



Annual Report

2016 – 2017

The journey from good to great!



Inspiring spaces
Where everyone is free
to discover possibilities

Executive Summary

2016/17 was a landmark year for Casey Cardinia Libraries.

- Casey Cardinia Libraries (CCL) celebrated 20 years of operation with staff, friends of the library and the community.
- Chris Buckingham was appointed CEO in October and took over the reins from Colette McMahon-Hoskinson who had been acting in the role since May.
- The CCL Board farewelled long-standing member Cr George Blenkhorn who announced his retirement from Cardinia Shire Council before the Council elections in November.
- In November, CCL came together for the first time with an all-staff workshop which focused on the redefinition of the organisation's values and the development of a new vision and mission.
- In December The Forgiving Tree Campaign captured the hearts and minds of the community across the Casey Cardinia region, as CCL forgave overdue fines in return for gifts for people in need.
- Preparations for the big move of the Narre Warren Library into Bunjil Place were a consistent focus throughout the year.
- We adopted a draft Reconciliation Action Plan and made a declaration of intent to engage positively with our local Indigenous community.
- We lifted our engagement and participation in the campaign to prevent family violence across the region.
- Our staff demonstrated their commitment to community life outside of work by actively participating in and supporting several good causes. The Mobile Bookworms featured again at the Casey Relay for Life.
- We forged a new [2017 – 21 Library Plan](#) that has CCL focused on meeting the changing needs of our community.

In a year of significant change CCL remains in a stable financial position.

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A Journey of Change and Renewal

The recently released 2016 ABS Census data confirmed what we already know – our community is growing rapidly and their needs are changing.

Casey Cardinia Libraries have 117,000 members, which makes us one of the largest membership based organisations in the region. It is vital that we continue to meet our members' needs and extend our offer to attract those who are not familiar with the value of contemporary public libraries.

Our recently adopted 2017 – 21 Library Plan was informed by the community through a series of surveys, workshops and conversations. We firmly believe that great public libraries play an important role enhancing community well-being. We are changing the way we do things to ensure that we are more efficient, while expanding the range of services we offer across the region.

CCL provide spaces where people can learn, create and think freely. We love it when people visit our libraries. We want to be more than a welcoming space – we want to inspire people.

Public libraries tend to be the quiet achievers in our community. This Annual Report highlights just some of the accomplishments achieved by a team of dedicated people, who really care about their work.

We gladly acknowledge the contribution of our staff and volunteers including Friends of Cranbourne Libraries Inc., The Friends of the Doveton Library Inc., Friends of Hampton Park Library, Emerald & District Lions Club, the Home Library Service volunteers and the CCL Board.

Our partners City of Casey, Cardinia Shire Council and the Victorian State Government continue to support us with essential funds and strategic support.

As we strive for greatness we will continue to look for ways to operate beyond the four walls of our libraries and work with our community. It is an exciting time to be a part of CCL. We encourage you to join us on the journey of change and renewal.

Regards

Jodie and Chris
Chairperson and CEO

Our Vision

Inspiring spaces where everyone is free to discover possibilities.

Our Mission

To encourage lifelong learning, increase literacy and build strong, resilient communities across the Casey Cardinia region.

Our Values

Teamwork

We excel when we all contribute. We are loyal and dedicated to each other. We always do our fair share.

Love of Learning

We love new things. We believe there is an opportunity to learn anywhere and everywhere.

Fairness

We treat all people fairly. We do not let our personal feelings bias our decisions about others. We give everyone a chance.

Creativity

Thinking of new ways to do things is crucial to our success. We are never content doing things the conventional way if we believe a better way is available.

Social Intelligence

We are aware of the motives and feelings of other people. We know what to do to fit into different situations and we know what to do to put others at ease.

Humour

We like to laugh, bringing smiles to other people. We try to see the light side of all situations.

Governance

Our governance structure reflects our commitment to achieving a genuine model of community participation.

CCL is committed to transparent reporting and accountability to the community.

The CCL Board

City of Casey	Cardinia Shire
<p>Cr Damien Rosario (Chairperson until Nov 2016)</p> <p>Cr Susan Serey*</p> <p>Cr Wayne Smith BJ, JP</p> <p>Mr Andrew Davis*</p> <p>Ms Colette McMahon-Hoskinson</p> <p>Ms Sally Curtain</p> <p>Ms Sophia Petrov **</p>	<p>Cr Collin Ross * **</p> <p>Cr George Blenkhorn **</p> <p>Cr Jodie Owen (current Chairperson)</p> <p>Cr Ray Brown*</p> <p>Ms Jenny Scicluna</p>

* Alternate delegate

** Retired

The CCL Management Team



Chief Executive Officer
Chris Buckingham



Customer Experience Manager
Beth Luppino



Finance Manager
Pam Vickers



Information Services and Technology Manager
Daniel Lewis



Operations Manager
Marika Szendroe

Our Volunteers

CCL values the role of volunteers. They make a significant contribution to the community and we are very grateful for their active support. Volunteer group contributions in 2016/17 included:

- Financial support for an extensive range of youth and adult programs and seminars
- Contribution to Summer Reading Club prizes
- Organisation and prizes for competitions held in our libraries
- Assistance promoting the value of Casey Cardinia Libraries to the community
- Purchasing children's furniture

Friends of Cranbourne Libraries Inc.

The Friends Group at Cranbourne Library has supported Christmas and family events, author talks and our twentieth birthday celebrations. The group have also supported the library through the purchase of new furniture for the children's area.

Helen and Richard Crago were presented with the City of Casey Highly Commended Volunteering Pair award by City of Casey Mayor Cr Sam Aziz. The award was in recognition of their support to the library and local community over 25 years.



The Friends of the Doveton Library Inc.



The friends group at Doveton Library held two book sales in the last twelve months and raised \$1,800 which was invested in Doveton community engagement programs. Pictured (L-R) is Cr Damien Rosario with Manfred and Muriel from The Friends of the Doveton Library Inc. and Doveton Library Team Leader Nilupa Mahanama. The group also held a successful short story and poetry writing competition which received more than 120 entries.

Emerald & District Lions Club



Emerald & District Lions Club organised their very popular annual two day book sale. In October President of the Emerald & District Lions Club, Terry Swalwell, presented a large cheque to Emerald Library Branch Manager Sandra Cleave and CEO Chris Buckingham. The funds support local projects that encourage young people to engage with Emerald Library.

Friends of Hampton Park Library

The Friends of Hampton Park Library supported many events for our community including the Teen Photography Competition, a highlight of the year. There were 120 entries from Casey and Cardinia teenagers. Local teens produced some amazing shots judged by Rivergum Ward Cr Wayne Smith and Casey Camera Club representative Chantelle Riordan. In the 13 – 15 year old category Yasuri Fernando won first prize for her black and white studio portrait of a fellow student and in the 16 – 18 year old category George Skalliaris won first prize for his highly detailed fungi photo.



Home Library Service Volunteers



Our Home Library Service Volunteers continue to support CCL's less mobile members who are unable to visit a library branch in person by delivering books and library materials to them. The enthusiasm, dedication and continued hard work of our HLS volunteers is greatly appreciated by the community.

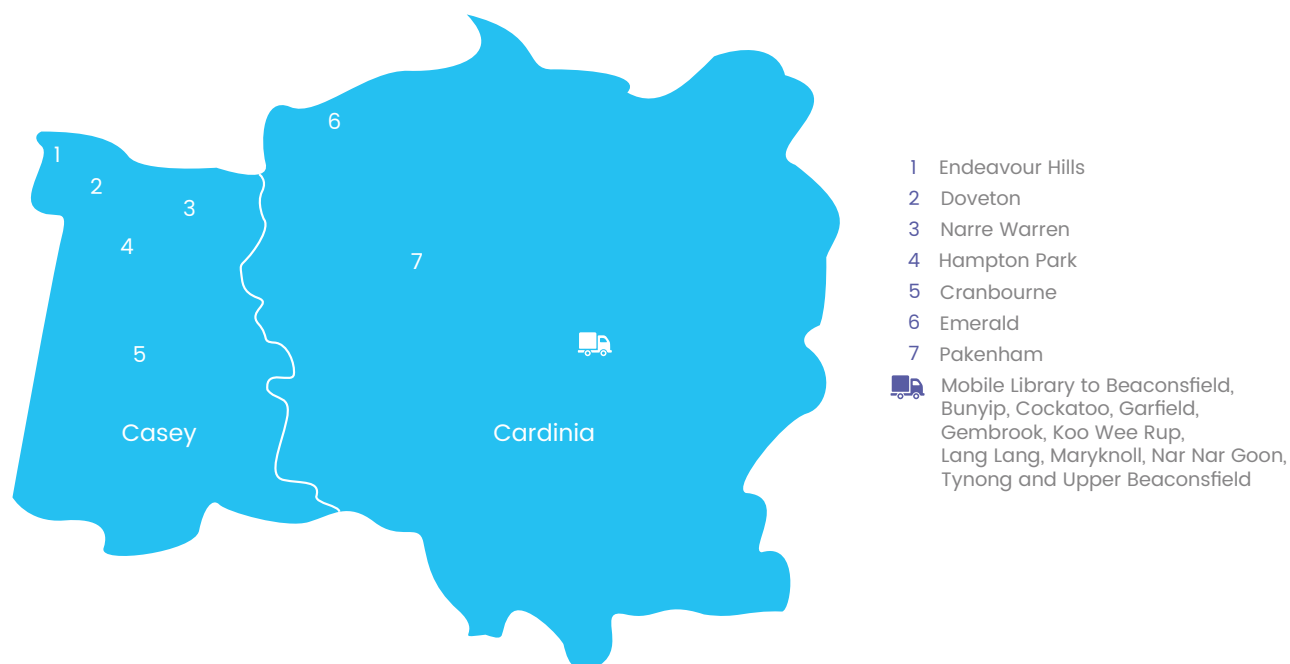
Our Community

In 1996, Casey Cardinia region had a population of 188,488. Over the past 20 years the population has increased to 411,146 with significant residential development across the region's 1,690 square kilometres (*Regional Population Growth, Australia – 3218.0 Australian Bureau of Statistics, July 2017*).

Casey will be the second largest metropolitan growth Local Government Area (LGA) from 2011 – 2031 and Cardinia Shire will be the fourth fastest metropolitan growth LGA. (*Victoria in Future 2016 Population and Household Projections to 2051*).



Casey Cardinia lies in the traditional lands of the Wurundjeri (Woi wurrung) and Boon Wurrung (also spelt Bunurong and Bun Wurrung) peoples. Indigenous people from many different places live in the region.



Nearly 55% of residents are families with children. This is significantly higher than the Victorian (46.3%) and Australian (44.7%) averages. 15.5% of Casey Cardinia residents are part of one parent families.

Casey Cardinia region has some of the highest recorded number of family violence incidents in Victoria ([Crime Statistics Agency, Family incidents, 2012 – 2016](#)). The City of Casey and Cardinia Shire are working closely with the community to prevent family violence.

Our community is diverse, with 10.5% of households in the Casey Cardinia region speaking a language other than English at home. Key languages include Sinhalese, Punjabi, Persian/Dari, Hindi, Mandarin, Arabic and Spanish. More than 8,500 Afghan-born people live in Casey; this is nearly half of all Afghan-born people in Victoria.



Both Casey and Cardinia have been declared Refugee Welcome Zones ([Refugee Council of Australia, Refugee Welcome Zones, November 2015](#)).

Time is a precious resource in our community. Approximately 70% of working people from Casey and Cardinia leave the region to work every day ([Casey Cardinia Economic Development Strategy 2016 – 17](#)). On average, residents spend over 300 hours (close to two weeks per annum) travelling to work ([Southern Melbourne Regional Development Australia 2011](#)).



Our Performance

1. The Knowledge Well

Create safe and welcoming places where everyone can gather, learn, share and grow.

Our Libraries

Preparations for the opening of Bunjil Place in late October 2017 have accelerated. The Bunjil Place Library will replace the old Narre Warren branch. The new library will occupy a 1,920 square metre space spanning across three levels. It will feature a children's area, quiet study nooks, a reading amphitheatre, a digital games area and a collection of library materials to suit all ages, skills, abilities and interests. It will be the perfect place for our community to gather, learn, share and grow.



The Endeavour Hills Community Precinct Stage One development was officially opened on Saturday 10 September 2016. Endeavour Hills Library participated in the local celebrations for the new Town Square with library bag giveaways, a Pokemon treasure hunt and storytimes.

Mobile Library

The Cardinia Mobile Library is very popular. It is far and away the busiest mobile library in Victoria with nearly 57,000 visits per annum. We have expanded the reach of the service to include Nar Nar Goon for the first time in many years. The community response has been very positive. We will continue to look for ways to improve the service.



Community Engagement

CCL staff actively engage with the community outside the four walls of the library.



Our Youth Team regularly visit early learning centres, kindergartens, playgroups, first time parent groups and primary and secondary schools throughout the region. We promote the services our libraries provide and actively encourage early literacy and lifelong reading.

Pakenham Library introduced a New Dads session to their current Maternal and Child Health visits to help support fathers participate in the literacy and language development of their children.

They have also partnered with the Pakenham Market to deliver in a range of specially themed storytimes designed to promote library programs and resources.

At Hampton Park Library staff worked closely with the Hampton Park Youth Centre to engage young people who play board games, Xbox and PlayStation, relax with friends and study.

Youth Services Programs



Youth programs

70,567 attended
2,031 sessions



Baby Time and Tinies Time

23,198 children
and their carers
attended 466
sessions



Storytime

12,859 children
and their carers
attended 341
sessions



Lego Club

1,118 attended
45 sessions
across
7 libraries.



Holiday programs

6,609 attended
144 sessions

Children's Book Week gave staff the perfect opportunity to dress up as their favourite book characters. The dress up theme continued when staff and library users enthusiastically participated in Harry Potter 20th Anniversary celebrations. Over 90 fans of J.K. Rowling's landmark series attended in costume at events across the region.



The range of children's programs was expanded this year to help increase confidence in reading and provide families with new reasons to visit the library – over 70,000 people attended a youth program this year. Popular new programs included Minecraft Club and Code Club.

Adult Programs

Nearly 4,500 people attended adult programs designed to promote literacy and encourage lifelong learning. Highlights included live music events, beekeeping and Aboriginal astronomy which were incredibly popular. We also hosted workshops on Meditation, Self-Publishing, How to Make Kombucha and a Chinese cooking demonstration.

We developed a new relationship with Diabetes Victoria who presented the 'Life! Helping you Prevent Diabetes, Heart Disease & Stroke' program.

We continue to work with Centrelink who presented a number of educational workshops for our community.



Creative Arts

CCL has an increased focus on supporting creative arts in the community.



Emerald Library regularly exhibited the work of local artists and partnered with the Emerald Arts Society to exhibit their 'Portraits of Emerald'. Two of the many artists who used the space were Ted Krzywokulski with his striking abstract paintings and Zoe Eley who creates pet portraits using pencil.

Creative arts activities for children and adults included a collection of events delivered as part of the Casey Winter Arts Festival. Endeavour Hills Library hosted a Drumming Workshop for adults with DunDunKan African Drumming, the Movie Magic: Charlie Chaplin Fun Day and the Winter Arts Launch with keynote speaker and artist Jenni Ivins.



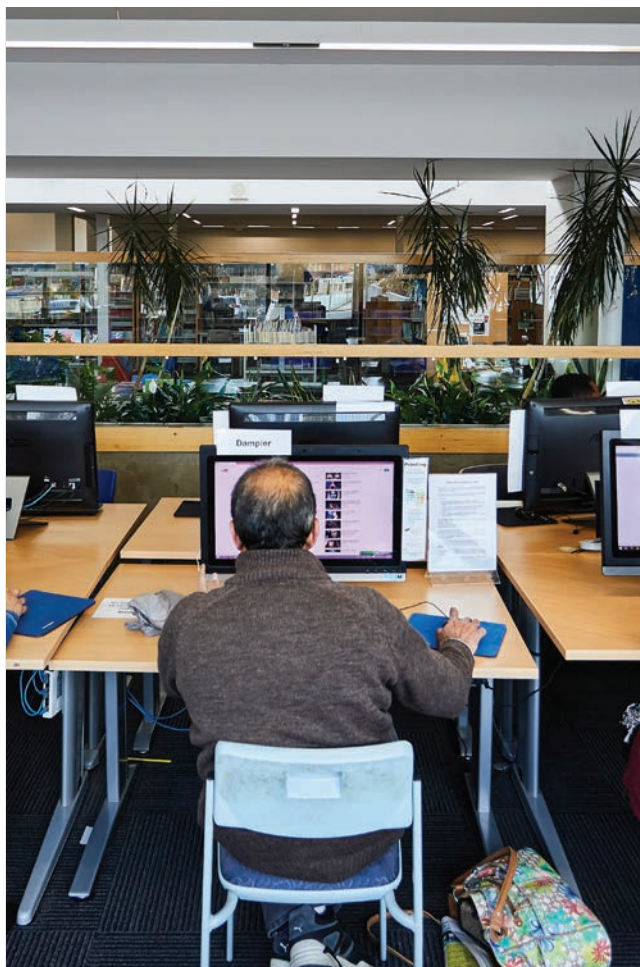
Ballet Workshops for pre-schoolers were presented by The Australian Ballet at Endeavour Hills Library and proved extremely popular.

In winter 2017, Emerald Library hosted a Knitted and/or Crocheted Tea Cosy Competition. The response was overwhelming! Pam Mawson from the Country Women's Association (CWA) was the official judge – 'The Teepee' by Lynette Behmer was declared the winning entry.



Virtual spaces and ICT

CCL has always been enthusiastic about adopting new technology. This year the ICT team have been incredibly busy helping the organisation take a more strategic approach.



An ICT Road map was developed to guide CCL as we revamp our ICT to support the visitor experience and make it easier for staff to get their work done. There is a key focus on improving staff mobility and improving customer access to the internet.

Usage of e-resources and internet/Wi-Fi services across the library network is steady. Our online educational resources including Busy Things for Young People continue to grow in popularity.

Our Cloud Library subscription for eBooks started in May providing library members with a better user experience and a larger range of titles.

Our online Fairfax Newspapers service launched in June. The subscription includes free access to three Fairfax newspapers for use within any of our libraries; members can use either personal devices or library computers.



205,068
Wi-Fi
sessions



134,817
Internet
bookings



Busy Things
92,626 sessions
Educational games
for children aged
3-7 years



Tech Savvy
240 attended
39 sessions

2. Leadership & Innovation

Lead positive change through partnerships and teamwork.

Our Partnerships – It's a Team Game

CCL has actively pursued the development of partnerships with business, community and education services to help extend the positive impact of library services in our community. Together we have delivered improved community outcomes, particularly in literacy development and social inclusion.

Barton Primary School

Members of the Cranbourne Library Youth Team and library students from Chisholm Institute volunteered their time to help set up the school library. In early May, teachers from Barton Primary School signed up on special memberships to enable bulk borrowing for their classes. On National Simultaneous Storytime Day CCL staff helped read *The Cow Tripped Over the Moon* to 200 happy children.



AMES

We continued our very successful Conversation Club sessions with 324 visits over the year. Our partnership with AMES has provided us with two excellent class facilitators, Anne and Steve. Library member Padma Ganesan spoke with us about the sessions and told us she needed English for *'going to the bank, the hospital and the school. At first I was not going on my own. Now I am going alone because I am a little bit more confident.'*

Doveton College

CCL and Doveton College worked together to engage staff and students. The college library does not have a manga collection, but CCL does! Every week we take popular books to the students at school and encourage them to read more.



Encouraging Philanthropy

CCL is largely funded through contributions from City of Casey, Cardinia Shire Council and the Victorian State Government. We also receive in kind and financial support from local businesses and community organisations.

In May, the Australian Tax Office endorsed CCL's status as a Deductible Gift Recipient. This means that organisations and individuals can give CCL tax deductible gifts. There are a number of CCL services to the community that could be significantly enhanced with additional support.

CCL will continue to actively seek partners who will support our mission to encourage lifelong learning, increase literacy and build strong, resilient communities across the Casey Cardinia region.



City of
Casey



Cardinia





We are Grateful

We acknowledge and appreciate the following organisations who have partnered with us in activities that encourage early literacy, life-long learning and creativity in our community.

- City of Casey
- Cardinia Shire
- Windermere
- Anglicare
- Melbourne Football Club (Casey Fields) – Monash University through 'Read Like a Demon' program
- 'Paint Doveton REaD'
- United Way
- Casey Camera Club
- Box Hill Institute and Chisholm TAFE – Industry placements
- Funding partners – Max Employment, MEGT and Chisholm Institute facilitating Indigenous Traineeships
- Hampton Park Youth Centre
- Local Maternal Health Centres, Playgroups, Kindergartens, Primary and Secondary Schools
- Local Community Houses
- Community Groups
- Salvation Army (Doveton)
- Salvation Army (Pakenham)
- Barry Plant Real Estate (Emerald)
- Endeavour Hills Town Square precinct partners
- Local historical societies
- Berwick Mechanics Institute
- Berwick RSL
- Small Business Victoria
- WAYSS
- Cranbourne Information and Support Services (CISS)
- Cardinia 4Cs
- Puffing Billy
- Telstra Australia (Victorian Tech Savvy Seniors program)

3. Resilience

Strengthen capacity in our growing community.

One Million Stars to End Violence

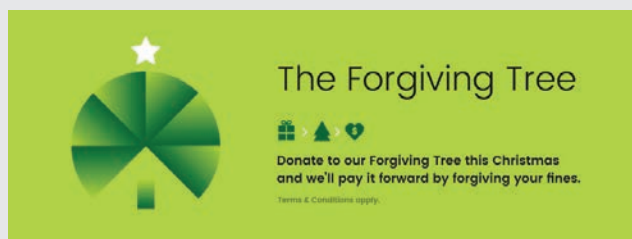
In November, Hampton Park Library joined the One Million Stars to End Violence Project. This initiative encouraged people to create woven stars that represent the light and kindness they would like to see in the world. Tracy Howard coordinated the community effort to reach the goal of 10,000 stars. This tally was exceeded in May this year with 15,004 stars. The CCL stars have been despatched to Queensland and will be exhibited during the Gold Coast 2018 Commonwealth Games.



The Forgiving Tree

In December, CCL's Forgiving Tree Campaign delivered an amazing result for the community. In the run up to Christmas our library members were invited to make a donation to the Forgiving Tree in their local branch and have their outstanding fines waived in exchange. The goal was to encourage people to pay it forward with an act of kindness.

More than \$15,000 worth of food and gifts were donated to local people in need. Nearly \$14,000 in library fines were forgiven. Close to \$18,000 worth of lost items were returned and just over \$8,000 worth of fines were paid by our members.





Casey Cardinia Libraries delivered The Forgiving Tree Campaign with local partners including the 4Cs in Pakenham, Cranbourne Information and Support Service (CISS), WAYSS, Barry Plant Real Estate in Emerald, Puffing Billy, Transit in Narre Warren, the Salvation Army in Doveton and Pakenham, Cardinia Community Christmas Lunch and Hampton Park Community House.

The Cranbourne Library and the Cranbourne Information and Support Service (CISS) received the Holt Australia Day Award for service to the community, presented by the Hon Anthony Byrne MP, Federal Member for Holt.

Communities for Children – Cranbourne

Family Violence Awareness Seminar & Clothesline Project Interactive Display

In July the Communities for Children Cranbourne Project and the Cranbourne Clothesline Project Working Group developed an interactive display on Family Violence at the Cranbourne Library. The Clothesline Project is a vehicle for women (and children) affected by violence to express their emotions by decorating a t-shirt which is then hung on a clothesline as testimony to the impact of violence. Nearly 40 messages were written by Cranbourne Library patrons. Some of the messages included; Be strong. Be bold. Be courageous. Take courage to speak out. You are not alone. Make our world feel safe. Stop family violence. We all matter. Don't be silenced. Talk. Get help. Violence is never the answer!





Home Library Service

CCL expanded the Home Library Service to meet community demand for the service; including aged care centres, socially isolated and housebound people. 2016 – 17 proved to be a busy year for our volunteers, who donated nearly 1,000 hours of their time visiting and delivering over 17,000 library items to our 159 Home Library members. CCL staff and volunteers deliver to aged care centres in the Casey Cardinia region. CCL have developed and formed partnerships with around 23 aged care centres, allowing residents to access all types of library materials.

One new member, Derek, has been a member of CCL since the early days. He became a Home Library Service recipient a year ago after entering an aged care facility in Pakenham. Derek's room is decorated with drawings and paintings he has produced. He has taught himself how to create his masterpieces from magazines and books borrowed from the library. He is particularly fond of magazines that have patterns attached. During our time visiting him he has experimented with a number of media. He recently received a certificate of recognition for his artwork at a local art show. He also enjoys relaxing with a large print western when he's not busy at his art bench.

4. Literacies

Encourage reading and lifelong learning.

STEAM-ing ahead

CCL has introduced a range of STEAM (Science Technology Engineering Arts and Mathematics) programs and activities to help spark young people's imagination, creativity and exploration.



National Simultaneous Storytime – Cardinia Mayor Brett Owen at Beaconsfield Kinder

Early Learning

Weekly programs such as Baby Time, Tinies' Time, and Preschool Storytime promote early literacy and the role of the parent or carer as a child's first teacher. Our specially trained staff educate and entertain the young children, parents and carers, while introducing them to a range of rhymes, books and songs to develop language and literacy. In early 2017 CCL introduced new Tinies' Time and Lego Club sessions at the Doveton Library for the local community.

Narrowing the digital divide

CCL provided a suite of education and training opportunities including our Tech Savvy Seniors classes, with the support of Telstra and the Victorian Seniors Card program. Feedback shows that participants have gained confidence with computers and the use of technology in everyday life.





READ Quality Assurance Accreditation

CCL achieved READ Quality Assurance accreditation and met the statewide agreed best practice in Early Years Services.

1000 Books Before School

'1000 Books Before School' is a program that encourages parents and carers to read 1000 books with their children before they begin school. We are proud to be part of this terrific initiative led by the State Library Victoria and Public Libraries Victoria Network.

Local parents enjoy taking the time to read books with their children and see the prizes as a good incentive. Between the soft launches in November and December, 400 children registered. Between January and March, 995 children were registered in the program.

CCL actively participated in other national literacy initiatives such as Summer Reading Club, National Simultaneous Storytime, Children's Book Week, Library Lovers Day and the Premier's Reading Challenge.



Learning English

Conversation Club runs weekly at Endeavour Hills, Hampton Park and Pakenham libraries during school terms. The club provides an opportunity for community members to practise their English speaking skills in a welcoming and friendly environment. More than 150 locals have participated in the program at Endeavour Hills Library.

Communities for Children – Library has Legs

Strong partnerships with Windermere and Anglicare

In-home Literacy Engagement and Support Visits

Library has Legs in-home visits are designed to support vulnerable families. These families are survivors – they often need help to recognise what ‘normal’ looks like and how to achieve this for themselves and their children. Staff encourage families to enjoy being together by utilising books as a medium for reading, stories, songs, rhymes, drawing, imaginative play and conversation. This year, 12 vulnerable families received over 184 hours of tailored literacy engagement support.



Communities for Children

2,380 attended 232 sessions offered by both Cranbourne and Cardinia Shire Library has Legs programs



Balee Koolin Bubup Bush Playgroup

Each Tuesday, the Balee Koolin Bubup Bush Playgroup is delivered ‘on Country.’ The playgroup is delivered in partnership with Royal Botanic Gardens, the Victorian Aboriginal Corporation for Languages and Casey Cardinia Libraries – Communities for Children’s Cranbourne Project. The shared partnership goal is ‘literacy’ – strengthening Aboriginal and Torres Strait Islander children’s cultural and plant literacy, as well as traditional language and emergent literacy development. Most importantly, the playgroup program provides opportunities for Koori kids to spend time with Aboriginal Elders and educators who provide cultural transmission opportunities for children to learn about their cultural heritage, language and stories.

Learning with the Community

Libraries play a key role safeguarding intangible heritage practices such as traditional languages, songs, dances and storytelling. The Library Has Legs Cultural Literacies Project's Learning with the Community events provide the opportunity for the Koori community to come together with their children and spend time with Aboriginal Elders and cultural educators. The community learns and celebrates their unique cultural heritage.



Southern NAIDOC Event – Koolin-ik ba kirrip-buluk (Family & Friends)

Despite the cold wintery conditions more than 1,000 people celebrated NAIDOC at the Koolin-ik ba kirrip-buluk (Family & Friends) event in July. The National NAIDOC theme was Songlines: The living narrative of our nation. Library has Legs project workers together with Baluk Arts facilitated Whistling Kites and the Songlines patchwork mural project. Over 65 calico squares were painted by children to form a Songlines quilt mural.

Reader Development

CCL auspices 54 book groups. Each month book group members borrow and read a different book from their library. There are more than 200 titles available from a variety of authors, genres and styles of writing. It is great way to gather, share and celebrate the love of reading with friends.



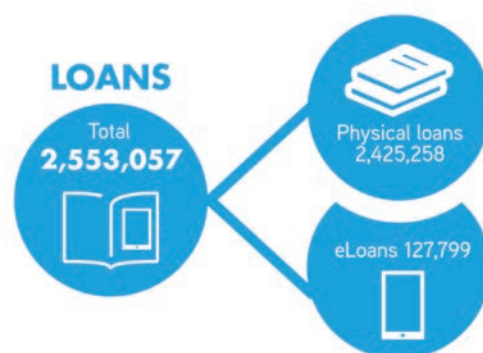


Book Bingo 1st and 3rd prize winners Sue Brown and Errol De Niese with Information Services Coordinator Michelle McLean in August 2017

The Reader Development team launched the Book Bingo Challenge in May to encourage people to try different books. Participants had to read titles that matched a Bingo square description; for example 'a book with a number in the title' or 'a book by an Australian author'. Once the reader had read and filled in a row in any direction (five squares) they were entered into a prize draw – first prize being a five ticket pass to the Melbourne Writer's Festival. The challenge was enthusiastically received: *"I really enjoyed the Book Bingo. Please do it again next year. It made me read different types of books..."*

Collections

CCL staff review and update the print and digital collection to meet the changing needs of the local community. We measure the performance of our collection by the number of times items are borrowed. The age of the collection is benchmarked with other public libraries using a statewide measure.



Top Titles Collection

In May, CCL introduced a 'Top Titles Collection', which gives visitors quick access to the latest and most popular titles. Books in the Top Titles Collection cannot be reserved and are only available for a two week loan period. The initial response to Top Titles has been very positive with a high turnover of items.





Collection

345,690
physical items
and 12,361
e-items



LOTE 8,996 items

Chinese, Italian,
Persian and
Sinhalese



379,560 Holds

Reserved items

Most Popular Adult Books for 2016 – 17

Title	Author
1. <i>The Barefoot Investor</i>	Scott Pape
2. <i>The Dry</i>	Jane Harper
3. <i>Big Little Lies</i>	Lianne Moriarty
4. <i>Harry Potter and the Cursed Child</i>	Jack Thorne
5. <i>Working Class Boy</i>	Jimmy Barnes
6. <i>Girl on the Train</i>	Paula Hawkins
7. <i>Bay of Sighs</i>	Nora Roberts
8. <i>Make Me</i>	Lee Child
9. <i>Night School</i>	Lee Child
10. <i>The Good People</i>	Hannah Kent

Most Popular Adult DVDs for 2016 – 17

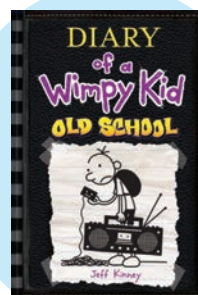
1. <i>The Dressmaker</i>	6. <i>The Avengers</i>
2. <i>The Martian</i>	7. <i>The Age of Ultron</i>
3. <i>The Imitation Game</i>	8. <i>Divergent</i>
4. <i>Bridge of Spies</i>	9. <i>Interstellar</i>
5. <i>The Theory of Everything</i>	10. <i>The Intern</i>

Most Popular Junior Books for 2016 – 17

Title	Author
1. <i>Diary of a Wimpy Kid: Old School</i>	Jeff Kinney
2. <i>Diary of a Wimpy Kid: The Long Haul</i>	Jeff Kinney
3. <i>The 65 Storey Treehouse</i>	Andy Griffiths
4. <i>Puppy Love</i>	Rachel Renee Russell
5. <i>The Frozen Monster</i>	Rebecca Schmidt
6. <i>The 52 Storey Treehouse</i>	Andy Griffiths
7. <i>Top of the Class (Nearly)</i>	Liz Pichon
8. <i>Drama Queen</i>	Rachel Renee Russell
9. <i>Totally Weird</i>	Anh Do
10. <i>Diary of a Wimpy Kid: Greg Heffley's Journal</i>	Jeff Kinney

Most Popular Junior DVDs for 2016 – 17

1. Big Hero 6	6. Turbo
2. Minions	7. Cinderella
3. The Lego Movie	8. Peter Pan
4. How to Train Your Dragon 2	9. Peppa Pig: Peppa's Circus
5. Frozen	10. Diary of a Wimpy Kid 3



5. Organisational Performance

Build an outstanding and innovative organisation.

Birthdays and Milestones

20!

CCL celebrated 20 years of operation in September and October. Cranbourne and Pakenham libraries marked the milestone with community events that featured face painting, balloon twisting, craft activities, competitions, and a visit by Toby the T-Rex. Giant birthday cakes were ceremoniously cut (then eaten!) at both branches.



Instagram



CCL's longest serving staff member Vasu with CEO Chris at a staff CCL 20th birthday celebration

CCL in 1996 – 97

75,904 members
648,129 visits
230,661 items
1,485,455 annual loans
Open 247 hours per week
5 fixed branches and 1 mobile library



CCL in 2016 – 17

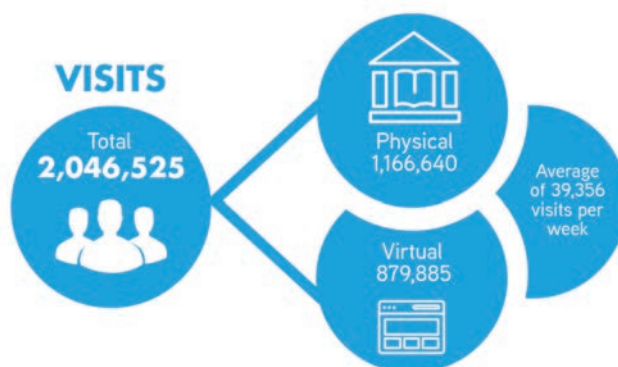
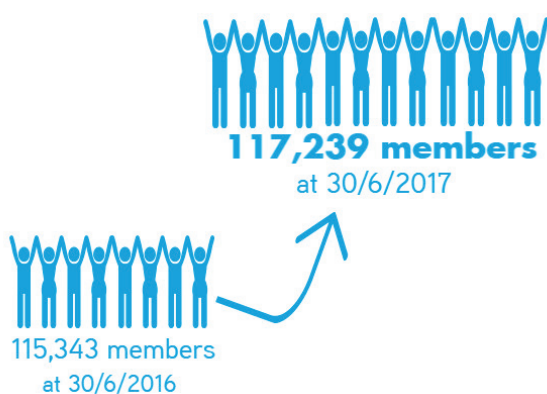
117,000 members
2,046,525 visits
358,051 items
2,553,057 annual loans
Open 380 hours per week
7 fixed branches and 1 mobile library



Emerald 10th Birthday cake cutting – (L-R) Cr Brett Owen, Cr Leticia Wilmott, Cr George Blenkhorn and Jenny Scicluna

Emerald Library Celebrates 10 Years

Emerald Library marked its 10 year anniversary and honoured community members who campaigned successfully to establish this beautiful library. Local Councillors, Emerald & District Lions Club, past Friends Group members and special guests attended the week long celebrations. Activities included a demonstration from the Australian Blacksmiths Association of Victoria. Children visiting the library enjoyed balloons, cake cutting and book giveaways. Library membership at Emerald stands at 6,500 people. This is almost double the number of members who joined in the first year of operation.



Staff Training and Development

CCL staff have participated in a number of annual conferences including the Mobile Library Muster, FE Technologies, COSA Information Technology, ALIA Information Online, and the Public Libraries Victoria Network Summit. CCL staff also spoke at the ALIA Library Design conference and SLV's Transforming Public Libraries mini-conference.

One of the highlights of the year was the CCL staff professional development day attended by more than 100 staff and board members in November. It was the first time in 20 years that all staff were invited to participate in planning together. The focus of the day was on developing strategy and redefining CCL's Values and Vision. Many staff appreciated the opportunity to meet colleagues from different branches in person for the first time.



CCL Staff Professional Development Day – (L-R) Cr Damien Rosario, Colette McMahon-Hoskinson, Chris Buckingham

Significant time and effort has been invested in helping staff prepare for the opening of the Bunjil Place Library. It is likely that annual visitation will exceed 650,000 in the first 12 months of operation. The new library will provide many opportunities for service improvement.

There has been a strong emphasis on making our libraries safer and more welcoming. More than 80 staff participated in training sessions to develop their capacity to respond safely to conflict in our libraries. Fortunately violence is not an everyday occurrence in our libraries, but a number of staff have reported that they have been able to successfully apply their learnings in the branches with positive results.



CCL has rolled out Child Safe Standards training in accordance with state government legislation. All staff at CCL now have up-to-date Working With Children Checks.

As part of the adoption of CCL's Vision, Mission and Values a new Code of Conduct has been developed and ratified.

Living Leadership

More than 60 staff are participating in the CCL Living Leadership program. Launched in May, this in-house development program is designed to help people build resilience and support personal growth. Beth Luppino, Celia Rice, Jessica Nichols, Melissa Martin, Narelle Stute and Sue Flett are delivering the program with guidance from facilitator Mel Neil. This group of staff are all graduates of the Shared Leadership and Aurora leadership programs. By participating in the program, employees get the opportunity to:

- Embark on a journey of development and discovery
- Learn how to set personal and professional goals that allow them to have both success and wellbeing
- Develop a personal toolkit for mental toughness and health, happiness and success and a higher sense of meaning and purpose
- Realise their strengths and learn how they can bring their strengths into everything they do in all areas of their life; and
- Contribute to a healthy, happy and dynamic team

Human Resources

EFT = 79.86

Staff total = 149

Full-time = 30
(female 25, male 5)

Part-time = 119
(female 100, male 19)



Our Key Measures

CCL performance for the 2016 – 17 year has been measured as follows:

- Results achieved in relation to the strategic indicators in the 2017 – 21 Library Plan
- Progress in relation to the major initiatives identified in the budget
- Performance Statements or Statistical Analysis

The following results have been recorded for 2016 – 17.

Measure	CCL Actual 2015/16	CCL Actual 2016/17
Visits – physical	1,229,021	1,166,640
Visits – virtual	910,915	879,885
Number of programs and events	2,358	2,547
Program and events attendance	68,868	74,938
Loans (total physical and digital)	2,661,973	2,553,057
Utilisation of Technology (internet, Wi-Fi, specialist PCs)	355,062	339,885
Net Promoter Score (Community Survey, January 2017)	–	59

Statewide Measures

Measure	CCL Actual 2015/16	CCL Target 2016/17	CCL Actual 2016/17	State Average 2016/17
Active Library Members	12%	17.5%	10.4%	–
Turnover rate – physical items	6.9%	7.0	7.0	–
Turnover rate – digital items	5.62	5.0	10.3	–
Physical quality of library collection (age of collection – less than 5 years)	66%	69%	68.3%	–
Cost of library service per capita	\$26.15	\$25.95	\$25.13	–
Council Cost of library service per visit	\$4.53	\$4.51	\$3.42	–
Overall Customer Satisfaction (Nexus Survey biannual)	8.59	8.45	N/A	–

For more detail:

Local Government Reporting Framework measures go to [City of Casey](#) or [Cardinia Shire](#) websites

Key Performance Indicators can be sourced from the [Annual Survey of Public Libraries](#)

[Australian Library and Information Association \(ALIA\) Guidelines, Standards and Outcome Measures for Australian Public Libraries](#) – July 2016

We Love Hearing From You

Casey Cardinia Libraries welcomes your feedback and suggestions. You can write to us, phone one of our branches, email us at admin@ccl.vic.gov.au or fill out our feedback form online at www.ccl.vic.gov.au.

"Thank you to the Cranbourne Library for donating so many wonderful gifts and food items to the Cranbourne Information & Support Service Inc for Christmas. The staff and the community have been so generous – the Forgiving Tree is a wonderful initiative!"

Leanne Petrides, Facebook, January 2017

"I work full time and am very busy. I can read reviews online and whip out my phone and immediately request it. It is great for time-poor people. I can just come in and pick up my holds if I don't have time to do other things."

Mother of one female aged 10, CCL 2017 Community Consultation

"I use the Narre Warren library and the experience has always been good. Only comment is often there's not enough reading/study desks or chairs, but this is expected as it's busy and well used."

CCL 2017 Online Community Survey:
Narre Warren Library user – female, aged between 35–44

"Thank you for your wonderful service. My family and I love and appreciate the library, the service, and the wonderful staff. Keep doing what you are doing and the marvellous way you stay up to date with new technologies."

CCL 2017 Online Community Survey: Cranbourne Library user – female, aged between 55–64

"We use our library card and go to the tumblebooks. My four year old daughter LOVES it."

Sarah Middleton, Facebook, December 2016

Casey Cardinia Libraries

Annual Financial Report

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Comprehensive Income Statement

For the Year Ended 30 June 2017

	Note	2017 \$	2016 \$
Revenue			
Member Council grants and contributions	3 (a)	7,005,100	6,833,530
Government grants and contributions	3 (b)	2,565,153	2,436,307
Net Gain/(Loss) on disposal of plant and equipment	4	12,654	8,482
Other income	5	470,245	385,431
Total Revenue		10,053,152	9,663,750
Expenditure			
Employee benefits	6 (a)	6,766,851	6,413,266
Communities for Children Cranbourne		21,315	6,041
Communities for Children Plus Pakenham		11,156	1,244
IT & communication costs		657,274	577,138
Library materials		336,598	280,962
Marketing and promotions		76,392	53,488
Depreciation	7	1,524,109	1,249,862
Other expenditure		688,066	601,019
Total Expenditure		10,081,761	9,183,020
Surplus/(deficit) for the year		(28,609)	480,730
Comprehensive result		(28,609)	480,730

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

Balance Sheet

As at 30 June 2017

	Note	2017 \$	2016 \$
Assets			
Current Assets			
Cash and cash equivalents	9	959,604	1,776,668
Other financial assets		2,647,794	1,500,000
Trade and other receivables	10	27,461	40,317
		3,634,859	3,316,985
Non-Current Assets			
Plant and equipment	11 (a)	4,418,602	4,582,226
		8,053,461	7,899,211
Total Assets			
Liabilities			
Current Liabilities			
Trade and other payables	12	632,705	493,757
Employee provisions	13	1,352,968	1,308,990
		1,985,673	1,802,747
Non-Current Liabilities			
Employee provisions	13	22,878	22,945
		22,878	22,945
Total Liabilities		2,008,551	1,825,692
Net Assets		6,044,910	6,073,519
Equity			
Members contribution on formation		2,051,239	2,051,239
Accumulated surplus		3,993,671	4,022,280
Total Equity		6,044,910	6,073,519

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

Statement of Changes in Equity

For the Year Ended 30 June 2017

	Total	Total	Member Contribution on Formation	Accumulated surplus/(deficit)	
	2017	2016	2016 and 2017	2016	2016
	\$	\$	\$	\$	\$
Balance at beginning of the financial year	6,073,519	5,592,789	2,051,239	4,022,280	3,541,550
Surplus/(deficit) for the year	(28,609)	480,730	-	(28,609)	480,730
Balance at end of the financial year	6,044,910	6,073,519	2,051,239	3,993,671	4,022,280

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

Statement of Capital Works

For the Year Ended 30 June 2017

	2017	2016
	\$	\$
Motor vehicles	66,755	32,474
Furniture & equipment	272,265	153,408
Books & materials	1,042,926	1,196,900
Total Capital Works	1,381,946	1,382,782

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

Statement of Cash Flows

For the Year Ended 30 June 2017

	Note	2017 Inflows/ (Outflows) \$	2016 Inflows/ (Outflows) \$
Cash Flow from Operating Activities			
Council contributions	3 (a)	7,005,100	6,833,530
Government grants	3 (b)	2,565,153	2,436,307
Interest income		95,081	93,463
Overdue fines		108,701	109,624
Other income		265,795	174,244
Employee benefits		(6,925,418)	(6,367,048)
Library materials		(336,598)	(280,862)
IT and communications		(657,274)	(577,138)
Other costs		(441,979)	(681,738)
Net cash provided by operating activities	14	1,678,561	1,740,382
Cash Flow from Investing Activities			
Proceeds for sale of plant & equipment		34,116	32,864
Payments for investments		(1,147,794)	(1,500,000)
Payment for books, furniture, plant & equipment		(1,381,947)	(1,382,782)
Net cash provided used in investing activities		(2,495,625)	(2,849,918)
Net Increase/(decrease) in cash and cash equivalents		(817,064)	(1,109,536)
Cash and cash equivalents at the beginning of the financial year		1,776,668	2,886,204
Cash and cash equivalents at the end of the financial year	9	959,604	1,776,668

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

Introduction

The Casey–Cardinia Library Corporation was established under the provisions of Section 196 of the *Local Government Act 1989* by the Minister of Local Government on September 26, 1996. The Libraries' main office is located at 65 Berwick–Cranbourne Road, Cranbourne.

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

NOTE 1 Significant accounting policies

a. Basis of accounting

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

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

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

- the determination of depreciation for buildings, plant and equipment (refer to Note 1 h)
- the determination of employee provisions (refer to Note 1 k)

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

b. Changes in accounting policies

There have been no changes in accounting policies from the previous period.

c. Revenue recognition

Income is recognised when the Corporation obtains control of the contribution and the amount of the contribution can be measured reliably.

NOTE 1 Significant accounting policies cont.

Grants and contributions

Grants and Contributions are recognised as revenues when the Corporation obtains control over the contribution.

Where grants or contributions recognised as revenues during the financial year were obtained on condition that they be expended in a particular manner or used over a particular period and those conditions were undischarged at balance date, the unused grant or contribution is disclosed in Note 3 (b).

Interest

Interest is recognised progressively as it is earned.

Other income

Revenue for fines and fees, sale of assets and other income is recognised on receipt of payment.

d. Fair value measurement

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

AASB 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value under AASB 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique.

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

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

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

e. Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits at call, and other highly liquid investments with original maturities of 90 days or less. The Corporation does not have any overdraft facility.

NOTE 1 Significant accounting policies cont.

f. Allocation between current and non-current

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. The asset or liability is classified as current if it is expected to be settled within the next twelve months, being the Corporation's operational cycle, or if the Corporation does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

g. Recognition and measurement of assets

The purchase method of accounting is used for all acquisitions of assets, being the fair value of assets provided as consideration at the date of acquisition plus any incidental costs attributable to the acquisition. Fair value is the amount for which the asset could be exchanged between knowledgeable willing parties in an arm's length transaction.

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

Class of Asset	Threshold Limit
Books & Materials	Nil Limit
Motor Vehicles	Nil Limit
Furniture and Equipment	\$500

h. Depreciation and amortisation of non-current assets

Books and materials, motor vehicles, furniture and equipment, including computer equipment and other assets having limited useful lives are systematically depreciated over their useful lives to the Corporation in a manner which reflects consumption of the service potential embodied in those assets. Estimates of remaining useful lives and residual values are reassessed annually. Depreciation rates and methods are reviewed annually.

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

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

Major depreciation periods used are listed below and are consistent with the prior year unless otherwise stated:

	Useful Life (Years)	Depreciation Rate %
	2017	2017
Books & Materials	6.67	15%
Motor Vehicles	6.67	15%
Furniture and Equipment		
Furniture and Fittings	10	10%
Electrical Equipment	5	20%
Mobile Devices	2	50%
Computer Equipment	3	33.3%

NOTE 1 Significant accounting policies cont.

i. Repairs and maintenance

Routine maintenance, repair costs, and minor renewal costs are expensed as incurred. Where the repair relates to the replacement of a component of an asset and the cost exceeds the capitalisation threshold the cost is capitalised and depreciated. The carrying value of the replaced asset is expensed.

j. Impairment of assets

At each reporting date, the Corporation reviews the carrying value of its assets to determine whether there is any indication that these assets have been impaired. The Corporation has reviewed its assets and has not identified any indicators of impairment.

k. Employee benefits

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

Wages and salaries, and annual leave

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

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

Long service leave

Current liability – unconditional Long Service Leave (LSL) is disclosed as a current liability even when the Corporation does not expect to settle the liability within 12 months because it will not have the unconditional right to defer settlement of the entitlement should an employee take leave within 12 months.

The components of this current liability are measured at:

- present value – component that is not expected to be settled within 12 months.
- nominal value – component that is expected to be settled within 12 months.

NOTE 1 Significant accounting policies cont.**Classification of employee costs**

Non-current liability – conditional LSL that has been accrued, where an employee is yet to reach a qualifying term of employment, is disclosed as a non-current liability. There is an unconditional right to defer settlement of the entitlement until the employee has completed the requisite years of service. This non-current LSL liability is measured at present value.

l. Operating leases

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

m. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Balance Sheet are shown inclusive of GST.

Cash flows are presented in the Cash Flow Statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

n. Contingent assets, contingent liabilities and commitments

Contingent assets and contingent liabilities are not recognised in the Balance Sheet, but are disclosed by way of a Note and, if quantifiable, are measured at nominal value. Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

Commitments not recognised in the Balance Sheet. Commitments are disclosed at their nominal value by way of a note and presented inclusive of the GST payable.

o. Pending accounting standards

The following new AAS's have been issued that are not mandatory for the 30 June 2017 reporting period. The Corporation has assessed these pending standards and has identified the following potential impacts will flow from the application of these standards in future reporting periods.

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

The standard shifts the focus from the transaction-level to a contract-based approach. Recognition is determined based on what the customer expects to be entitled to (rights and obligations), while measurement encompasses estimation by the entity of the amount expected to be entitled for performing under the contract.

NOTE 1 Significant accounting policies cont.

The full impact of this standard is not known however it is most likely to impact where contracts extend over time, where there are rights and obligations that may vary the timing or amount of the consideration, or where there are multiple performance elements. This has the potential to impact on the recognition of certain grant income.

Leases (AASB 16) (applies 2019/20)

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

p. Website costs

Costs in relation to websites are charged as an expense in the period in which they are incurred.

NOTE 2 Budget comparisons

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

The budget figures detailed below are those adopted by the Corporation's Board on 22, June 2016. The budget was based on assumptions that were relevant at the time of adoption of the budget. The Corporation sets guidelines and parameters for income and expense targets in this budget in order to meet the Corporation's planning and financial performance targets for both the short and long term. The budget did not reflect any changes to equity resulting from asset revaluations, as their impacts were not considered predictable.

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

a. Income and Expenditure

	Actual 2017	Budget 2016	Variance		Ref
	\$	\$	\$	%	
Revenue					
Member Council grants and contributions	7,005,100	7,005,100	0	0.0%	
Government grants and contributions	2,404,704	2,295,071	109,633	4.8%	1
Communities for children grant funding	160,449	142,335	18,114	12.7%	2
Interest on investments	102,169	105,000	(2,831)	(2.7%)	
Other income	368,076	257,550	110,526	42.9%	3
Net gain/(loss) on disposal of plant & equipment	12,654	(9,905)	22,559	(227.8%)	4
Total Revenue	10,053,152	9,795,151	258,001	2.6%	
Expenditure					
Employee benefits	6,766,851	6,820,526	(53,675)	(0.8%)	
Communities for Children Cranbourne	21,315	6,015	15,300	254.4%	5
Communities for Children Plus Pakenham	11,156	16,755	(5,599)	(33.4%)	6
IT & communication costs	657,274	683,000	(25,726)	(3.8%)	
Library materials	336,598	272,150	64,448	23.7%	7
Depreciation	1,524,109	1,415,115	108,994	7.7%	8
Other expenditure	764,458	705,150	59,308	8.4%	9
Total Expenditure	10,081,761	9,918,711	163,050	1.6%	
Surplus/(deficit) for the year	(28,609)	(123,560)	94,951	(76.8%)	

NOTE 2 Budget comparisons cont.

(i) Explanation of material variations

Ref	Item	Explanation
1	Government grants and contributions	Increased in the Funding from the State Government for operations and Premiers Reading challenge
2	Communities for Children grant funding	Additional funding was given to improved and enhance literacy programs
3	Other income	Increase in income from photocopying and printing and reimbursement from City of Casey for equipment purchased for the new Bunjil Library.
4	Net gain/ (loss) on disposal of plant & equipment	Sale of old gaming consoles and games.
5	Communities for Children Cranbourne	Additional funding allowed for the expansion of Literacy programs.
6	Communities for Children Plus Pakenham	Actual operating expenditure is less than budget as some cots were re- allocated to employee benefits..
7	Library materials	Moved funds for capital into expenditure to purchase additional eBooks to meet community demand.
8	Depreciation	There has been movement in the depreciation schedule is due to the timing of equipment deliveries and disposal of assets.
9	Other expenditure	Cost not included in 2016-17 budget included secondment of the CEO position, consultancy to engage a new CEO, consultancy for branding and new logo.

b. Capital Works

	Actual 2017	Budget 2016	Variance	Ref
	\$	\$	\$ %	
Motor vehicles	66,755	70,000	(3,245) (4.6%)	
Furniture & equipment	272,265	205,000	67,265 32.8%	8
Books & materials	1,042,926	1,164,460	(121,534) (10.4%)	9
Total Capital Works	1,381,946	1,439,460	(57,514) (4.0%)	

(ii) Explanation of material variations

Ref	Item	Explanation
10	Furniture & equipment	Purchase of computer and equipment for Bunjil Place library and replace existing equipment.
11	Books & materials	Movement of funds from capital to expenditure to purchase additional eBooks.

NOTE 3 (a) Member Council grants and contributions

	2017	2016
	\$	\$
Council Contributions –		
City of Casey	5,179,175	5,056,925
Cardinia Shire	1,825,925	1,776,605
	<u>7,005,100</u>	<u>6,833,530</u>

As detailed in the Casey-Cardinia Regional Library Agreement, the Member Councils provide to the Corporation the buildings, mobile library vehicle, and furniture and fittings to operate the library service.

NOTE 3 (b) Government grants and contributions

	2017	2016
	\$	\$
State Government Grants	2,404,704	2,294,874
Federal Government Grant	160,449	141,433
	<u>2,565,153</u>	<u>2,436,307</u>

NOTE 4 Net gain/(loss) on disposal of plant and equipment

	2017	2016
	\$	\$
Proceeds from sale of Motor Vehicles	17,273	23,409
Written down value of assets sold	(20,647)	(23,959)
Net (loss) on disposal	<u>(3,374)</u>	<u>(550)</u>
Proceeds from sale Furniture & Fittings	16,843	9,455
Written down value of assets disposed of	(815)	(423)
Net gain on disposal	<u>16,028</u>	<u>9,032</u>
Total gain (loss) on disposal	<u>12,654</u>	<u>8,482</u>

NOTE 5 Other income

	2017	2016
	\$	\$
Overdue fines	108,701	109,624
Membership cards	5,500	7,707
Photocopying	102,365	92,897
Meeting room hire	24,942	24,758
Lost books	25,185	25,775
Library programs	6,664	4,721
Sundry recoverable	94,719	16,599
Interest on term deposits	102,169	103,350
	470,245	385,431

NOTE 6 (a) Employee costs benefits

	2017	2016
	\$	\$
Wages and salaries	6,084,774	5,816,577
Travel allowance	19,566	13,895
WorkCover	37,730	56,878
Superannuation	528,857	496,110
Other	95,924	29,806
	6,766,851	6,413,266

NOTE 6 (b) Superannuation

The Corporation made contributions to the following funds:

	2017	2016
	\$	\$
Defined benefit fund		
Local Authorities Superannuation Fund (Vision Super)	86,593	102,441
Accumulation funds		
Local Authorities Superannuation Fund (Vision Super)	404,590	361,980
Employer contributions payable at reporting date	37,674	31,689
	528,857	496,110

NOTE 6 (b) Superannuation Cont.

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

Accumulation

The Fund's accumulation categories, Vision My Super/Vision Super Saver, receives both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (for the year ended 30 June 2017, this was 9.50% required under Superannuation Guarantee legislation).

Defined Benefit

Casey-Cardinia Library Corporation does not use defined benefit accounting for its defined benefit obligations under the Fund's Defined Benefit category. This is because the Fund's Defined Benefit category is a pooled multi-employer sponsored plan.

There is no proportional split of the defined benefit liabilities, assets or costs between the participating employers as the defined benefit obligation is a floating obligation between the participating employers and the only time that the aggregate obligation is allocated to specific employers is when a call is made. As a result, the level of participation of Casey-Cardinia Library Corporation in the Fund cannot be measured as a percentage compared with other participating employers. Therefore, the Actuary is unable to allocate benefit liabilities, assets and costs between employers for the purposes of AASB 119.

Funding arrangements

The Corporation makes employer contributions to the Defined Benefit category of the Fund at rates determined by the Trustee on the advice of the Fund Actuary.

Local Authorities Superannuation Fund (Defined Benefit Plan) – Vested Benefit Index (VBI)

The review of the June 2017 VBI for the Local Authorities Superannuation Fund (LASF) Defined Benefit (DB) plan has been completed and the Vision Super Board has approved the early release of this VBI to assist sponsoring employers with their reporting obligations. Please note that the Fund Actuary has not finalised his 2017 annual review and, while this VBI number is unlikely to change, it is subject to the finalisation of the Fund Actuary's 2017 report.

As at 30 June 2017, the estimated VBI for the sub-plan was 103.1%."

NOTE 6 (b) Superannuation Cont.

Employer contributions

Regular contributions

On the basis of the results of the 2016 interim actuarial investigation conducted by the Fund Actuary, the Corporation makes employer contributions to the Fund's Defined Benefit category at rates determined by the Fund's Trustee. For the year ended 30 June 2017, this rate was 9.5% of members' salaries (9.5% in 2015/2016). This rate will increase in line with any increase to the contribution rate. In addition, the Corporation reimburses the Fund to cover the excess of the benefits paid as a consequence of retrenchment above the funded resignation or retirement benefit.

Funding calls

If the Defined Benefit category is in an unsatisfactory financial position at an actuarial investigation or the Defined Benefit category's VBI is below its shortfall limit at any time other than the date of the actuarial investigation, the Defined Benefit category has a shortfall for the purposes of SPS 160 and the Fund is required to put a plan in place so that the shortfall is fully funded within three years of the shortfall occurring. The Fund monitors its VBI on a quarterly basis and the Fund has set its shortfall limit at 97%. In the event that the Fund Actuary determines that there is a shortfall based on the above requirement, the Fund's participating employers (including The Corporation) are required to make an employer contribution to cover the shortfall. Using the agreed methodology, the shortfall amount is apportioned between the participating employers based on the pre-1 July 1993 and post-30 June 1993 service liabilities of the Fund's Defined Benefit category, together with the employer's payroll at 30 June 1993 and at the date the shortfall has been calculated. Due to the nature of the contractual obligations between the participating employers and the Fund, and that the Fund includes lifetime pensioners and their reversionary beneficiaries, it is unlikely that the Fund will be wound up. If there is a surplus in the Fund, the surplus cannot be returned to the participating employers. In the event that a participating employer is wound-up, the defined benefit obligations of that employer will be transferred to that employer's successor.

2016 Interim actuarial investigation surplus amounts

The Fund's interim actuarial investigation as at 30 June 2016 identified the following in the defined benefit category of which the Corporation is a contributing employer:

A VBI surplus of \$40.3 million; and

A total service liability surplus of \$156 million.

The VBI surplus means that the market value of the fund's assets supporting the defined benefit obligations exceed the vested benefits that the defined benefit members would have been entitled to if they had all exited on 30 June 2016. The total service liability surplus means that the current value of the assets in the Fund's Defined Benefit category plus expected future contributions exceeds the value of expected future benefits and expenses. The Corporation was notified of the 30 June 2016 VBI during August 2016.

NOTE 6 (b) Superannuation Cont.

2017 Full triennial actuarial investigation

A full actuarial investigation is being conducted for the Fund's position as at 30 June 2017. It is anticipated that this actuarial investigation will be completed in December 2017.

Future superannuation contributions

The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2018 is \$80,292.

NOTE 7 Depreciation

Depreciation for the period was charged in respect of:

	2017	2016
	\$	\$
Books and materials	1,254,774	977,463
Furniture and equipment	250,237	259,212
Motor vehicle	19,098	13,187
	<u>1,524,109</u>	<u>1,249,862</u>

NOTE 8 Auditors remuneration

	2017	2016
	\$	\$
Audit fee; conducted by external auditor on behalf of the Victorian Auditor-General	9,403	9,350
	<u>9,403</u>	<u>9,350</u>

NOTE 9 Cash and cash equivalents

	2017	2016
	\$	\$
Cash on hand	1,130	1,130
Cash at bank	128,099	61,035
Term deposits	830,375	1,714,503
	<u>959,604</u>	<u>1,776,668</u>

NOTE 10 Trade and other receivables

	2017	2016
	\$	\$
Current		
Prepayments	11,902	25,425
Interest receivable	15,559	14,892
	<u>27,461</u>	<u>40,317</u>

The carrying amount of debtors approximates fair value because of the short term to settlement.

NOTE 11 (a) Plant and equipment

	2017	2016
	\$	\$
Motor Vehicle		
at cost	126,941	87,817
less accumulated depreciation	(25,679)	(13,565)
Total	<u>101,262</u>	<u>74,252</u>
Furniture & Equipment		
at cost	2,106,728	1,994,696
less accumulated depreciation	(1,558,100)	(1,467,281)
Total	<u>548,628</u>	<u>527,415</u>
Books & Materials		
at cost	9,148,904	9,103,616
less accumulated depreciation	(5,380,192)	(5,123,057)
Total	<u>3,768,712</u>	<u>3,980,559</u>
Total at cost	11,382,573	11,186,129
Total accumulated depreciation	(6,963,971)	(6,603,903)
Total Plant & Equipment	<u>4,418,602</u>	<u>4,582,226</u>

NOTE 11 (b) Summary of asset movements

	2017	2016
	\$	\$
Motor Vehicles		
Opening Balance at 1 July	74,252	78,923
Additions at cost	66,755	32,475
Disposals	(20,647)	(23,959)
Depreciation	(19,098)	(13,187)
Total	<u>101,262</u>	<u>74,252</u>

NOTE 11 (b) Summary of asset movements cont.

	2017 \$	2016 \$
Furniture & Equipment		
Opening Balance at 1 July	527,415	633,643
Additions at cost	272,265	153,408
Disposals	(815)	(424)
Depreciation	(250,237)	(259,212)
Total	548,628	527,415
Books and Materials		
Opening Balance at 1 July	3,980,559	3,761,122
Additions at cost	1,042,927	1,196,900
Depreciation	(1,254,774)	(977,463)
Total	3,768,712	3,980,559

NOTE 12 Trade and other payables

	2017 \$	2016 \$
Current		
Trade and sundry creditors	493,040	139,838
Accrued expenses	139,665	353,919
	632,705	493,757

The carrying amount of creditors approximates fair value because of the short term to settlement.

NOTE 13 Employee provisions

	2017 \$	2016 \$
Current provisions expected to be settled within 12 months		
Annual leave	403,270	395,869
Long service leave	115,650	114,200
	518,920	510,069
Current provisions expected to be settled after 12 months		
Annual leave	56,399	34,555
Long service leave	777,649	764,366
	834,048	798,921
Total current provisions	1,352,968	1,308,990

NOTE 13 Employee provisions cont.

	2017	2016
	\$	\$
Non-current		
Long service leave	22,878	22,945
Total	22,878	22,945
Average staff number (Eft)	79.86	77.85

Employees have a present entitlement to annual leave benefits accrued for services rendered. With respect to long service leave (LSL), under the Corporation's EBA employees have a present entitlement to long service leave benefits after seven years of continuous service. Although leave is normally taken by agreement, the Corporation does not have an unconditional right to defer settlement of the liability for at least 12 months after reporting date. The long service leave calculations have included an increase of 2.5% based on estimated EBA increase and predicted banding increases and the current Department of Treasury and Finance Discount rates.

NOTE 14 Reconciliation of cash flows from operating activities to surplus/(deficit)

	2017	2016
	\$	\$
Surplus/ (deficit) for the period	(28,609)	480,730
Depreciation	1,524,109	1,249,862
Net (Gain) on disposal of plant and equipment	(12,654)	(8,482)
Change in assets and liabilities		
Decrease/increase) in receivables	(667)	(8,101)
Decrease/ (increase) in prepayments	13,523	(6,740)
Increase/ (decrease) in employee provisions	43,911	22,232
(Decrease)/increase in payables	138,948	10,881
Net Cash provided by operating activities	1,678,561	1,740,382

NOTE 15 Commitments and contingencies

Superannuation

The Corporation has obligations under a defined benefit superannuation scheme that may result in the need to make additional contributions to the scheme; matters relating to this potential obligation are outlined in Note 6 (b). As a result of the volatility in financial markets the likelihood of making such contributions in future periods exists. At this point in time it is not known if additional contributions will be required, their timing or potential amount.

Operating Lease Commitments

At the reporting date the Corporation had the following obligations under non-cancellable operating leases of equipment and building for use within the Corporation's activities (these obligations are not recognised as liabilities):

	2017	2016
	\$	\$
Not later than one year	70,405	114,135
Later than one year and not later than five years	220,070	290,475
Later than five years	-	-
	<u>290,475</u>	<u>404,610</u>

Contingencies

The Corporation has no contingent assets or liabilities to report.

NOTE 16 Financial instruments

Objectives and policies

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

a. Market risk

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

NOTE 16 Financial instruments cont.**b. Interest rate risk**

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Interest rate liability risk arises primarily from long term loans and borrowings at fixed rates. The Corporation does not have any long term loans, borrowings or hold any interest bearing financial instruments therefore has no exposure to changes in market interest rates.

c. Credit Risk

Credit risk is the risk that a contracting entity will not complete its obligations under a financial instrument and cause us to make a financial loss. We have exposure to credit risk on some financial assets included in our balance sheet. To help manage this risk:

- we have a procurement policy to manage levels of authority, purchasing limits and contractual time-lines establishing credit controls for the entities we deal with;
- we may require collateral where appropriate; and
- we only invest surplus funds with financial institutions which have a recognised credit rating specified in our investment policy.

Receivables consist of business and government sectors customers. Credit risk associated with the Corporation's financial assets is minimal. There are no material financial assets which are individually determined to be impaired.

The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements. Credit risk is not considered significant for the Corporation given the minimal dealings with counterparties giving rise to debts receivable.

d. Liquidity risk

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

To help reduce these risks the Corporation:

- has contractual funding agreements with the Member Councils
- has a liquidity portfolio structure that requires surplus funds to be invested within various bands of liquid instruments; and
- monitors budget to actual performance on a regular basis.

The Corporation's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed in the face of the balance sheet.

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

NOTE 16 Financial instruments cont.

e. Net Fair Values

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value

f. Sensitivity disclosure analysis

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

A parallel shift of -1% and +1% in market interest rates (AUD) from prior year-end rates of 1.80%. This would have resulted in a + \- movement of \$36,074 (2015-16:\$32,767) to the surplus for the year and a corresponding movement in equity of the same amount.

NOTE 17 Related party transactions

- (i) Name of persons holding the position of Responsible Person at the Casey-Cardinia Library Corporation during the financial year are:

Board Members

City of Casey	Cr Damien Rosario	Board member from 24/2/2016 -Chair 24/2/2016 to 23/11/2016
	Cr Wayne Smith	Board member from 26/2/1997
	Ms Colette McMahon-Hoskinson	Board member from 23/11/2017
	Ms Sally Curtain	Board member from 24/4/2013 to 28/8/2014 and from 24/6/2015
	Cr Susan Serey	Board member from 28/11/2012, Alt Board member from 24/2/16
	Mr Andrew Davis	Alt Board member from 24/6/2015
	Ms Sophia Petrov	Board member from 22/2/2012 resigned July 2016
Cardinia Shire	Ms Jodie Owen	Board member November 23, 2016 Chair from November 23, 2016
	Cr George Blenkhorn	Board member from 25/2/2016 to October 2016
	Ms Jenny Scicluna	Board member From 25/2/2015
	Cr Ray Brown	Alt. Board member from 23/11/2016
	Cr Colin Ross	Alt Board member from November 25, 2015 to October 2016
	Cr Tania Baxter	Alt. Board member from 28/11/2012 to October 26, 2015 to October 2016
Chief Executive Officer	Mr Chris Buckingham	From 3/10/2016
Interim Chief Executive Officer	Ms Colette McMahon-Hoskinson	From 1/06/2016 to 30/9/2016

NOTE 17 Related party transactions cont.

(ii) Remuneration of Key Management Personnel

Prior year comparisons are not shown due to first year of applying ASB 124

The Key Management Personnel (KMP) has been identified to include Responsible Person(s) and Senior Officers.

Remuneration	2017	2016
	\$	\$
Short-Term Benefits	931,841	na
Post-Employment Benefits	64,265	na
Other Long-Term Benefits	8,720	na
Total Remuneration	1,004,826	na
Total number of Executives	10	-
Total Annualised employee equivalents (AEE)	5.5	-

The numbers of key Management Personnel, whose total remuneration from the Corporation and any related entities, fall within the following bands:

	2017	2016
	No	No
< \$142,000	8	na
\$190,000 – \$199,999	2	na

Board Members who are Councillors and Officers nominated by the Member Councils do not receive remuneration from Casey-Cardinia Library Corporation.

(iii) Building charges and Financial Services

The Corporation purchases financial services and rents office space for the Library's Headquarters from the City of Casey. The Interim Chief Executive Officer was on secondment from the City of Casey from July 1, to September 30, 2016.

	2017	2016
	\$	\$
Financial Services paid to City of Casey	28,822	28,016
Reimburse City of Casey staff secondments – Interim Chief Executive Officer and staff secondment	53,332	20,633
Library headquarters building rent and utilities	73,866	70,664
	156,020	119,313
Funding allocation		
City of Casey	114,831	87,814
Cardinia Shire	41,189	31,499
	156,020	119,313

(iv) Council Funding

Refer to note 3 (a) Member Council grants and contributions for council funding received.

NOTE 18 Events subsequent to reporting date

There were no matters that have arisen since the end of the year which significantly affected or may affect the operations of the Corporation, the results of those operations, or the state of affairs in subsequent years.

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



Mr Chris Buckingham
Principal Accounting Officer

DATE: 23, August 2017

LOCATION: Narre Warren

In our opinion the accompanying financial statements present fairly the financial transactions of Casey-Cardinia Library Corporation for the year ended 30 June 2016 and the financial position of the Corporation as at that date.

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

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



Cr Jodie Owen
CHAIR

DATE: 23, August 2017

LOCATION: Narre Warren



Cr Damien Rosario
BOARD MEMBER

DATE: 23, August 2017

LOCATION: Narre Warren



Mr Chris Buckingham
Chief Executive Officer

DATE: 23, August 2017

LOCATION: Narre Warren



Victorian Auditor-General's Office

Independent Auditor's Report

To the Board Members of Casey-Cardinia Regional Library Corporation

Opinion	<p>I have audited the financial report of Casey-Cardinia Regional Library Corporation (the corporation) which comprises the:</p> <ul style="list-style-type: none"> • balance sheet as at 30 June 2017 • comprehensive income statement for the year then ended • statement of changes in equity for the year then ended • statement of cash flows for the year then ended • notes to the financial statements, including a summary of significant accounting policies • certification of the financial report. <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the corporation as at 30 June 2017 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 6 of the <i>Local Government Act 1989</i> and applicable Australian Accounting Standards.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. My responsibilities under the Act are further described in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the corporation in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Australia. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Board Members' responsibilities for the financial report	<p>The Board Members of the corporation are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Local Government Act 1989</i>, and for such internal control as the Board Members determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Board Members are responsible for assessing the corporation's ability to continue as a going concern, and using the going concern basis of accounting unless it is inappropriate to do so.</p>

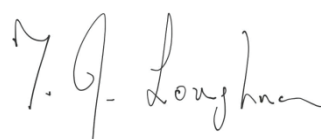
**Auditor's
responsibilities
for the audit
of the financial
report**

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

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

I communicate with the Board Members regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



MELBOURNE
5 September 2017

Tim Loughnan
as delegate for the Auditor-General of Victoria



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