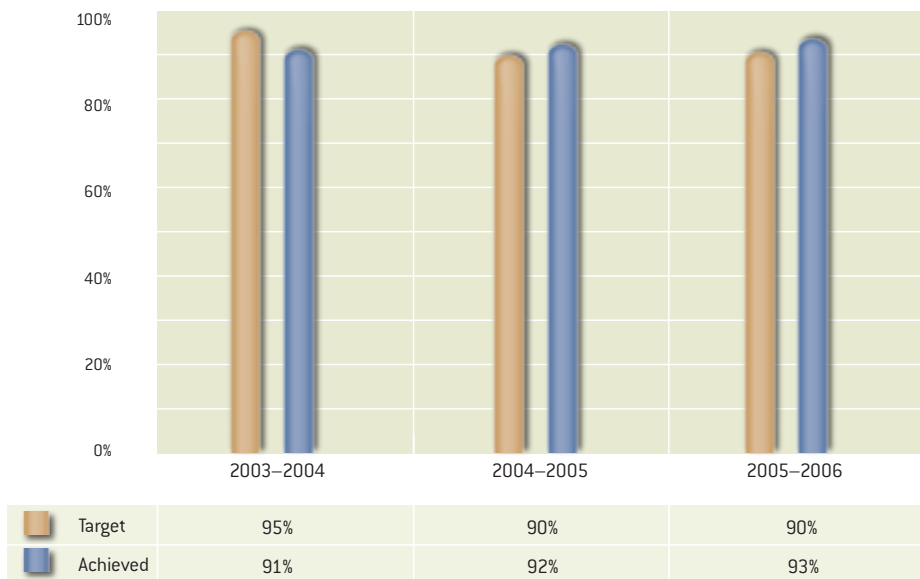


Figure 3.10 Percentage of Requests for Collection Items that are Met

Comments on Performance— Effectiveness

The effectiveness target was exceeded.

QUALITY



Figure 3.11 Percentage of Users Satisfied with the Information Services Provided

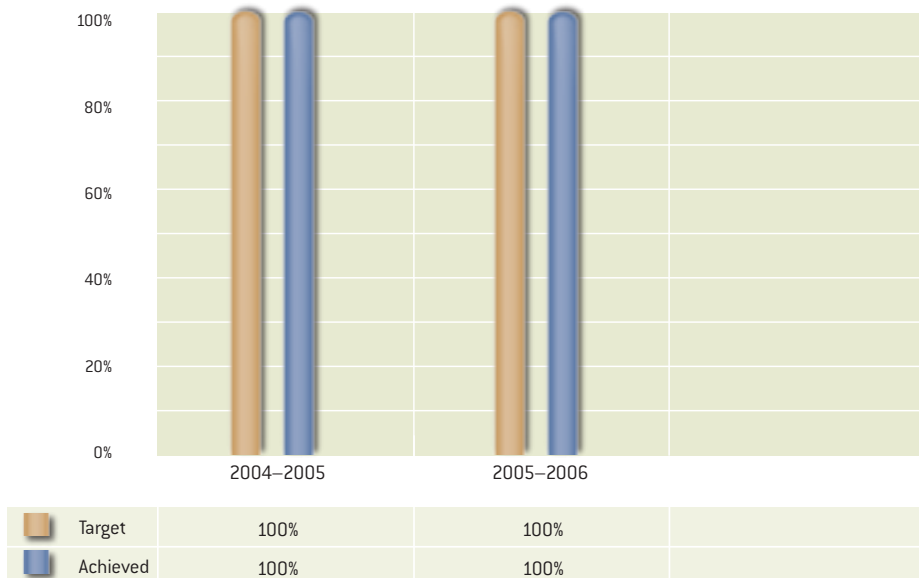


Figure 3.12 Percentage of Service Charter Standards Met

Note: 2004–2005 was the first year of data collection for this measure

Comments on Performance— Quality

The quality target is derived from a weighted average of customer satisfaction surveys for on-site and off-site information services and collection delivery transactions. Overall results for the quality target remain consistent with the Library's performance in this area for the last three years. User satisfaction targets were exceeded for reference services and collection delivery. The overall rating for requesting libraries' satisfaction with loan services was 80 per cent, with regular users' satisfaction being 95 per cent. The overall satisfaction rating for individuals using the Copies Direct service was 89 per cent, with regular users' satisfaction being 97 per cent. Website customer satisfaction surveys for MusicAustralia and Australia Dancing found that 73 per cent of users were satisfied.

The Library's Service Charter specifies delivery times for collection items on-site, from off-site storage, and through interlibrary loan and document supply services; response times for reference enquiries; and the availability of the Library's website. As reported previously, all Service Charter standards, with the exception of website availability, were met or exceeded.

QUANTITY

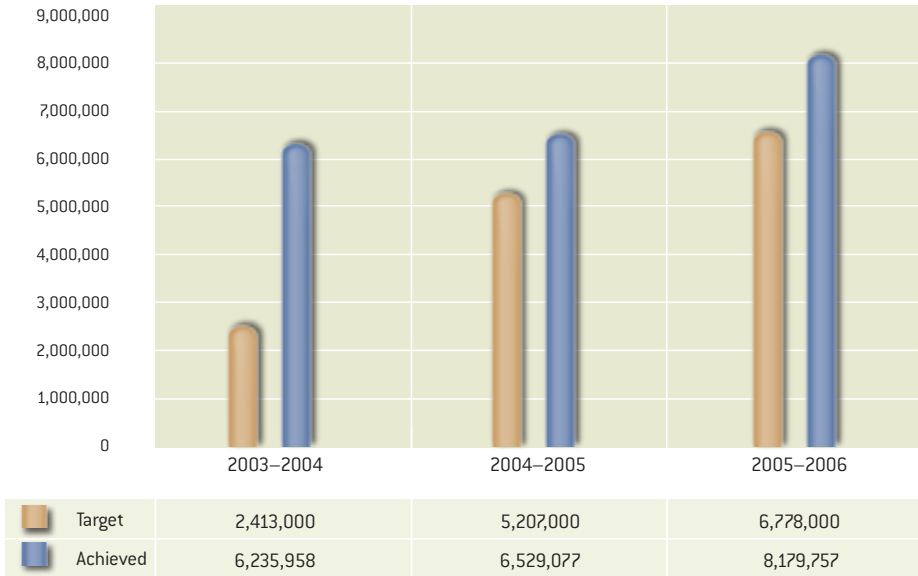


Figure 3.13 Number of Information Services Transactions

PRICE



Figure 3.14 Cost per Information Service Transaction

Comments on Performance— Quantity

Information services transactions comprise all reference inquiries and use of collections on-site, off-site and online. The target was raised this year but the achievement was still substantially higher than predicted due to the use of electronic collection resources, including PANDORA, Australia's Web Archive, digitised copies of heritage collection sites such as pictures, rare maps, sheet music and manuscripts, and use of full-text services such as newspapers, journals and early printed books. This continues a trend towards increasing use of electronic collections and resources.

KEY ISSUES AND DEVELOPMENTS

In 2005–2006 online reference services were reviewed to assist users to access information and collections without the mediation of Library staff. Online guides, a searchable database of Frequently Asked Questions and the new E-Resources service were all developed or improved to allow clients to have easier access to the Library's services and collections from any location.

The E-Resources service improves access to online resources by providing enhanced search functionality, improved relevance ranking of search results and a simpler user interface. A major feature of E-Resources is the ability to provide off-site access to selected subscription services to authenticated Library users. Eligible users are now able to log in from any location and access some of the Library's most popular online collections such as *Early English Books Online*, which contains the full text of over 120,000 books and pamphlets published between 1475 and 1700, and *Factiva*, a searchable database of Australian and international newspapers.

Implementation of the Relais automated interlibrary loan management system in 2005–2006 has allowed many formerly manual workflow processes to be streamlined. Relais automatically searches the Library catalogue for location information and directs requests to the appropriate printer queues. Material is scanned and may be delivered electronically, improving the speed of delivery of material to libraries and users. The new system will allow the Library to increase efficiency by improving turnaround for the supply of material to users.

OUTPUT 1.3— PUBLIC PROGRAMS

Description

Public programs—promoting the Library and interpreting and making its collections and other documentary resources more widely accessible—are delivered nationally and internationally to targeted audiences and the general public. Public programs, including events, exhibitions, education and publishing activities, as well as communications and marketing, development activities, volunteer and Friends of the National Library programs and a bookshop focusing on

the promotion of Australian publishing, contribute to the Library's desired outcome of 'demonstrating our prominence in Australia's cultural, intellectual and social life and fostering understanding and enjoyment of the National Library and its collections'.

Table 3.5 provides details of funds appropriated and spent in support of this output in 2005–2006.

Performance

Outputs

Table 3.6 shows measures, targets and achievements in relation to Output 1.3 in 2005–2006.

	Budget 2005–2006 \$'000	Actual 2005–2006 \$'000	Variation to Budget \$'000
Departmental appropriations	5,717	5,717	—
Revenue from other sources	1,588	2,169	581

Table 3.5 Output 1.3: Funds Appropriated and Spent 2005–2006

	Measure	Target	Achieved
Effectiveness	Community interest in and awareness of the Library		52%
	Percentage of the Australian population that is aware of the Library	55%	(May 2004)
Quality	Percentage of visitors to and/or participants in Public Programs activities that are satisfied	95%	97%
Quantity	Number of visitors to and/or participants in Public Programs activities	1,316,000	1,906,962
Price	Cost per visitor or participant in Public Programs	\$5.52	\$4.38

Table 3.6 Output 1.3: Measures, Targets and Achievements 2005–2006

EFFECTIVENESS



Figure 3.15 Percentage of the Australian Population that is Aware of the Library

Comments on Performance— Effectiveness

The Library has undertaken omnibus surveys to assess the level of public awareness and perception of the Library nationally. The survey has been undertaken three times, including shortly after the immensely popular *Treasures from the World’s Great Libraries* exhibition in 2001–2002. The variation in public knowledge was very small between the years, demonstrating that it would require an exceptionally high level of ongoing promotion to increase knowledge more than a few percentage points. It is unlikely that any repeat surveys would provide new insights and the measure is under review.

QUALITY



Figure 3.16 Percentage of Visitors to and/or Participants in Public Programs Activities that are Satisfied

Comments on Performance—Quality

The assessment of quality for public programs has in recent years been arrived at through a combination of surveys of visitor satisfaction with on-site exhibitions and outreach activities and reports of host venue satisfaction with the Library's travelling exhibitions.

In 2005–2006 public programs achieved an overall 97 per cent satisfaction rating, once again exceeding the target. The satisfaction rating is derived from monitoring satisfaction of stakeholders

across a range of measures associated with public programs. *National Treasures from Australia's Great Libraries* achieved an overall satisfaction rating of 94 per cent.

QUANTITY

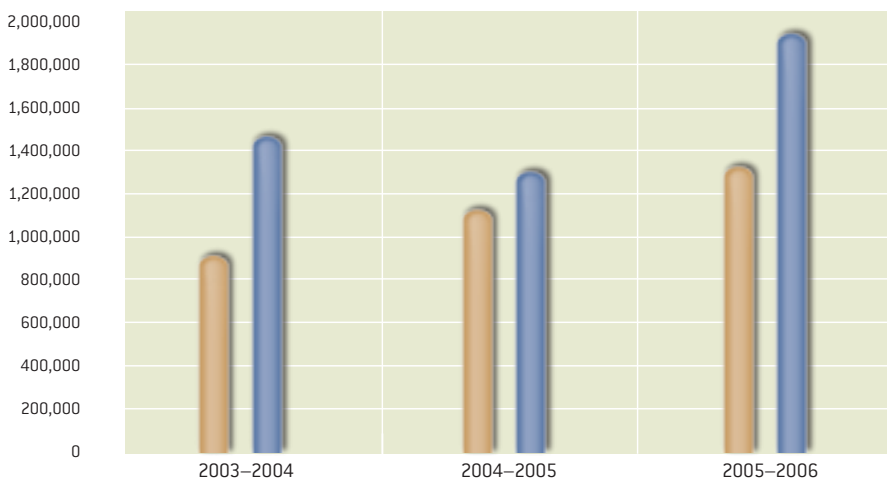


Figure 3.17 Number of Visitors to and/or Participants in Public Programs Activities

**Comments on Performance—
Quantity**

Public participation in public programs, both in person and via the website, was once more higher than predicted.

Visits to public programs websites exceeded projections by more than 50 per cent and visitors to outreach programs exceeded targets by almost 40 per cent, reflecting a growing interest in both new and traditional ways of engaging with interpretative programs offered by the Library.

PRICE

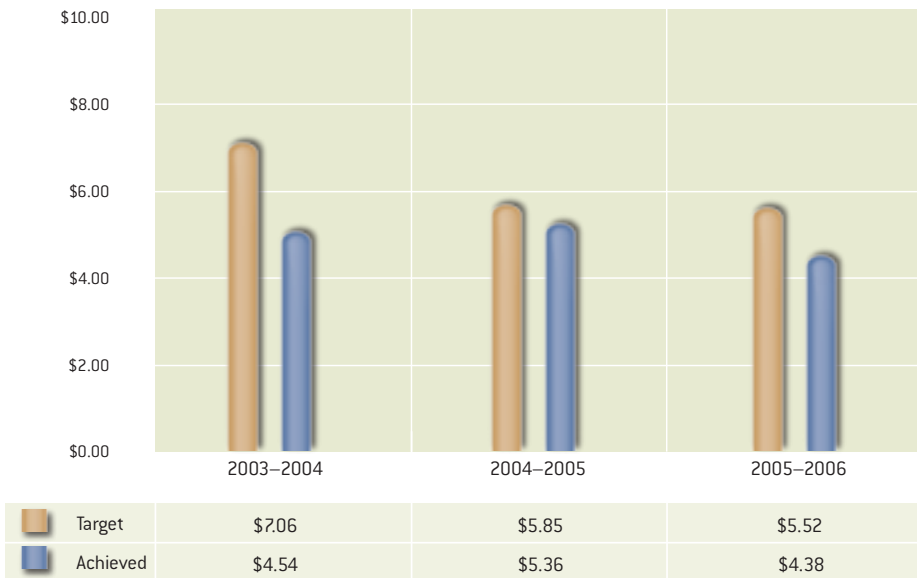


Figure 3.18 Cost per Visitor or Participant in Public Programs

KEY ISSUES AND DEVELOPMENTS

During 2005–2006, there were 244 new loans to 21 exhibitions, curated by 16 cultural institutions across six states and territories. Some of the institutions to which the Library has lent works during the year are the Historic Houses Trust of New South Wales, Old Parliament House, the Powerhouse Museum and the National Gallery of Victoria.

Publications and merchandise are distributed nationally through over 450 retail outlets and online through the Library's website. The value of sales from the online shop, which commenced operations in December 2003, doubled

between 2004–2005 and 2005–2006, reflecting an increase in awareness of both the online shop and the National Library's publishing program.

The Friends of the National Library continued to play a central role in the cultural life of the organisation, hosting a number of public events that showcase the collections and aspects of the Library's work. This year, membership of the Friends increased by 5.7 per cent, reflecting increasing community engagement with the Library.

OUTPUT 1.4—AUSTRALIAN LIBRARY NETWORK SERVICES

Description

Collaborative projects and services, leading to improved national access to documentary resources, are delivered to the Australian library community. These services include the free and subscription Libraries Australia search service, based on the Australian National Bibliographic Database, and PictureAustralia, which provides access to the online picture collections of 45 cultural agencies. Directory services, such as the Australian Libraries Gateway and the Interlibrary Resource Sharing Directory, are also supported. These resource sharing services contribute to the Library's desired outcome of

'ensuring that Australians have access to vibrant and relevant information services', in particular by 'working collaboratively with libraries and other institutions to implement a national plan of action'.

Table 3.7 provides details of funds appropriated and spent in support of this output in 2005–2006.

	Budget 2005–2006 \$'000	Actual 2005–2006 \$'000	Variation to Budget \$'000
Departmental appropriations	3,366	3,366	—
Revenue from other sources	4,302	4,435	133

Table 3.7 Output 1.4: Funds Appropriated and Spent 2005–2006

Performance

Outputs

Table 3.8 shows measures, targets and achievements in relation to Output 1.4 in 2005–2006.

	Measure	Target	Achieved
Effectiveness	Usage of resource-sharing services		
	Percentage of key research libraries that use [ie subscribe to] the Libraries Australia service	100%	100%
	Percentage retention of Libraries Australia customer libraries [net retention]	95%	100%
	Percentage of stakeholders that rate resource-sharing services as successful in achieving improved access to information resources	90%	83%
	Note: The last survey was in June 2002		
Quality	Percentage of resource-sharing services that are delivered within set standards and specified timeframes	98%	98%
	Percentage of Libraries Australia customer libraries satisfied with the quality of resource sharing services	90%	Survey in progress
	Note: This is a new quality measure introduced in 2005–2006. A similar survey of the Kinetica service was undertaken in 2002		
Quantity	Number of searches on resource-sharing databases	9,378,000	11,745,809
Price	Cost per search on resource-sharing databases	\$0.82	\$0.59

Table 3.8 Output 1.4: Measures, Targets and Achievements 2005–2006

EFFECTIVENESS

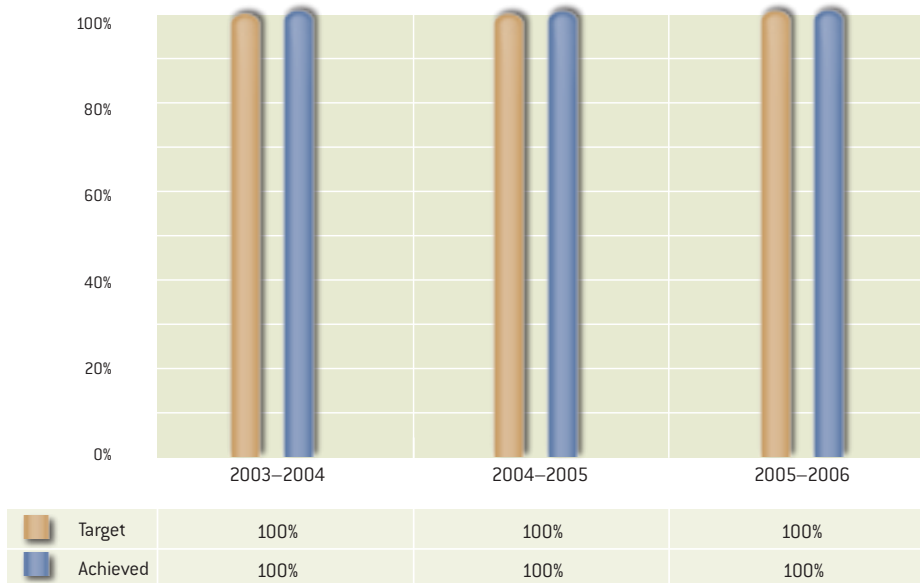


Figure 3.19 Percentage of Key Research Libraries that Use [ie Subscribe To] the Libraries Australia Service

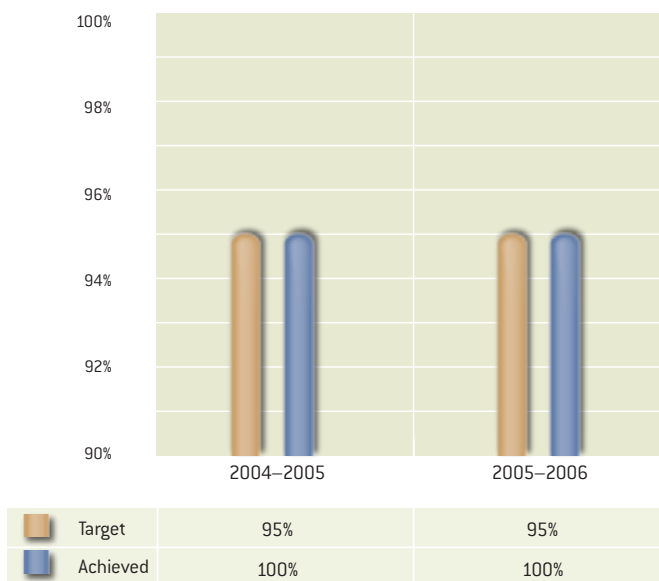


Figure 3.20 Percentage Retention of Libraries Australia Customer Libraries
 Note: 2004–2005 was the first year of data collection for this measure

EFFECTIVENESS

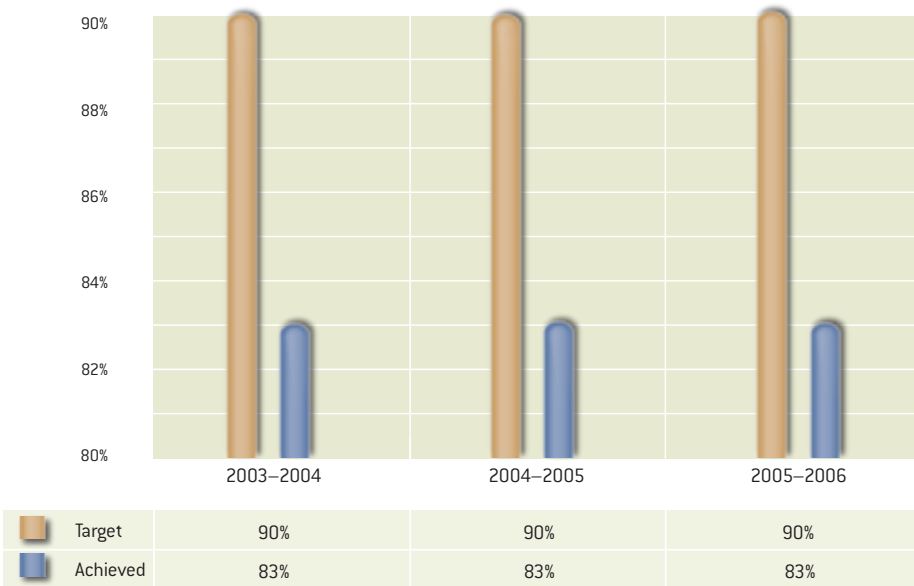
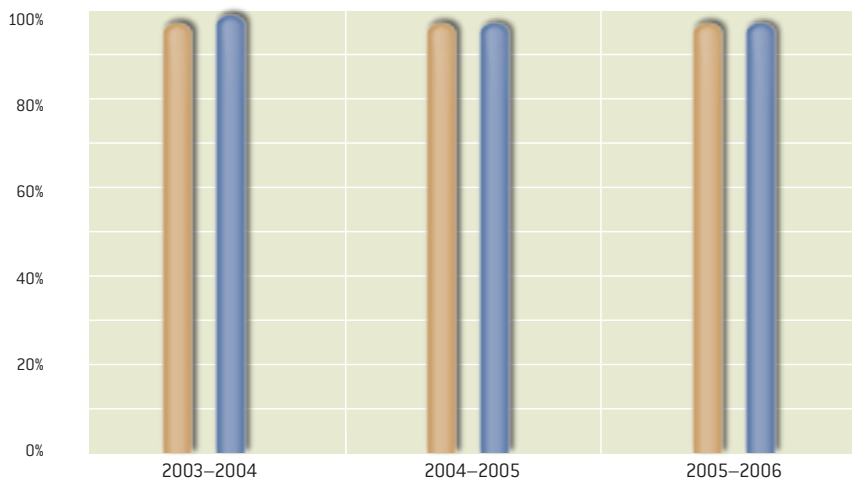


Figure 3.21 Percentage of Stakeholders that Rate Resource-sharing Services as Successful in Achieving Improved Access to Information Resources

Comments on Performance— Effectiveness

The percentage of key research libraries that subscribe to Libraries Australia and the percentage of Libraries Australia customers retained has remained at 100 per cent during the reporting year. The percentage of Libraries Australia customers satisfied with the effectiveness of resource-sharing services is based on a survey of the Kinetica service undertaken in June 2002. Libraries Australia customers will be surveyed in early 2006–2007.

QUALITY





 Target	98%	98%	98%
 Achieved	99%	98%	98%

Figure 3.22 Percentage of Resource-sharing Services that are Delivered within Set Standards and Specified Timeframes

Comments on Performance— Quality

Resource-sharing services met the performance measure: 98 per cent of such services were delivered within standards and timeframes.



Figure 3.23 Number of Searches on Resource-sharing Databases

Comments on Performance—Quantity

There were 11,745,809 searches of resource-sharing databases during the reporting period. This figure is 2,367,809 (10 per cent) above the target and 3,538,421 (43 per cent) above that achieved in 2004–2005. This is primarily the result of increased use of Libraries Australia, due to implementation of the free search service and increased use by library patrons, and PictureAustralia, reflecting the impact of the partnership with Yahoo!7's Flickr photograph-sharing website.

PRICE

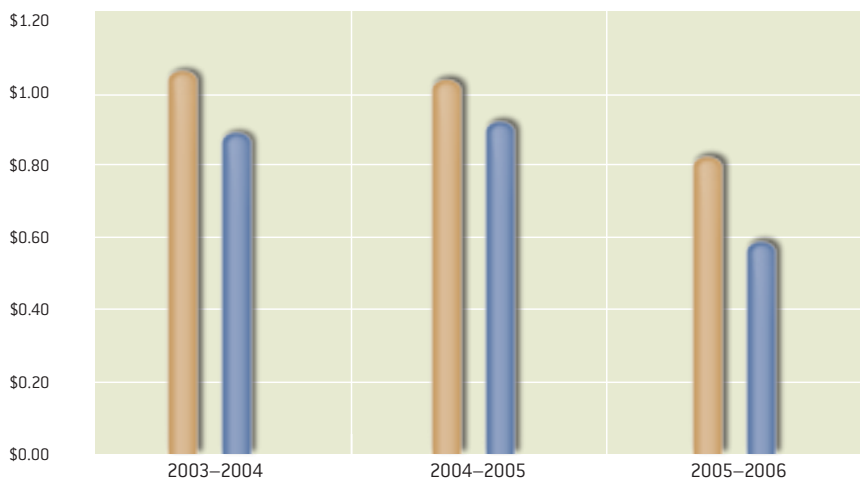


Figure 3.24 Cost per Search on Resource-sharing Database

KEY ISSUES AND DEVELOPMENTS

About 1,100 Australian libraries subscribe to Libraries Australia. In July 2005, a new subscription model introduced an annual fee for unlimited access to the service rather than charging subscribers for the number of searches undertaken. The new charging model and the improved response times and functionality of Libraries Australia are encouraging increased usage, particularly through libraries opening up access to the service to their patrons. During the reporting period, searches of Libraries Australia have increased by 3,121,955 (48 per cent) compared to 2004–2005. The Libraries Australia service is an important component of the national research and information infrastructure and is only possible with the continued support and subscriptions of Australian libraries.

A centralised image-requesting service for PictureAustralia was released in June 2006 making it easier for users to request high resolution digital copies of images in PictureAustralia from contributing cultural agencies. New image trails were developed focusing on Western Australia, and on women and music to coincide with Women's History month in March 2006.

On 1 March 2006, the Trans Tasman Interlending Service was launched, providing reciprocal access to material from the collections of over 900 Australian and New Zealand libraries. A seamless link has been created between the Libraries Australia Document Delivery Service and New Zealand's Te Puna Interloan Service. Users can search, find and request items from the national bibliographic databases of both nations through a single interface, and billing and reconciliation within the system is centralised. The Trans Tasman Interlending Service significantly improves the efficiency of document delivery services to libraries in Australia and New Zealand, and also improves resource-sharing between libraries in both countries.



4. Financial Statements

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INDEPENDENT AUDIT REPORT

To the Minister for Communications, Information Technology and the Arts

Scope

The financial statements and Council Members' responsibility

The financial statements comprise:

- Statement by Council Members;
- Income Statement, Balance Sheet and Statement of Cash Flows;
- Statement of Changes in Equity;
- Schedules of Commitments and Contingencies; and
- Notes to and forming part of the Financial Statements

for both the National Library of Australia and the consolidated entity, for the year ended 30 June 2006. The consolidated entity comprises both the National Library of Australia and the entities it controlled during that year.

The members of the Council are responsible for preparing the financial statements that give a true and fair view of the financial position and performance of the National Library of Australia and the consolidated entity, and that comply with accounting standards, other mandatory financial reporting requirements in Australia, and the Finance Minister's Orders made under the *Commonwealth Authorities and Companies Act 1997*. The members of the Council are also responsible for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial statements.

Audit approach

I have conducted an independent audit of the financial statements in order to express an opinion on them to you. My audit has been conducted in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing and Assurance Standards, in order to provide reasonable assurance as to whether the financial statements are free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive, rather than conclusive, evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

While the effectiveness of management's internal controls over financial reporting was considered when determining the nature and extent of audit procedures, the audit was not designed to provide assurance on internal controls.

I have performed procedures to assess whether, in all material respects, the financial statements present fairly, in accordance with the Finance Minister's Orders made under the *Commonwealth Authorities and Companies Act 1997*, including accounting standards and other mandatory financial reporting requirements in Australia, a view which is consistent with my understanding of the National Library of Australia's and the consolidated entity's financial position, and of their financial performance and cash flows.

The audit opinion is formed on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial statements; and
- assessing the appropriateness of the accounting policies and disclosures used, and the reasonableness of significant accounting estimates made by the members of the Council.

Independence

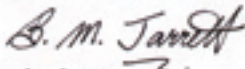
In conducting the audit, I have followed the independence requirements of the Australian National Audit Office, which incorporate the ethical requirements of the Australian accounting profession.

Audit Opinion

In my opinion, the financial statements of the National Library of Australia and the consolidated entity:

- (a) have been prepared in accordance with the Finance Minister's Orders made under the *Commonwealth Authorities and Companies Act 1997*; and
- (b) give a true and fair view of the National Library of Australia's and the consolidated entity's financial position as at 30 June 2006 and of its performance and cash flows for the year then ended, in accordance with:
 - (i) the matters required by the Finance Minister's Orders; and
 - (ii) applicable accounting standards and other mandatory financial reporting requirements in Australia.

Australian National Audit Office



Brandon Jarrett
Executive Director

Delegate of the Auditor-General

Canberra
5 August 2006

STATEMENT BY COUNCIL MEMBERS

In our opinion, the attached financial statements for the year ended 30 June 2006 have been prepared on properly maintained financial records and give a true and fair view of the matters required by the Finance Minister's Orders made under the *Commonwealth Authorities and Companies Act 1997*.

In our opinion, at the date of this statement, there are reasonable grounds to believe that the National Library of Australia will be able to pay its debts as and when they become due and payable.

This Statement is made in accordance with a resolution of the Council of the National Library of Australia.

Signed

J. Gobbo
Chairman

4th August 2006

Signed

J. Fullerton
Director-General

4 August 2006

National Library of Australia Income Statement

for the year ended 30 June 2006

	Notes	Consolidated		NLA	
		2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
INCOME					
Revenue					
Revenues from Government	3A	59,230	57,932	59,230	57,932
Goods and services	3B	7,665	7,935	7,679	7,916
Interest	3C	1,617	958	1,518	869
Royalties	3D	374	345	367	335
Contributions	3E	2,057	2,234	2,057	2,234
Other	3F	1,069	777	986	533
Total Revenue		72,012	70,181	71,837	69,819
Gains					
Other gains	3G	2	2	2	2
Total Gains		2	2	2	2
Total Income		72,014	70,183	71,839	69,821
EXPENSES					
Employees	4A	30,997	29,867	30,997	29,867
Suppliers	4B	17,707	17,524	17,652	17,421
Grants	4C	440	292	427	253
Depreciation and amortisation	4D	18,980	18,432	18,980	18,432
Finance costs	4E	29	44	29	44
Write-down and impairment of assets	4F	229	161	175	135
Net loss from sale of assets	4G	128	136	128	136
Other expenses	4H	55	80	55	80
Total Expenses		68,565	66,536	68,443	66,368
Operating Surplus or (Deficit) Attributable to the Australian Government		3,449	3,647	3,396	3,453

The above statement should be read in conjunction with the accompanying notes.

National Library of Australia Balance Sheet

as at 30 June 2006

		Consolidated		NLA	
	Notes	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
ASSETS					
Financial assets					
Cash and cash equivalents	5A	29,709	25,897	29,478	25,613
Receivables	5B	1,107	946	1,101	936
Investments under s.18 CAC Act	5C	1,594	1,430	-	-
Accrued revenues		779	1,376	779	1,376
Total Financial Assets		33,189	29,649	31,358	27,925
Non-financial assets					
Land and buildings	6A, E, I	157,835	150,539	157,835	150,539
Plant and equipment	6B, E	8,556	9,093	8,556	9,093
Heritage and cultural assets	6C, E	1,481,262	1,557,495	1,481,262	1,557,495
Inventories	6F	1,301	1,229	1,139	1,008
Intangibles	6G, E	6,290	5,239	6,290	5,239
Other non-financial assets	6H	1,853	1,468	1,853	1,468
Total Non-financial Assets		1,657,097	1,725,063	1,656,935	1,724,842
Total Assets		1,690,286	1,754,712	1,688,293	1,752,767
LIABILITIES					
Payables					
Suppliers	7A	3,499	3,223	3,499	3,218
Grants	7B	7	28	7	28
Other payables	7C	181	107	181	107
Total Payables		3,687	3,358	3,687	3,353
Interest Bearing Liabilities					
Leases	8	182	302	182	302
Total Interest Bearing Liabilities		182	302	182	302
Provisions					
Employees	9	10,645	10,322	10,645	10,322
Total Provisions		10,645	10,322	10,645	10,322
Total Liabilities		14,514	13,982	14,514	13,977
NET ASSETS		1,675,772	1,740,730	1,673,779	1,738,790
EQUITY					
Contributed equity		16,563	9,078	16,563	9,078
Reserves		238,917	314,838	238,917	314,838
Accumulated surpluses		1,420,292	1,416,814	1,418,299	1,414,874
TOTAL EQUITY		1,675,772	1,740,730	1,673,779	1,738,790
Current Assets		35,558	31,625	33,690	29,824
Non-Current Assets		1,654,728	1,723,087	1,654,603	1,722,943
Current Liabilities		12,513	13,387	12,513	13,382
Non-Current Liabilities		2,001	595	2,001	595

The above statement should be read in conjunction with the accompanying notes.

National Library of Australia Statement of Cash Flows

for the year ended 30 June 2006

		Consolidated		NLA	
	Notes	2006	2005	2006	2005
		\$'000	\$'000	\$'000	\$'000
OPERATING ACTIVITIES					
Cash Received					
Goods and services		9,542	8,709	9,516	8,688
Appropriations		59,230	57,932	59,230	57,932
Interest		1,512	992	1,415	892
Net GST recovered from					
ATO		2,153	1,458	2,153	1,458
Other		1,126	875	929	543
Cash received on behalf of others		254	267	254	267
Total Cash Received		73,817	70,233	73,497	69,780
Cash Used					
Employees		(31,761)	(30,675)	(31,762)	(30,675)
Suppliers		(19,426)	(17,712)	(19,229)	(17,457)
Grants		(461)	(270)	(448)	(231)
Borrowing costs		(29)	(42)	(29)	(42)
Total Cash Used		(51,677)	(48,699)	(51,468)	(48,405)
Net Cash From or (Used by) Operating Activities	10B	22,140	21,534	22,029	21,375
INVESTING ACTIVITIES					
Cash Received					
Proceeds from sales of property, plant and equipment		2	17	2	17
Investments (s.18, CAC Act)		166	11,774	-	10,189
Total Cash Received		168	11,791	2	10,206
Cash Used					
Purchase of property, plant and equipment		(23,365)	(11,130)	(23,365)	(11,130)
Purchase of intangibles		(2,188)	(2,466)	(2,188)	(2,466)
Investments (s.18, CAC Act)		(330)	(13,204)	-	(10,189)
Total Cash Used		(25,883)	(26,800)	(25,553)	(23,785)
Net Cash From or (Used By) Investing Activities		(25,715)	(15,009)	(25,551)	(13,579)
FINANCING ACTIVITIES					
Cash Received					
Appropriations – Contributed equity		7,485	3,928	7,485	3,928
Total Cash Received		7,485	3,928	7,485	3,928
Cash used					
Repayment of debt		(98)	(75)	(98)	(75)
Total cash used		(98)	(75)	(98)	(75)
Net Cash From or (Used By) Financing Activities		7,387	3,853	7,387	3,853
Net Increase/(Decrease) in Cash Held		3,812	10,378	3,865	11,649
Cash at the beginning of the reporting period		25,897	15,519	25,613	13,964
Cash at the End of the Reporting Period	5A	29,709	25,897	29,478	25,613

The above statement should be read in conjunction with the accompanying notes.

National Library of Australia
Statement of Changes in Equity
(Consolidated)

for the year ended 30 June 2006

	Accumulated Results		Asset Revaluation Reserve		Contributed Equity / Capital		Total Equity	
	2006	2005	2006	2005	2006	2005	2006	2005
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening Balance								
Balance carried forward from previous period	1,416,814	1,413,167	314,838	315,490	9,078	5,150	1,740,730	1,733,807
Adjustment for errors	-	-	-	-	-	-	-	-
Adjustment for changes in Accounting policies	29	-	-	-	-	-	29	-
Adjusted Opening Balance	1,416,843	1,413,167	314,838	315,490	9,078	5,150	1,740,759	1,733,807
Income and Expenses								
Income and Expenses recognised directly in equity								
Revaluation Adjustment	-	-	(75,921)	(652)	-	-	(75,921)	(652)
Subtotal income and expenses recognised directly in equity	-	-	(75,921)	(652)	-	-	(75,921)	(652)
Net operating result	3,449	3,647	-	-	-	-	3,449	3,647
Total income and expenses recognised directly in equity	3,449	3,647	(75,921)	(652)	-	-	(72,472)	2,995
Sub-total Income and Expenses								
of which:								
attributable to Australian Government	3,449	3,647	(75,921)	(652)	-	-	(72,472)	2,995
attributable to minority interest	-	-	-	-	-	-	-	-
Transactions with Owners								
<i>Distributions to Owners</i>								
Returns on Capital								
Dividends	-	-	-	-	-	-	-	-
Returns on Capital								
Restructuring	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
<i>Contributions by Owners</i>								
Appropriations (equity injections)	-	-	-	-	7,485	3,928	7,485	3,928
Other								
Restructuring	-	-	-	-	-	-	-	-
Sub-total Transactions with Owners	-	-	-	-	7,485	3,928	7,485	3,928
Transfers between equity components	-	-	-	-	-	-	-	-
Closing Balance as at 30 June	1,420,292	1,416,814	238,917	314,838	16,563	9,078	1,675,772	1,740,730
<i>Less: Outside Equity</i>								
Interests	-	-	-	-	-	-	-	-
Closing Balance attributable to the Australian Government	1,420,292	1,416,814	238,917	314,838	16,563	9,078	1,675,772	1,740,730

The above statement should be read in conjunction with the accompanying notes.

National Library of Australia Statement of Changes in Equity (NLA)

for the year ended 30 June 2006

	Accumulated Results		Asset Revaluation Reserve		Contributed Equity / Capital		Total Equity	
	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
Opening Balance								
Balance carried forward from previous period	1,414,874	1,411,421	314,838	315,490	9,078	5,150	1,738,790	1,732,061
Adjustment for errors	-	-	-	-	-	-	-	-
Adjustment for changes in Accounting policies	29	-	-	-	-	-	29	-
Adjusted Opening Balance	1,414,903	1,411,421	314,838	315,490	9,078	5,150	1,738,819	1,732,061
Income and Expenses								
Income and Expenses recognised directly in equity								
Revaluation Adjustment	-	-	(75,921)	(652)	-	-	(75,921)	(652)
Subtotal income and expenses recognised directly in equity	-	-	(75,921)	(652)	-	-	(75,921)	(652)
Net operating result	3,396	3,453	-	-	-	-	3,396	3,453
Total income and expenses recognised directly in equity	3,396	3,453	(75,921)	(652)	-	-	(72,525)	2,801
Sub-total Income and Expenses								
of which:								
attributable to Australian Government	3,396	3,453	(75,921)	(652)	-	-	(72,525)	2,801
attributable to minority interest	-	-	-	-	-	-	-	-
Transactions with Owners								
<i>Distributions to Owners</i>								
Returns on Capital								
Dividends	-	-	-	-	-	-	-	-
Returns on Capital								
Restructuring	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
<i>Contributions by Owners</i>								
Appropriations (equity injections)	-	-	-	-	7,485	3,928	7,485	3,928
Other								
Restructuring	-	-	-	-	-	-	-	-
Sub-total Transactions with Owners	-	-	-	-	7,485	3,928	7,485	3,928
Transfers between equity components								
Closing Balance as at 30 June	1,418,299	1,414,874	238,917	314,838	16,563	9,078	1,673,779	1,738,790
<i>Less: Outside Equity</i>								
Interests	-	-	-	-	-	-	-	-
Closing Balance attributable to the Australian Government	1,418,299	1,414,874	238,917	314,838	16,563	9,078	1,673,779	1,738,790

The above statement should be read in conjunction with the accompanying notes.

National Library of Australia Schedule of Commitments

as at 30 June 2006

By Type	Consolidated		NLA	
	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
Capital Commitments				
Buildings	1,347	991	1,347	991
Plant and equipment	26	5	26	5
Collections ¹	221	192	221	192
<i>Total Capital Commitments</i>	<u>1,594</u>	<u>1,188</u>	<u>1,594</u>	<u>1,188</u>
Other Commitments				
Operating leases ²	4,454	5,295	4,454	5,295
Other commitments ³	3,620	4,332	3,620	4,332
<i>Total Other Commitments</i>	<u>8,074</u>	<u>9,627</u>	<u>8,074</u>	<u>9,627</u>
Commitments Receivable	<u>(2,320)</u>	<u>(2,081)</u>	<u>(2,320)</u>	<u>(2,081)</u>
Net Commitments By Type	<u>7,348</u>	<u>8,734</u>	<u>7,348</u>	<u>8,734</u>
By Maturity				
Capital Commitments				
One year or less	1,426	1,188	1,426	1,188
From one to five years	168	-	168	-
Over five years	-	-	-	-
<i>Total Capital Commitments</i>	<u>1,594</u>	<u>1,188</u>	<u>1,594</u>	<u>1,188</u>
Operating Lease Commitments				
One year or less	749	1,014	749	1,014
From one to five years	2,531	2,518	2,531	2,518
Over five years	1,174	1,763	1,174	1,763
<i>Total Operating Lease Commitments</i>	<u>4,454</u>	<u>5,295</u>	<u>4,454</u>	<u>5,295</u>
Other Commitments				
One year or less	2,810	3,515	2,810	3,515
From one to five years	810	817	810	817
Over five years	-	-	-	-
<i>Total Other Commitments</i>	<u>3,620</u>	<u>4,332</u>	<u>3,620</u>	<u>4,332</u>
Commitments Receivable	<u>(2,320)</u>	<u>(2,081)</u>	<u>(2,320)</u>	<u>(2,081)</u>
Net Commitments By Maturity	<u>7,348</u>	<u>8,734</u>	<u>7,348</u>	<u>8,734</u>

NB: Commitments are GST inclusive where relevant.

¹ Collection commitments represent contracts for the purchase of collection items.

² Operating leases included are effectively non-cancellable and comprise:

- leases for warehouses and an exhibitions workshop with a total contingent rental component of \$1,093,884; and
- agreements for the provision of motor vehicles to senior executive officers.

³ Other commitments primarily consist of the provision of computer services, security, legal services, cleaning, building maintenance and postal services, with a total contingent rental component of \$21,726.

National Library of Australia Schedule of Contingencies (Consolidated)

as at 30 June 2006

Contingent Liabilities	Guarantees		Indemnities		Uncalled Shares or Capital Subscriptions		Claims for Damages or Costs		Warranties		Letters of Comfort		TOTAL	
	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
Balance from previous period	-	-	-	-	-	-	-	-	-	-	-	-	-	-
New	36	-	-	-	-	-	-	-	-	-	-	-	36	-
Re-measurement	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Liabilities crystallised	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Obligations expired	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Contingent Liabilities	36	-	-	-	-	-	-	-	-	-	-	-	36	-
Contingent Assets														
Balance from previous period	-	-	-	-	-	-	-	-	-	-	-	-	-	-
New	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Re-measurement	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Assets crystallised	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Expired	-	-	-	-	-	-	(1)	-	-	-	-	-	(1)	-
Total Contingent Assets	-	-	-	-	-	-	6	7	-	-	-	-	6	7
Net Contingent Liability													(30)	7

Details of each class of contingent liabilities and assets, including those not disclosed above because they cannot be quantified or are considered remote, are shown in Note 11: Contingent Liabilities and Assets.

The above schedule should be read in conjunction with the accompanying notes.

National Library of Australia
Schedule of Contingencies (NLA)

as at 30 June 2006

Contingent Liabilities	Guarantees		Indemnities		Uncalled Shares or Capital Subscriptions		Claims for Damages or Costs		Warranties		Letters of Comfort		TOTAL	
	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
Balance from previous period	-	-	-	-	-	-	-	-	-	-	-	-	-	-
New	36	-	-	-	-	-	-	-	-	-	-	-	36	-
Re-measurement Liabilities crystallised	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Obligations expired	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Contingent Liabilities	36	-	-	-	-	-	-	-	-	-	-	-	36	-
Contingent Assets														
Balance from previous period	-	-	-	-	-	-	-	-	-	-	-	-	-	-
New	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Re-measurement Assets crystallised	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Expired	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Contingent Assets	-	-	-	-	-	-	-	-	-	-	-	-	(1)	-
Net Contingent Liability	-	-	-	-	-	-	7	7	-	-	-	-	6	7
													(30)	7

Details of each class of contingent liabilities and assets, including those not disclosed above because they cannot be quantified or are considered remote, are shown in Note 11: Contingent Liabilities and Assets.

The above schedule should be read in conjunction with the accompanying notes.

National Library of Australia Notes to and Forming Part of the Financial Statements

for the year ended 30 June 2006

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

Note 1: Summary of Significant Accounting Policies

1.1 Basis of Accounting

The financial statements are required by clause 1(b) of Schedule 1 to the *Commonwealth Authorities and Companies Act 1997* and are a general purpose financial report.

The continued existence of the National Library of Australia (NLA) in its present form and with its present outputs is dependent on Government policy and on continuing appropriations by the Parliament.

The statements have been prepared in accordance with:

- Finance Minister's Orders (being the *Commonwealth Authorities and Companies (Financial Statements for reporting periods ending on or after 1 July 2005) Orders*);
- Australian Accounting Standards issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period; and
- Interpretations issued by the AASB and Urgent Issues Group that apply for the reporting period.

This is the first financial report to be prepared under Australian Equivalents to International Financial Reporting Standards (AEIFRS). The impacts of adopting AEIFRS are disclosed in Note 2.

The National Library of Australia (NLA) and Consolidated Income Statement, Balance Sheet and Statement of Changes in Equity have been prepared on an accrual basis and are in accordance with historical cost convention, except for certain assets, which as noted, are at fair value. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position.

The financial report is prepared in Australian dollars and values rounded to the nearest thousand dollars unless a disclosure of the full amount is specifically required.

Unless alternative treatment is specifically required by an accounting standard, assets and liabilities are recognised in the NLA and Consolidated Balance Sheet when and only when it is probable that future economic benefits will flow and the amounts of the assets or liabilities can be reliably measured. However, assets and liabilities arising under agreements equally proportionately unperformed are not recognised unless required by an Accounting Standard. Liabilities and assets that are unrecognised are reported in the Schedule of Commitments and the Schedule of Contingencies (other than unquantifiable or remote contingencies, which are reported at Note 11).

Unless alternative treatment is specifically required by an accounting standard, revenues and expenses are recognised in the NLA and Consolidated Income Statement when and only when the flow or consumption or loss of economic benefits has occurred and can be reliably measured.

1.2 Principles of Consolidation

The consolidated financial statements are those of the economic entity, comprising the NLA (parent entity) and the Library's Trust Accounts. Details of the Trust Accounts may be found at Note 18. The accounts of the Library's Trust Accounts are prepared for the period 1 July 2005 to 30 June 2006 using accounting policies consistent with those of the NLA. The effects of transactions and balances between entities are eliminated in full.

1.3 Significant Accounting Judgements and Estimates

No accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to carrying amounts of assets and liabilities within the next accounting period.

Note 1: Summary of Significant Accounting Policies (continued)

1.4 Statement of Compliance

The financial report complies with Australian Accounting Standards, which include AEIFRS.

Australian Accounting Standards require the Library to disclose Australian Accounting Standards that have not been applied, for standards that have been issued but are not yet effective.

The AASB has issued amendments to existing standards. These amendments are denoted by the year and then the number, for example 2005-1 indicates amendment 1 issued in 2005.

The following table illustrates standards and amendments that will become effective for the Library in the future. The nature of the impending change within the table has been out of necessity abbreviated and users should consult the full version available on the AASB website (www.aasb.com.au) to identify the full impact of the change. The expected impact on the financial report of adoption of these standards is based on the Library's initial assessment at this date, but may change. The Library intends to adopt all of the standards upon their application date and the application date for annual reporting periods beginning on or after the date shown on the following table.

Note 1: Summary of Significant Accounting Policies (continued)

Standard Affected	Title Application Date	Nature of the Impending Change	Impact Expected on Financial Report
AASB 139	2005-01 1 Jan 2006	Amends hedging requirements for foreign currency risk of a highly probable intra-group transaction.	No expected impact.
AASB 139, AASB 132, AASB 1, AASB 1023 and AASB 1038	2005-4 1 Jan 2006	Amends AASB 139, AASB 1023 and AASB 1038 to restrict the option to fair value through profit or loss and makes consequential amendments to AASB 1 and AASB 132.	No expected impact.
AASB 1 and AASB 139	2005-5 1 Jan 2006	Amends AASB 1 to allow an entity to determine whether an arrangement is, or contains, a lease. Amends AASB 139 to scope out a contractual right to receive reimbursement (in accordance with AASB 137) in the form of cash.	No expected impact.
AASB 3	2005-6 1 Jan 2006	Amends the scope to exclude business combinations involving entities or businesses under common control.	No expected impact.
AASB 4, AASB 1023, AASB 139 and AASB 132	2005-9 1 Jan 2006	Amended standards in regards to financial guarantee contracts.	No expected impact.
AASB 132, AASB 101, AASB 114, AASB 117, AASB 133, AASB 139, AASB 1, AASB 4, AASB 1023 and AASB 1038	2005-10 1 Jan 2007	Amended requirements subsequent to the issuing of AASB 7.	No expected impact.
AASB 121	2006-1 31 Dec 2006	Changes in requirements for net investments in foreign subsidiaries depending on denominated currency.	No expected impact.
AASB 7 Financial Instruments: Disclosures	1 Jan 2007	Revise the disclosure requirements for financial instruments from AASB 132 requirements.	No expected impact.

Note 1: Summary of Significant Accounting Policies (continued)

1.5 Revenue

Revenue from the sale of goods and services is recognised when:

- the risks and rewards of ownership have been transferred to the buyer;
- the seller retains no managerial involvement, nor effective control over the goods;
- the revenue and transaction costs can be reliably measured; and
- it is probable that the economic benefits associated with the transaction will flow to the entity.

Revenue from rendering services is recognised by reference to the stage of completion of the contract at the reporting date. The revenue is recognised when:

- the amount of revenue, stage of completion and transaction costs incurred can be reliably measured; and
- the probable economic benefits with the transaction will flow to the entity.

The stage of completion of contracts at the reporting date is determined by reference to the proportion that costs incurred to date bear to the estimated total costs of the transaction.

Receivables for goods and services are recognised at the nominal amounts due less any allowance for bad and doubtful debts. Collectability of debts is reviewed at balance date. Provisions are made when collectability of the debt is no longer probable.

Interest revenue is recognised using the effective interest method as set out in AASB 139 *Financial Instruments: Recognition and Measurement*.

Revenues from Government

The full amount of the appropriation for Library outputs for the year is recognised as revenue.

Appropriations receivable are recognised at their nominal amounts.

Resources Received Free of Charge

Services received free of charge are recognised as revenue when and only when a fair value can be reliably determined and the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense.

Contributions of assets at no cost of acquisition or for nominal consideration are recognised at their fair value when the asset qualifies for recognition.

1.6 Transactions by the Government as Owner

Equity Injections

Amounts appropriated which are designated as 'equity injections' for a year (less any formal reductions) are recognised directly in Contributed Equity in that year.

1.7 Employee Entitlements

As required by the Finance Minister's Orders, the Library has early adopted AASB 119 *Employee Benefits* as issued in December 2004.

Liabilities for services rendered by employees are recognised at the reporting date to the extent that they have not been settled.

Liabilities for 'short-term employee benefits' (as defined in AASB 119) and termination benefits due within 12 months are measured at their nominal amounts. The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability. All other employee benefit liabilities are measured as the present value of the estimated future

Note 1: Summary of Significant Accounting Policies (continued)

cash outflows to be made in respect of services provided by employees up to the reporting date.

Leave

The liability for employee benefits includes provision for annual leave and long service leave. No provision has been made for sick leave, as all sick leave is non-vesting and the average sick leave taken in the future by employees of the Library is estimated to be less than the annual entitlement for sick leave.

The leave liabilities are calculated on the basis of employees' remuneration, including an on-cost for accruing leave entitlements and Library's employer superannuation contribution rates to the extent that the leave is likely to be taken during service rather than paid out on termination. These on-costs are recognised because while the employee is taking leave, superannuation and leave entitlements continue to accrue.

The liability for long service leave has been determined by reference to the work of an actuary undertaken in May 2006. The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and inflation.

Separation and Redundancy

Provision is also made for separation and redundancy benefit payments in circumstances where the Library has developed a detailed formal plan for termination and has informed those employees affected that it will carry out the terminations.

Superannuation

Employees of the Library are members of the Commonwealth Superannuation Scheme (CSS), the Public Sector

Superannuation Scheme (PSS) or the PSS accumulation plan (PSSap). The CSS and PSS are defined benefit schemes for the Commonwealth. The PSSap is a defined contribution scheme. The liability for the defined benefit schemes is recognised in the financial statements of the Australian Government and is settled by the Australian Government in due course.

The Library makes employer contributions to the Australian Government at rates determined by an actuary to be sufficient to meet the cost to the Australian Government of the superannuation entitlements of the Library's employees.

From 1 July 2005, new employees are eligible to join the PSSap scheme.

The liability for superannuation recognised as at 30 June represents outstanding contributions.

1.8 Leases

A distinction is made between finance leases and operating leases. Finance leases effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of leased non-current assets. In operating leases, the lessor effectively retains substantially all such risks and benefits.

Where a non-current asset is acquired by means of a finance lease, the asset is capitalised at the present value of minimum lease payments at the beginning of the lease term and a liability recognised at the same time and for the same amount. The discount rate used is the interest rate implicit in the lease. Leased assets are amortised over the period of the lease. Lease payments are allocated between the principal component and the interest expense.

Operating lease payments are expensed on a straight-line basis which is representative of the pattern of benefits derived from the leased assets.

1.9 Borrowing Costs

All borrowing costs are expensed as incurred.

Note 1: Summary of Significant Accounting Policies (continued)

1.10 Cash and Cash Equivalents

Cash comprises notes and coins on hand and any on-demand deposits held at call with a bank or financial institution. Cash equivalents are short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. Cash and cash equivalents are recognised at their nominal amounts.

1.11 Financial Risk Management

As a consequence of the Library's activities it is exposed to normal commercial financial risk. As a result of the nature of the Library's activities and internal and Australian Government policies dealing with the management of financial risk, the Library's exposure to market, credit, liquidity and cash flow and fair value interest rate risk is considered to be low.

1.12 Investments

Investments are initially measured at their fair value. After initial recognition, financial assets are measured at their fair values except where specified by AASB 139 *Financial Instruments: Recognition and Measurement*.

1.13 Derecognition of Financial Assets and Liabilities

As prescribed in the Finance Minister's Orders, the Library has applied the option available under AASB 1 of adopting AASB 132 *Financial Instruments: Presentation* and AASB 139 *Financial Instruments: Recognition and Measurement* from 1 July 2005 rather than 1 July 2004.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire or the asset is transferred to another entity. In the case of a transfer to another entity, it is necessary that the risks and rewards of ownership are also transferred.

Financial liabilities are derecognised when the obligation is discharged, cancelled or expires.

For the comparative year, financial assets were derecognised when the contractual right to receive cash no longer existed. Financial liabilities were derecognised when the contractual obligation to pay cash no longer existed.

1.14 Impairment of Financial Assets

As prescribed in the Finance Minister's Orders, the Library has applied the option available under AASB 1 *First-time Adoption of Australian Equivalents to International Financial Reporting Standards* adopting AASB 132 *Financial Instruments: Presentation* and AASB 139 *Financial Instruments: Recognition and Measurement* from 1 July 2005 rather than 1 July 2004.

Financial assets are assessed for impairment at each balance date.

Financial Assets Held at Amortised Cost

If there is objective evidence that an impairment loss has been incurred for receivables or held to maturity investments held at amortised cost, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount is reduced by the way of an allowance account and the loss is recognised in profit and loss.

Comparative Year

The above policies were not applied for the comparative year. For receivables,

Note 1: Summary of Significant Accounting Policies (continued)

amounts were recognised and carried at original invoice amount less an allowance for doubtful debts based on an estimate made when collection of the full amount was no longer probable. Bad debts were written off as incurred.

Other financial assets carried at cost which were not held to generate net cash inflows were assessed for indicators of impairment. Where such indicators were found to exist, the recoverable amount of assets was estimated and compared to the assets carrying amount and, if less, reduced to the carrying amount. The reduction was shown as an impairment loss.

1.15 Trade Creditors

Trade creditors and accruals are recognised at their nominal amounts, being the amounts at which the liabilities will be settled. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).

1.16 Contingent Liabilities and Contingent Assets

Contingent liabilities and assets are not recognised in the Balance Sheet, but are discussed in the relevant schedules and notes. They may arise from uncertainty as to the existence of a liability or asset, or represent an existing liability or asset in respect of which settlement is not probable or the amount cannot be reliably measured. Remote contingencies are part of this disclosure. Where settlement becomes probable, a liability or asset is recognised. A liability or asset is recognised when its existence is confirmed by a future event, settlement

becomes probable (virtually certain for assets) or reliable measurement becomes possible.

1.17 Acquisition of Assets

Assets are recorded at cost on acquisition except as stated below. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken. Financial assets are initially measured at their fair value plus transaction costs where appropriate.

Assets acquired at no cost or for nominal consideration are initially recognised as assets and revenues at their fair value at the date of acquisition, unless acquired as a consequence of restructuring of administrative arrangements. In the latter case, assets are initially recognised as contributions by owners at the amounts at which they were recognised in the transferor entity's accounts immediately prior to restructuring.

1.18 Property (Land, Buildings and Infrastructure), Plant and Equipment

Asset Recognition Threshold

Purchases of property, plant and equipment are recognised initially at cost in the Balance Sheet, except for purchases costing less than \$1,500 (GST exclusive), which are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total). The threshold for the recognition of software assets is \$2,000 (GST exclusive). The purchase of library material regardless of the amount, other than serials, are capitalised as part of the National Collection.

The initial cost of an asset includes an estimate of the cost of dismantling and removing the items and restoring the site on which it is located. This is normally relevant to 'make-good' provisions for property leases where there exists an obligation to restore the property to its original condition. In such situations these costs are included in the value of leasehold improvements with a corresponding provision for the 'make-goods' taken up.

Note 1: Summary of Significant Accounting Policies (continued)

Revaluations

Basis

Land, buildings, infrastructure, plant and equipment and collection assets are carried at valuation being revalued with sufficient frequency so that the carrying amount of each asset class is not materially different, as at reporting date, from its fair value. Valuations undertaken in each year are as at 30 June.

Fair values for each class of assets are determined as shown below.

Asset Class	Fair Value Measured at:
Land	Land upon which the National Library building stands: highest and best use with recognition of the restrictive zoning within the Parliamentary Triangle and the inability of the asset to be disposed due to legislation or Government policy. Other land: market selling price.
Building	Depreciated replacement cost recognising that the National Library building is a special purpose heritage building. Reproduction costs for the Library's Repository.
Leasehold Improvements	Depreciated replacement cost.
Plant and Equipment	Where there is an identifiable recognised market – current market buying price; and where there is no identifiable recognised market (i.e. specialised assets) – depreciated replacement cost.
National Collection	Depreciated replacement cost and market buying value.

Note 1: Summary of Significant Accounting Policies (continued)

Following initial recognition at cost, valuations are conducted with sufficient frequency to ensure that the carrying amount of assets do not materially differ with the assets' fair value as at the reporting date. The regularity of independent valuations depends upon the volatility of movements in market values for the relevant assets.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reverses a previous revaluation decrement of the same asset class that was previously recognised directly through profit and loss. Revaluation decrements for a class of assets are recognised through profit and loss except to the extent that they reverse a previous revaluation increment for that class. Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset restated to the revalued amount.

Depreciation and Amortisation

Depreciable property, plant and equipment are written-off to their estimated residual values over their estimated useful lives to the Library, using in all cases the straight-line method of depreciation. Leasehold improvements are amortised on a straight-line basis over the lesser of the estimated useful life of the improvements or the unexpired period of the lease.

Depreciation/amortisation rates (useful lives) and methods are reviewed at

each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation and amortisation rates applying to each class of depreciable assets are based on the following useful lives:

	2006	2005
Building and building improvements	10 to 200 years	10 to 200 years
Leasehold improvements	Lease term	Lease term
Plant and equipment	1 to 25 years	1 to 25 years
National collection – general collection	50 years	50 years
National Collection other than general collection	20 to 825 years	20 to 825 years

The aggregate amount of depreciation allocated for each class of asset during the reporting period is disclosed in Note 4D.

All assets were assessed for impairment at 30 June 2006. Where indications of impairment exist, the recoverable amount is estimated and an impairment adjustment made if the asset recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its *fair value less costs to sell* and its *value in use*. *Value in use* is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows and the asset would be replaced if the Library were deprived of the asset, its *value in use* is taken to be its depreciated replacement cost.

No indicators of impairment were found for assets at fair value.

Note 1: Summary of Significant Accounting Policies (continued)

1.19 Intangibles

The Library's intangibles comprise purchased software and internally developed software for internal use. These assets are carried at cost.

Software is amortised on a straight-line basis over its anticipated useful life. The useful life of the Library's software is 2 to 10 years (2004–2005: 2 to 10 years).

All software assets were assessed for indications of impairment as at 30 June 2006.

1.20 Inventories

Inventories held for resale are valued at the lower of cost and net realisable value. Inventories held for distribution are measured at the lower of cost and current replacement cost.

Costs incurred in bringing each item of inventory to its present location and condition is assigned as follows:

- raw materials and stores – purchase cost on a first-in-first-out basis; and
- finished goods and work-in-progress – cost of direct materials and labour plus attributable costs that are capable of being allocated on a reasonable basis.

Inventories acquired at no cost or nominal consideration are measured at current replacement cost at the date of acquisition.

1.21 Taxation

The Library is exempt from all forms of taxation except fringe benefits tax and the goods and services tax (GST). Revenues, expenses and assets are recognised net of GST:

- except where the amount of GST incurred is not recovered from the Australian Taxation Office; and
- except for receivables and payables.

1.22 Foreign Currency

Transactions denominated in a foreign currency are converted at the rate of exchange at the date of the transaction. Foreign currency receivables and payables are translated at the exchange rates current as at the balance date. Associated currency gains or losses are not material.

1.23 Insurance

The Library has insured for risks through the Australian Government's insurable risk managed fund, called Comcover. Workers compensation is insured through Comcare.

1.24 Restricted Assets

The Library controls the following assets that have restrictions on the manner in which the assets can be deployed:

- the National Library building and the land upon which it stands, Note 6I refers; and
- moneys held in trust funds which represent donations and bequests, which are subject to limitations as to the purpose for which they may be applied, Note 18 refers.

Note 2: The Impact of the Transition to Australian Equivalents to International Financial Reporting Standards (AEIFRS) from the Previous Australian Generally Accepted Accounting Principles (AGAAP)

Reconciliation of Total Equity as Presented Under Previous AGAAP to that Under AEIFRS

	Consolidated		NLA	
	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
Total equity under previous AGAAP	1,740,669	1,733,743	1,738,729	1,731,997
Adjustments to retained earnings:				
Lease liabilities increase as the result of the AEIFRS requirement to calculate the present value of lease payments from the inception of lease rather than from the beginning of the lease term	(1)	(2)	(1)	(2)
Non-current leave provisions reduce as the result of the AEIFRS requirement to discount annual leave provision that is not expected to be taken within 12 months of the balance date	62	66	62	66
Total equity translated to AEIFRS	<u>1,740,730</u>	<u>1,733,807</u>	<u>1,738,790</u>	<u>1,732,061</u>

Reconciliation of Profit or Loss as Presented Under Previous AGAAP to AEIFRS

	Consolidated	NLA
Prior year profit as previously reported	3,650	3,456
Adjustments:		
Salary expenses – AEIFRS requirement to discount annual leave not to be taken within 12 months of the balance date	(4)	(4)
Finance expenses – AEIFRS requirement to calculate the present value of lease payments from the inception of lease rather than from the beginning of the lease term	1	1
Prior year profit translated to AEIFRS	<u>3,647</u>	<u>3,453</u>

Note 2: The Impact of the Transition to Australian Equivalents to International Financial Reporting Standards (AEIFRS) from the Previous Australian Generally Accepted Accounting Principles (AGAAP) (continued)

The cash flow statement presented under the previous AGAAP is equivalent to that prepared under AEIFRS.

AEIFRS includes an option for entities not to restate comparative information in respect of financial instruments in the first AEIFRS report and the Finance Minister's Orders require entities not to restate the comparatives. AEIFRS adjustments for financial instruments are to be made as at 1 July 2005 and treated as a change in accounting policy. As a consequence the only adjustment necessary was an increase in receivables for the sale of goods and services of \$29,000 reflecting the change in the method of determining impairment.

Note 3: Income

REVENUES	Consolidated		NLA	
	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
3A – Revenues from Government				
Appropriations for outputs	<u>59,230</u>	<u>57,932</u>	<u>59,230</u>	<u>57,932</u>
Total revenues from government	<u>59,230</u>	<u>57,932</u>	<u>59,230</u>	<u>57,932</u>
3B – Sales of Goods and Services				
Goods	1,113	948	1,087	929
Services	<u>6,552</u>	<u>6,987</u>	<u>6,592</u>	<u>6,987</u>
Total sales of goods and services	<u>7,665</u>	<u>7,935</u>	<u>7,679</u>	<u>7,916</u>
Provision of goods to:				
Related entities	10	6	10	6
External entities	<u>1,103</u>	<u>942</u>	<u>1,077</u>	<u>923</u>
Total sales of goods	<u>1,113</u>	<u>948</u>	<u>1,087</u>	<u>929</u>
Rendering of services to:				
Related entities	776	1,000	776	1,000
External entities	<u>5,776</u>	<u>5,987</u>	<u>5,816</u>	<u>5,987</u>
Total rendering of services	<u>6,552</u>	<u>6,987</u>	<u>6,592</u>	<u>6,987</u>
3C – Interest Revenue				
Deposits	<u>1,617</u>	<u>958</u>	<u>1,518</u>	<u>869</u>
3D – Royalties				
Database royalties	359	332	359	335
Non-Database royalties	<u>15</u>	<u>13</u>	<u>8</u>	<u>-</u>
Total royalties	<u>374</u>	<u>345</u>	<u>367</u>	<u>335</u>
3E – Contributions				
Resources received free of charge	<u>2,057</u>	<u>2,234</u>	<u>2,057</u>	<u>2,234</u>
3F – Other Revenue				
Grants and other non-reciprocal payments by other entities	799	383	799	383
Other Revenue	<u>270</u>	<u>394</u>	<u>187</u>	<u>150</u>
Total other revenue	<u>1,069</u>	<u>777</u>	<u>986</u>	<u>533</u>
GAINS				
3G – Other Revenue				
Sale of plant and equipment under the capitalisation threshold	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

Note 4: Operating Expenses

	Consolidated		NLA	
	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
4A – Employee Expenses				
Wages and salaries	23,022	22,104	23,022	22,104
Superannuation	4,460	4,394	4,460	4,394
Leave and other entitlements	3,163	3,095	3,163	3,095
Separation and redundancies	143	131	143	131
Other employee benefits	209	143	209	143
Total employee benefits expenses	30,997	29,867	30,997	29,867
4B – Supplier Expenses				
Provision of goods - related entities	12	-	12	-
Provision of goods - external entities	4,196	4,084	4,172	4,059
Rendering of services - related entities	2,140	2,125	2,140	2,125
Rendering services - external entities	9,858	10,028	9,827	9,950
Operating lease rentals	962	927	962	927
Workers compensation premiums	539	360	539	360
Total supplier expenses	17,707	17,524	17,652	17,421
4C – Grant Expenses				
The Library makes grants to support Australian community organisations to preserve significant documentary heritage collections. Grants to individuals are provided to scholars and writers to work on materials held in the National Collection.				
Private Sector - Non-profit institutions	375	213	375	187
Private Sector - Individuals	65	79	52	66
Total grant expenses	440	292	427	253
4D – Depreciation and Amortisation				
Depreciation expenses are higher by \$361,858 and amortisation expenses are higher by \$24,032 than they would have been as a result of a reassessment of the useful lives of plant and equipment and software.				
<i>Depreciation</i>				
Plant and equipment	2,228	1,977	2,228	1,977
Heritage and cultural assets	12,417	12,238	12,417	12,238
Building	3,097	3,029	3,097	3,029
Total Depreciation	17,742	17,244	17,742	17,244
<i>Amortisation</i>				
Amortisation of leasehold improvements	10	10	10	10
Amortisation of assets held under finance leases	101	104	101	104
Intangibles - Computer software	1,127	1,074	1,127	1,074
Total Amortisation	1,238	1,188	1,238	1,188
Total depreciation and amortisation expenses	18,980	18,432	18,980	18,432
4E – Finance Costs				
Leases	29	44	29	44

Note 4: Operating Expenses (continued)

	Consolidated		NLA	
	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
4F – Write-down and Impairment of Assets				
Inventory	228	155	174	129
Bad and doubtful debts expense	1	6	1	6
- Receivables for goods and services				
Total write-down of assets	<u>229</u>	<u>161</u>	<u>175</u>	<u>135</u>
4G – Net Losses from Disposal of Assets				
Plant and equipment:				
Proceeds from disposal	(2)	(17)	(2)	(17)
Net book value of assets disposed	49	152	49	152
Write-offs	<u>71</u>	<u>1</u>	<u>71</u>	<u>1</u>
Net loss from disposal of Plant & Equipment	118	136	118	136
Intangibles:				
Write-offs	<u>10</u>	-	<u>10</u>	-
Net loss from disposal of intangibles	10	-	10	-
Net loss from disposal of assets	<u>128</u>	<u>136</u>	<u>128</u>	<u>136</u>
4H – Other				
Fringe Benefit Tax (Non-remuneration)	<u>55</u>	<u>80</u>	<u>55</u>	<u>80</u>

Note 5: Financial Assets

	Consolidated		NLA	
	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
5A – Cash and Cash Equivalents				
Cash at bank and on hand	6,331	11,557	6,100	11,273
Term deposit (Short Term)	23,378	14,340	23,378	14,340
Total cash and cash equivalents	29,709	25,897	29,478	25,613
5B – Receivables				
Goods and services	552	638	552	638
<i>Less:</i> Allowance for doubtful debts	(1)	(30)	(1)	(30)
	551	608	551	608
Interest receivable	134	29	128	25
GST receivable	422	309	422	303
Total receivables (net)	1,107	946	1,101	936
All receivables are current assets.				
Receivables (gross) are aged as follows:				
Not overdue	942	865	936	855
Overdue by				
Less than 30 days	163	89	163	89
30 to 60 days	2	20	2	20
61 to 90 days	1	1	1	1
More than 90 days	-	1	-	1
	166	111	166	111
Total receivables (gross)	1,108	976	1,102	966
The allowance for doubtful debts is aged as follows:				
Current	-	-	-	-
Overdue by				
Less than 30 days	-	8	-	8
30 to 60 days	-	20	-	20
61 to 90 days	-	1	-	1
More than 90 days	1	1	1	1
Total provision for doubtful debts	1	30	1	30
<i>Receivables for Goods and Services</i>				
Credit terms are net 30 days (2004–2005: 30 days).				
5C – Investments under s. 18 of the CAC Act				
Fixed Term Deposit with Bank	1,594	1,430	-	-

Note 6: Non-financial Assets

	Consolidated		NLA	
	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
6A – Land and Buildings				
Land – at fair value	10,700	8,750	10,700	8,750
Total land	10,700	8,750	10,700	8,750
Building - at fair value	138,050	141,250	138,050	141,250
Accumulated depreciation	-	(3,002)	-	(3,002)
Total building	138,050	138,248	138,050	138,248
Building improvements - at cost	-	2,378	-	2,378
Accumulated depreciation	-	(27)	-	(27)
	-	2,351	-	2,351
Building construction - work in progress - at valuation	6,103	-	6,103	-
Building improvements – work in progress – at cost	2,938	1,135	2,938	1,135
Total building improvements	9,041	3,486	9,041	3,486
Leasehold improvements – at fair value	44	65	44	65
Accumulated amortisation	-	(10)	-	(10)
Total leasehold improvements	44	55	44	55
Total building and building improvements	147,135	141,789	147,135	141,789
Total land and building (non-current)	157,835	150,539	157,835	150,539
6B – Plant and Equipment				
Plant and equipment – leased assets	399	418	399	418
Accumulated amortisation	(248)	(143)	(248)	(143)
	151	275	151	275
Plant and equipment - at fair value	8,405	8,818	8,405	8,818
Accumulated depreciation	-	-	-	-
	8,405	8,818	8,405	8,818
Total Plant and Equipment (non-current)	8,556	9,093	8,556	9,093

Note 6: Non-financial Assets (continued)

	Consolidated		NLA	
	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
6C – Heritage and Cultural Assets				
National Collection - at fair value	1,481,262	1,567,235	1,481,262	1,567,235
Accumulated depreciation	-	(24,086)	-	(24,086)
	<u>1,481,262</u>	<u>1,543,149</u>	<u>1,481,262</u>	<u>1,543,149</u>
National Collection - at cost	-	14,597	-	14,597
Accumulated depreciation	-	(251)	-	(251)
	<u>-</u>	<u>14,346</u>	<u>-</u>	<u>14,346</u>
Total National Collection (non-current)	<u>1,481,262</u>	<u>1,557,495</u>	<u>1,481,262</u>	<u>1,557,495</u>

All revaluations are independent and are conducted in accordance with the revaluation policy stated at Note 1. In 2005–2006, the revaluations were conducted by independent valuers from the Australian Valuation Office.

6D – Movement in the Asset Revaluation Reserve

Increment for land	1,110	-	1,110	-
Increment for buildings	<u>317</u>	<u>-</u>	<u>317</u>	<u>-</u>
	<u>1,427</u>	<u>-</u>	<u>1,427</u>	<u>-</u>
Decrement for leasehold improvements	2	-	2	-
Decrement for plant and equipment	2,013	652	2,013	652
Decrement for collections	<u>75,333</u>	<u>-</u>	<u>75,333</u>	<u>-</u>
	<u>77,348</u>	<u>652</u>	<u>77,348</u>	<u>652</u>

Note 6: Non-financial Assets (continued)

6E – Analysis of Property, Plant and Equipment and Intangibles
(Consolidated only, as this is the same as the parent entity)

Table A – Reconciliation of the Opening and Closing Balances of Property, Plant and Equipment and Intangibles

Item	Land	Buildings	Other Infrastructure, Plant and Equipment	Heritage and Cultural	Computer Software	TOTAL
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2005						
Gross Book Value	8,750	144,828	9,236	1,581,832	11,750	1,756,396
Accumulated depreciation / amortisation	n/a	(3,039)	(143)	(24,337)	(6,511)	(34,030)
Opening Net Book Value	8,750	141,789	9,093	1,557,495	5,239	1,722,366
Additions:						
by purchase and at no cost	840	8,138	4,074	11,517	2,188	26,757
by finance lease	-	-	1	-	-	1
Revaluations and impairment through equity	1,110	315	(2,013)	(75,333)	-	(75,921)
Depreciation / amortisation expense	-	(3,107)	(2,455)	(12,417)	(1,127)	(19,106)
Impairments recognised in operating result	-	-	-	-	-	-
Other	-	-	(24)	-	-	(24)
Disposals:						
other disposals	-	-	(120)	-	(10)	(130)
As at 30 June 2006						
Gross Book Value	10,700	147,135	8,804	1,481,262	8,638	1,656,539
Accumulated depreciation / amortisation	-	-	(248)	-	(2,348)	(2,596)
Closing Net Book Value	10,700	147,135	8,556	1,481,262	6,290	1,653,943

Note 6: Non-financial Assets (continued)

Table B – Summary of Balances of Assets at Valuation

Item	Land	Buildings	Other Infrastructure, Plant and Equipment	Heritage and Cultural	Computer Software	TOTAL
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
As at 30 June 2006						
Gross Value	10,700	144,197	8,405	1,481,262	-	1,644,564
Accumulated depreciation/ amortisation	n/a	-	-	-	-	-
Closing Net Book Value	10,700	144,197	8,405	1,481,262	-	1,644,564
As at 30 June 2005						
Gross Value	8,750	141,315	8,753	1,567,235	-	1,726,053
Accumulated depreciation/ amortisation	n/a	(3,012)	-	(24,086)	-	(27,098)
Closing Net Book Value	8,750	138,303	8,753	1,543,149	-	1,698,955

Table C – Assets Held Under Financial Lease

Item	Land	Buildings	Other Infrastructure, Plant and Equipment	Heritage and Cultural	Computer Software	TOTAL
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
As at 30 June 2006						
Gross Value	-	-	399	-	-	399
Accumulated depreciation/ amortisation	-	-	(248)	-	-	(248)
Closing Net Book Value	-	-	151	-	-	151
As at 30 June 2005						
Gross Value	-	-	418	-	-	418
Accumulated depreciation/ amortisation	-	-	(143)	-	-	(143)
Closing Net Book Value	-	-	275	-	-	275

Note 6: Non-financial Assets (continued)

Table D – Summary of Assets Under Construction

Item	Land	Buildings	Other Infrastructure, Plant and Equipment	Heritage and Cultural	Computer Software	TOTAL
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Gross Value at 30 June 2006	-	9,041	-	-	473	9,514
Gross Value at 30 June 2005	-	1,135	-	-	1,975	3,110

	Consolidated		NLA	
	2006	2005	2006	2005
	\$'000	\$'000	\$'000	\$'000
6F – Inventories				
Inventories held for sale (at cost)	609	723	609	619
Inventories held for sale (at realisable value)	440	284	311	181
Work in progress (at cost)	<u>202</u>	<u>180</u>	<u>169</u>	<u>166</u>
Inventories held for sale	1,251	1,187	1,089	966
Work in progress held for distribution (at cost)	14	14	14	14
Inventories held for distribution (at cost)	36	28	36	28
Total inventories	<u>1,301</u>	<u>1,229</u>	<u>1,139</u>	<u>1,008</u>
Inventories are categorised as follows:				
Current	516	508	479	431
Non-current	<u>785</u>	<u>721</u>	<u>660</u>	<u>577</u>
	<u>1,301</u>	<u>1,229</u>	<u>1,139</u>	<u>1,008</u>
Value of inventories recognised as an expense				
	<u>893</u>	<u>596</u>	<u>869</u>	<u>542</u>
6G – Intangibles				
Computer software – internally developed	1,375	1,029	1,375	1,029
Computer software – purchased	6,790	8,746	6,790	8,746
Accumulated amortisation	<u>(2,348)</u>	<u>(6,511)</u>	<u>(2,348)</u>	<u>(6,511)</u>
	5,817	3,264	5,817	3,264
Computer software – internally developed – in progress	473	1,975	473	1,975
Total intangibles	<u>6,290</u>	<u>5,239</u>	<u>6,290</u>	<u>5,239</u>
6H – Other Non-financial Assets				
Prepayments	<u>1,853</u>	<u>1,468</u>	<u>1,853</u>	<u>1,468</u>

Note 6: Non-financial Assets (continued)

Note 6I – Special Categories of Assets

The National Library building (\$140,988,000) and the land (\$9,800,000) upon which it stands are categorised as restricted assets in accordance with the Finance Minister's Orders made under the *Commonwealth Authorities and Companies Act 1997*. Restricted assets include those assets which cannot be redeployed or disposed because of legal or government policy constraints. Specifically, the Library does not have the power to dispose of either the Library building or land upon which it stands.

Note 7: Payables

	Consolidated		NLA	
	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
7A – Supplier Payables				
Operating lease rentals	-	-	-	-
Trade creditors	<u>3,499</u>	<u>3,223</u>	<u>3,499</u>	<u>3,218</u>
Total supplier payables	<u>3,499</u>	<u>3,223</u>	<u>3,499</u>	<u>3,218</u>

All supplier payables are current and settlement is usually made net 30 days.

7B – Grant Payables

Individuals	<u>7</u>	<u>28</u>	<u>7</u>	<u>28</u>
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All grants payables are current.

This liability is recognised because grant recipients have met the conditions of the grants, but are yet to be paid.

7C – Other Payables

Prepaid income	180	105	180	105
Interest payable	<u>1</u>	<u>2</u>	<u>1</u>	<u>2</u>
Total other payables	<u>181</u>	<u>107</u>	<u>181</u>	<u>107</u>

All other payables are current.

Note 8: Interest Bearing Liabilities

	Consolidated		NLA	
	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
8 – Leases				
Finance lease commitments payable:				
Within one year	127	125	127	125
In one to five years	73	234	73	234
In more than five years	-	-	-	-
Minimum lease payments	200	359	200	359
Deduct: future finance charges	(18)	(57)	(18)	(57)
Total lease liability	182	302	182	302
Lease liability is categorised as follows:				
Current	119	118	119	118
Non-current	63	184	63	184
Total lease liability	182	302	182	302

Finance leases exist in relation to photocopiers and facsimile machines. The leases are non-cancellable and for a fixed term of four years commencing February 2004. The Library does not guarantee the residual value of these leased assets and there are no contingent rentals. The interest rate implicit in the lease is 13.0% (2004–2005: 13.0%).

Note 9: Provisions

	Consolidated		NLA	
	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
9 – Employee Provisions				
Salaries and wages	599	462	599	462
Leave	9,975	9,753	9,975	9,753
Superannuation	34	36	34	36
Separation and redundancies	37	71	37	71
Total employee provisions	10,645	10,322	10,645	10,322
Employee provisions are categorised as follows:				
Current	8,700	9,911	8,700	9,911
Non-current	1,945	411	1,945	411
	10,645	10,322	10,645	10,322

As a consequence of the introduction of AEIFRS, AASB 119 *Employee Benefits* requires leave liabilities to be classified as current where there is a legal right to payment within 12 months. In contrast, the pre-AEIFRS requirement was to classify the liability into current and non-current based on an estimation of when the leave would be expected to be taken.

Note 10: Cash Flow Reconciliation

Note 10A – Reconciliation of Cash per Income Statement to Statement of Cash Flows	Consolidated		NLA	
	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
Cash at year end per Statement of Cash Flows	29,709	25,897	29,478	25,613
Balance Sheet items comprising above cash: 'Financial Asset - Cash'	29,709	25,897	29,478	25,613
10B – Reconciliation of Operating Result to Net Cash from Operating Activities				
Operating result	3,449	3,650	3,396	3,456
Non-cash items				
Depreciation and amortisation	18,980	18,432	18,980	18,432
Loss/(Gain) on disposal of non-current assets	128	136	128	136
Resources received free of charge	(2,057)	(2,234)	(2,057)	(2,234)
Notional expenditure	980	918	980	918
Change in accounting policy	29	-	29	-
Changes in Assets and Liabilities				
(Increase) / decrease in receivables and accrued revenue	436	(179)	432	(186)
(Increase) / decrease in other assets	(457)	(152)	(516)	(133)
Increase / (decrease) in grant payables	(21)	16	(21)	16
Increase / (decrease) in other payables	74	(18)	74	(18)
Increase / (decrease) in suppliers payables	276	157	281	180
Increase / (decrease) in employee provisions	323	808	323	808
Net cash from / (used by) operating activities	22,140	21,534	22,029	21,375
10C – Non-cash Financing and Investing Activities				
Leased assets	1	-	1	-
National Collection material received free of charge	1,204	1,343	1,204	1,343
Total Non-cash Financing and Investing	1,205	1,343	1,205	1,343

Note 11: Contingent Liabilities and Assets

Quantifiable Contingencies

The Schedule of Contingencies in the financial report shows a contingent liability of \$36,000 as at 30 June 2006, which represents a bank guarantee associated with the completion of off-site works for the construction of the Library's new repository.

The Schedule of Contingencies in the financial report shows a contingent asset of \$6,000 (2004–2005: \$7,000) as at 30 June 2006 and this represents a recovery of an overpayment from a former member of staff.

Unquantifiable Contingencies

As at 30 June 2006, the Library had received a claim for loss and damage from an unsuccessful tenderer. The Library will deny liability and will defend the claim. The quantum of the claim is not specified in the pleadings and the Library does not expect to be found liable on the claim.

Note 12: Compensation and Debt Relief in Certain Circumstances

The National Library has not made (2004–2005: Nil) or provided for any provisions in relation to compensation and debt relief, including either act of grace payments; waivers of debt owed to the Library; payments made under the Compensation for Detriment caused by Defective Administration; payments approved under ex-gratia programs; or payments made under special circumstances relating to Australian Public Service employment pursuant to s.73 of the *Public Service Act 1999*.

Note 13: Remuneration of Council Members

The number of Council members whose total remuneration was within the following bands are as follows:

	2006	2005
\$Nil – \$9,999	7	5
\$10,000 – \$19,999	5	7
\$20,000 – \$29,999	1	1
Total number of Council members	<u>13</u>	<u>13</u>

Aggregate amount of superannuation payments in connection with the retirement of Council members	\$ -	\$ -
Other remuneration received or due and receivable by the Council members of the Library	<u>106,670</u>	<u>110,767</u>
Total remuneration received or due and receivable by the Council members of the Library	<u>106,670</u>	<u>110,767</u>

Parliamentary members of Council do not receive any remuneration from the Library for their service on Council. The above disclosure excludes the Director-General, who is an executive member of the Council and whose remuneration is disclosed in Note 15. These payments are determined by the Remuneration Tribunal and paid in accordance with sections 13 and 17A of the *National Library Act 1960*.

Note 14: Related Party Disclosures

National Library Council

Members of the Council during the year were:

J. Gobbo (Chairman)
 F. Ryan (Deputy Chair)
 S. Bambrick to 24 August 2005
 G. Brandis
 M. Ferguson
 J. Hay
 G. Lewis from 30 March 2006
 B. Long
 I. McCalman to 4 September 2005
 K. McCann from 15 December 2005
 W. Pelz
 C. Rubenstein
 H. Williams
 J. Fullerton (Director-General and Executive member of Council)

The aggregate remuneration of Council members is disclosed in Note 13.

Controlled Entities – Library Trust Accounts

The Library provides administrative support services to the Library's trust accounts during the year free of charge. The activities funded by the trust accounts support the functions of the Library.

Transactions with Council Members or Council Member Related Entities

No members of the Council have, since the end of the previous financial year, received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by Council members shown in the financial statements) by reason of a contract made by the National Library with the Council member or an entity in which she/he has a substantial financial interest.

Note 15: Executive Remuneration

	Consolidated		NLA	
	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
\$130,000 – \$144,999	-	-	-	-
\$145,000 – \$159,999	1	1	1	1
\$160,000 – \$174,999	2	3	2	3
\$175,000 – \$189,999	-	1	-	1
\$190,000 – \$204,999	3	2	3	2
\$205,000 – \$219,999	1	1	1	1
\$220,000 – \$234,999	1	-	1	-
\$265,000 – \$279,999	1	-	1	-
\$295,000 – \$309,999	-	1	-	1
	<u>9</u>	<u>9</u>	<u>9</u>	<u>9</u>

	Consolidated		NLA	
	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
The aggregate amount of total remuneration of officers shown above.	<u>1,799,909</u>	<u>1,732,077</u>	<u>1,799,909</u>	<u>1,732,077</u>
The aggregate amount of separation and redundancy payments during the year to officers shown above.	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Officer remuneration includes all officers concerned with or taking part in the management of the economic entity during 2005–2006 provided that their remuneration equals or exceeds \$130,000 and includes the Director-General.

Note 16: Remuneration of Auditors

	Consolidated		NLA	
	2006	2005	2006	2005
Remuneration to the Auditor-General for auditing the financial statements for the reporting period.	\$	\$	\$	\$
The fair value of services provided was:	68,175	62,600	68,175	62,600

In addition, the Auditor-General undertook an audit of preparatory financial information for the first-time adoption of Australian Equivalents to International Financial Reporting Standards and the fee for this service is included within the general audit fee.

Note 17: Average Staffing Levels

The average staffing levels for the Library during the year were:	445	454	445	454
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Note 18: Trust Money Controlled by the Library

The Library operates a number of trust funds to account for donations and income from the application of donated funds. These funds are restricted assets; operate under formal trust arrangements; funds are only expended in accordance with the terms of trusts, which are for the purposes of the Library; and these moneys are also recognised in the primary financial statements. The following is a brief comment on each fund currently in operation.

Note 18: Trust Money Controlled by the Library (continued)

	2006 \$'000	2005 \$'000
(a) The Morris West Trust Fund was funded by the author Morris West. The fund is used for the publication of material owned by the Library.		
Balance carried forward from previous year	329	362
Receipts during the year	32	19
Interest received	19	23
Available for payments	380	404
Payments made	(22)	(75)
<i>Balance carried forward to next year</i>	<u>358</u>	<u>329</u>
(b) The General Trust Fund comprises donations received for general purposes or where no purpose is specified by the donor.		
Balance carried forward from previous year	860	670
Receipts during the year	159	232
Interest received	50	43
Available for payment	1,069	945
Payments made	(102)	(85)
<i>Balance carried forward to next year</i>	<u>967</u>	<u>860</u>
(c) The Kenneth Baillieu Myer Trust is a bequest from the late Kenneth Baillieu Myer for the purposes of the Kenneth Myer Annual Oration as held by the Library and for such other purpose as may be considered appropriate by the Director-General.		
Balance carried forward from previous year	61	69
Receipts during the year	1	-
Interest received	3	3
Available for payment	65	72
Payments made	(10)	(11)
<i>Balance carried forward to next year</i>	<u>55</u>	<u>61</u>
(d) The E.A. & V.I. Crome Trust is a bequest by the late E.A. Crome for the maintenance of, and addition to, the E.A. & V.I. Crome Collection.		
Balance carried forward from previous year	180	192
Receipts during the year	-	-
Interest received	9	12
Available for payment	189	204
Payments made	(38)	(24)
<i>Balance carried forward to next year</i>	<u>151</u>	<u>180</u>

Note 18: Trust Money Controlled by the Library (continued)

	2006 \$'000	2005 \$'000
(e) The Acquisition Trust Fund comprises donations received specifically for the acquisition of library material.		
Balance carried forward from previous year	61	58
Receipts during the year	8	-
Interest received	4	3
Available for payment	<u>73</u>	<u>61</u>
Payments made	-	-
<i>Balance carried forward to next year</i>	<u>73</u>	<u>61</u>
(f) The H.S. Williams Trust is a bequest from the late Harold S. Williams for the maintenance of, and addition to, the H.S. Williams Collection.		
Balance carried forward from previous year	211	195
Receipts during the year	31	100
Interest received	11	14
Available for payment	<u>253</u>	<u>309</u>
Payments made	<u>(45)</u>	<u>(98)</u>
<i>Balance carried forward to next year</i>	<u>208</u>	<u>211</u>
(g) The Dame Mary Gilmore Trust Account is a specific bequest from the late Dame Mary Gilmore.		
Balance carried forward from previous year	11	11
Receipts during the year	-	-
Interest received	1	-
Available for payments	<u>12</u>	<u>11</u>
Payments made	-	-
<i>Balance carried forward to next year</i>	<u>12</u>	<u>11</u>

Note 19: Financial Instruments

19A – Interest Rate Risk (consolidated only)

Financial Instrument	Notes	Floating Interest Rate		Fixed Interest Rate Maturing In						Non-interest Bearing		Total		Weighted Average Effective Interest Rate		
				1 year or less		1 to 2 years		2 to 5 years		> 5 years						
		2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000	2006 \$'000	2006 \$'000	2005 \$'000	2006 \$'000	2006 %	2005 %	
Financial Assets																
Cash at bank	5A	6,327	11,552	-	-	-	-	-	-	-	-	6,327	11,552	4.01	3.86	
Cash on hand	5A	-	-	-	-	-	-	-	-	-	4	5	4	n/a	n/a	
Interest receivable	5B	-	-	-	-	-	-	-	-	-	134	29	134	n/a	n/a	
Receivables for goods and services	5B	-	-	-	-	-	-	-	-	-	551	608	551	n/a	n/a	
Other debtors	5B	-	-	-	-	-	-	-	-	-	422	309	422	n/a	n/a	
Term deposit	5A	24,972	15,770	-	-	-	-	-	-	-	-	24,972	15,770	5.97	5.74	
Total		31,299	27,322	-	-	-	-	-	-	-	1,111	951	32,410	28,273		
Total Assets													1,690,286	1,746,905		
Financial Liabilities (Recognised)																
Finance lease liabilities	8	-	-	119	118	63	184	-	-	-	-	-	182	302	13.00	13.00
Trade creditors	7A	-	-	-	-	-	-	-	-	-	3,499	3,223	3,499	3,223	n/a	n/a
Grants payable	7B	-	-	-	-	-	-	-	-	-	7	28	7	28	n/a	n/a
Interest payable	11C	-	-	-	-	-	-	-	-	-	1	2	1	2	n/a	n/a
Total		-	-	119	118	63	184	-	-	-	3,507	3,253	3,689	3,555		
Total Liabilities													14,514	13,162		

Note 19: Financial Instruments (continued)

Note 19B – Net Fair Values of Financial Assets and Liabilities

The net fair value of each class of the Library's financial assets and liabilities equals the carrying amount for both current and preceding reporting periods.

Financial Assets

The net fair values of cash, deposits on call, interest bearing deposits and non-interest bearing monetary financial assets approximate their carrying amounts. None of the classes of financial assets are readily traded on organised markets in standardised form.

Other than for listed financial assets, none of the classes of financial assets are readily traded on organised markets in standardised form.

Financial Liabilities

The net fair value for finance lease liabilities are based on discounted cash flows using current interest rates for liabilities with similar risk profiles.

The net fair values for trade creditors and grant liabilities, which are short-term in nature, are approximated by their carrying amounts. None of the classes of financial liabilities are readily traded on organised markets in standardised form.

Note 19C – Credit Risk Exposures

The Library's maximum exposures to credit risk at reporting date in relation to each class of recognised financial assets is the carrying amount of those assets as indicated in the Statement of Assets and Liabilities. The Library has no significant exposures to any concentrations of credit risk. The Library does not hold collateral or other security and therefore the figures for credit risk represent the maximum credit risk exposure.

Note 20: Appropriations

Acquittal of Authority to Draw Cash from the Consolidated Revenue Fund for Ordinary Annual Services Appropriations and Other than Ordinary Services Appropriation.

Particulars	Departmental Outputs		Non-operating		Total	
	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
Balance carried from previous period	-	-	-	-	-	-
Reductions of appropriations (prior years)	-	-	-	-	-	-
Adjusted balance carried from previous period	-	-	-	-	-	-
Appropriation Acts (No.1)	58,786	50,663	-	-	58,786	50,663
Appropriation Acts (No.2)	-	-	7,485	3,928	7,485	3,928
Appropriation Acts (No.3)	-	306	-	-	-	306
Appropriation Acts (No.4)	-	-	-	-	-	-
Appropriation Acts (No.5)	444	6,963	-	-	444	6,963
Departmental adjustments by the Finance Minister (Appropriation Acts)	-	-	-	-	-	-
Comcover receipts (Appropriation Act s.13)	-	-	-	-	-	-
Advance to the Finance Minister	-	-	-	-	-	-
Appropriation reduced by section 9 determinations (current year)	-	-	-	-	-	-
Sub-total Annual Appropriation	59,230	57,932	7,485	3,928	66,715	61,860
Total appropriation available for payments	59,230	57,932	7,485	3,928	66,715	61,860
Cash payments made from Consolidated Revenue Fund	59,230	57,932	7,485	3,928	66,715	61,860
Appropriations credited to Special Accounts (excluding GST)	-	-	-	-	-	-
Balance of Authority to Draw Cash from the Consolidated Revenue Fund for Ordinary Annual Services Appropriations	-	-	-	-	-	-

This table reports on appropriation made by the Parliament from the Consolidated Revenue Fund (CRF) in respect of the Library. When received by the Library, the payments made are legally the money of the Library and do not represent any balance remaining in the CRF.

Note 21: Reporting of Outcomes

Note 21A – Outcomes of the Library

The Library is structured to meet one outcome:

Outcome 1: Australians have access, through the National Library of Australia, to a comprehensive collection of Australian library material and to international documentary resources.

The Library's outputs reflect the functions of the Library as defined in the *National Library Act 1960* including the maintenance and development of the national collection (Output 1.1); the provision of information services (Output 1.2); public program activities, such as exhibitions (Output 1.3); and the provision of the Libraries Australia system and other services to support and facilitate resource-sharing within the Library (Output 1.4).

Note 21B – Net Cost of Outcome Delivery (Consolidated)

	Outcome 1		Total	
	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
Administered expenses	-	-	-	-
Departmental expenses	68,565	66,536	68,565	66,536
Total expenses	68,565	66,536	68,565	66,536
<i>Costs recovered from the provision of goods and services to the non-Commonwealth government sector</i>				
Administered	-	-	-	-
Departmental	6,879	6,929	6,879	6,929
Total costs recovered	6,879	6,929	6,879	6,929
<i>Other external revenues</i>				
Departmental				
Sale of goods and services – to related entities	786	1,006	786	1,006
Interest	1,617	958	1,617	958
Net gains from disposal of assets	-	-	-	-
Royalties	374	345	374	345
Contributions	2,057	2,230	2,057	2,230
Other	1,069	779	1,069	779
Total Departmental	5,903	5,318	5,903	5,318
Total other external revenues	5,903	5,318	5,903	5,318
Net cost/(contribution) of outcome	55,783	54,289	55,783	54,289

The net costs shown include intra-Commonwealth government costs that would be eliminated in calculating the actual Budget outcome.

Note 21: Reporting of Outcomes (continued)

Note 21C – Major Departmental Revenues and Expenses by Output (Consolidated)

	Outcome 1								Total	
	Output 1.1		Output 1.2		Output 1.3		Output 1.4			
	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
Operating Expenses										
Employees	11,644	11,522	11,805	11,557	4,108	3,863	3,440	3,285	30,997	30,227
Suppliers	6,329	6,441	5,900	5,642	3,078	2,055	2,400	3,026	17,707	17,164
Grants	1	-	64	79	375	213	-	-	440	292
Depreciation and amortisation	1,442	1,458	15,891	15,239	560	541	1,087	1,194	18,980	18,432
Write-down of assets	4	1	55	1	165	154	5	5	229	161
Net loss from disposal of assets	1	4	122	125	4	5	1	2	128	136
Other	11	20	14	29	27	23	3	8	55	80
Borrowing cost expense	6	9	18	28	3	4	2	3	29	44
Total Operating Expenses	19,438	19,455	33,869	32,700	8,320	6,858	6,938	7,523	68,565	66,536
Funded by:										
Revenues from Government	17,455	17,591	32,692	31,004	5,717	5,781	3,366	3,560	59,230	57,936
Sale of goods and services	560	620	1,608	1,513	1,284	867	4,213	4,935	7,665	7,935
Interest	495	327	744	360	226	150	152	121	1,617	958
Royalties	260	208	63	57	14	13	37	67	374	345
Contributions	2,057	2,230	-	-	-	-	-	-	2,057	2,230
Other	243	325	150	38	645	404	33	12	1,071	779
Total Operating Revenues	21,070	21,301	35,257	32,972	7,886	7,215	7,801	8,695	72,014	70,183

The Library's outcome and outputs are described at Note 21A.

The net costs shown include intra-Commonwealth Government costs that would be eliminated in calculating the actual Budget outcome.

Output cost attribution: The full cost of the individual outputs is determined through the identification of both direct costs and an appropriate amount for common costs (i.e. support costs). Common costs such as building services, payroll processing, accounting and

information technology are attributed on the basis of relevant cost drivers.

These cost drivers provide an appropriate basis for attributing common costs, for example costs associated with providing building services are attributed on the basis of the floor space occupied and financial transaction processing costs are attributed on the basis of the number of transactions processed for an individual output.

5. Appendices

APPENDIX A

The Council of the National Library of Australia and its Committees

The Council

Chairman

The Hon. Sir James Gobbo AC CVO, BA (Hons) (Melb), MA (Oxon), Hon LLD (Monash), Hon LLD (Bologna), DUniv (Catholic), Hon Dott Jurisprudence, Hon LLD (Melb), Hon FAIV

Non-executive member
 Victorian Commissioner for Italy
 Chairman, Australian Multicultural Foundation
 Chairman, Council of the Order of Australia Victoria
 Re-appointed 24 June 2004 for a three-year term until 26 June 2007
 Attended six of six meetings

Deputy Chairman

Mr Fergus Ryan, FICAA, FID, FAIM

Non-executive member
 Non-executive director, Commonwealth Bank of Australia
 Non-executive director, Australian Foundation Investment Company
 Non-executive director, Clayton Utz Victoria
 Re-appointed 25 June 2006 for a three-year term until 24 June 2009
 Re-elected Deputy Chairman on 2 June 2006
 Attended six of six meetings

Members

Professor Susan Bambrick OBE, BEcon (Hons), PhD, FAIE

Non-executive member
 Emeritus Professor, University of Southern Queensland Queensland
 Re-appointed 25 August 2002 for a three-year term until 24 August 2005
 Attended one of one meeting
 Term expired

Senator George Brandis, BA (Hons), LLB (Hons), BCL

Non-executive member
 Senator for Queensland Queensland
 Elected by the Senate on 14 March 2005 for a three-year term until 13 March 2008
 Attended three of six meetings

Mr Martin Ferguson AM, MP, BEc (Hons)

Non-executive member
 Federal Member for Batman and Shadow Minister for Primary Industries, Resources, Forestry and Tourism Victoria
 Re-elected by the House of Representatives on 16 August 2005 for a three-year term until 15 August 2008
 Attended four of six meetings

Professor John Hay AC, BA (Hons) (Western Australia & Cambridge), MA (Cambridge), PhD (Western Australia), Hon LittD (Deakin), Hon DLitt (UWA), FACE, FAIM

Non-executive member
 Vice-Chancellor, University of Queensland
 Queensland
 Appointed 23 March 2005 for a three-year term until
 22 March 2008
 Attended six of six meetings

Mr Geoffrey Lewis

Non-executive member
 Chief Executive Officer, ASG Group Ltd
 Western Australia
 Appointed 30 March 2006 for a three-year term until
 29 March 2009
 Attended one of one meeting

Mr Brian Long, Assoc. Member, Institute of Chartered Accountants

Non-executive member
 Chairman, Board of Partners, Ernst & Young
 New South Wales
 Appointed 28 May 2003 for a three-year term until
 27 May 2006
 Re-appointed 23 June 2006 for a three-year term until
 22 June 2009
 Attended five of six meetings

Professor Iain McCalman, BA (Hons), MA, PhD, FRHistS, FAAH, FASSA

Non-executive member
 Federation Fellow, Humanities Research Centre
 and Centre for Cross-Cultural Research, Australian
 National University
 Australian Capital Territory
 Appointed 5 September 2002 for a three-year term
 until 4 September 2005
 Attended one of one meeting
 Term expired

Mr Kevin McCann AM, BA, LLB (Hons), LLM, FAICD

Non-executive member
 Chairman, Origin Energy Limited
 Chairman, Healthscope Limited
 Chairman, Triako Resources Limited
 Chairman, Sydney Harbour Federation
 Trust
 Lead Independent Director, Macquarie
 Bank Limited
 Director, BlueScope Steel Limited
 Non-executive member, Takeovers Panel
 Non-executive member, Defence
 Procurement Advisory Board
 New South Wales
 Appointed 15 December 2005 for a
 three-year term until 14 December 2008
 Attended three of three meetings

Ms Winnie Pelz, BA, Dip Art

Non-executive member
 Chief Executive Officer, Guide Dogs
 Association of SA and NT Inc.
 South Australia
 Re-appointed 8 August 2002 for a
 four-year term until 17 August 2006
 Attended five of six meetings

Dr Colin Rubenstein AM, MA, PhD

Non-executive member
 Executive Director, Australia/Israel &
 Jewish Affairs Council
 Victoria
 Re-appointed 19 February 2004 for a
 three-year term until 21 February 2007
 Attended five of six meetings

Ms Helen Williams AO, BA (Hons)

Non-executive member
Secretary, Department of
Communications, Information
Technology and the Arts
Australian Capital Territory
Re-appointed 23 March 2005 for a
three-year term until 22 March 2008
Attended six of six meetings

**Director-General and Executive
Member of Council****Ms Jan Fullerton AO, BA, Grad DipLib**

Australian Capital Territory
Re-appointed 9 August 2002 for a
five-year term until 8 August 2007
Attended five of six meetings

Dr Warwick Cathro

Acting Director-General and executive
member of Council
Attended one of one meeting

Council Meetings

The Council met on six occasions, on the
following dates:

- 5 August 2005
- 7 October 2005
- 2 December 2005
- 3 February 2006
- 7 April 2006
- 2 June 2006.

The Audit Committee**Chair****Ms Winnie Pelz**

Non-executive member of Council
Appointed Chair 7 June 2002
Attended two of three meetings

Members**Mr Brian Long**

Non-executive member of Council
Appointed 6 June 2003
Attended three of three meetings

Ms Helen Williams AO

Non-executive member of Council
Appointed 5 April 2002
Attended three of three meetings

**Meetings Attendance by Other
Council Members**

The following other Council members attended Audit
Committee meetings during the year:

The Hon. Sir James Gobbo AC CVO

Chair of Council
Attended two of three meetings

Ms Jan Fullerton AO

Director-General and executive member of Council
Attended two of three meetings

Dr Warwick Cathro

Acting Director-General and executive member of
Council
Attended one of one meeting

Mr Fergus Ryan

Non-executive member of Council

Attended two of three meetings

Terms of Reference

The Audit Committee's terms of reference are to:

- a. help the Library and members of the Council of the Library to comply with obligations under the *Commonwealth Authorities and Companies Act 1997*
- b. provide a forum for communication between the members of the Council, senior managers of the Library and the Library's internal and external auditors
- c. satisfy itself that there is an appropriate ethical climate in the Library and review policies relating to internal controls and management of risks.

Meetings

The Audit Committee met on three occasions, on the following dates:

- 5 August 2005
- 2 December 2005
- 7 April 2006.

The Corporate Governance Committee

Chair

Mr Fergus Ryan, Deputy Chair of Council

Members

The Hon. Sir James Gobbo AC CVO, Chair of Council

Ms Winnie Pelz, Chair of Audit Committee

Terms of Reference

The Corporate Governance Committee's terms of reference are to:

- a. evaluate the effectiveness of the Council in its role in corporate governance
- b. evaluate the performance and remuneration of the Director-General
- c. oversight the development of a list of prospective members for appointment to the Library Council, subject to consideration and approval by the Minister.

Meetings

The Corporate Governance Committee met on two occasions, 3 February 2006 and 2 June 2006, and held several telephone discussions during the year.

APPENDIX B

National Library of Australia Committees

Three committees provide advice to the Library: the Libraries Australia Advisory Committee (formerly the Kinetica Advisory Committee), the Collecting Advisory Committee and the Community Heritage Grants Steering Committee. In 2005 the Library established a Development Council, whose members have agreed to work as a special interest support group to assist the National Library to raise off-budget funds.

The Libraries Australia Advisory Committee (Kinetica Advisory Committee until September 2005)

Chair

Mr John Arfield

University of Western Australia

Members

Dr Warwick Cathro

National Library of Australia

Ms Elizabeth Ellis

State Library of New South Wales

Ms Judy Engall (until December 2005)

New South Wales Department of Education and Training

Ms Pam Gatenby

National Library of Australia

Mr Lindsay Harris (from October 2005)

The Queen Elizabeth Hospital, South Australia

Ms Linda Luther

University of Tasmania

Ms Joan Moncrieff (from January 2006)

Deakin University

Ms Sherrey Quinn

Libraries Alive! Pty Ltd

Ms Patricia Scott (until June 2006)

University of Adelaide

Dr Naida Tattersall

Gold Coast City Council

Mr Chris Taylor

University of Queensland

Ms Karen Vitullo (until September 2005)

Director, Library and Extension Services, Australian Bureau of Statistics

Secretariat

Resource Sharing Division
National Library of Australia

Terms of Reference

The Libraries Australia Advisory Committee provides advice on strategic and policy issues affecting the delivery of the Libraries Australia service, the broad direction of service development, and changes occurring in the library community that are likely to affect services.

The Collecting Advisory Committee

Chair

Professor Stuart Macintyre

University of Melbourne

Members

Professor Susan Bambrick OBE

Emeritus Professor, University of Southern Queensland

Ms Margy Burn

National Library of Australia

Ms Chris Foster

National Library of Australia

Professor James Fox

Australian National University

Ms Jan Fullerton AO

National Library of Australia

Ms Pam Gatenby

National Library of Australia

Professor Malcolm Gillies

Australian National University

Ms Rosemary Sorenson

Brisbane *Courier-Mail*

Professor Elizabeth Webby

University of Sydney

Secretariat

Collections Management Division
National Library of Australia

Terms of Reference

The National Library Collecting Advisory Committee provides to the Library:

- advice on its future collecting policy and delivery of information services based on the collections
- advice on broad strategies for developing the collections, including identification of potential donors of material and sponsorship opportunities
- assistance with promoting its collections and collection policy.

The Fellowships Advisory Committee

Chair

Professor John Hay

National Library Council

Members

Professor Graeme Clarke

Australian Academy of the Humanities

Dr Patricia Clarke OAM

Australian Society of Authors

Ms Jan Fullerton AO

National Library of Australia

Professor Rod Home

Australian Academy of Science

Professor Iain McCalman

The Australian Academy of Humanities

Dr Carolyn Rasmussen

Independent Scholars Association of
Australia

Professor Joyce Kirk

Australian Library and Information
Association

Secretariat**Mr Graeme Powell**

Australian Collections and Reader
Services Division
National Library of Australia

Terms of Reference

The National Library Fellowships
Advisory Committee's terms of reference
are to make recommendations to
Council:

- a. on the award of fellowships
- b. on other matters relating to the
administration of the scheme.

Meeting

The Fellowships Advisory Committee
meets annually. In the reporting year
the meeting was held on 4 August;
all committee members at that time
attended.

**The Community Heritage Grants
Steering Committee****Chair**

Ms Jasmine Cameron (from February 2006)

National Library of Australia

Ms Pam Gatenby (until February 2006)

National Library of Australia

Members

Ms Helen Kon

National Library of Australia

Ms Susan Carey (until May 2006)

National Library of Australia

Ms Elizabeth Watt

National Library of Australia

Ms Barbara Poliness

Department of Communications, Information
Technology and the Arts

Ms Derina McLaughlin

National Archives of Australia

Ms Pam Saunders (until November 2005)

National Film and Sound Archive

Ms Ann Landrigan (from February 2006)

National Film and Sound Archive

Ms Louise Douglas

National Museum of Australia

Secretariat

Public Programs Division
National Library of Australia

Terms of Reference

The Community Heritage Grants Steering Committee provides advice and direction on matters associated with the Community Heritage Grants Program, including policy and administration. It also facilitates the exchange of information about the program between the Library and all funding partners.

Terms of Reference

The Development Council provides advice on matters associated with fundraising and philanthropy.

Development Council

Chair

Mr Kevin McCann AM

National Library Council

Members

Ms Jan Fullerton AO

National Library of Australia

Ms Helen Kon

National Library of Australia

Ms Doreen Mellor

National Library of Australia

Ms Karen Rush

Mr Edward Simpson

Ms Julia King

Ms Helen James

Secretariat

Public Programs Division
National Library of Australia

APPENDIX C

Freedom of Information Statement

In 2005–2006, the Library received no requests under the Commonwealth *Freedom of Information Act 1982* (FOI Act) for access to documents.

Freedom of Information Procedures and Initial Contacts

A request for access to documents in the possession of the Library is subject to the regulatory application fee of \$30.

Applicants seeking access under the FOI Act should forward the \$30 application fee with a written request, providing an address to which responses may be sent, to:

The FOI Coordinator
Accountability and Reform Branch
National Library of Australia
CANBERRA ACT 2600
Email: foi@nla.gov.au

The FOI Coordinator is available between 9 am and 5 pm from Monday to Friday and can be contacted by telephone on (02) 6262 1798 or by fax on (02) 6257 1703. Provided access is approved and the relevant fees have been received, the Library will provide copies of documents requested. Arrangements may be made for examination of documents to which access is granted in that form.

If an applicant is dissatisfied with a decision made under the FOI Act they may apply to the Director-General for an internal review. A request to review a decision is subject to a regulatory application fee of \$40.

If access is approved, the Library will provide such access on receipt of payment for any charges that apply.

Decision-making Powers

Library staff exercise decision-making powers under the *National Library Act 1960*.

Participation in the Formulation of Policy

The Library welcomes comments on its policies from members of the public. In addition to the key supporting policies and documents listed in Appendix D, the Library publishes a wide range of policies on its website, including exposure drafts with a mechanism for online comments and enquiries.

The Library also publishes its Service Charter with advice on how to provide feedback on the Library's services.

Categories of Documents Held

Library documents available for public access include policy statements, catalogues and other indexes associated with the Library's collections of books and other documenting materials. Available for purchase by the public is a wide range of technical and general publications produced by the Library. Brochures describing the Library's services are made available to the public free of charge. Among other documents held by the Library are minutes, reports and submissions associated with internal and external committees, general correspondence relating to the activities and functions of the organisation, and administrative documents such as management, staffing, finance and personnel records. Many of the publications described are available on the Library's website <www.nla.gov.au>.

Access to Archival Records

Under section 40 of the Commonwealth *Archives Act 1983* members of the public may apply to the National Archives of Australia for access to records in the current open period—that is, records that are more than 30 years old and do not fall into one or more categories of exempt records, as listed under section 33 of the Act. People seeking access to the archival records of the Library should make their requests in the first instance directly to the National Archives of Australia.

APPENDIX D

Key Supporting Policies and Documents

Information about the Library's functions, objectives, policies and activities can be found in the documents listed here. Some policy documents are also available on the Library's website <www.nla.gov.au>.

Legislation

- *National Library Act 1960*
- National Library Regulations (1994)
- *Commonwealth Authorities and Companies Act 1997*
- Portfolio Budget Statements

Strategic and Operational Plans

- Directions for 2003–2005
- Directions for 2006–2008
- Balanced Scorecard
- Environmental Management Plan (2003)
- Information Technology Strategic Plan 2006–2009
- Risk Management Register (2006)

Collection Policies

- Collection Development Policy (2006)

Cataloguing Policy

- Authority Control Policy (2004)
- Cataloguing Policy (2006)

Electronic Resource Policies

- Acceptable Use of Information and Communication Technology (2005)
- Collection Digitisation Policy 2006

Preservation Policies

- Collection Disaster Plan (2006)
- Collection Preservation Plan (2006)
- Digital Preservation Policy (2005)
- Policy on Participation in Cooperative Microfilming Projects with Other Institutions (2005)
- Preservation Policy (2006)

Service Charter

- Service Charter (2004)
- Policy on Handling Complaints and Other User Feedback (1998)
- Reader Services Policy (2004)

Corporate Services Policies

- Building Management Plan (2006)
- Certified Agreement (2004–2007)
- Fraud Control Plan (2006–2008)
- Protective Security Policy and Procedures (2006)
- Strategic Workforce Plan (2005)
- User Charging Policy (2005)

Public Programs Policies

- Events and Education Policy (2004)
- Exhibitions Policy (2004)
- Outward Loan Policy (2004)
- Policy on Sponsorship and Fundraising (2006)
- Publications Policy (2003)
- Travelling Exhibitions Policy (2004)

APPENDIX E

Consultancy Services 2005–2006

The following table shows the consultancy services with an individual value of \$10,000 or more that were engaged in 2005–2006, the nature of the consultancy, its value, and the selection process.

Consultant	Purpose	Actual Value (\$)	Selection Process	Justification (see note)
Bearcage Productions	Video production services to assist in the launch and promotion of Libraries Australia	15,220	Direct sourcing	B
Blake Dawson Waldron	General legal advice	32,376	Panel	B
Corrs Chambers	General legal advice	32,784	Panel	B
Environmetrics Pty Ltd	Evaluation of visitor satisfaction with <i>National Treasures</i> exhibition	11,864	Direct sourcing – undertook previous <i>Treasures</i> events	C
Ernst & Young	Quality assurance review of the Kinetica Redevelopment project	32,991	Direct sourcing – previous supplier	C
GHD Pty Ltd	Undertake initial design elements and project management services for the podium refurbishment project	194,457	Open tender	B
GHD Pty Ltd	Design and superintendent services for repository project	121,231	Open tender	B
GHD Pty Ltd	Design and documentation for heating, ventilation and air conditioning systems upgrade	132,824	Panel	B
GHD Pty Ltd	Design services for smoke detector system upgrade	10,694	Select tender	B
GHD Pty Ltd	Design and documentation for exhibition gallery air conditioning upgrade	63,389	Panel	B
Grid Communications	Advice, graphic design work for <i>National Treasures</i> exhibition	19,470	Direct sourcing	B
HBO + EMTB	Design and documentation for the Information Technology training suite	18,260	Open tender	B
HBO + EMTB	Review and update the building and strategic accommodation survey and report	36,690	Direct sourcing – previous supplier	B
Heritage Management Consultants	Develop heritage strategy and conservation management plan	49,000	Select tender	B
Jenny Oates & Associates	Assist with an organisational review	42,790	Select tender	C
Madden Sykes	Assistance with communication strategy for <i>National Treasures</i> exhibition	22,176	Select tender	B
Nielsen/NetRatings	Evaluation of website user satisfaction with MusicAustralia and Australia Dancing	31,515	Select tender	C

Consultancy Services Engaged 2005–2006

Consultant	Purpose	Actual Value (\$)	Selection Process	Justification (see note)
Peckvonhartel	Design concepts and options for Treasures Gallery	63,671	Direct sourcing	B
Phillips Fox	General legal advice	15,615	Panel	B
Phillips Fox	Development of an Intellectual Property Management Strategy	15,423	Panel	B
Project Computing	Software development for Information Technology projects	172,769	Direct sourcing	A
Ross Feller	Analysis of exhibition items, layout plans for all venues for <i>National Treasures</i> exhibition	61,600	Direct sourcing	A
Ross Feller	Advice for <i>National Treasures</i> exhibition on display options	12,458	Direct sourcing	B
Sara Joynes	Research and acquisition of Australian collection material in the United Kingdom	29,247	Direct sourcing	B
Strategic Facility Services	Update the 15-year building strategic plan for the Library	28,820	Direct sourcing-previous original plan	B
Walter Turnbull	Internal Audit	60,766	Open tender	C
Web Objectives	Software Development for Information Technology projects	57,872	Direct sourcing	A
+VE Results Practical Solutions	Review of how the Library records and uses identifying materials	12,100	Direct sourcing	B
Total		\$1,398,072		

Consultancy Services 2005–2006 (continued)

Note: The following justifications are the rationales for the decisions to undertake consultancies:

- A – skills currently unavailable within agency
- B – need for specialised or professional skills
- C – need for independent research or assessment

Values are GST inclusive.

APPENDIX F

Staffing Overview

National Library staff are employed under the Commonwealth *Public Service Act 1999*. Conditions of employment are contained in the Library's Certified Agreement 2004–2007, certified in July 2004.

At 30 June 2006 the Library had 400 full-time and part-time ongoing staff and 63 full-time and part-time non-ongoing staff.

Staff Distribution

Division	Ongoing		Non-ongoing		June 2006	June 2005
	Full-time	Part-time	Full-time	Part-time	Total	Total
Office of the Executive and Coordination Support	9	0	0	0	9	10
Collections Management	128	24	5	6	163	182
Australian Collections and Reader Services	66	9	14	13	102	102
Resource Sharing	39	3	2	0	44	59
Information Technology	36	2	5	5	48	44
Public Programs	38	6	4	6	54	51
Corporate Services	36	4	3	0	43	49
Total	352	48	33	30	463	497

Staff Distribution by Division 30 June 2006

Staff Classification

Classification	Ongoing				Non-ongoing				Total 2006		Total 2005	
	Full-time		Part-time		Full-time		Part-time		M	F	M	F
	M	F	M	F	M	F	M	F				
Statutory Office Holder	0	1	0	0	0	0	0	0	0	1	0	1
SES Band 1	4	4	0	0	0	0	0	0	4	4	3	5
Executive Level 2	9	14	0	0	1	0	0	0	10	14	11	15
Executive Level 1	22	29	0	3	1	2	0	1	23	35	30	32
APS 6	21	34	1	9	2	2	1	0	25	45	26	49
APS 5	12	44	0	8	1	2	2	3	15	57	17	66
APS 4	16	39	0	6	2	1	3	3	21	49	19	46
APS 3	12	53	0	9	2	1	0	3	14	66	21	69
APS 2	8	27	0	11	2	14	7	7	17	59	17	62
Graduate	1	1	0	0	0	0	0	0	1	1	0	3
APS 1	1	0	0	1	0	0	0	0	1	1	2	3
Sub-total	106	246	1	47	11	22	13	17	131	332	146	351
Total	352		48		33		30		463		497	

Ongoing and Non-ongoing Full and Part-time Staff by Classification and Gender 30 June 2006

Note: Table is based on paid employees.
Employees on long-term leave for more than 12 weeks are not included.

Senior Executive Staff Movements

The number of Senior Executive Staff (SES) positions did not change during 2005–2006. One SES staff member was promoted to another agency and replaced by a staff member promoted to the SES.

Equal Employment Opportunity

Classification	Male	Female	Total	Indigenous Peoples	People with a Disability	Culturally and Linguistically Diverse Background ^a
Statutory Office Holder	0	1	1	0	0	0
SES Band 1	4	4	8	0	0	1
Executive Level 2	10	14	24	1	1	0
Executive Level 1	23	35	58	0	1	15
APS 6	25	45	70	0	2	18
APS 5	15	57	72	0	1	16
APS 4	21	49	70	1	0	14
APS 3	14	66	80	0	3	28
APS 2	17	59	76	0	2	33
Graduate	1	1	2	0	0	0
APS 1	1	1	2	0	1	1
Total	131	332	463	2	11	126

Staff, by EEO Groups and Australian Public Service Classification 30 June 2006

Note: Data for EEO groups are based on information voluntarily supplied by individual staff members.

a. First and second generation

Staff Training

The focus of staff training has been on priority areas identified in the Library's Strategic Workforce Plan and is discussed in Chapter 2 of this report. Targets for these strategic training initiatives were monitored through the Workforce Planning Committee and the following results were achieved.

Training initiative	Number of staff trained
Team Work Skills	176
Performance Management	314
Leadership Training	
Focus on Leadership series	358
Senior Leaders Seminar	24
Cultural Management Development Program	2
Advanced Workplace Skills Program	6

Strategic Training Initiatives 2005–2006

The Library's Performance Management System encourages identification of development needs and opportunities through individual performance development plans. Training requests were registered through these plans, and staff who nominated training needs were offered development opportunities through a range of avenues, including internal and external training providers, on-the-job training, placements and seminars. Training was provided to 461 staff and covered such areas as IT application development and support; reference search techniques; various aspects of cataloguing; collection disaster awareness; office IT applications;

disability awareness; contract management and the Library's induction program.

Various commitments under occupational health and safety were met through training in ergonomic awareness, manual handling, fire warden roles, and disaster awareness. Staff receive general ergonomic advice and OH&S information at induction, and 10 staff were either newly trained or renewed their qualifications in First Aid Officer training. Rehabilitation Case Manager training was also conducted during the year.

The combined outlay on training and development was \$275,595.

Classification	(person-days)		Total
	Male	Female	
Senior Executive Service	2	22	24
Executive Level 1–2	48	245	293
APS 5–6	31	179	210
APS 1–4	122	557	679
Total	203	1003	1206

Training Days 2005–2006

APPENDIX G

Donors

The individuals and organisations listed in this appendix made donations to the Library in 2005–2006. Their generosity is acknowledged.

Substantial Collection Material

Individuals

Ms Robyn Archer AO
Emeritus Professor Susan Bambrick OBE
Ms Margaret Barbalet
Emeritus Professor Geoffrey Bolton AO
Mr Richard Bonyngé AO CBE
Mrs Diana Boyd
Ms Patricia Braga
Ms Judy Cassab AO CBE
Dr Patricia Clarke
Dr Paul Collins
Dr John HN Deck
Ms Rosemary Dobson-Bolton AO
Ms Stephanie Dowrick
Ms Sara Dowse
Dr Merrelyn Emery
Professor Bill Gammage AM
Ms Helen Garner
Ms Jenny Hadlow
Mr Owen Harries
The Estate of Ms Nora Heysen AO
Mr Barry Hill
Mr Tiger See Hoe
Ms Rosemary Hyde

Mr Thomas Keneally AO
Dr James Kerr AM
Mr Jim Maple-Brown AM
Professor Ann McGrath
Ms Meredith McKinney
Dr Betty Meahan
Professor John Molony
Mrs Margaret Mort
Mr Frank Parsons
Dr George Repin AM
Ms Maroussia Richardson
Professor John Ritchie AO
Ms Rhyl Rivett
Ms Bennison Rodd
Ms Diane Romney
Mr William Rutledge
Ms Nola Sharp
Dr Nonie Sharp
Ms Jane Sullivan
Ms Nancy Bird Walton AO OBE
Mr Paul Wilson
Mr Rix Wright

Corporate

Anglican Diocese of Canberra and Goulburn
Australian Conservation Foundation
Australian Democrats Parliamentary Party
Australian Publishers Association
Australian Youth Orchestra
Institute of Public Affairs (NSW)

International Council for Traditional Music
 Sir Roland Wilson Foundation
 United Nations Association of Australia

Grants and Sponsorships

Sponsors who have also supplied goods and/or services to the Library in the current financial year are indicated by an asterisk (*).

Grants

Department of Communications,
 Information Technology and the Arts
 National Archives of Australia
 National Film and Sound Archive
 National Museum of Australia

Sponsorships

AAMI
 ABC Local Radio
 Accor Asia Pacific
 Animal Logic*
 Asia-Pacific Futures Research Network
 Harvey Norman*
 Hoyts
 News Limited*
 Novotel Canberra*
 Qantas*
 SBS*
 Southcorp Wines*
 TransACT*

Financial Donations and Bequests

Estate of Leah Cohen
 Friends of the National Library
 Mrs Pat McCann
 Mrs Alison Sanchez
 Mr John Ulm
 Harold S Williams Trust Fund

Books for Aceh Project

Alexander Fax Booksellers
 Asia Bookroom*
 Book Lore
 Daltons Books
 Dr Keith Foulcher
 Gaslight Books
 Paperchain Bookstore
 Dr Maxine K Rochester
 University of Wollongong Library

Support a Book Program

Friends of Vanessa Griffith
 Griffith 8

Treasures Gallery

Refer to Appendix H—Treasures Gallery Appeal for details

APPENDIX H

Treasures Gallery Appeal

The Treasures Gallery Appeal has been steadily raising funds for the development of a Treasures Gallery in a prominent area in the Library, where significant objects and records central to Australia's story will always be on display. Donors can contribute by instalment in the following categories:

- Platinum Foundation Treasured Partners—gifts of \$250,000 and above
- Gold Foundation Treasured Partners—gifts of \$100,000 and above
- Silver Treasured Partners—gifts of \$50,000 and above
- Bronze Treasured Partners—gifts of \$25,000 and above
- Opal Treasured Partners—gifts of \$10,000 and above
- Jade Treasured Partners—gifts of \$5,000 and above
- Amber Treasured Partners—gifts of below \$5,000.

The individuals and organisations listed in this appendix have made donations to the Treasures Gallery Appeal since it commenced in 2001. Their generosity is acknowledged.

Gold Foundation Treasured Partners

ActewAGL*

Mr Henry Ergas

Ms Helen James and Mr Jim Bettison (Bettison & James Family Trust)

Thyne Reid Foundation

Silver Treasured Partners

Friends of the National Library

Bronze Treasured Partners

Mr James Bain AM and Mrs Janette Bain

Mr James O Fairfax AO

Opal Treasured Partners

GHD Pty Ltd*

Dr Kenneth and Mrs Glenn Moss

Jade Treasured Partners

Mr Victor Crittenden

Mr Michael and Mrs Mary Heard

Mr Robert Hill-Ling AO and Mrs Robert Hill-Ling

Mrs Claudia Hyles

Mr Baillieu Myer AC and Mrs Sarah Myer

Mrs Mary Louise Simpson

Mr John Uhrig AC and Mrs Shirley Uhrig

Macquarie Bank Limited

Amber Treasured Partners

Anonymous donors

Mr Shane Baker and Ms Linda Pearson

Ms Lucy Bantermalis

Mr and Mrs RN Barnett

Ms Pamela Bell

Mrs Maree Bentley

Mr Udai Bhati

Mrs Phoebe Bischoff AO

Mrs Rita M Bishop

Blake Dawson Waldron*

Mr Warwick Bradney

Sir Ron Brierley	Mr JW Persse
Dr Ruth Bright AM and Dr Desmond Bright	Mr Noel Potter
Dr Geoffrey A Burkhardt	Lady Price
Mr Graeme and Mrs Elaine Camage	The Hon. Margaret Reid AO
Mr Clyde Cameron AO	Mr Chris and Mrs Cathy Richardson
Dr Veronica Condon	Mr Jack and Mrs Diana Ritch*
CRA International	Mrs Patricia Roberts
Mr Brian Davidson	Miss Kay Rodda
Ms Naomi Doessel	Professor Alan Robson AM
Ms Jeanette Dunkley	Ms Jane Sandilands
Ms Ennis Easton	Ms Jude Savage
Mrs Shirley Fisher	Ms Jill Smith
Mr Anthony and Mrs Roma Francombe	Ms Jane Smyth
Mr Ross and Mrs Rellie Gibson	Mrs Elinor Swan
Ms Margot Girle	Mr Jack and Mrs Jess Taylor
Mr Jacob Grossbard	Mrs Dossie Thompson
KE Halfpenny	Mr Brian and Mrs Margaret Wall
Mr John and Mrs Robyn Hawkins	* This indicates donors to the Treasures Gallery Appeal who, in 2005–2006, supplied goods and/or services to the National Library.
Ms Tracey Hind	
Mrs Janet Holmes à Court AO	
Mrs JM Hooper	
Mr Neville and Mrs Noreen Horne	
Mr Ashton Johnston	
Ms AJ Kitchin	
Mr Andrew and Mrs Virginia Ligertwood	
Dr Rosemary McKenna	
Mrs Denyse Merchant	
Mrs Mary Mitchell	
Mr Angus and Mrs Gwen Paltridge	
Ms Penny Pardoe-Matthews	



6. Glossary and Indexes

GLOSSARY

ACCRUAL BUDGET A comprehensive budget incorporating assets, liabilities, expenses and revenues, as well as cash receipts and expenditures

APAIS THESAURUS The APAIS Thesaurus lists the subject terms used to index articles for APAIS: Australian Public Affairs Information Service, a subject guide to literature in the social sciences and humanities

ASKNOW www.asknow.gov.au
A collaborative service developed by the Council of Australian State Libraries, AskNow is a virtual reference desk where answers are provided immediately by operators using chat software and searching the Internet and library resources

AUSTRALIA DANCING
www.australiadancing.org A web portal enabling access to Australian dance resources

AUSTRALIAN WEB DOMAIN A collective term for Australian websites

BALANCED SCORECARD A strategic management tool

BLOG Short for weblog, a journal (or newsletter) that is frequently updated and intended for general public consumption

EFFECTIVENESS The extent to which actual outcomes are achieved, against the outcomes planned, via relevant outputs or administered expenses

EFFECTIVENESS INDICATORS Indicators to assess the degree of success in achieving outcomes

FINANCE One Financial Management System

FLICKR www.flickr.com A digital photo-sharing website and web services suite

INTERNATIONAL INTERNET PRESERVATION CONSORTIUM (IIPC)
An organisation whose mission is to acquire, preserve and make accessible knowledge and information from the Internet for future generations, promoting global exchange and international relations

IMAGE TRAILS A collection of thematic images in the PictureAustralia service

IT INFRASTRUCTURE LIBRARY (ITIL) A framework outlining worldwide accepted best practices for IT service management. ITIL covers areas such as Incident Management, Problem Management, Change Management, Release Management and the Service Desk

LIBRARIES AUSTRALIA librariesaustralia.nla.gov.au
A service providing information about items held by Australian libraries, used by Australian libraries for automated cataloguing and interlending. Formerly known as Kinetica

LOGARITHMIC SCALING A scale of measurement in which an increase of one unit represents a logarithmic increase in the quantity measured

MUSIC AUSTRALIA www.musicaustralia.org
A collaborative multimedia database enabling access to Australian music resources

OUTCOMES The results, impacts or consequences of actions by the Commonwealth on the Australian community

OUTPUTS The goods and services produced by agencies on behalf of government for external organisations or individuals

PANDORA, AUSTRALIA'S WEB ARCHIVE
pandora.nla.gov.au established by the National Library in 1996, PANDORA stands for 'Preserving and Accessing Networked Documentary Resources of Australia'

PERFORMANCE The proficiency of an agency or authority in acquiring resources economically and using those resources efficiently and effectively in achieving planned outcomes

PERFORMANCE TARGETS Quantifiable performance levels or changes in level to be attained by a specific date

PICTUREAUSTRALIA www.pictureaustralia.org Single web entry point to digitised heritage image collections

PODCASTING A method of publishing files to the Internet, allowing users to subscribe to a feed and receive new files automatically by subscription, usually at no cost

REFERENCE SERVICE Services provided by the Library which assist library users to understand and navigate the information environment to pursue independent self-directed research

QUALITY Relates to the characteristics by which customers or stakeholders judge an organisation, product or service

WIKI A website or similar online resource that allows users to add and edit content collectively

OH&S Occupational health and safety

PADI Preserving and Accessing Digital Information

SES Senior Executive Service

Shortened Forms

AASB Australian Accounting Standards Board

AEIFRS Australian Equivalents to International Financial Reporting Standards

ANBD Australian National Bibliographic Database

APS Australian Public Service

CAC Act *Commonwealth Authorities and Companies Act 1997*

CASL Council of Australian State Libraries—the peak body for Australia’s national, state and territory libraries

EEO Equal employment opportunity

FOI Freedom of information

GST Goods and Services Tax

IT Information Technology

NLA National Library of Australia

OAI Open Archives Initiative—protocol for metadata harvesting

COMPLIANCE INDEX

The table below shows compliance with *Commonwealth Authorities and Companies (Report of Operations) Orders 2005* issued by the Minister for Finance and Administration on 30 June 2005.

While not required from statutory authorities, the Library has also compiled this report with selected regard to Requirements for Departmental Annual Reports approved by the Joint Committee of Public Accounts and Audit under subsections 63(2) and 70(2) of the *Public Service Act 1999* (Cwlth) June 2006.

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