



Chairman's Report



The year 2006–2007 was an eventful one for the National Library of Australia, with significant advancements made in the digitisation of our collections and in ensuring the Library remains an attractive and enjoyable destination for visitors.

An important event for the Library in 2006–2007 was the commencement of the Australian Newspaper Digitisation Project. This project will digitise every page of one major newspaper from each state and territory for the out-of-copyright period up to 1954. This will eventually result in approximately 3.5 million pages of significant historic newsprint being made freely available to anyone with internet access.

During the reporting period the Library also continued to actively pursue its digitisation program, and to date over 117 000 collection items have been made available for viewing via the Library's website. In 2007, a new Digital Collections website was launched to provide an easy way for users to explore online the Library's collections of maps, pictures, manuscripts, oral histories, music and published materials.

These activities provide enormous benefits to the Australian community and support research and scholarship across a broad spectrum of disciplines. However, they also require substantial resources to develop and implement. To this end, the Council and Library staff have spent much time considering how these digitisation activities can be undertaken in the most effective and efficient manner, and will continue to work towards finding new ways of supporting projects that make the Library's collections readily visible and accessible.

While the Library will continue to focus on converting the collection material to digital formats and exploring new technologies to make its resources available online, the physical collections and the Library as a tangible experience remain the foundation for all its activities. Despite the ever-increasing use of the Library's online resources, people

continue to visit the Library to access collection material in reading rooms, visit exhibitions or attend events and educational programs. They are drawn by the strength of the Library's collections and activities, the expertise and approachability of our staff, and the unique beauty of the Library building and its setting on the shores of Lake Burley Griffin.

The Council and Library management are committed to preserving this experience for visitors. The Council has consulted closely with the National Capital Authority over planned redevelopments to the Library forecourt. In addition, major building works—supported by the Australian Government—to refurbish the Library podium (the paved outdoor area on the ground floor) has commenced. This will ensure the Library building continues to preserve our valuable collections.

A planned Treasures Gallery will further enhance the experience of visitors to the Library. This will be a permanent gallery in which iconic collection items will be displayed. Under the auspices of the Library's Development Council, fundraising activities to support the Treasures Gallery are well underway. I would like to thank the individual and corporate sponsors who have generously supported this project to date.

Cultural institutions exist in a constantly and rapidly changing environment. While these changes bring challenges, they also provide opportunities to develop innovative services to reach an ever-widening number of users. I am confident the Library is well placed to take advantage of these opportunities and will continue to provide rich, readily accessible online resources and remain a vibrant physical space to visit.

Sir James Gobbo AC, CVO

The National Library in 2006–2007: Director-General's Review

The National Library of Australia is charged with collecting and preserving the nation's documentary heritage in its many forms. How the Library shares this material with the Australian community is changing rapidly as digital and online technologies advance. Today, users can search our collections and services online, view digitised collection items and related material and use the Library's website to access the collections of over 1000 Australian libraries. An important goal for the Library is to become more visible in the online information-seeking world. This will allow us to reach new audiences and expand community awareness of our collections and their significance.

Improved Access through New Technologies

The Library has commenced the Australian Newspaper Digitisation Project, which will significantly enhance access to Australian historical newspapers. Beginning with the *Sydney Gazette*, which was first published in 1803, the Library will digitise a major newspaper from each Australian state and territory up to 1954. By the end of this four-year project, some 3.5 million newspaper pages will be freely available online.

Another initiative—Electronic Resources Australia—aims to ensure library users across Australia have free access to a core set of electronic resources, including general reference, newspapers, business and health information products. This service implements a recommendation of the 2003 Senate enquiry into the role of libraries in the online environment. Purchasing resources at discounted prices through the Electronic Resources Australia consortium will be particularly beneficial for smaller libraries.

The Library continued to develop collaborative services that open

collections to public access. A partnership with Destra Media has added 45 000 contemporary Australian music recordings to our MusicAustralia service. Users can listen to a free 30-second sample and then proceed, if they wish, to purchase and download the full item online. We have commenced development of the PeopleAustralia service, which will provide authoritative information on Australian people and organisations, and will link to biographical websites including the Australian Dictionary of Biography Online, AustLit, the Dictionary of Australian Artists Online and the Register of Australian Archives and Manuscripts.

The Library is working with the Australian cultural sector to promote support for OpenSearch, which will enable users to find resources from a range of cultural institutions in one search. These agencies will include libraries, museums, galleries and archives. In November 2006, Libraries Australia and PictureAustralia were modified to support OpenSearch.

The National Collection

Every year the Library receives more than 120 000 journal issues, 70 000 newspaper issues and 45 000 books through deposit, purchase or donation. In addition to books, journals, newspapers, magazines and pamphlets, the Library collects pictures, maps, manuscripts and personal papers, oral history recordings, music and online publications that contribute to the documentary record of Australia, or are socially or culturally significant.

In 2006–2007, significant new acquisitions included:

- the literary archive of the Australian Nobel Laureate Patrick White. The archive, previously believed to have been destroyed, includes important literary and personal material, and will



- enable significant scholarly reassessment of White's work
 - several 1841 letters by French explorer Dumont D'Urville; a 30-year sequence of correspondence between writers Shirley Hazzard and Elizabeth Harrower; and records created by Nobel Laureate Professor Robin Warren—a challenge for the Library as they were received on several hundred now obsolete floppy disks
 - an important botanical work, *Historia plantarum, species hactenus editas aliasque insuper multas noviter inventas & descriptas complectens*, published from 1686 to 1704 in three volumes
 - a rare zoological edition containing drawings by Sydney Parkinson, botanical artist on the *Endeavour*, and text by Johann Reinhold Forster who travelled with James Cook on his second voyage. *Indische Zoologie, oder, Systematische Beschreibungen seltener und unkekannter Thiere aus Indien* was published in 1781 and includes 15 hand-coloured plates
 - a unique set of 99 of the British Admiralty's earliest charts of Australia, mapped between 1801 and 1861; and two outstanding atlases of Australia and the Asia-Pacific, *Cartes et Tables de la Géographie Physique ou Naturelle*, by the 18th-century French cartographer Philippe Buache
 - oral history interviews with former High Court judges Sir Ninian Stephen and Sir Anthony Mason, the first in a series being recorded as part of an Australian Research Council project collaboration with The Australian National University
 - a collection of 1182 vintage photographs of performances of the Ballets Russes in Melbourne in 1939 and 1940, acquired from the daughter of the photographer Hugh P. Hall; 114 photographs from Rennie Ellis' *Aussies All* series, which strengthen the Library's holdings of portraits of significant Australians; a series of panoramic colour photographic prints of contemporary leisure activities by Anne Zahalka; and a photographic album documenting the Murray River irrigation system in 1920
 - an 1870s oil painting by George Peacock of the Proclamation Tree in South Australia; *On the Murray River at Echuca*, an 1885 oil painting by P.J. Lysaght; and an S.T. Gill watercolour of Hill River Station, Clare, in 1846.
- In order to preserve the ways in which information is being created and published, the Library undertook its second harvest of the whole Australian web domain. Online titles are also selectively added to PANDORA: Australia's Web Archive, which is now in its eleventh year. The Library is a participant in the International Internet Preservation Consortium, led by the Bibliothèque nationale de France, an international effort by national libraries and other organisations to share and collaboratively develop software and tools needed to successfully archive the web.
- A major milestone was achieved in February 2007 with the completion of a project spanning more than 20 years to create online catalogue records for all journals held by the Library. Making this information available online means that details of the holdings for over 260 000 journal titles can be easily discovered through the Library's catalogue and through Libraries Australia.
- Project staff have been engaged in a variety of work to improve access to collection materials. Their work has included listing and controlling 200 000 aerial photographs; cleaning, listing and rehousing 1700 pieces of radio orchestral

music from the collection of Radio 3DB's William Flynn; and accessioning and captioning the 5000-item Stan Cross collection, one of the largest and most significant cartoon collections acquired by the Library, which is now ready for automated uploading to the catalogue.

Working with Others

The Library works closely with state libraries as a member of National and State Libraries Australasia (formerly the Council of Australian State Libraries). A key National and State Libraries Australasia initiative has been the major travelling exhibition *National Treasures from Australia's Great Libraries*, which the Library developed and managed. The exhibition opened at the Library in December 2005 and began its national tour in March 2006, going to Melbourne, Hobart, Sydney, Brisbane, Adelaide, Darwin and Perth, and attracting over 350 000 visitors by the end of the financial year. Principal sponsor AAMI and major sponsors Qantas, News Limited, Hoyts, Animal Logic, Accor, SBS Television and ABC Local Radio generously provided over \$1.5 million worth of support. The Australian Government also provided significant support through the Visions of Australia and Art Indemnity Australia programs. For this exhibition, the managing organisation for indemnity is the National Gallery of Australia. The exhibition will complete its national tour in Perth in late 2007.

In November 2006, Libraries Australia celebrated the 25th anniversary of the Australian National Bibliographic Database (ANBD)—a long-term collaboration among Australia's libraries that has produced a unique and thriving national resource. The ANBD commenced operation in November 1981 with just six contributing libraries. Now it provides access to more than 42 million items held in 1000 libraries across the country. The celebration

was held in conjunction with the annual Libraries Australia Forum—the best attended Forum in two decades, its focus on future directions being well received by delegates.

On 19 April, the Library convened the 2007 Innovative Ideas Forum, providing an opportunity for representatives from a variety of cultural institutions from Australia and overseas to share information about new developments and trends in providing access to information. This year's Forum focused on user-generated content and ways in which researchers and the general public are contributing information to online services.

The Library hosted the Peak Bodies Forum in May, which brought together representatives of library organisations such as the Council of Australian University Librarians, the Australian Library and Information Association and the Australian Government Libraries Information Network. The Forum considered issues such as workforce planning, internet filtering and censorship, as well as recent developments in information discovery and delivery.

The Community Heritage Grants program, funded by the Australian Government through the Library, the Department of Communications, Information Technology and the Arts, the National Archives of Australia, the Australian Film Commission and the National Museum of Australia, continues to provide grant funding for the preservation of nationally significant, locally held heritage collections across Australia. This year, 80 community organisations received grant funding of up to \$10 000 for nominated projects, as well as preservation training. Since 1994, the Community Heritage Grants program has distributed over \$2 million to more than 500 organisations.

Supporting Scholarship and Research

The Library maintained a close involvement with the higher education sector through its participation in the Australian Research Repositories Online to the World (ARROW) and Australian Partnership for Sustainable Repositories (APSR) projects. These projects are developing services that allow institutions to manage, make accessible and preserve the outputs of research, such as research papers and data sets. The Library continued to support the ARROW Discovery Service, which provides search access to the content of Australia's university research repositories. In the APSR project, the Library has been leading the development of tools that will assist repository managers to preserve their research content.

During the year, the Library was invited to join the Working Group on Data for Science, under the auspices of the Prime Minister's Science, Engineering and Innovation Council. In its report issued in December, the Working Group made a number of recommendations to improve the management of Australia's research data.

The Library also supports the work of Australia's research community through its participation in projects funded by the Australian Research Council. In July 2006, the Australian Dictionary of Biography Online was launched. Over three years, the Library has contributed financial and in-kind support to this project, including digitising images from its collection and facilitating access to images on PictureAustralia. The Library's participation in the Australian Research Council-funded project *Ballets Russes in Australia: Our Cultural Revolution*, with The Australian Ballet and the University of Adelaide, has digitised key heritage collections, informed performance practice by dancers and musicians developing the Ballet's current

repertoire, and resulted in significant new acquisitions including photographs, diaries, letters and oral history interviews.

Scholarly research is not only dependent on the Library's collections but leads to increased knowledge of collection materials. Renewed interest in Dutch cartography associated with the Australia on the Map celebration of four centuries of maritime exploration led to the discovery that two charts which had been in the Library's collection since 1911 were original manuscript drawings, rather than published facsimiles of Willem de Vlamingh's original chart.

The Library manages a program of research fellowships supporting the work of individual scholars, writers and creative artists. Harold White Fellowships provide established writers and researchers the opportunity to spend several months exploring the Library's unique resources; Norman McCann Summer Scholarships support younger scholars to undertake intensive research at the Library during the university summer vacation; and the National Folk Festival Fellowship enables the recipient to develop a performance based on research using the Library's folklore collections. Details of these programs can be found on pages 38–9 of this report.

Relating to the Community

The Library's diverse public programs contribute to Australian culture through the development of exhibitions, print and electronic publications, events and education activities. In November 2006, the Library completed a major four-volume publishing project, an edition of the 44 diaries of artist and writer Donald Friend under the auspices of the Morris West Trust Fund. The diaries, displayed together for the first time, were the centrepiece of the exhibition *Donald Friend: A Charmed Life*, which ran from November 2006 to February 2007.

The exhibition *Facing Percy Grainger*, curated in partnership with the University of Melbourne's Grainger Museum and supported by ABC Classic FM, contributed an Australian perspective to international research on the composer–pianist and was accompanied by a hardcopy publication, online exhibition and live-to-air concert broadcast.

The Library published two books for children on a bugs and beasts theme featuring images drawn from its collections, as well as a book for parents and children, *Australian Backyard Astronomy*, presenting key astronomical information as seen from the southern hemisphere. An edition of selected letters of the Australian poet and environmentalist Judith Wright was released, as were two books presenting the research of former Harold White Fellows: *Was Australia Charted Before 1606? The Java la Grande Inscriptions* by William A.R. Richardson and *Forever Foreign: Expatriate Lives in Historical Kobe* by Keiko Tamura. In June, the Library's publication on the geologist and surveyor *T.W. Edgeworth David: A Life* was shortlisted for the inaugural Prime Minister's History Prize.

Highlights of the Library's extensive events program included the major concert performance in Melbourne's Iwaki Auditorium in August 2006, *Percy Grainger: A World beyond Country Gardens*; the two-day conference, *Love and Desire: Literature and the Intimate*, held in September; and the conversation between Irina Baronova and the Library's Curator of Dance Lee Christofis, *Nobility, Revolutions and One Night Stands*, held in February 2007. Events conducted under the auspices of the Friends of the National Library included the 2006 Kenneth Myer Lecture in August featuring Geoffrey Robertson QC; the annual Friends Celebration event in October highlighting Thomas Keneally's contribution to Australian literature; and a 'white gloves' evening

in February 2007 showcasing diaries and journals from the Library's Manuscripts Collection.

Supporting the Library

The Library values the supporters and benefactors who help us in various ways. Their assistance can take the form of cash donations, gifts to the collection, volunteer work, corporate sponsorship, individual advocacy, or participation in the activities of the Friends of the National Library.

In 2005, the Library established a Development Council to provide advice on fundraising strategies and to actively assist in obtaining support for Library programs. High on the list of fundraising priorities is a new Treasures Gallery, which will display iconic and treasured items intrinsic to Australia's history and culture from the Library's collections. The first stage fundraising target for this project is close to realisation and in 2006–2007, more than \$1.5 million was raised, with particularly generous contributions from Platinum Treasured Partner, the John T. Reid Charitable Trusts, and Principal Treasured Partner, the Ian Potter Foundation (see Appendix I).

Major bequests received during the year came from the estates of artist Nora Heysen and New York arts patron Eva Kollsman. The Seymour Summer Scholarship was established with a generous donation from John and Heather Seymour, and other donations were made to support activities as diverse as publications, exhibitions, events and oral history projects (see Appendix H).

Developing the Organisation

This year, a new Collective Agreement was negotiated. The agreement recognised the valuable contribution made by Library staff to increasing

efficiency and effectiveness, and achieving the objectives and key priorities outlined in the Library's Directions for 2006–2008. The Collective Agreement will maintain the Library's place as an employee of choice within the market place. The Library has continued to encourage and support innovation, experimentation and creativity in our staff, and the acquisition of new skills. In particular, it has continued to emphasise the development of staff leadership and teamwork skills. Twenty-four senior staff participated in the second of three annual leadership courses offered by leading US practitioners Schreiber, Shannon and Associates. Staff of all levels are enthusiastically taking up places in team skills courses, now being offered for the second year, and hearing distinguished speakers share their experiences in Focus on Leadership addresses.

On 3 August 2006, Senator the Hon. Rod Kemp, the former Minister for the Arts and Sport, opened the Library's new storage facility. The purpose-built repository located in the Canberra suburb of Hume was funded by the Australian Government in the 2004–2005 Budget and will provide sufficient storage space to meet the Library's needs until 2013, with the possibility of future expansion.

Caring for the Library's heritage-listed building on the shores of Lake Burley Griffin is a continuing capital priority. In the 2006–2007 Budget, the Australian Government announced additional funding of \$9.8 million to enable the refurbishment of the Library podium to stop the significant leaks that have developed as the original structure ages. Work commenced in May 2007 and is expected to be completed in late 2008.

A number of other building projects are being planned as the Library seeks to improve services to readers and facilities for visitors. Before work commences on these projects, a building master plan is being developed that encompasses increased exhibition space

and the development of a Treasures Gallery, significant enhancements to reading rooms to provide 21st-century functionality, and the rationalisation of collection storage arrangements to help improve energy efficiency.

Creating the Future

In a world of rapidly changing technology and of evolving user expectations, the Library is providing access to its collections in new ways. Wherever possible, it is engaging more directly with those who use the Library's collections and services. Directions for 2006–2008 indicates the Library's commitment to ensuring its relevance and enhancing its visibility. To ensure that the Library achieves its goals and to give particular focus to priority areas, it will be undertaking a mid-point review of its strategic directions early in the new financial year.

The Library plans to improve its information technology architecture in order to increase its ability to innovate and meet user expectations that information will be readily available online. The Library's vision is that key services such as PictureAustralia, MusicAustralia and Libraries Australia will all eventually be delivered as part of a single discovery service, enabling users to find information regardless of the format of the material or where it is held. This initiative will be supported by a new service-oriented architecture that will position the Library to respond quickly to evolving technologies and the changing needs of users.

Australians are increasingly turning to services such as Google, Amazon and Wikipedia to meet their information needs and to gain access to value-added services such as full-text searching of books, reading lists, related items and reviews. Researchers and special interest groups are also forming their own online

communities and building their own discovery and recommendation services.

This is being enabled through the Library's efforts to make the holdings of Australian libraries accessible to search engines, but it raises questions about the future of its catalogue and other discovery services. The Library will be investigating ways in which its services can be a trusted starting point for searches, combining results from multiple sources of information, providing delivery services directly to individuals for material not available locally or online, and using features such as relevance ranking, clustering and interactive design to improve the user experience, and to facilitate learning and the creation and dissemination of knowledge.

Summary of Financial Performance

Operating Outcome

During 2006–2007 operating revenues, including revenue from government, amounted to \$74.4 million and operating expenses were \$68.082 million, resulting in a net operating surplus of \$6.318 million.

Operating Revenue

Total operating revenue of \$74.4 million for 2006–2007 was \$3.998 million above budget and compares to total actual revenue of \$72.014 million for the 2005–2006 financial year. Figure 1.1 shows a comparison of revenue across items against budget and the 2005–2006 financial year.

The major variations between financial years relate to a decrease in revenue

from government, where appropriation revenue decreased by \$0.912 million, and increases in interest revenue of \$0.847 million and in other revenues of \$2.455 million. The reduction in appropriation revenue largely reflects the net reduction in funding for buildings and infrastructure, plant and equipment depreciation expenses following the revaluation of these assets as at 30 June 2006. The increase in interest revenue is the result of increased interest rates and additional funds being held in interest-bearing deposits. The increase in other revenue is largely the result of the receipt of a \$1 million grant to support the future construction of the Library’s Treasures Gallery, and the receipt of two new trust funds controlled by the Library totalling \$1.381 million.

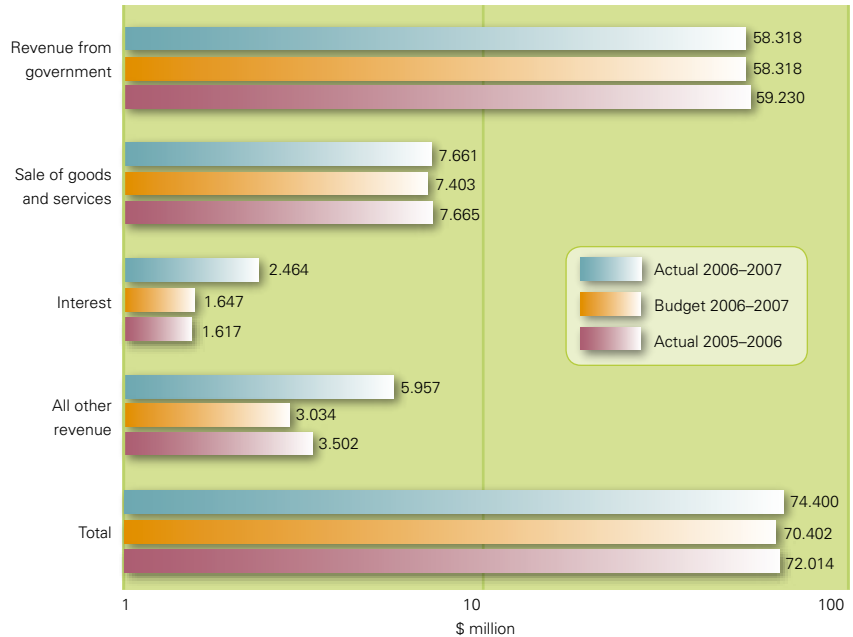


Figure 1.1 Operating revenue, 2006–2007 and 2005–2006
 Note: A logarithmic scale is used.

Operating Expenses

Total operating expenses of \$68.082 million were \$1.478 million below budget and \$0.483 million less than the 2005–2006 financial year expenditures. Figure 1.2 shows a comparison of expenditure across items and against budget for the 2006–2007 and 2005–2006 financial years.

The variation between financial years of $-\$0.483$ million in operating expenses primarily relates to increased employee expenses ($\$0.665$ million)—largely the result of pay increases—with the balance of the variation a result of reductions in supplier expenses ($-\$0.496$ million), depreciation and amortisation expenses ($-\$0.630$ million), and other expenses ($-\$0.022$ million).

Equity

The Library's total equity increased by \$25.279 million to \$1701.051 million in 2006–2007. The net increase was a result of an equity injection (\$4.978 million), a net revaluation increment (\$13.983 million) following the revaluation of the Library's land and buildings, and the net operating result (\$6.318 million).

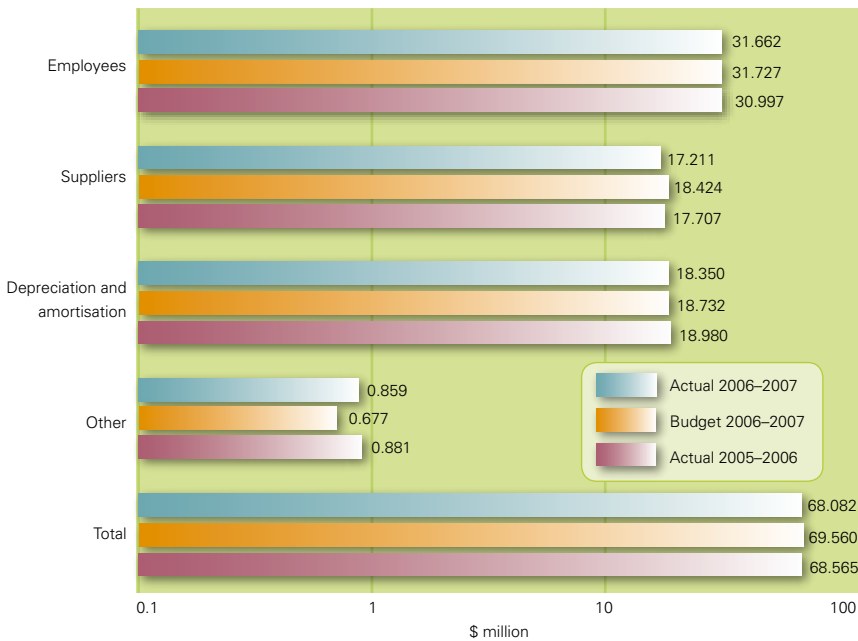


Figure 1.2 Operating expenses, 2006–2007 and 2005–2006

Note: A logarithmic scale is used.

Total Assets

Figure 1.3 shows that the total value of the Library's assets increased by \$26.335 million to \$1716.621 million in 2006–2007.

The variation between financial years for non-financial assets (\$9.390 million) was largely the result of the revaluation of the Library's land and buildings (\$13.983 million) and the net difference between current year asset acquisitions and current year depreciation expenses (\$–4.496 million). In addition, there were minor movements in the value of inventories (\$0.107 million) and the value

of prepaid supplier expenses (\$0.027 million). The increase in financial assets (\$16.945 million) relates to an increase in receivables (\$0.120 million); an increase in cash at bank (\$16.613 million), which primarily reflects not fully consuming the funding received for the purchase of Library collections and the refurbishment of the Library podium, the receipt of a \$1 million grant for the future construction of the Library's Treasures Gallery, and the receipt of additional trust monies (\$1.381 million); and a minor increase in investments (\$0.226 million) as a result of increased investment of Library Trust Fund moneys.

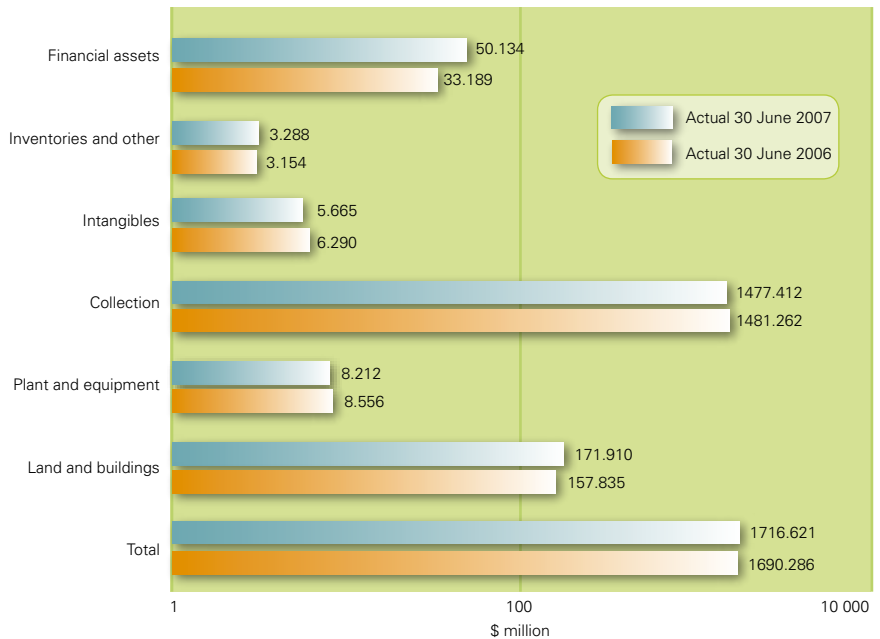


Figure 1.3 Total assets, 2006–2007 and 2005–2006

Note: A logarithmic scale is used.

Total Liabilities

As Figure 1.4 shows, the Library's total liabilities increased by \$1.056 million from last financial year to \$15.570 million.

The main changes in liabilities relate to an increase in supplier payables (\$1.171 million); a reduction in lease liabilities (–\$0.111 million); and a minor reduction in employee provisions (–\$0.064 million), which largely reflects a reduction in leave provisions (–\$0.024 million) and a provision for redundancies (–\$0.037 million).

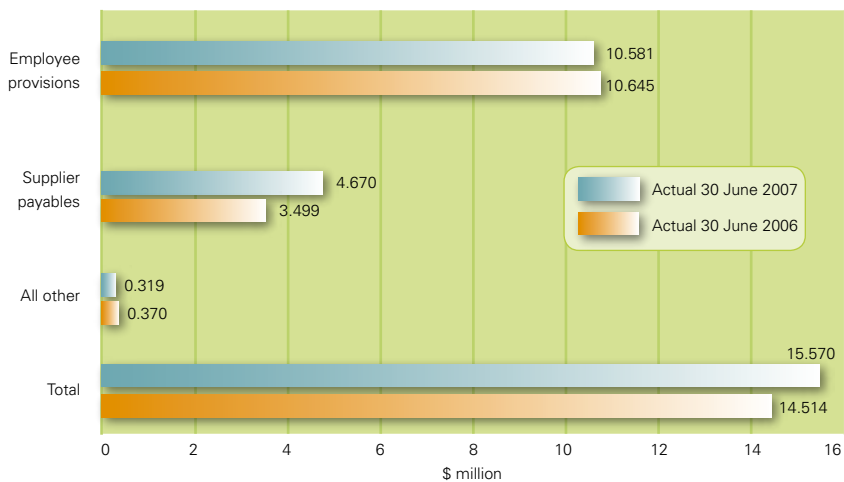


Figure 1.4 Total liabilities, 2006–2007 and 2005–2006

Cash Flow

Overall, in 2006–2007 there was an increase in the Library's cash balance, which increased by \$16.613 million to \$46.322 million as at 30 June 2007. 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 2006–2007 and 2005–2006.

The increase (\$2.062 million) in net operating activities reflects the comments previously made under 'Operating Revenue' and 'Operating Expenses'. The reduction (–\$13.259 million) in the net investing activities

primarily reflects a decrease in the investment in property, plant and equipment, and intangibles (–\$13.115 million). This reduction is the result of the completion of the new repository in August 2006, the effect of several large collection purchases made in 2005–2006 and the finalisation of several large computer software projects in 2005–2006. The variation (–\$2.520 million) in net cash from financing activities reflects the cessation of one-off funding for the new repository in 2005–2006 (\$6.455 million) and the receipt of funding for the podium restoration project in 2006–2007 (\$3.9 million).

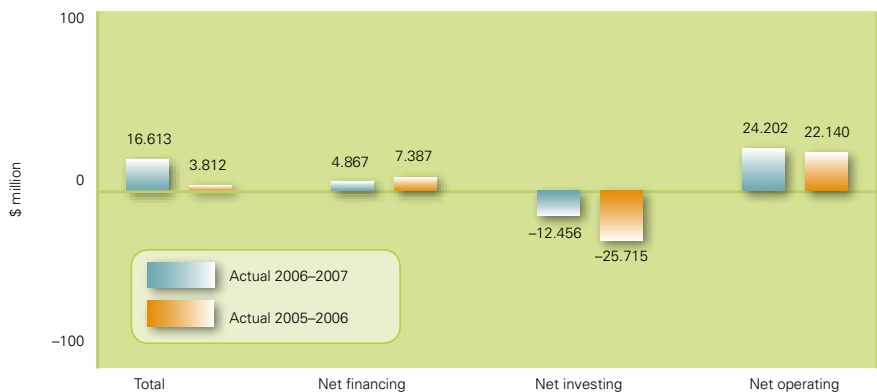


Figure 1.5 Net cash flow, 2006–2007 and 2005–2006

Resource Table

Table 1.1 Outcome 1: total resources, 2006–2007

Departmental appropriations	Budget (\$'000)	Actual (\$'000)	Variation to budget (\$'000)
Output 1.1: The Collection	18 145	18 145	–
Output 1.2: Information Services	31 703	31 703	–
Output 1.3: Public Programs	6 042	6 042	–
Output 1.4: Australian Library Network Services	2 428	2 428	–
Contributing to price of departmental outputs	58 318	58 318	–
Revenue from other sources			
Output 1.1: The Collection	3 371	5 834	2 463
Output 1.2: Information Services	2 767	3 729	962
Output 1.3: Public Programs	2 022	2 093	71
Output 1.4: Australian Library Network Services	3 924	4 426	502
Total revenue from other sources	12 084	16 082	3 998
Total price of departmental outputs and resourcing^a	70 402	74 400	3 998
Average staffing level (numbers)	443	435	–8

Note: The budget is as published in the Portfolio Additional Estimates Statements 2006–2007, Section 2: Agency resources for 2006–07.

a Total revenue from government and other sources.