

**A YEAR WITH
ZOOS VICTORIA
2016-17
ANNUAL REPORT**

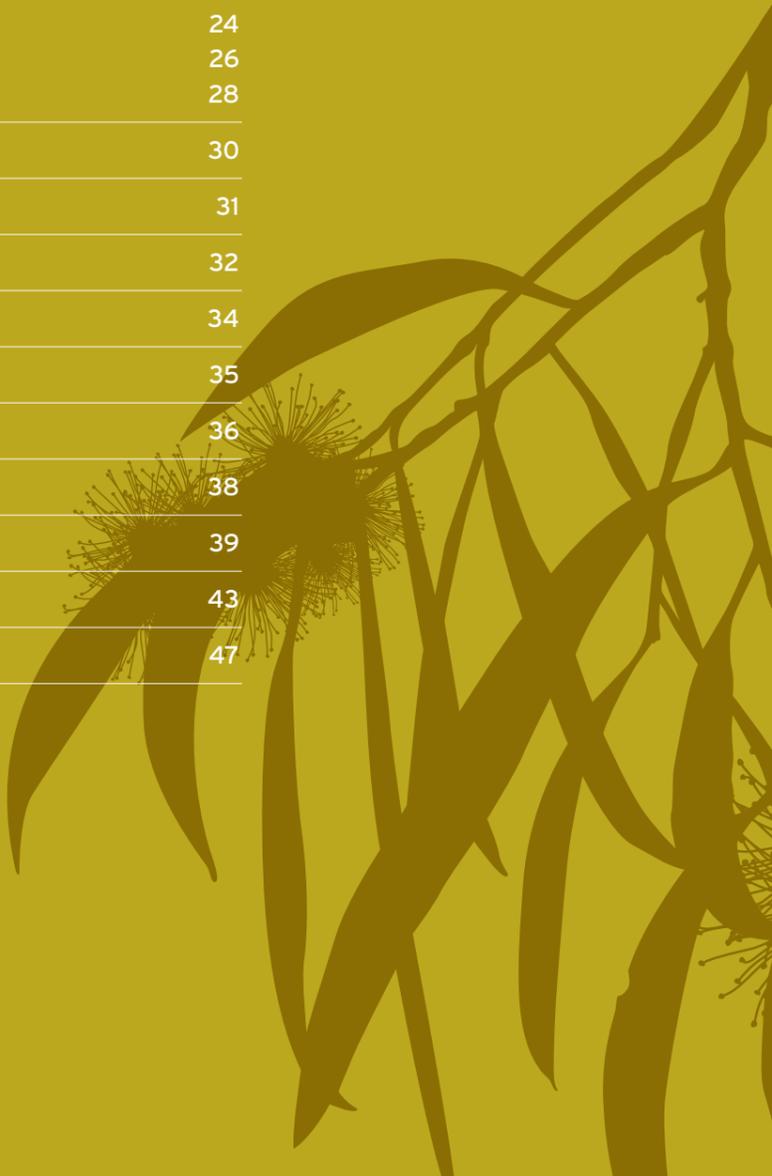




As a world leading zoo-based conservation organisation, we will secure a future rich in wildlife.

CONTENTS

Chair's Message	4
CEO's Message	5
Our Charter and Purpose	6
Fighting Extinction	8
Animals of the Zoos	9
Highlights 2016-17	10
Our Five Action Areas	12
Key Action Area 1 - Conservation	14
Key Action Area 2 - Our Animals	20
Key Action Area 3 - Visitors and Community	24
Key Action Area 4 - Our People	26
Key Action Area 5 - Financial Sustainability	28
Organisational Chart	30
Our Workplace Profile	31
Key Performance Indicators	32
Financial Summary	34
Board Attendance	35
Board Profiles	36
Board Committees	38
Corporate Governance and Other Disclosure	39
Corporate Partners and Supporters	43
Financial Report	47



CHAIR'S MESSAGE

“Fighting extinction lies at the core of everything Zoos Victoria, our visitors and our members stand for: creating a future rich in wildlife.”
Anne Ward, Chair, Zoos Victoria

Zoos Victoria is an iconic Victorian institution. For more than 150 years, we have been connecting people with animals, delighting and inspiring our visitors to care about the amazing wildlife with whom we share this planet.

Sadly, we are living in a time when species are disappearing from our world faster than ever. At Zoos Victoria, we have made a commitment to take action, starting in our own backyard. We have pledged that no Victorian, terrestrial vertebrate will go extinct on our watch. We work directly with 21 of the most critically endangered local species to ensure they survive. We are partnering with the Victorian community to create the world's most wildlife friendly society. We lead efforts to reduce threats to endangered wildlife, like the *Don't Palm Us Off* campaign seeking clear labelling of palm oil on everyday products and the *Bubbles Not Balloons* program which highlights the negative impact of balloons on marine wildlife.

Our three zoos are already amongst the best in the world. We aim to continue to improve our zoos with a focus on the wellbeing of the animals in our care, using animal behavioural science to inform exhibit design. Contemporary design principles encourage curiosity and stimulate natural behaviour, ensuring our animals flourish and our visitors continue to be delighted by interactions with our amazing animals.

We cannot do all this alone. I want to thank our many supporters, visitors, members, volunteers and staff who have joined us in our fight against extinction. I thank the Victorian Government for their ongoing commitment to help Zoos Victoria remain a world leader and I extend a special thank you to the Hon. Lily D'Ambrosio for her tireless work in protecting Victoria's environment and especially her leadership for the statewide Biodiversity Plan.



Finally, I would like to thank my Zoos Victoria board colleagues for their guidance and support over the past year, especially Sahil Merchant for his service to Zoos Victoria as a director since 2013 until his recent retirement from the Board.

A handwritten signature in blue ink, appearing to read 'Anne Ward'.

Anne Ward
Chair
Zoos Victoria Board

CEO'S MESSAGE

Over the course of the year our commitment to animal preservation has yielded many significant and tangible results. The Balls Pyramid expedition successfully collected 'Vanessa' the Lord Howe Island Stick Insect who will play an essential role in the breeding program for the recovery of the species, long believed to be extinct.

Melbourne Zoo and Werribee Open Range Zoo have enjoyed recent success, with animals from their captive breeding program for Eastern Barred Bandicoots soon to be released into the wild. This marks a considerable milestone for the species with its population anticipated to double to 2,500.

Likewise, Zoos Victoria successfully located 11 female Baw Baw Frogs in the wild. The frogs - who had been elusive for six years - now live at Melbourne Zoo's Baw Baw Bunker; a climate controlled shipping container that replicates their natural alpine habitat.

The success of this year is a testament to the engagement and dedication of our workforce, who in our monthly staff surveys continue to express a high satisfaction rate of 81%. As always, the safety and wellbeing of our people is paramount. This is why we have bolstered our commitment to the Safety Circle Program, which is based on the principles of respect for people, commitment to safety and expanding personal responsibility.

Last year Zoos Victoria employees participated in the LEAN training program, designed to drive continual improvement and maximise efficiency.

This year, we've adapted the LEAN principles to inform a visitor experience mapping project, which aims to assess and improve the visitor experience. The success of programs such as this convert into a substantial and demonstrable result, for example our Zoos Victoria Membership Program growing by 9% in this financial year.

Our achievements during 2016-17 would not be possible without the passion of our valued workforce and members who are at the heart of our efforts to fight extinction. I am grateful for the outstanding efforts of everyone involved with Zoos Victoria and in particular I would like to extend my thanks to the Board, our staff, volunteers and many supporters, whose patronage has contributed to making this year an unequivocal success.

A handwritten signature in blue ink, appearing to read 'Jenny Gray'.

Dr Jenny Gray
Chief Executive Officer
Zoos Victoria



“In 2016-17 Zoos Victoria continued to fight wildlife extinction with unwavering determination, investing more than \$6 million directly into wildlife conservation interventions.”
Dr Jenny Gray, CEO Zoos Victoria

OUR CHARTER AND PURPOSE

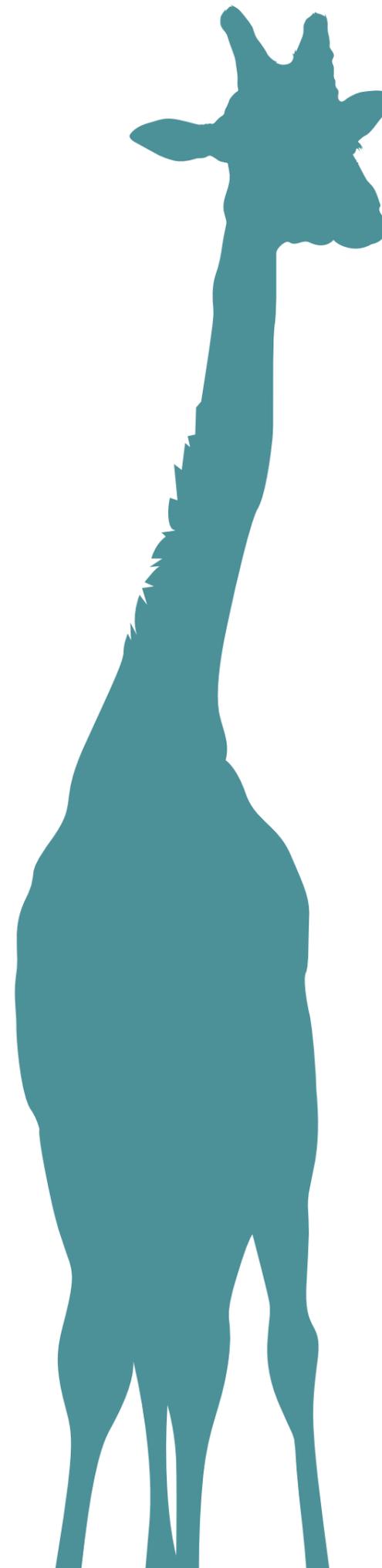
Our vision

As a world leading zoo-based conservation organisation, we will secure a future rich in wildlife.

Our mission

As a world leading zoo-based conservation organisation we will secure a future rich in wildlife through:

- Innovative, scientifically sound breeding and recovery programs to support critically endangered Victorian, terrestrial, vertebrate species;
- Partnering with the Victorian community to create the world's most wildlife friendly society;
- Providing profound zoo-based animal encounters to connect people with wildlife; and
- Strong commercial approaches to secure financial sustainability.



Governance and legislation

Since 1973, the three great zoos collectively trading as Zoos Victoria - Melbourne Zoo, Healesville Sanctuary and Werribee Open Range Zoo - have been governed by the Zoological Parks and Gardens Board. The Board's primary role is to protect the zoos whilst promoting research, education and conservation, and operates under the *Zoological Parks and Gardens Act 1995*.

Comprising of nine members appointed by the Governor in Council, on the recommendation of The Minister for Energy, Environment and Climate Change, The Hon. Lily D'Ambrosio, the Board is responsible for:

- Approval of the strategic direction and vision;
- Setting appropriate Board policies providing strategic, ethical and operational guidance;
- Approval of annual and corporate plans;
- Approval of annual financial reports;
- Reviewing risks, governance and internal controls;
- Reporting to the Minister.

The Zoological Parks and Gardens Act 1995

Under the Act, the Board is guided to:

- Conserve, protect, manage and improve Zoos Victoria;
- Promote and increase public enjoyment, knowledge and awareness of Zoos Victoria;
- Carry out and promote zoological research, the conservation of wildlife, its natural habitats and the maintenance of biodiversity;
- Provide services and facilities for visitors of Zoos Victoria;
- Provide consultancy and advice services to the public on zoological matters;
- Advise the Minister on matters relating to the Board's functions and powers, or on any other matter referred by the Minister and to carry out any other functions conferred on it by this or any other Act.



FIGHTING EXTINCTION



Key Biodiversity Areas (KBAs) supporting unique and diverse wildlife across Australia are recognised both locally and with global significance. Despite this, the health and resilience of species in Australia have suffered significantly since European settlement and as a result 29 mammals, amongst other species, have gone extinct. With critical threats still prevalent in the wild, further species are also teetering on the brink of extinction. Zoos Victoria has focused its efforts on fighting extinction to secure a future rich in wildlife.

Zoos Victoria's Wildlife Conservation Master Plan commits to the recovery of 20 native threatened species, including the Eastern Barred Bandicoot, Baw Baw Frog and Orange-bellied Parrot. In addition, this past year Zoos Victoria took another species under our wing - the Plains-wanderer, a Victorian grassland species recently classified as Critically Endangered.

In a significant development to support delivery of actions in the Wildlife Conservation Master Plan, Zoos Victoria is delighted to acknowledge the Government's grant of \$1.5 million for 'Little Brown Things'. This will significantly progress Master Plan priorities for Baw Baw Frog, Alpine She-oak and Guthega Skinks, Lord Howe Island Stick Insect, Spotted Tree Frog and Grassland Earless Dragon, it also enabled the creation of a Threatened Species Project Officer (Herpetofauna position) and a cryopreservation facility to store genetic material from threatened species.

We also acknowledge the Victorian Government's Icon Species allocation of \$2 million. This will support priority actions for 10 threatened species, all except one being Zoos Victoria's Fighting Extinction species. As the key player in Baw Baw Frog recovery, Icon Species funding for this species is managed by Zoos Victoria.

In addition to the recovery of our native threatened species, Zoos Victoria is committed to supporting social and biological outcomes internationally. Working with local communities in Uganda, Papua New Guinea and the Philippines, we have established strong conservation partnerships. These partnerships aim to support local communities to provide sustainable long-term outcomes for wildlife at risk of extinction.

Melbourne Zoo

The oldest and most respected urban zoo in the southern hemisphere. Melbourne Zoo weaves together our people, visitors and animals to craft a profound experience that deeply connects visitors with wildlife and empowers them to join us in fighting extinction.

Melbourne Zoo is a respected world-class zoo that is accessible to all visitors, minutes from the heart of the city.

Healesville Sanctuary

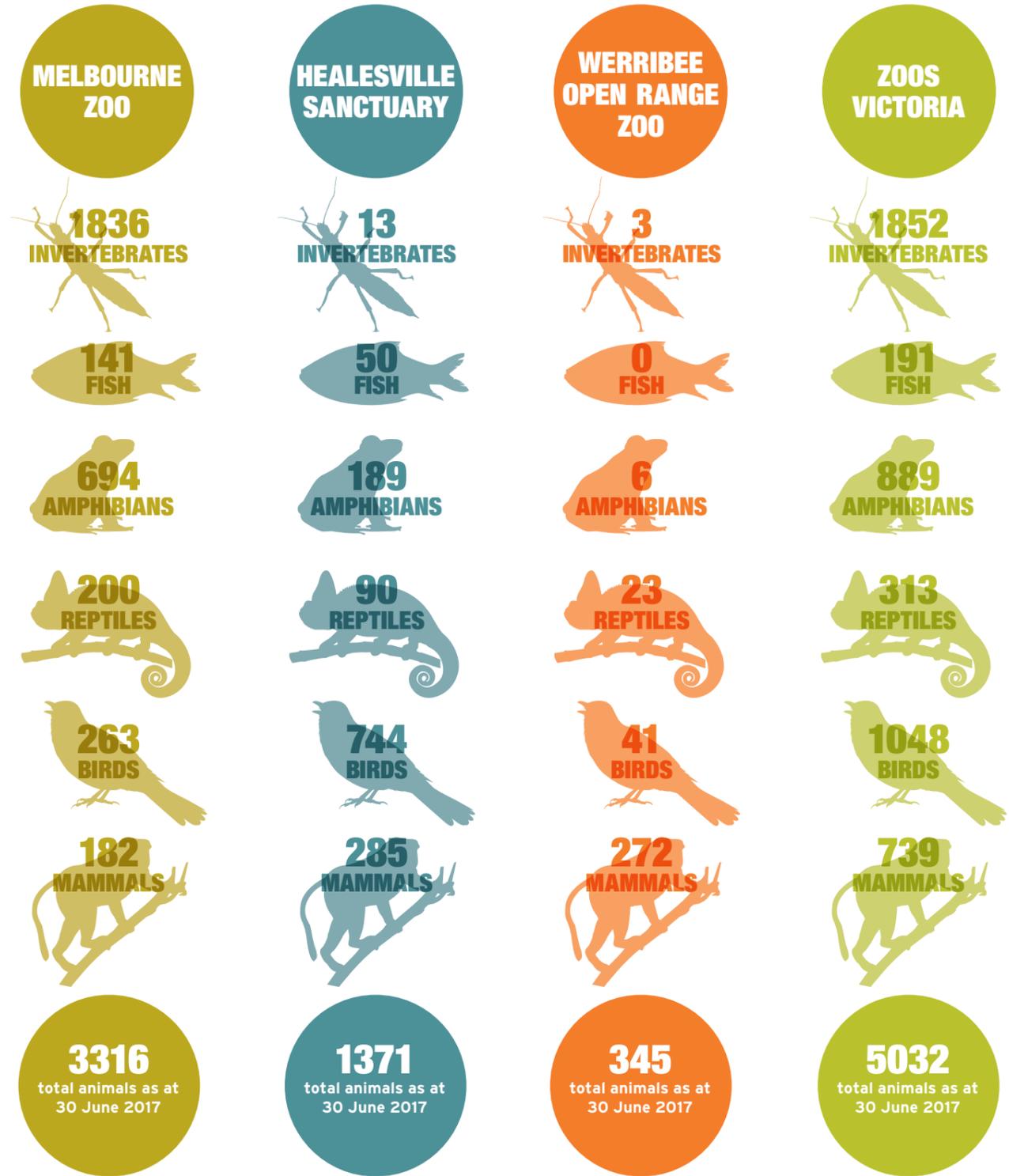
A destination that celebrates and showcases Australian biodiversity. Healesville Sanctuary offers the ultimate Australian wildlife conservation experience, surrounded by fauna, flora and indigenous culture for a rich understanding of the Australian environment. This is the hub of our fighting extinction activity as we work with more than 10 breeding and recovery programs operating from this bushland haven.

Werribee Open Range Zoo

Joining the African savannah with the grasslands of Australia.

Uniquely located on the banks of the Werribee River, the Werribee Open Range Zoo showcases flora and fauna from the far reaches of Africa, Australia, America and Asia. The Zoo is home to the Guardian Dog Trial and is a captive breeding hub where visitors can fall in love with the Critically Endangered Eastern Barred Bandicoot and the Orange-bellied Parrot. A new breeding programme is being developed for the Critically Endangered Plains-wanderer, our 21st 'fighting extinction' species.

ANIMALS OF THE ZOO



HIGHLIGHTS 2016-17



August 2016
Zoos Victoria awarded the prestigious San Diego Zoo Conservation Medal for its conservation campaigns and fight against wildlife extinction.



October 2016
1,000 toy, plush orang-utans - representing 1,000 orang-utans that die annually in Indonesia and Malaysia - were hidden around Federation Square to *Turn Melbourne Orange* as part of our *Don't Palm Us Off* community conservation campaign.



December 2016
New, sustainability-focused wetlands exhibit opened at Healesville Sanctuary to showcase and home some of Australia's most stunning water bird species such as the Royal Spoonbill.



February 2017
Launch of *When Balloons Fly, Seabirds Die* Community Conservation campaign to urge Australians to blow bubbles instead of releasing balloons - a major pollutant harming our marine wildlife.



March 2017
360 Southern Corroboree Frogs released into semi-wild, disease-free enclosures, signifying another important step towards recovery of this endangered species.



May 2017
Announcement that Melbourne Zoo will host The National Geographic Photo Ark exhibition between July and October 2017, at the Zoo's Leopard Lodge.



September 2016
Seven captive-bred and danger-trained Helmeted Honeyeaters took flight at Yellingbo Nature Conservation in a boost for Victoria's state faunal emblem.



December 2016
Werribee Open Range Zoo African lioness, Nairibi, gave birth to her first litter of cubs.



October 2016
Announcement of Melbourne Zoo's next major development - *Leopard Ridge* - designed to complete the predator's journey, looping through *Lion Gorge* returning to the Main Drive.



January 2017
Forty-three Orange-bellied Parrots fledged at Healesville Sanctuary in the most successful breeding season yet for this critically endangered species. These birds will be released into the wild to support the critically low wild population or will be brought into the ongoing breeding program.



March 2017
MPavilion, by award-winning architect Bijoy Jain and formerly situated at the Queen Victoria Gardens, gifted to Melbourne Zoo by the Naomi Milgrom Foundation.



June 2017
A new breeding centre is established for the critically endangered Plains-wanderer at Werribee Open Range Zoo.



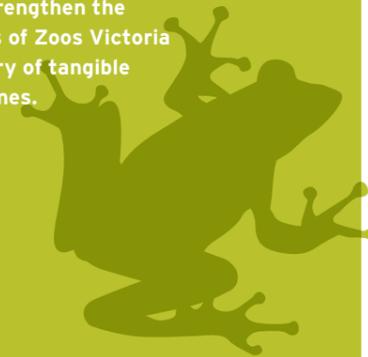
May 2017
Vanessa, the Lord Howe Island Stick Insect, collected from Balls Pyramid to join the breeding program at Melbourne Zoo to fight extinction.

OUR FIVE ACTION AREAS

Our zoos are collectively guided by five key action areas that provide a fundamental framework that works collaboratively to complement and leverage the efforts invested in each for more effective, holistic conservation outcomes.

CONSERVATION

We will focus and strengthen the conservation efforts of Zoos Victoria to ensure the delivery of tangible conservation outcomes.



OUR ANIMALS

We will strive to ensure the wellbeing and conservation relevance of every animal within our care.



VISITORS AND COMMUNITY

We will provide innovative wildlife-based connection experiences that inspire and facilitate the community, both within and outside Victoria, to take conservation actions that make a measurable and positive difference.



OUR PEOPLE

We care for Zoos Victoria staff and volunteers by providing support and services in line with our values to enable each individual to stay safe, contribute to our vision and realise their potential.



FINANCIAL SUSTAINABILITY

We will ensure the long-term financial sustainability of all our operations to be able to maintain and improve the value of assets and to make a meaningful, measurable and successful investment in conservation action.



KEY ACTION AREA 1 CONSERVATION IN 2016-17

Strengthening our conservation efforts for tangible conservation outcomes.

Zoos Victoria has an ongoing commitment to being the world's leading zoo-based conservation organisation. In so doing, we've invested more than \$6 million in direct wildlife conservation interventions.

We are committed to demonstrating and communicating the role of conservation research in all that we do. Our people are passionate about preventing animal extinction and we have more captive breeding and recovery programs than any other Australian institution. With this, we embark upon aiding the recovery of our most vulnerable native species.

We work locally and globally to deliver improved conservation outcomes, which would not be possible without our partners who contribute to our shared commitment to conservation.



Eastern Barred Bandicoot

Zoos Victoria is excited by the recent success of its captive breeding programs for Eastern Barred Bandicoots at Melbourne Zoo and Werribee Open Range Zoo. These animals are destined for release next year at Woodlands, Mt Rothwell, Churchill Island and Hamilton Community Parklands. Together, these actions have the potential to recover the species and will see a doubling of the population to 2,500.

The trial release of Eastern Barred Bandicoots on Churchill Island has shown this model can be key to securing the future of this species. The success on Churchill Island, with a population growing to 100 animals from a release of 20 in 2016, provides impetus and confidence for the release on Philip Island in late 2017. The commitment and enthusiasm of our partners at Philip Island aligns with ours and we look forward to another breakthrough in numbers.

As well as the breeding program, Zoos Victoria is funding a predator-free fence at Tiverton Station to provide a safer habitat for the animals upon release next year. Similarly, at Werribee Open Range Zoo, Guardian Dogs are being trained to enable us to move beyond fenced sites, with the goal of securing a future for the Eastern Barred Bandicoot on the mainland.

Northern Corroboree Frog

More than 650 Northern Corroboree Frog eggs laid at Healesville Sanctuary were transferred to Tidbinbilla Nature Reserve for raising and subsequent release in monitored field sites in the ACT.

Southern Corroboree Frog

Field surveys over recent years have highlighted that Southern Corroboree Frog numbers in the wild are hovering around 25-30 individuals. Wild survival of this species is dependent on the captive breeding program at Taronga Zoo and Zoos Victoria, and in 2017 we released 360 frogs into new, disease-free enclosures in Mt Kosciuszko National Park. Another 2,100 eggs were released into natural and artificial pools.

Baw Baw Frog

After five years of successfully developing husbandry techniques for Baw Baw Frogs, based mainly on collecting egg masses and more recently adult males, the focus for 2016 turned to collecting female frogs. Historically a major challenge, the Zoos Victoria team successfully located eleven mature wild females. The frogs now live at Melbourne Zoo's Baw Baw Bunker; a specially designed, climate-controlled shipping container that replicates their natural alpine habitat. The maturity of the females has helped accelerate the captive breeding program, which can otherwise take up to five years while a frog reaches sexual maturity. Eleven egg masses were laid once the females were secured at Melbourne Zoo, representing a huge leap forward for the recovery program.

Helmeted Honeyeater

Seven captive-bred Helmeted Honeyeaters were successfully released at Yellingbo Nature Conservation Reserve. The birds were extensively trained to enhance their predator avoidance behaviour. The innovative program has helped survival rates of captive birds rise to over 90%.

Tasmanian Devil

In 2016-17, Zoos Victoria contributed to projects on devil behaviour, acoustics, genetics, diet, morphology, reproduction, virology, veterinary studies and wild devil interactions, highlighting our long-term commitment to devil conservation and research. In the last ten years, Healesville Sanctuary has produced over 130 Tasmanian Devils in captivity, as part of the *Save the Tasmanian Devil* insurance program. These devils are now found across the captive insurance population, Forestier Peninsula and Maria Island where the population has reached capacity.

Lord Howe Island Stick Insect

'Vanessa' the Lord Howe Island Stick Insect, recently collected by the Balls Pyramid expedition, joined our zoo family in May. She will play an essential role in diversifying the gene pool of a species believed to be extinct until it was rediscovered in 2001. Zoos Victoria has been working tirelessly to ensure the success of the breeding program so that the species does not approach extinction again.

Orange-bellied Parrot

Despite further declines in the wild, Zoos Victoria is determined to secure a future for the Orange-bellied Parrot. Working closely with Recovery Team partners over the past year we have funded an increase in captive-breeding facilities to boost numbers and have aided the migration of previously released captive birds by flying them over to the mainland in a jumbo jet. In April 2017, we trialled a new approach to improve winter survival by releasing a flock of birds into mainland habitat at the Western Treatment Plant in Werribee. This flock has drawn in naturally migrating wild birds that could show our captive birds safe winter habitats, the right foods to eat and hopefully guide them on the best way back to Tasmania.

Grassland Earless Dragon

With support from the community, Zoos Victoria continues the fight to find the Grassland Earless Dragon, scouring the remaining habitat in the hope that they'll be found. We continue our commitment to exhaust all possible options in the search for this species.

Plains-wanderer

The Plains-wanderer was once widespread from Victoria to Queensland but in the last decade, the tiny bird has undergone a dramatic decline of more than 90%. With less than 1,000 birds left in the wild, we've listed this Critically Endangered species as our 21st fighting extinction priority native species. A breeding facility with 16 aviaries capable of holding up to 12 breeding pairs and 40 juveniles is nearing completion at Werribee Open Range Zoo.

"Zoos Victoria is committed to saving some of Australia's most vulnerable species from extinction."

*Professor Ken Hinchcliff
Zoos Victoria Board Member
Chair, Science Advisory Committee*

Mountain Pygmy-possum

A new breeding and research program was introduced in March at Healesville Sanctuary to aid population of the Mountain Pygmy-possum. The program is centred around 10 new, wild-caught animals and will benefit research into the long-term sustainable captive breeding program of those in the wild.

Alpine She-oak and Guthega Skinks

We continue to build knowledge and understanding of these endangered lizards, particularly of their thermal biology and the appropriate temperatures and seasonal cues that influence survival. Accordingly, successful emergence from hibernation is a very important advance. In the field, funded through the *Little Brown Things* grant, 10 new tile grids were established across three broad localities on the Bogong High Plains, Hotham, and Dargo High Plains to provide better resolution for long-term monitoring of this species.

KEY ACTION AREA 1 CONSERVATION IN 2016-17

Education for Conservation

Our education programs provide students with opportunities to connect with wildlife, build their understanding of real life conservation issues and empower them to take action and help save wildlife.

- Teacher Members: 2,972
- Fighting Extinction Schools: 319
- 2016-17 student visitation: 139,416
- A suite of new school conservation campaign support packs were developed

Beyond our borders

Zoos Victoria's conservation efforts extend far beyond our borders.

International Grant The Time & Tide Foundation and Fanambi, Madagascar

Working with communities in northern Madagascar to protect remnant groups of the Golden-crowned Lemur and provide training for villagers to guide tourists to the area.

International Grant Cheetah Outreach, South Africa

Provides Anatolian Shepherd livestock guardian dogs to farmers for them to protect their sheep and goats from Cheetahs and other large carnivores. The Cheetahs benefit by not being killed by farmers and the creation of more Cheetah-friendly habitat.

International Grant The Thin Green Line Foundation and Big Life Foundation, Kenya

Enabling the employment and training of 20 rangers in the Chyulu Hills area of southern Kenya, to stop poaching of elephants and lions. Villagers will benefit from tourist income as the poaching stops.

Carbon Offset The Kasigau Corridor REDD Project, Kenya

Covering 169,741 hectares of dryland forest, the project protects the Kasigau Corridor which is critical to a range of species including Cheetah and African Elephant.

Carbon Offset Kariba REDD+ Project, Zimbabwe

This project aims to protect 785,000 hectares of important forest that connects four national parks, including the UNESCO World Heritage Site Mana Pools, and several game reserves. It reduces deforestation and forest degradation through a range of activities such as conservation farming, proposed by local communities and supported by carbon finance.

International Conservation Partnership The Northern Rangelands Trust for the Melako Community Conservancy

The partnership with the Northern Rangelands Trust for the Melako Community Conservancy came to an agreed close and has been replaced with **Rhino Fund Uganda** as a new conservation partner for Zoos Victoria. Situated in central Uganda at the 7,500ha Ziwa Rhino Sanctuary, RFU is protecting the only wild population of White Rhinos in Uganda and has strong relationships with surrounding communities.

International Conservation Partnership The Tree Kangaroo Conservation Program

in the remote mountains of Papua New Guinea's Huon Peninsula, is supporting the recovery of wildlife such as the Matschie's Tree-kangaroo in the 185,000ha Conservation Area. Zoos Victoria partners the TKCP's YUS Conservation Coffee, which enables improved access to health care and education for up to 10,000 villagers, and more habitat for wildlife. In 2016-17 a major milestone was achieved with the first full shipment of coffee into Australia by Jasper Coffee and its subsequent availability in all Zoos Victoria retail outlets.

Sister Zoo The Port Moresby Nature Park, Zoos Victoria's sister zoo

Hosted the International Tree-kangaroo Summit. Zoo and agency representatives from around the world came together to share knowledge and improve captive management and conservation outcomes for tree-kangaroos. The first health assessment of the Park's animal collection by a qualified veterinarian was undertaken by Melbourne Zoo veterinary staff, as part of our ongoing skill-share program.

Carbon Offset Native Forest Protection Project, Tasmania

Located in the Central Highlands of Tasmania, this project currently prevents 90,000 tonnes of greenhouse gas emissions each year.

International Conservation Partnership The Mabuwaya Foundation Inc.

in north-east Philippines continues to be an excellent conservation partner for Zoos Victoria. Despite two severe typhoons, wild Philippine Crocodile numbers remained stable and released head-started crocodiles were recorded in new localities, pointing to a continued expansion of the range occupied by the species. Moreover, no crocodiles were killed in the past year, which is another measure of program success.

KEY ACTION AREA 1 CONSERVATION IN 2016-17

Our community taking action

We aim to provide innovative experiences that inspire individuals and the community as a whole to take conservation action for a measurable and positive difference for our wildlife.



Love Your Locals aims to raise the profile of 21 native species that are at risk of disappearing in the wild within 10 years, by engaging the community to help fight for their survival.

- The Plains-wanderer was inducted as the 21st Fighting Extinction species, with less than 1,000 birds left in the wild.
- New Lord Howe Island Stick Insect exhibit created at Melbourne Zoo, including the installation of a 2.4 metre long sculpture and encounter opportunities for visitors to meet these insects up close during summer.
- *Lovable*, an e-book about a Lord Howe Island Stick Insect was created, with over **2,300** downloads so far.
- A school-led community citizen science project, *Dragonsearch*, started in February 2017. 16 schools are learning about the Grassland Earless Dragon and encouraging the community to suggest habitat and report possible sightings to Zoos Victoria.
- Isaac (a ZV member) raised more than **\$750** in support of some of the threatened species, focusing on Tasmanian Devils, Southern Bent-wing Bats and the Lord-Howe Island Stick Insect.
- Werribee Primary School collected **5,050** 5-cent coins for the Eastern Barred Bandicoot as part of the *Common Cents Challenge*.

WIPE FOR WILDLIFE

Switching to wildlife friendly toilet paper can prevent habitat loss and help save local wildlife.

- The new Koala Forest at Healesville Sanctuary became a key engagement point for the Wipe for Wildlife campaign. It helped drive an increase in the number of visitors pledging to switch to toilet paper from recycled paper sources.
- Pledges in 2016-17: **25,412**.

BEADS FOR WILDLIFE

Beads for Wildlife provides a reliable, alternative source of income for families in northern Kenya, reducing their reliance on livestock, particularly during times of drought. Early results from surveys completed this year indicate that women involved in the program prefer making beads over other sources of income, including those that threaten wildlife.

2016-17

- Units of beads sold: **33,760**
- Sales value: **\$253,107**
- Units sold since the program started: **245,768**
- Sales value: **\$1.54m**



The first ever orang-utan email

Clear labelling on supermarket products featuring palm oil has the potential to influence an increase in 100% Certified Sustainable Palm Oil (CSPO) which doesn't threaten orang-utans and other wildlife.

State Ministers in the Ministerial Forum for Food Regulations received an email from Malu - Melbourne Zoo's male orang-utan - asking for mandatory labelling of palm oil. This joined **63,235 emails** and **465 phone calls** from the Australian community in the lead up to Forum meetings.

- **90%** support for labelling in Australia.
- The City of Melbourne turned orange for orang-utans on World Animal Day, with **iconic Melbourne landmarks** (including the Royal Exhibition Building and the Melbourne Star observation wheel) lit in orange in support of the *Turn Melbourne Orange Campaign*. On the same night, 1,000 toy orang-utans were hidden around Federation Square for supporters to discover during a public event that saw over **1,000** people turn orange in support.
- The Victorian Government declared support of mandatory labelling of oils in November.
- 8 year old Zoo Member, Luke Eaton, travelled with Zoos Victoria staff to present Canberra parliament with over **100,000 signatures** collected over the past 12 months supporting labelling.

THEY'RE CALLING ON YOU

Donated mobile phones raise much needed funds for primate conservation and reduce the demand for conflict minerals, such as coltan. Funds raised continue to be donated to the Gorilla Doctors.

8,455 phones were generously donated in 2016-17 to raise over **\$13,000** for the Gorilla Doctors.

- Total funds raised since campaign launch in 2014: **\$266,339**

SEAL THE LOOP

Bins made from recycled plastic waste, installed in selected fishing locations, make it easy for anglers to dispose of fishing waste and prevent it from entering the environment and harming wildlife.

1,200 participants over 12 sites around Victoria collected 60 boxes of rubbish and over 100 metres of fishing line on *Seal the Loop Action Day* in November.

- Total bins installed in 2016-17: **19**
- Bins in inland river systems: **9**
- Bins installed to date: **264** (total bins since campaign started)
- Fishing line collected to date (approx): **45km**

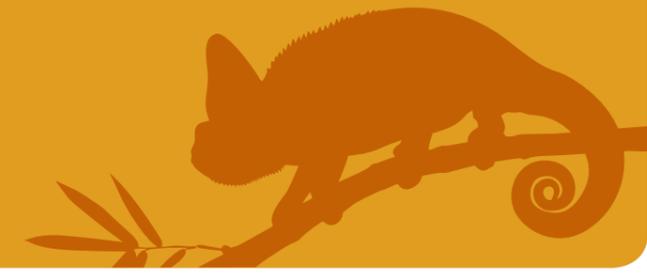
WHEN BALLOONS FLY, SEABIRDS DIE

Studies at Lord Howe Island have highlighted the negative impact to seabirds from balloons and their attachments - one of the most dangerous litter items to marine wildlife.

In February Zoos Victoria partnered with Phillip Island Nature Parks to ask Australians to blow bubbles instead of balloons at their next outdoor event.

41,591 people have pledged to swap balloons for bubbles at their next outdoor event so far.

- Over **85** organisations, councils and schools publicly supported the campaign, including City of Melbourne, RSPCA Victoria and Deakin University.
- Over **18** schools are registered for the citizen science Marine Debris Monitoring Project, collecting litter from their local beach regularly and adding data into the Australian Marine Debris Initiative database.



Zoos Victoria is a world leading zoo-based conservation organisation.

Animal Care

In 2016-17 we continued our commitment to animal welfare and creating environments for animals in which to thrive. Several projects were undertaken in collaboration with various partners, such as Deakin University and The University of Melbourne, including:

- Research into human-animal interactions in zoos including studies on gorillas, servals, penguins and giant tortoises
- Investigation into any potential impacts of anthropogenic noise on animal behaviour and stress
- Exploration into how animals use cognitive enrichment

Highlights

Zoos Victoria's Willy Wonka initiative is enjoying its fourth year of operation and encourages our staff to develop creative, proactive animal welfare strategies. Four projects were selected from across each of our sites:



• Otter water slide

A portable and flexible water slide for the otters to engage in water play at Melbourne Zoo



• Giraffe puzzle feeders

Custom designed puzzle boxes for giraffe at Werribee Open Range Zoo to solve



• Lion jungle gym

A dynamic structure in the lion exhibit at Werribee Open Range Zoo designed to allow lions to climb, rest on and play with toys attached to it.



• Reptile garden retreat

A sunning and exploration area for reptiles to retreat to on warm days.

Significant births

Lion cubs

This year Werribee Open Range Zoo welcomed the arrival of four new additions to the lion pride, all from lioness Nairibi's first litter of cubs. Despite being an iconic feature of the African savannah, the African Lion population has declined significantly and the wild numbers may now only total 20,000 individuals.

Zebra Foal

Female foal Ziwa is the first Plains Zebra born at Werribee Open Range Zoo since 2012. Although some Plains Zebra populations are stable, others have been extirpated in the wild. In Northern Kenya, wildlife such as the Plains Zebra and Endangered Grevy's Zebra are competing with domestic livestock for natural resources. Zoos Victoria is working with the communities to restore the natural balance to the rangelands and ensure people, livestock and wildlife are supported.

Scimitar-horned Oryx

Werribee Open Range Zoo saw a new addition to its herd of 15 Scimitar-horned Oryx. There have not been any confirmed sightings of Scimitar-horned Oryx in the wild since 1988, although perhaps as many as 9,000 animals survive in zoos, safari parks, ranches and public holdings around the world, along with some small populations reintroduced to Tunisia and Morocco in fenced, protected areas.

Hamadryas Baboon

Melako, a baby baboon, was born at Melbourne Zoo. Melako becomes the twentieth member of the troop and is named in recognition of the Melako Conservancy in northern Kenya, where women are involved in our *Beads for Wildlife* campaign.

Bison

A new Bison calf was born at Werribee Open Range Zoo. Once roaming the American plains in their millions, the bison were hunted to near extinction in the late 1800s, reducing numbers to as few as 1,000. Now, the new calf contributes to approximately 500,000 members found in protected conservation reserves.

"We have a life-long duty of care to our animals and we are committed to ensuring that they are given the very best of care."

*Geoff Wescott
Zoos Victoria Board Member Chair
Animal Welfare Peer Review Committee*

KEY ACTION AREA 2

OUR ANIMALS

Animal Welfare Surveys

The Animal Welfare Survey is a risk assessment tool that collects information from animal keepers to identify potential risks to animal welfare, along with conditions likely to enable positive welfare environments. Our goal is to have all animals living in predominantly positive welfare states by 2019.

In 2016, 76% of Zoos Victoria's enclosures/species were scored as positive; an increase in positive scores from the previous year. 20% were neutral and 4% were negative.



Designing Exhibits for Animal Wellbeing

Melbourne Zoo's focus on animal wellbeing has culminated in the design of a new framework; the 'enrichment matrix'. It uses animal behaviour science to inform and identify new environmental design.

- Keepers can deliver enrichment and food at random times throughout the day (like automated scatter feeders, flush delivery systems and remote controlled aerial feeders)
- Species have the opportunity to move, search for food and comfort as well as stimulate their various senses



Australian Wildlife Health Centre

Recent ground-breaking medical interventions have been performed on a number of animals this year including:

- A root canal on Djarrah, a two-year-old Tasmanian Devil at Healesville Sanctuary. The unique anatomy of the Tasmanian Devil can make the dental procedure more complex, however the animal is in optimal care at the AWHC with a team of experienced vets
- A first for Healesville Sanctuary, radiation treatment was given to Jess, a 46-year-old Wedge-tailed Eagle and the Sanctuary's oldest animal, for a cancerous growth found on her eye. Previously, the mass would have been removed surgically resulting in on-going eye issues.

In 2016-17 we had a total of **1,019** wildlife admissions including:

- 44 Wombats
- 2 Powerful Owls
- 19 Grey-headed Flying Foxes
- 6 Wedge-tailed Eagles
- 4 Helmeted Honeyeaters
- 43 Common Long-necked Turtles



AGL Marine Response Unit

The AGL Marine Response Unit (MRU) based at Melbourne Zoo responds to calls for assistance involving seals, turtles, dolphins and other marine wildlife in Victorian waters. The MRU brings together AGL and Zoos Victoria with assistance from the Department of Environment, Land, Water and Planning (DELWP) and Parks Victoria.

One such rescue occurred this year when a young seal suffering trauma across its chest from entanglement in blue and white plastic was identified by members of the public and was swiftly captured by the Marine Response Unit and sent for treatment at Melbourne Zoo. The seal was successfully treated and released back into Port Phillip Bay the following day. This positive result wouldn't have been possible without the help of the Unit and the wider community who together work to improve the welfare of our precious marine wildlife.

2016-17:

- 343 Marine cases reported
- 76 Direct intervention cases
- 50 Wildlife entanglement cases
- 25 Cetacean responses



Animal Welfare Peer Review Committee Report

The Animal Welfare Peer Review Committee was established in 2008 by the Victorian Minister for Environment, to review and provide advice to the Zoos Victoria Board on animal welfare related matters and incidents.

The Committee has between 6-8 members who possess a qualification, interest and/or deep commitment to animal welfare. Our current Animal Welfare Peer Review Committee comprises:

- Dr. Geoff Wescott, Zoos Victoria Board Member and Chair of the committee
- Kirsty Sword Gusmao, Zoos Victoria Board Member
- Carolyn Jackson, Zoos Victoria Board Member
- Dr Graham Mitchell, AO, Foursight Associates
- Matthew Jackson, CEO, Parks Victoria
- Jon McGregor, RSPCA
- Judge Paul Lacava, County Court of Victoria
- The Committee's duties include full and frank disclosure and accountability of animal welfare related matters across our zoos. Matters considered in 2016-17 included:

Melbourne Zoo:

- Staff found several dead and dying fish in an aquarium. An investigation found that an ineffective filter contributed to the death of 18 fish which belonged to a staff member. In future all animals housed at Melbourne Zoo must be accessioned.
- Willow an Asian Elephant, was born in June 2016. From the beginning the calf's condition was critical and required intensive care. Willow was born with major complications including neurological dysfunction and carpal flexion of her front legs; this compromised her ability to stand and feed from her mother, greatly impacting on her quality of life. The Zoo team provided around-the-clock care to keep the calf comfortable while making every possible effort to help her survive. A decision for euthanasia was made after Willow contracted a blood infection that unfortunately progressed to a point where lasting damage had occurred.

Werribee Open Range Zoo:

- A Fat-tailed Dunnart escaped and was found dead under a plastic tub. The tub was most likely moved as staff searched for the dunnart. Recommended actions include improved checking of enclosure and finding an alternative area to store equipment.
- A Meerkat escaped when the door to a transport box opened. The Meerkat was injured in the process of its recapture. The injury compromised the Meerkat's ability to eat and a decision was made for euthanasia. An investigation found that the transport box door had failed. Recommendations included checking of transport boxes.

- In preparation for relocation, a Red-bellied Pademelon was found dead in a trap. The pademelon had a broken neck; most likely caused by the pademelon jumping and hitting the top of the trap. All traps of this design have been destroyed.

Healesville Sanctuary:

- Two fatal incidents occurred involving Zebra Finches that were housed in an aviary for quarantine. The first incident occurred when five finches were found dead on the aviary floor. An investigation found that feeding practices contributed to this event. The second occurred when a finch was placed in a cloth bag before weighing. A tray was placed in the bag and the finch died. Recommendations have been made regarding staff training, feeding practice and procedures for weighing.
- After placing a nectar feed in an enclosure, a keeper closed the enclosure door just as a Feathertail Glider jumped towards it. The glider was caught in the door and required euthanasia as a result of injuries. Recommended actions included staff training and changes to feeding protocols and enclosure door design.

KEY ACTION AREA 3 VISITORS AND COMMUNITY

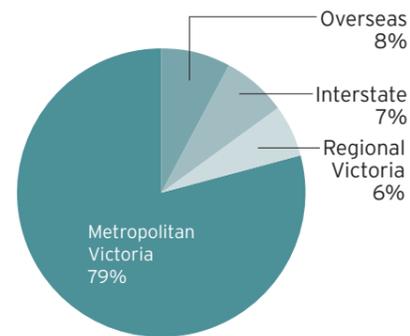
Inspiring visitors, members and the community to take conservation action

At Zoos Victoria we aim to inspire and create a caring, informed and active community committed to fighting extinction. In 2016-17 we welcomed over 2,400,000 visitors to our zoos and were grateful for the support of over 248,000 zoo members.

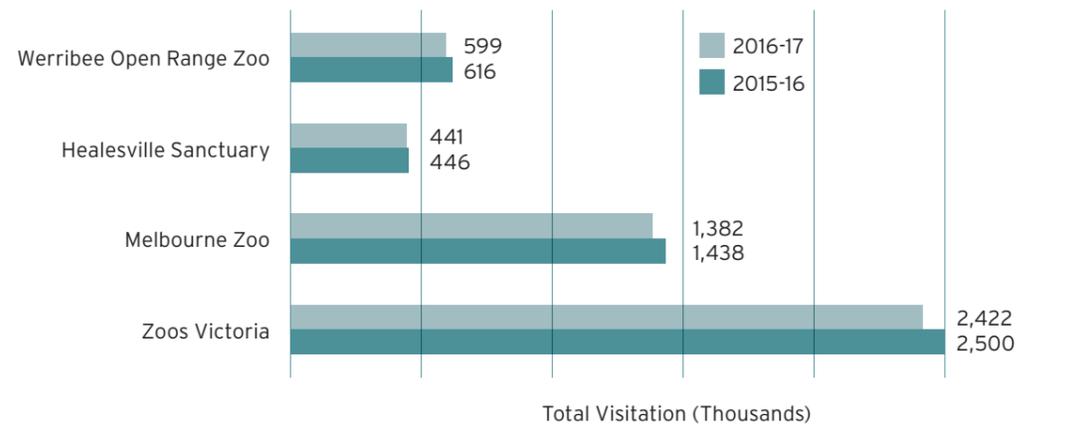
“In six years we have more than tripled our member base to well over 248,000 members, directly supporting our conservation work to fight extinction”

Kirsty Sword Gusmão
Zoos Victoria Board Member

Where Our Visitors Come From



Total visitation 2016-17



Our Zoo Members

Our membership base has more than tripled over the last six years to almost 250,000 members to help us in our fight against extinction and to provide a better life for our animals.

- 248,000 active members
- 88,000 households
- Average household has 2.9 people
- 60% of members have visited 2 or more properties
- 27,000 members attended 11 exclusive member events



Visitor Numbers 2016-17

A new ticketing system was introduced in 2016 to drive online ticketing sales conversion and deliver improved efficiency at admissions.

Tourism

Melbourne Zoo has won the Peoples Choice Award at the RACV Tourism Awards for the second consecutive year. This achievement maintains Zoos Victoria's position as a must-see destination amongst visitors, not only from Australia but also abroad.

International tourism is a key visitation channel for Zoos Victoria, led by China as the fastest growing sector of our international tourist market. This year we also tapped into Indian tourism by engaging in trade representation to grow our share in this rapidly expanding market.

Our continued growth in tourism has been bolstered by several initiatives, including the creation of a new Little Penguin Experience where tourists can play and have their photo taken with Little Penguins. We also teamed up with third party tour operators, Bunyip Tours and AAT Kings, to allow visitors to extend their day tours with tickets to Melbourne Zoo.



Community Access

Compassion is an integral value of Zoos Victoria. We are proud to advocate for the compassionate treatment of animals and people, particularly children, and we're excited to further develop our Community Access Plan in the coming year.

Mission Australia Day

The annual Mission Australia Day is held at Melbourne Zoo for hundreds of families affected by financial hardship, family violence and refugee challenges, or those impacted by homelessness. It offers a day at the Zoo connecting with wildlife in a safe, supportive and welcoming environment for everyone.

Make a Wish Foundation and Starlight Foundation

Melbourne Zoo helped grant 14 wishes to terminally ill children this year through the Make a Wish and Starlight Foundations, aiming to bring joy to children and their families in their toughest times.

Leukaemia Foundation

Melbourne Zoo hosted another Family Picnic Day for families and people living with blood cancer and blood disorders. This is a popular day where families can enjoy a happy, safe and secure day at the zoo with others facing similar challenges.

“We were so pleased with how well everything was organised and our son didn't stop smiling the whole day at the zoo.”

Starlight Mother



Developing the people and culture that is transforming Zoos Victoria

“Health, safety, security and mental wellbeing of staff is at the heart of our capacity to be a world leading zoo-based conservation organisation.”

Anne Ward
Chair, Zoos Victoria Board
Chair, Remuneration,
Governance and Safety

Zoos Victoria continues its commitment to building the professional capability of its staff and volunteers.

Through investment in staff and volunteers, we can be stronger together to work towards a shared vision of securing a future rich in wildlife.

Integral to this is the provision of innovative training and development experiences, from workshops to development programs and fellowships, to enable everyone to realise their full potential.

Organisation Development

Job satisfaction

Results from the previous year's staff survey were used to develop a tailored model of job satisfaction. The components staff said were most important to them were health and safety; respect for staff; leadership and communication; workload; and job security. As a consequence the HR strategy for the year focused on making improvements in these areas.

Reviews of fixed-term and casual positions were undertaken and resulted in the creation of additional permanent part-time positions and the development of a policy to assess existing staff for ongoing positions before recruiting from the external market.

Throughout the year, Directors led a dialogue about the ZV vision, values and zoo-based conservation organisation model and managers focused on providing regular one-on-one feedback and acknowledgement to staff.

Staff commenced reviews of their own work areas in order to improve workflow, develop work standards and better manage workload within teams. These reviews will continue in the coming year.

When the annual staff survey was conducted in May 2017, it revealed a job satisfaction rate of 81% and an engagement rate of 96% which is significantly above global benchmarks.

Job satisfaction and staff welfare were monitored monthly providing opportunities to respond in a more timely way to developing concerns.

LEAN

The LEAN Community of Practice workshop is a permanent fixture of the Zoos Victoria calendar and serves to share innovation, as well as challenges, by reflecting on the continuous improvement projects across the organisation while enhancing our LEAN expertise.

2016-17

- 200 staff completed the LEAN introduction module
- 9 staff progressed studies with the LEAN Graduate Certificate
- Knowledge sharing with the LEAN network across other organisations like the Red Cross, St Vincent's, NAB and ANZ
- LEAN tools helped improve the design of the Melbourne Zoo first aid room to support our first aid team and those they care for; the Healesville Sanctuary browse collection trailer and cool store; and the new food preparation facility at Werribee Open Range Zoo
- LEAN tools were used to assess and improve visitor arrival, engagement, amenities, and customer service as part of the Visitor Experience Mapping Project.

Training in Animal Care

Taronga Training Institute successfully delivered the Certificate III in Captive Animals at Zoos Victoria with great feedback received from staff and students, carrying the partnership into 2017 and potentially beyond.

Occupational Health and Safety

Health and Safety

Our safety goal is to ensure that all staff go home happy, healthy and safe today and everyday. We are committed to maintaining a safe work place and the wellbeing of our people while eliminating work-related injuries and illness.

Dangerous animal risk assessments have been conducted at Melbourne Zoo and Werribee Open Range Zoo, focusing on containment of animals. This project is a world leading approach to maintaining the safety of staff, animals and visitors.

While the number of lost time injuries increased in 2016-17, the severity of injuries lowered, with the majority of cases only requiring a one or two day absence from work.

Our WorkCover premium reduced for the second consecutive year.

Safety Circle

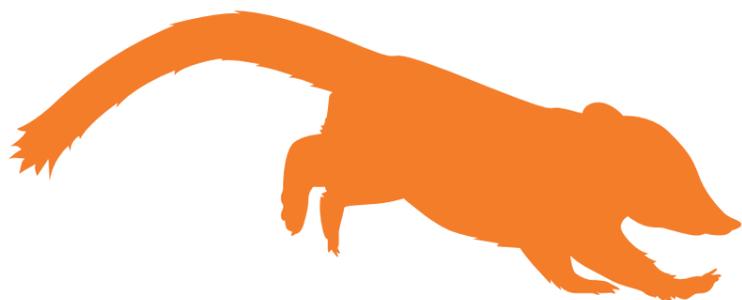
Safety Circle is based on the LEAN principles of respect for people and continuous improvement, with a focus on leadership commitment to safety and expanding personal responsibility. The approach guides intensive safety interventions, including the active application of detailed and up to date risk registers, identifying and responding to hazards based on the level of assessed risk, ensuring that everyone always works within the Safety Circle and that a coaching response is taken if someone is 'outside the circle'.

All Zoos Victoria staff attended SafetyCircle booster training in 2016-17. This second year of training showed tangible improvement in the Safety Circle cultural index - a significant indicator that safe work behaviour is being embedded into the work practices of Zoos Victoria staff.

Stakeholder engagement

Volunteer satisfaction 2016-17:

- 98.5% satisfaction
- 738 volunteers worked for 65,000 hours
- 100% of 240 respondents intend to continue volunteering



KEY ACTION AREA 5 FINANCIAL SUSTAINABILITY



Ensuring the long-term financial sustainability of all our operations to maintain and improve the value of assets and make meaningful and measurable investment in conservation



Key Highlights

Lisa Roet artwork donation

The Cradle, Orangutan sculpture by renowned artist Lisa Roet was unveiled at Melbourne Zoo in March 2017. This interactive sculpture is positioned along the Trail of the Elephants prior to the Orangutan Sanctuary and allows visitors to get up close with an orangutan by taking a seat in a life-size replica of an Orangutan foot.

The collaboration between Zoos Victoria and Lisa Roet celebrates the coming together of philanthropy, art and conservation. Much is owed to the The Honourable Paul Guest OAM QC whose donation enabled Melbourne Zoo to exhibit this unique artwork for all to enjoy.

Zoos Victoria's Annual Giving Program

This new initiative launched in early 2017 to enable the community to support Zoos Victoria with a donation of a practical gift. As a not-for-profit organisation, community generosity is essential to help enrich the lives of our animals and fight wildlife extinction. Donations support everyday zoo activities and ultimately contribute to our conservation efforts

Zoos Victoria Endowment Fund

In 2016-17 Zoos Victoria established the Zoos Victoria Endowment Fund and was notified of a lead gift of \$1 million by the Bowness Family Foundation. The Zoos Victoria Endowment Fund is a long term commitment that builds a capital base and will secure the future sustainability of our iconic organisation. The capital will be invested with the interest earned being used to fund projects that will further enhance the goals of Zoos Victoria around staff development, conservation, animal welfare and education. The Zoos Victoria Endowment Fund is closely linked to the bequest program, providing a secure alternative for bequests to the zoo.

Asset Management

A number of key asset upgrades will improve visitors experiences and enhance animal welfare. At Melbourne Zoo work has commenced on Leopard Ridge and the MPavilion, gifted by the Naomi Milgrom Foundation. Healesville Sanctuary enjoyed the opening of Koala Forest and has commenced work on Kangaroo Country, while Werribee Open Range Zoo focused on animal facilities with new Eland yards and a specialty breeding centre for Plains-wanderers.

Customer Relationship Management

In 2016-17 we completed the development of our Customer Relationship Management (CRM) system so that we now use a single system for all our stakeholders: including members, supporters and donors. We have now also replaced our ticketing system so we can continually improve our online features and have full integration with our CRM.

Environmental Sustainability

- An additional 250kW solar PV installed across all zoos
- A total of 438 kW of solar PV will reduce carbon emissions by 856 tonnes of CO₂e per year - equivalent to taking 199 average cars off the road or powering 110 Australian households
- Renewable energy generation increased 9% to 229,883kWh
- Natural Gas consumption increased by 2.4%
- Purchased electricity consumption reduced by 0.5%
- Waste to landfill reduced by 37.1% with a diversion rate of 84%, aligning with our Zero Waste to Landfill target
- Water consumption reduced by 33.4%, aligning with our 20% reduction target by 2019

Carbon Emissions

CO ₂ emissions (tonnes CO ₂ e)		
2016-17	2015-16	2014-15
14,300.41	14,783.29	14,560.32

"We aim to make a positive contribution to the Victorian economy by growing turnover, employment, investment, tourism and reputation."

*Ms Carolyn Jackson
Zoos Victoria Board Member*

ORGANISATIONAL CHART AS AT 30 JUNE 2017

Jenny Gray,
Chief Executive Officer



OUR WORKPLACE PROFILE

Merit and equity principles are always applied when appointing staff at Zoos Victoria. Our selection processes ensure that applicants are assessed and evaluated fairly and equitably on the basis of the key selection criteria and other accountabilities, without discrimination.

	As at 30 June 2017	As at 30 June 2016
Employees		
Male	246	228
Female	441	390
Casual		
Male	51	57
Female	148	95
Full-time		
Male	162	164
Female	186	183
FTE Part-time and Full-time	435	418
FTE Casuals	59	81
Indigenous Employees	2	1
Executive		
Male	5	4
Female	4	5
Senior Managers		
Male	9	11
Female	9	8

KEY PERFORMANCE INDICATORS

Imperative	Outcome	Performance Indicator	Target	June 30 2017	June 30 2016
Wildlife Conservation	Fighting wildlife extinction	No. of Fighting Extinction species increased in the wild	7	5	5
Wildlife Conservation	Fighting wildlife extinction	Annual investment in conservation master plans	\$5mil	\$5.51mil	\$4.55mil
Community Conservation	Acting for wildlife	Community conservation actions taken	165,000	227,734	114,469
Working Smarter	Maximising our animal care	Accidental animal deaths	0	27 ¹	9
Working Smarter	Living safely	Lost Time Injuries	10	22	19
Working Smarter	Living safely and eliminating waste	Hours of staff training	6,500	5,880	6,302
Working Smarter	Living sustainably	Annual Carbon Equivalent	-	14,300.41	14,783.29
Working Smarter	Eliminating waste and living sustainably	Full time Equivalent	493	494	471
Working Smarter	Eliminating waste, living sustainably and safely and maximising our animal care	Spend on asset maintenance	\$6mil	\$5.6mil	\$6.6mil
Working Smarter	Eliminating waste, living sustainably and safely and maximising our animal care	New or improved infrastructure	\$20.1mil	\$12.4mil	\$10.5mil
Growing Revenue	Visitation increase for fighting wildlife extinction	Total visitors	2.6m	2.4m	2.5m
Growing Revenue	Increase retail spend for fighting wildlife extinction	Income per paid visitor	\$30.36	\$28.49	\$26.08
Growing Revenue	Increase no. of members for fighting wildlife extinction	Total members	280,000	248,000	246,000
Growing Revenue	Retaining no. of members for fighting wildlife extinction	Member retention rate	51%	51%	51%

¹ This includes 18 Cichlid Fish that were not in the care of ZV Life Sciences, these privately-owned fish were housed at Melbourne Zoo.

Admission Charges

Price/Category - General Admission	2016-17
Adult (16 years and over)	\$32.50
Child (above 4 to 15) normal day other than weekends, Victorian public holidays and Victorian school holidays.	\$16.30
Child (above 4 to 15) on weekends, Victorian public holidays and Victorian school holidays.	Free
Physically or intellectually disabled child under 16 years of age	\$6.00
Family (a group of 2 adults and 2 children)	\$82.10
Full time student on presentation of proof of full time enrolment in secondary school or post-secondary educational institution	\$24.90
Eligible recipient or eligible beneficiary within the meaning of the <i>State Concessions Act 1986</i> on presentation of a current pensioner or Health Care Card issued by the Commonwealth Government	\$24.90

FINANCIAL SUMMARY

Details	2016-17 000's	2015-16 000's	2014-15 000's	2013-14 000's	2012-13 000's
Recurrent					
Revenue Zoo Activities	56,053	55,630	52,598	46,982	46,367
Other grants, income and sponsorship	11,224	11,115	9,573	6,174	6,583
Parks and Reserve Trust Fund ¹	14,729	16,370	16,469	17,535	13,078
Total Income ²	82,006	83,115	78,640	70,691	66,028
Total Depreciation	(11,065)	(7,965)	(7,852)	(7,745)	(7,917)
Total Operating Expenses ²	(76,384)	(70,480)	(66,142)	(62,335)	(59,425)
Total Expenses ³	(87,449)	(78,445)	(73,994)	(70,080)	(67,342)
Net Result from transactions	(5,443)	4,670	4,646	611	(1,314)
Other economic flows ⁴	(884)	(280)	(58)	(2,498)	8
Net Result for the period	(6,327)	4,390	4,588	(1,887)	(1,306)
Assets, Liabilities and Equity					
Total Assets	373,921	369,601	284,449	262,531	258,100
Total Liabilities	(17,424)	(16,691)	(15,180)	(14,814)	(14,888)
Total Equity	356,497	352,910	269,269	247,717	243,212
Capital Contributions for ⁵					
Big Cat Row Development	3,125	5,875			
Lion Gorge Exhibit				5,000	
Lemur Exhibit					4,000
Safari Fleet					2,200
Werribee Zoo Arrival Precinct					2,500
Bridge and Bus Stop Shelter					2,500

¹ The Parks and Reserves Trust Account funding is a rate levied on metropolitan properties under the provisions of the *Water Industry Act 1994* and is provided for the purposes of conservation, recreation, leisure and tourism within the metropolitan area.

² Total Income and operating expenses reflects the receipts of funds or payment of expenses as they are incurred during the year.

³ Total expenses are comprised of high fixed costs linked to the care of animals and assets of Zoos Victoria.

⁴ Other economic flows consist of \$0.34 Million arising from revaluation of long service leave liability due to changes in bond rates and \$0.06 Million for gain on disposal of physical assets.

⁵ Capital Contribution by State Government and is treated as Equity.

BOARD ATTENDANCE

Board Meeting Attendance – 1 July 2016 to 30 June 2017

Member	No. of meetings eligible	No. of meetings attended	Date appointed
Anne Ward	9	9	19/3/13
Helen Thornton	9	9	23/2/10
Ken Hinchcliff	9	6	21/5/08
Geoff Wescott	9	8	7/9/11
Sahil Merchant	7	5	30/4/13
Natasha Bowness	9	9	30/4/13
Carolyn Jackson	9	9	10/8/14
Kirsty Sword Gusmão	9	8	1/10/15

BOARD PROFILES AS AT 30 JUNE 2017

Ms Anne D F Ward

B.A., LLB (Melb), FAICD
Chair since March 2013

Anne came to the Board with over 30 years of extensive experience in business management, strategy, finance, risk and governance across a range of industries including banking, agriculture, property and tourism. Prior to becoming a professional director, Anne was a commercial lawyer advising major corporations on strategic transactions, mergers and acquisitions, capital markets, contract law and regulation and corporate governance. She was a corporate partner at two major Australian law firms, Minter Ellison Lawyers and Herbert Geer in Melbourne. Anne is presently Chairman of Colonial First State Investments Ltd and Qantas Superannuation Ltd, a director of ASX listed MYOB Group Ltd. and a Council Member at RMIT University

Ms Helen Thornton

B.Ec ACA, GAICD
Board member since February 2010

Helen was appointed as Chair of the Audit & Risk and Compliance Committee in March 2010 and as Deputy Chair of the Board in October 2015. Helen has extensive experience in risk management, audit, finance, strategy and corporate governance. She has held a number of senior leadership positions in major corporations including BlueScope Steel, BHP Billiton, KPMG and Deloitte.

Helen has over 16 years as a non-executive director and is currently also on the boards of Yarra Valley Water and Legal Practitioners Liability Committee and is an independent member of the Risk & Audit Committees for the Department of Environment, Land, Water and Planning, the Department of Health & Human Services and the Department of Education & Training. She is a former board member of Rural Finance Corporation and Big Sky Building Society.

Dr Kenneth Hinchcliff

BVSc (Hons), MS, PhD, DACVIM,
CEO of Trinity College,
University of Melbourne,
Board member since May 2008

Professor Ken Hinchcliff became CEO of Trinity College in 2015 after serving as the Dean of the Faculty of Veterinary and Agricultural Sciences at the University of Melbourne. Prior to that, he was Dean of the Faculty of Veterinary Science from 2007 to 2014. Professor Hinchcliff graduated from the University of Melbourne with a Bachelor of Veterinary Science, and later earned a Master of Science from the University of Wisconsin-Madison and a PhD from the Ohio State University. Kenneth was a faculty member in the College of Veterinary Medicine at Ohio State University, rising to professor before joining the University of Melbourne in 2007.

Associate Professor Geoffrey Wescott

B.Sc (Hons), M.Sc, M.Sc, Ph.D FEIANZ
Board member since 2011

Geoff is Associate Professor of Environment at Deakin University in Melbourne, a Fellow of the Environment Institute of Australia and New Zealand, a member of the World Commission for Protected Areas of the IUCN and Vice President of the Australian Coastal Society. He has served on the Australian National Oceans Advisory Group, the Victorian Coastal Council and Parks Victoria.

Geoff is currently a member of the Victorian Environmental Assessment Council and has just published a book (*Big, Bold and Blue*) on Australia's marine protected areas. He is also Chair of an Expert Panel advising the state government on a new Marine and Coastal Act.

Ms Natasha Bowness

B Ec, ACA, GAICD
Board member since April 2013

Natasha is an Executive Director of Wilbow Group, a private family investment group whose activities include property, listed and unlisted investments and private equity. She is a Chartered Accountant and has experience in governance, strategy, risk, business management, audit, finance and philanthropy. Natasha is Chair of the Bowness Family Foundation, a member of The Australian Ballet Foundation Board, President of the Australian Ballet Annual Giving Program and Chair of the Monash Gallery of Art Committee of Management. She has also been Deputy Chair of Zoos Victoria Foundation Board.

Mr Sahil Merchant

LLB (Hons), B Comm, MBA, GAICD
Board member April 2013 - April 2017

Sahil is a seasoned entrepreneur who is equally comfortable in the corporate setting. He has particular expertise in digital strategy and execution in the context of large organisations, data strategy, digital marketing, e-commerce and customer engagement. He has founded numerous companies, including (but not limited to) a physical retail brand, a consulting firm which was successfully merged into Ogilvy Australia, and a medical services company (using ground breaking surgical techniques). Sahil is a Senior Vice President at McKinsey & Company, responsible for leading McKinsey's digital practice in Australia, including McKinsey Digital Labs, to drive transformative change through Australian enterprise.

Ms Carolyn Jackson

LLB, BCom MPA
Board member since August 2014

Carolyn is the Executive Director of Finance and Planning (CFO) with the Department of Environment, Land, Water & Planning. She has extensive experience in policy and strategic financial management across the Victorian Government, including roles with the Department of Treasury and Finance. Carolyn has a double degree in Law and Commerce (Economics), and a Master Degree in Professional Accounting.

Dr Kirsty Sword Gusmão AO

Board member since October 2015

Dr Sword Gusmão is the Goodwill Ambassador for Education of Timor-Leste, Chair of the Alola Foundation and Expert Adviser to the Timor-Leste National Commission for UNESCO. She has a long service history in fostering international relations, and improving education, health and living conditions. Her expertise in international engagement and education are valuable assets for marketing and promoting Victoria's zoos to the world.

BOARD COMMITTEES

Zoos Victoria Board Committees	Zoos Victoria Board Members	Zoos Victoria Management	Independent Members
Remuneration, Governance and Safety To advise, monitor and make recommendations to the Board of Directors in relation to executive remuneration, overarching industrial relations policies and guidelines and governance matters, nominations to Board positions and strategic risk management.	Anne Ward (Chair) Natasha Bowness Kirsty Sword Gusmao	CEO Director HR, Property Directors	Loren Murray Jenny Pequignot
Audit, Risk Management and Compliance Committee To review the quality of financial reporting, the financial management of the capital development program, review of financial risk management procedures and monitor regulatory, legal and internal control compliance.	Helen Thornton (Chair) Natasha Bowness Carolyn Jackson	CEO CFO Senior Manager Governance and Risk	Matt O'Keefe
Science Advisory Committee To advise and assist Zoos Victoria in discharging its responsibilities in relation to science, research and conservation activities. The Committee consists of senior Zoos Victoria staff, a nominated representative from the Department of Environment and Primary Industries and at least three independent external members with recognised scientific and research disciplines.	Prof Ken Hinchcliff (Chair) Dr Geoff Wescott	CEO Director Wildlife Conservation Senior Scientist Senior Research Manager MZ Veterinarian Department Manager	Andrew Bennett Betty Weiler David Middleton Graeme Coulson Liam Smith Kim Lowe Michael Kearney Karen Hughes John Woinarski
Animal Welfare Peer Review Committee To confirm that the care of animals is conducted in accordance with Zoos Victoria and industry policies and procedures, review all animal welfare incident reports and peer review decisions made and conclusions drawn from any investigation into issues from complaints or concerns about animal welfare. The Animal Welfare Peer Review Committee report is detailed on page 23.	Dr Geoff Wescott (Chair) Carolyn Jackson Kirsty Sword Gusmao	CEO Director Wildlife Conservation General Managers Life Sciences MZ Veterinary Department Manager	Graham Mitchell Matthew Jackson Alice Skipper Jon McGregor Paul Hemsworth Paul Lacava

CORPORATE GOVERNANCE AND OTHER DISCLOSURE

Attestations

Compliance with the Australian/New Zealand Risk Management Standard

I, Chair of the Audit, Risk and Compliance Committee of the Board certify that the Zoological Parks and Gardens Board has complied with the Ministerial Standing Direction 3.7.1 - Risk Management Framework and Processes.

The Zoological Parks and Gardens Board Audit and Risk Management and Compliance Committee verifies this.



Helen Thornton

Chair of the Audit and Risk Management and Compliance Committee
6 September 2017

Gifts, Benefits and Hospitality Framework

I, the Chief Executive Officer, certify that:

- my public entity has gifts, benefits and hospitality policies and procedures in place;
- these policies and procedures are consistent with the minimum requirements and accountabilities outlined in the Gifts, Benefits and Hospitality Policy Framework for the Victorian Public Sector - issued by the Public Sector Standards Commissioner in October 2016; and
- these policies and procedures are updated, promulgated and provided to the audit committee for review at least once a year.



Jenny Gray

Chief Executive Officer
Zoological Parks and Gardens Board
6 September 2017

Audit and Risk Management and Compliance Committee

The Audit and Risk Management & Compliance Committee consists of the following members at 30 June 2017. The committee members were in office for this entire period, unless otherwise stated.

The main responsibilities of the Audit and Risk Management & Compliance Committee are to:

- Review the quality of statutory financial reporting and support the Board in making informed decisions regarding accounting practices and disclosures

- Review the quality of management financial reporting and support the Board in making informed decisions regarding corporate and business plans and forecasting
- Review the financial management of the Board
- Review the effectiveness of internal controls and financial risk management procedures
- Review the appointment, scope, findings and independence of the internal and external audits
- Monitor regulatory, legal and internal control compliance
- Review and assist the development of strategies for key financial areas

Name	Position	No. of Meetings Attended to No. of Meetings Held	Period
Helen Thornton (Chair)	Board Member	7/7	01/07/2016 to 30/06/2017
Natasha Bowness	Board Member	6/7	19/11/2016 to 30/06/2017
Carolyn Jackson	Board Member	7/7	19/11/2016 to 30/06/2017
Matt O'Keefe	Independent	5/7	01/07/2016 to 30/06/2017
Zoo Management in attendance but are not members of the committee			
Jenny Gray	Chief Executive Officer		
Mark Lucas	Chief Financial Officer		
Lawrence Tai	Senior Manager Governance and Risk		

CORPORATE GOVERNANCE AND OTHER DISCLOSURE

Freedom of Information

The *Freedom of Information Act 1982* allows the public a right of access to documents held by the Board. Details of FOI requests received during the financial year are outlined below.

Details	Number 2016-17	Number 2015-16
Access granted in part	2	3
Access granted in full	0	0
Access denied in full	0	1
No Documents	1	0
Matters not finalised	0	0
FOI Withdrawn	1	1
Total	4	4
Requests as detailed in Section 17 of the FOI Act must be made in writing along with the prescribed fee	1st July 2017	1st July 2016
Prescribed fee as at	\$28.40	\$27.90

Contact Details

FOI Officer
P.O. Box 74
Parkville, Vic 3052
Telephone: (03) 9285 9300
Fax: (03) 9340 2795
Email: foi@zoo.org.au

Major External Reviews

There were no major external reviews conducted in 2016-17.

Subsequent Events

There were no matters subsequent to the financial report being finalised that would significantly affect finances.

Significant changes in the financial position during the year

There were no significant changes in the financial position during the year.

Major changes or factors affecting performance

There were no major changes or factors during the year that would significantly affect financial or operational performance throughout the year.

Disclosure of Major Contracts

No contracts over \$10 million were entered into during the reporting period.

Consultancies

Details of consultancies

Payment	2016-17
Amount under \$10,000	There were no consultancies for the financial year.
Amount equal or greater than \$10,000	There were no consultancies for the financial year.

National Competition Policy

In 1995, all Australian Governments (Federal, State and Territory) agreed to review and, where appropriate, reform all existing legislative restrictions on competition. Under the National Competition Policy, the guiding legislative principle is that legislation, including future legislative proposals, should not restrict competition unless it can be demonstrated that:

- the benefits of the restriction to the community as a whole outweigh the costs; and
- the objectives of the legislation can only be achieved by restricting competition.

The Board continues to comply with the requirements of the National Competition Policy.

Protected Disclosure Act 2012

The *Protected Disclosure Act 2012* encourages and assists people in making disclosures of improper conduct by public officers and public bodies. The Act provides protection to people who make disclosures in accordance with the Act and establishes a system for the matters disclosed to be investigated and rectifying action to be taken.

The Zoological Parks and Gardens Board does not tolerate improper conduct by employees, nor the taking of reprisals against those who come forward to disclose such conduct. It is committed to ensuring transparency and accountability in its administrative and management practices and supports the making of disclosures that reveal corrupt conduct, conduct involving a substantial mismanagement of public resources, or conduct involving a substantial risk to public health and safety or the environment.

The Zoological Parks and Gardens Board will take all reasonable steps to protect people who make such disclosures from any detrimental action in reprisal for making the disclosure. It will also afford natural justice to the person who is the subject of the disclosure to the extent it is legally possible.

There have been no disclosures received by Zoos Victoria in 2016-17 for notification to the Independent Broad-based Anti-corruption Commission in relation to the operation, activities or officers of the Zoological Parks and Gardens Board.

Reporting procedures

Disclosures of improper conduct or detrimental action by any members of the Zoological Parks and Gardens Board or any of its employees and/or officers may be made to any of the following personnel:

- the Protected Disclosure Coordinator;
- the Chief Executive Officer;
- a Protected Disclosure Officer;
- a manager or supervisor of a person who chooses to make a disclosure; or
- a manager or supervisor of a person from the Board about whom a disclosure has been made.

Alternatively, disclosures of improper conduct or detrimental action by the Zoological Parks and Gardens Board or any of its employees and/or officers may also be made directly to the Independent Broad-based Anti-corruption Commission (IBAC):

Level 1, North Tower
459 Collins Street
Melbourne, VIC 3000
Phone: 1300 735 135
Internet: www.ibac.vic.gov.au
Email: (see the website above for the secure email disclosure process, which also provides for anonymous disclosures)

All Business as usual operational ICT Expenditure	Non-Business as usual ICT expenditure related to projects to create or enhance ICT capabilities		
	Total ICT expenditure	Operational expenditure	Capital expenditure
1,645	1,554	1,264	290

Further information

The Protected Disclosure Policy and Procedures, which outline the system for reporting disclosures of improper conduct or detrimental action by the Board or any of its employees and/or officers, are available on the Board's website.

Disclosures under the Protected Disclosure Act 2012

The number of disclosures made by an individual to the Board and notified to IBAC

	Number 2016-17	Number 2015-16
Assessable disclosure	0	0

Information and communication technology expenditure

Details of information and communication technology (ICT) expenditure

For the 2016-17 reporting period, the Department had a total ICT expenditure as per the table shown below.

CORPORATE GOVERNANCE AND OTHER DISCLOSURE

Compliance with the Building Act 1993

The Zoological Parks and Gardens Board Victoria complies with the building management provisions of the *Building Act 1993*. The Zoological Parks and Gardens Board Victoria ensures that all works requiring building approval have plans certified, works in progress inspected and Occupancy Permits issued by independent Building Surveyors engaged on a local job by job basis.

It also ensures that plans for these works are lodged with the relevant local council.

The Zoological Parks and Gardens Board Victoria requires all building practitioners engaged on building works to be registered and maintain registration throughout the course of the works.

Building works

The Zoo ensures that all building projects were constructed by registered builders in accordance with approved drawings and specifications. The exhibits are now being used by the staff and public.

All works had plans certified, works in progress inspected and Occupancy Permits issued where required by independent Building Surveyors.

Maintenance

Maintenance and improvement works are regularly carried out on Zoological Parks and Gardens Board's buildings to ensure that they are maintained in a safe and serviceable condition.

Conformity

Work is continuing to ensure that all existing buildings conform to standards.

Pecuniary Interest Disclosures

Board members are required to complete a statement of pecuniary interest including any relevant shareholdings during the year and have done so. Members are also given the opportunity to declare their specific interest at the start of each Board meeting.

Implementation of the Victorian Industry Participation Policy

The *Victorian Industry Participation Policy Act 2003* requires Departments and public sector bodies to report on the implementation of the Local Jobs First - Victorian Industry Participation Policy (Local Jobs First - VIPP).

Departments and public sector bodies are required to apply the Local Jobs First - VIPP in all procurement activities valued at \$3 million or more in metropolitan Melbourne and for state-wide projects, or \$1 million or more for procurement activities in regional Victoria.

During 2016-17, the Board commenced one Local Jobs First - VIPP project totalling \$7.6 million. This project was located at Melbourne Zoo representing 91 per cent of estimated local content.

Details of contracts to which VIPP applies

	Number	Value
2016-17		
Contract commenced	1	\$7.6 million
Contract completed	-	-
2015-16		
Contract commenced	-	-
Contract completed	-	-

Statement of Availability of Other Information

Information relevant to the headings listed in Financial reporting Direction 22B of the *Financial Management Act 1994* is held at Zoos Victoria offices and is available on request, subject to the *Freedom of Information Act 1982*.

Compliance with DataVic Access Policy

Consistent with DataVic Access Policy issued by the Victorian Government in 2012, Zoos Victoria has not submitted any datasets to DataVic. If in the future relevant datasets become available, these will be provided to DataVic in accordance with the policy.

Disclosure of Government Advertising expenditure

No Government advertising expenditure was incurred by Zoos Victoria during the reporting period.

CORPORATE PARTNERS AND SUPPORTERS

Corporate Partners

Platinum Partners

AGL Energy Ltd
Restaurant Associates
Schweppes

Gold Partners

ANZ
Streets

Silver Partners

Art Series Hotel Group
Carlton United Breweries
Dental Health Services Victoria
Fyna Foods
IXOM
Kitchen & Butcher
Melbourne Airport
Nikon Australia
RACV

Supporters

Active Air
Baby Jogger
Jetpets
Gribbles Veterinary Pathology
Mattioli
Melbourne Veterinary Specialist Centre
Muji
Montague
Rosen
Werribee Car Wash

Media Partners

Channel 9
The Herald and Weekly Times

Estates

Zoos Victoria acknowledges the generosity of those who have left a gift in their Will

Estate of Elaine Anderson
Estate of Faye Atkins
In loving memory of Margaret Bray
Estate of Gloria Cooper
The HGK Foundation
The Merle Carrol Assistance Fund
Estate of Kevin Cowell
Estate of Eveline Cutler
Estate of Linda Dowel
Estate of Christopher Ellis
Estate of Rita Fang
Estate of Margaret Godbold
Estate of Beth Grainger
Estate of Mary Griffith
Estate of David Griffiths
Estate of Heather Hardy
In memory of John Graham Wilfred Head OAM
Estate of Mildred Heilman
Estate of Dorothea Hill
Estate of Eva Knox
Estate of Vincent Lucardie
Estate of Winifred Mackenzie
Estate of Audrey Mason
Estate of Merlie Merchant
Estate of Kevin Mullan
Estate of Ernest Pallot
Estate of Shirley Poole
Estate of Anne Elizabeth Raymond
Estate of Raymond Reynolds
Estate of Muriel Ryan
Peter and Barbara Shearer
Estate of Beryl Sparks
Estate of Robine Enid Wilson
Estate of Antonietta Zampolli

Philanthropic Supporters

Platinum

Bowness Family Foundation
The Ian Potter Foundation
The Yulgilbar Foundation

Gold

The Dyson Bequest
Merrin Foundation

Silver

Bamford Family Foundation
The William Buckland Foundation, as administered by Equity Trustees
John Cochrane
IOOF Foundation
The Robert and Mem Kirby Foundation and Village Roadshow
Lord Mayor's Charitable Foundation
The Scobie and Claire Mackinnon Trust
Sid and Fiona Myer Family Foundation
Peter and Carmen Schembri and family
Sunraysia Foundation
Vizard Family Foundation
Alex, Heloise and Jake Waislitz
Albert George and Nancy Caroline Youngman Trust, managed by Equity Trustees

CORPORATE PARTNERS AND SUPPORTERS

Bronze

Andrew Fairley AM
Fox Family Foundation
Alexander Gosling AM
Grollo Ruzzene Family Foundation
The Hon. Paul Guest OAM QC
Hermon Slade Foundation
Ian Hicks AM
John T Reid Charitable Trusts
Sonia and Wayne Kent
The Myer Foundation
MS Newman Family Foundation
Portland House Foundation
Lady Potter AC
Vicki Standish
Zoo and Aquarium Association

Zoos Victoria acknowledges the generosity of those who give anonymously to support our conservation initiatives.

Supporters

Andrew and Shadda Abercrombie
Venise Alstergren
Australian Geographic
Ken and Joy Barassi
Andrew and Annie Bell
Anthony Bignell
B M Investments
Miche Bonett-Horton
Vicki Callanan
Joseph Cappadona
Steve and Andrea Cappadona
Collier Charitable Fund
Mark Collins and Carol Schilling-Collins
Dr Simon Edelstein
Cliff and Jane Gale
Lillian Gibbeson
James and Marged Goode
Jenny Gray
The Hamilton Family
Stephen Harris
Dale and Ian Johnson
Love Racing Pty Ltd
Mazda Foundation
Tina McMeckan
Christine Milton
Jacqueline Moth
Valerie Newman
Diana Ruzzene-Grollo and Rino Grollo
Lady Southey AC
The Trust Company
University of Tasmania Foundation
Stephen Walmsley
Anne Ward

Community

Cardinia Catchment Landcare
Country Fire Authority
Help for Wildlife
Leukaemia Foundation
Melbourne Airport
Member for Seymour, Cindy McLeish
Mission Australia
Monash Children's Hospital
RACV Healesville Country Club
Royal Children's Hospital
YMCA Victoria
Weerama (Werribee) Festival
Wildlife Victoria
Wyndham Community and Education Centre
Worawa Aboriginal College
Wyndham Children's Week Festival
Yarra Trams
Community and Public Sector Union
United Voice
University of Melbourne
Construction, Forestry, Mining and Energy Union

Tourism

City of Melbourne
Destination Melbourne
Tourism Australia
Tourism Greater Geelong and the Bellarine
Yarra Ranges Tourism
Yarra Valley Business and Tourism Association
Visit Victoria

Government

Animal Quarantine and Inspection Service
City of Melbourne
City West Water
Commissioner for Environmental Sustainability Victoria
Corangamite Catchment Management Authority
Department of Agriculture and Water Resources (Aust)
Department of Education and Training (Vic)
Department of Environment, Land, Water and Planning (Vic)
Department of Environment and Energy (Aust)
Department of Primary Industry, Parks, Water and Environment (Tas)
Department of Treasury and Finance (Vic)
Environment Protection Authority (EPA)
Office for Environment and Heritage (NSW)
Melbourne Water
Parks Victoria
Port Phillip and Western Port Catchment Management Authority
Phillip Island Nature Parks
Shire of Yarra Ranges
Sustainability Victoria
Tourism Australia
Visit Victoria
Wyndham City Council
Reconciliation Action Plan
Wurundjeri Council
Wathaurung Aboriginal Corporation
Wyndham City Council
Reconciliation Victoria
Victorian Youth Advisory Council

Education

Amaze Autism
Australian Education Union
Badger Creek Primary School
Berwick Fields Primary School
Biology Teachers Network
Box Hill TAFE
Burwood East Primary School
Catholic Education Melbourne
Centre for Ecological Learning
CERES
Eastern Alliance for Sustainable Learning (EASL) (Knox City, Manningham City, Maroondah City, Whitehorse City and Yarra Ranges)
EEEC Environmental Education in Early Childhood
Engagement Specialist Advisory Group, Zoo and Aquarium Association
Environment Education Victoria
Environmental Science Teachers Network
Eucalypt Australia
FIRE (Friends Igniting Reconciliation through Education) Carrier Project (Aboriginal Catholic Ministry Victoria and the Opening the Doors Foundation with the Sandhurst Catholic Education Office)
Greening Australia
Geography Teachers Association of Victoria
Healesville Indigenous Community Services Association
Healesville Primary School
Heatherwood School
International Zoo Educators Association
Melbourne Girls College
Monash University
Museum Victoria
Park Orchards Primary School

Richmond Primary School
Royal Botanic Gardens
Science Teachers Association of Victoria
Shire of Yarra Ranges - Learning for Sustainability
St Louis de Montfort's Primary School
Torquay College
Victorian Association for Philosophy in Schools
Warnambool East Primary School
Warringa Park School
Woodleigh School
Worawa Aboriginal College
Yarralea Children's Centre
Yellow Ladybugs

CORPORATE PARTNERS AND SUPPORTERS

Conservation

Common Cause Australia
WWF
Jane Goodall Institute
RMIT University
University of Melbourne
ACT Environment and Sustainable Development
Directorate Amphibian Research Centre
Animal & Gene Resource and Storage Centre - Monash University
Arthur Rylah Institute
Baw Baw Frog Recovery Team
Baw Baw National Park
Baw Baw Shire Council
BirdLife Australia
Beach Patrol 3207
Bjarne K Dahl
Brush-tailed Rock-wallaby Recovery Team
City of Port Phillip
City of Monash
City of Melbourne
Conservation Breeding Specialist Group
Conservation Volunteers Australia
Corroboree Frog Recovery Team
Deakin University
Eastern Barred Bandicoot Recovery Team
Friends of the Helmeted Honeyeater
Friends of Leadbeater's Possum
Future Fish
Greening Australia
Helmeted Honeyeater Recovery Team
Regent Honeyeater Recovery Team
RSPCA Victoria
Leadbeater's Possum Recovery Team
Lord Howe Island Board
Lord Howe Island Museum

Museums Victoria
Mountain Pygmy-possum Recovery Team
Mt Rothwell Biodiversity Interpretation Centre
Murray Catchment Management Authority
Office for Environment and Heritage (NSW)
Orange-bellied Parrot Recovery Team
Parks Victoria
Phillip Island Nature Parks
Port Phillip Ecocentre
San Mariano Municipal Government
Save the Tasmanian Devil Program
Spotted Tree Frog Recovery Team
Sum of Us
Tangaroa Blue
Taronga Conservation Society Australia
Tidbinilla Nature Reserve
Trust for Nature
Victoria University
Zoo and Aquarium Association
Greenpeace
Mabuwaya Foundation
Tree Kangaroo Conservation Program
Port Moresby Nature Park
Woodland Park Zoo
World Association of Zoos and Aquariums

Commerical

Restaurant Associates
Kitchen & Butcher

Research

Australian Museum
Australian Rickettsial Research Centre
Behaviourworks,
Monash Sustainability Institute

Charles Sturt University
Clemson University, US
Common Cause Australia
Conservation Volunteers Australia
Deakin University
Department of Environment, Land, Water and Planning (Vic)
Detect Australia
Greening Australia
Institute for Marine and Antarctic Studies
La Trobe University
Lord Howe Island Board
Max Planck Institute
Melbourne Water
Monash University
Murdoch University
Museums Victoria
Office for Environment and Heritage (NSW)
Oxford University, UK
Parks Victoria
Southern Cross University
Swinburne University
Taronga Conservation Society Australia
Department of Primary Industry, Parks, Water and Environment (Tas)
University of Melbourne
University of Queensland
University of Sydney
University of Western Australia
University of Wollongong
University of South Australia
University of Tasmania
Victoria University
Wildlife Profiles
Wildlife Unlimited
World Association of Zoos and Aquariums
Zoo and Aquarium Association

2016-17
ZOOS VICTORIA
FINANCIAL REPORT

ZOOLOGICAL PARKS & GARDENS BOARD

Index to notes to the financial statements

How this report is structured

The Zoological Parks and Gardens Board (Board) presents its audited general purpose financial statements for the financial year ended 30 June 2017 and provides users with the information about the Board's stewardship of resource entrusted to it. It is presented in the following structure:

Financial statements

Comprehensive operating statement	50
Balance sheet	51
Statement of changes in equity	52
Cash flow statement	53

Notes to the financial statements

1 About this report	54
2 Funding the delivery of our services	55
Revenue recognised from rendering of services and sale of goods, grants, donations and other sources	
2.1 Summary of income that funds the delivery of our services	55
2.2 Rendering of services and sale of goods	55
2.3 Government and other grants	56
2.4 Other income	57
3 The cost of delivering the services	58
Operating expenses for the financial year	
3.1 Summary of expenses in the delivery of services	58
3.2 Employee expenses	61
3.3 Other expenses	62

4 Key assets available to support our services	62
Land, property, plant and equipment, vehicles and intangible assets	
4.1 Land, property, plant and equipment and vehicles	62
4.2 Intangible assets	66
5 Other assets and liabilities	68
Working capital balances and other key assets and liabilities	
5.1 Receivables	68
5.2 Payables	69
5.3 Inventories	69
5.4 Other non-financial assets	69
6 How we finance our operations	70
Borrowings, commitments for expenditure and cash flow information	
6.1 Borrowings	70
6.2 Commitments for expenditure	72
6.3 Cash flow information and balances	73
7 Risk, contingencies and valuation judgements	75
Financial risk management, contingent assets and liabilities, and fair value determination	
7.1 Financial instruments specific disclosure	75
7.2 Contingent assets and contingent liabilities	79
7.3 Fair value determination	79
8 Other disclosures	84
8.1 Subsequent events	84
8.2 Remuneration of executives	84
8.3 Responsible persons	85
8.4 Related parties	86
8.5 Remuneration of auditors	87
8.6 Ex-gratia expenses	88
8.7 Other accounting policies	88
8.8 Glossary of terms	91

ZOOLOGICAL PARKS & GARDENS BOARD

Chairman, Chief Executive Officer and Chief Financial Officer's Declaration

We certify that the attached financial statements for the Zoological Parks and Gardens Board have been prepared in accordance with Direction 5.2 of the Standing Directions of the Minister for Finance under the *Financial Management Act 1994*, applicable Financial Reporting Directions, Australian Accounting Standards including Interpretations, and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2017 and financial position of the Zoological Parks and Gardens Board at 30 June 2017.

At the time of signing, we are not aware of any circumstance which would render any particulars included in the financial statements to be misleading or inaccurate.

We authorise the attached financial statements for issue on 6 September 2017.



Anne Ward
Chairman



Dr Jenny Gray
Chief Executive Officer



Mark Lucas
Chief Financial Officer FCA

Melbourne
6 September 2017

ZOOLOGICAL PARKS & GARDENS BOARD

Comprehensive operating statement for
the financial year ended 30 June 2017

	Notes	2017 \$'000	2016 \$'000
Income from transactions			
Rendering of services and sale of goods	2.2	56,053	55,630
Government and other grants	2.3	21,787	21,576
Other income	2.4	4,166	5,909
Total income from transactions		82,006	83,115
Expenses from transactions			
Employee expenses	3.2	(47,333)	(43,325)
Other expenses	3.3	(29,019)	(27,120)
Depreciation, amortisation and impairment	4.1.1	(11,065)	(7,965)
Interest expense	6.1.2	(32)	(35)
Total expenses from transactions		(87,449)	(78,445)
Net result from transactions (net operating balance)		(5,443)	4,670
Other economic flows included in net result			
Net gain/(loss) on disposal of physical assets		(1,116)	60
Net gain/(loss) arising from revaluation of long service leave liability due to change in bond rates		232	(340)
Total other economic flows included in net result		(884)	(280)
Net result		(6,327)	4,390
Other economic flows - other comprehensive income			
Items that will not be reclassified to net result			
Changes in physical asset revaluation surplus	7.3.3.4	6,789	73,376
Total other economic flows - other comprehensive income		6,789	73,376
Comprehensive result		462	77,766

The accompanying notes form part of these financial statements.

ZOOLOGICAL PARKS & GARDENS BOARD

Balance sheet as at 30 June 2017

	Notes	2017 \$'000	2016 \$'000
Assets			
Financial assets			
Cash and cash equivalents	6.3	34,743	37,974
Receivables	5.1	1,952	1,848
Total financial assets		36,695	39,822
Non-financial assets			
Land, property, plant and equipment and vehicles	4.1	334,022	326,518
Intangible assets	4.2	1,993	1,877
Inventories	5.3	918	978
Other non-financial assets	5.4	293	406
Total non-financial assets		337,226	329,779
Total assets		373,921	369,601
Liabilities			
Employee benefits	3.2.2	11,773	10,889
Payables	5.2	4,903	5,088
Borrowings	6.1	748	714
Total liabilities		17,424	16,691
Net assets		356,497	352,910
Equity			
Accumulated surplus		2,041	8,368
Contribution by owners		129,623	126,498
Physical asset revaluation surplus	7.3.3.4	224,833	218,044
Net worth		356,497	352,910
Commitments for expenditure	6.2		
Contingent assets and contingent liabilities	7.2		

The accompanying notes form part of these financial statements.

ZOOLOGICAL PARKS & GARDENS BOARD

Statement of changes in equity for the
financial year ended 30 June 2017

Movements in carrying amounts	Note	Physical asset revaluation surplus		Accumulated surplus		Contributions by owner		Total	
		2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Balance at 1 July		218,044	144,668	8,368	3,978	126,498	120,623	352,910	269,269
Net result for the year				(6,327)	4,390			(6,327)	4,390
Contributed capital by owners						3,125	5,875	3,125	5,875
Other comprehensive income for the year	7.3.3.4	6,789	73,376					6,789	73,376
Balance at 30 June		224,833	218,044	2,041	8,368	129,623	126,498	356,497	352,910

The accompanying notes form part of these financial statements.

ZOOLOGICAL PARKS & GARDENS BOARD

Cash flow statement for the
financial year ended 30 June 2017

	Notes	2017 \$'000	2016 \$'000
Cash flows from operating activities			
Receipts			
Receipts from sales of goods and services		57,709	56,953
Receipts from government and other grants		21,787	21,076
Sponsorship, grants and donations received		2,524	2,907
GST net refunded from/(payable to) the ATO ¹		2,116	1,932
Receipts from other sources		1,001	2,137
Interest received		667	789
Total receipts		85,804	85,794
Payments			
Payments to employees		(47,499)	(41,748)
Payments to suppliers		(31,942)	(32,304)
Interest and other costs of finance paid		(32)	(35)
Total payments		(79,473)	(74,087)
Net cash flows from/(used in) operating activities	6.3.2	6,331	11,707
Cash flows from investing activities			
Payments for property, plant and equipment and vehicles		(12,353)	(10,489)
Payments for intangible assets	4.2.1	(258)	(172)
Proceeds from sale of plant and equipment and vehicles		158	203
Net cash flows from/(used in) investing activities		(12,453)	(10,458)
Cash flows from financing activities			
Owner contributions by State Government		3,125	5,875
Repayment of finance leases		(234)	(257)
Net cash flows from/(used in) financing activities		2,891	5,618
Net increase/(decrease) in cash and cash equivalents		(3,231)	6,867
Cash and cash equivalents at the beginning of the financial year		37,974	31,107
Cash and cash equivalents at the end of the financial year	6.3	34,743	37,974

¹Goods and Service Tax (GST) refunded by the Australian Taxation Office (ATO) is presented on a net basis.
The accompanying notes form part of these financial statements.

ZOOLOGICAL PARKS & GARDENS BOARD

Notes to the financial statements
for the year ended 30 June 2017

Note 1 – About this report

1.1 Reporting Entity

The Zoological Parks and Gardens Board ("Board") operates under the *Zoological Parks and Gardens Act 1995* and is responsible for the Royal Melbourne Zoological Gardens, Healesville Sanctuary and Werribee Open Range Zoo. Zoos Victoria is the trading name for the organisation managed by the Board. Its principle address is Elliott Avenue, Parkville, Melbourne, Victoria 3052. A description of the nature of its operations and its principal activities is included in the "Report of operations" which does not form part of these financial statements.

1.2 Basis of preparation

These financial statements are in Australian dollars and the historical cost convention is used unless a different measurement basis is specifically disclosed in the note associated with the item measured on a different basis.

The accrual basis of accounting has been applied in preparing 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, except for Government Grants which are recognised as income in the financial statements on receipt of the cash during the year and where Zoos Victoria has control over the funds.

Consistent with the requirements of AASB 1004 *Contributions*, contributions by owners (that is, contributed capital) are treated as equity transactions and, therefore, do not form part of the income and expenses of the Board. Additions to net assets which have been designated as contributions by owners are recognised as contributed capital.

Other transfers that are in the nature of contributions to or distributions by owners have also been designated as contributions by owners.

Judgements, estimates and assumptions are required to be made about financial information being presented. The significant judgements made in the preparation of these financial statements are disclosed in the notes where amounts affected by those judgements are disclosed. Estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Judgements and assumptions made by management in applying Australian Accounting Standards (AAS) that have significant effects on the financial statements and estimates relate to:

- The fair value of land, buildings, infrastructure, plant and equipment (note 7.3)
- Employee benefits provisions based on likely tenure of existing staff, patterns of leave claims, future salary movements and future discount rates (note 3.2.2)
- Estimated useful lives over which non-financial assets are depreciated (note 4.1.1)

1.3 Compliance information

These general purpose financial statements have been prepared in accordance with the *Financial Management Act 1994* (FMA) and applicable AASs which include Interpretations, issued by the Australian Accounting Standards Board (AASB). In particular, they are presented in a manner consistent with the requirements of AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

Where appropriate, those AAS paragraphs applicable to not-for-profit entities have been applied. Accounting policies selected and applied in these financial statements ensure that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

These annual financial statements were authorised for issue by the Board on 6 September 2017.

1.4 Goods and Service Tax (GST)

Income, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the taxation authority are presented as operating cash flow.

1.5 Rounding of amounts

Amounts in the financial statements have been rounded to the nearest thousand dollars, unless otherwise stated. Figures in the financial statements may not equate due to rounding.

Note 2 – Funding the delivery of our services

Introduction

The Board's revenue comes from various sources, namely income from rendering of services such as admission, membership and commercial activities, government grants and other income such as sponsorship, interest earned and other contributions.

2.1 Summary of income that funds the delivery of our services

Income is recognised to the extent that it is probable that the economic benefits will flow to the Board and the income can be reliably measured at fair value.

	Notes	2017 \$'000	2016 \$'000
Rendering of services and sale of goods	2.2	56,053	55,630
Government and other grants	2.3	21,787	21,576
Other income	2.4	4,166	5,909
Total income from transactions		82,006	83,115

2.2 Rendering of services and sale of goods

	Notes	2017 \$'000	2016 \$'000
Rendering of services		49,773	48,468
Sale of goods		6,280	7,162
Total income from rendering of services and sale of goods		56,053	55,630

2.2.1 Rendering of services

Income from rendering of services is recognised when the services are rendered. It includes items such as income from gate admission, zoo membership, catering commission and income from zoo activities.

2.2.2 Sale of goods

Income is recognised at the point of sale when the significant risks and rewards of ownership of the inventories have passed to the buyer and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

ZOOLOGICAL PARKS & GARDENS BOARD

Notes to the financial statements
for the year ended 30 June 2017

2.3 Government and other grants

Government Grants are recognised as income in the financial statements on receipt of the cash during the year and where Zoos Victoria has control over the funds. For non-reciprocal grants, the Board recognises revenue when the grant is receivable or received.

	Notes	2017 \$'000	2016 \$'000
Within portfolio department		20,814	20,460
Outside portfolio department		726	837
Others		247	279
Total government and other grants		21,787	21,576

2.3.1 Government grants - within portfolio department

The Board's portfolio department is the Department of Environment, Land, Water and Planning (DELWP). All Grants received from DELWP are recorded here, including funds from the Parks and Reserves Trust Account which is a rate levied on metropolitan properties under the provision of the *Water Industry Act 1994*. The grant is provided for the purpose of zoo operations for conservation, recreation, leisure, maintenance and tourism.

2.3.2 Government grants - outside portfolio department

Grants from all other State Government Departments are included here. The Board receives regular grants from the Department of Education and Training to support education programs for primary and secondary schools. Occasionally the Board may receive funds for one-off programs from other State Government Departments.

2.3.3 Other grants

Other grants are usually one-off grants from other partners such as Commonwealth Departments and the Catholic Education Office.

2.4 Other income

	Notes	2017 \$'000	2016 \$'000
Interest income		641	835
Sponsorship, grants and donations		2,524	2,937
Sundry income		1,001	2,137
Total other income		4,166	5,909

2.4.1 Interest income

Interest income includes interest received on bank and short term deposits from the Treasury Corporation of Victoria. Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

2.4.2 Sponsorship, grants and donations

Sponsorship, grants, bequests, donations and contributions from Corporates, Trusts & Foundations and the general public are recognised as income on receipt of the funds and there is reasonable assurance that all the attaching conditions can be complied with.

The Board has endorsement as a deductible gift recipient (DGR) from the Australian Taxation Office. Any donation above \$2 is tax deductible.

2.4.3 Sundry income

Sundry income includes rental income, outgoings recovered from caterers, insurance claims, receipts from disposal of assets at auction, reimbursements of expenditure, or miscellaneous items. Sundry income is usually ad hoc or one-off during the year. Sundry income is recognised when the services are rendered, or the charges are recoverable from the end users.

ZOOLOGICAL PARKS & GARDENS BOARD

Notes to the financial statements
for the year ended 30 June 2017

Note 3 – the cost of delivering the services

Introduction

This section provides an account of the expenses incurred by the Board in operating the three zoos namely:

- Melbourne Zoo;
- Healesville Sanctuary; and
- Werribee Open Range Zoo.

3.1 Summary of expenses in the delivery of services

	Notes	2017 \$'000	2016 \$'000
Employee expenses	3.2	(47,333)	(43,325)
Other expenses	3.3	(29,019)	(27,120)
Total expenses incurred in the delivery of services		(76,352)	(70,445)

3.2 Employee expenses in the comprehensive operating statement

	Notes	2017 \$'000	2016 \$'000
Salary and wages, annual leave and long service leave		(39,999)	(37,329)
Payroll tax		(2,059)	(1,888)
Workcover		(465)	(485)
Movement in provisions - annual leave and long service leave		(1,116)	(309)
Sub-total		(43,639)	(40,011)
Superannuation	3.2.1	(3,694)	(3,314)
Total employee expenses		(47,333)	(43,325)

Employee expenses include all costs related to employment including wages and salaries, leave entitlements and termination benefits. These are recognised when incurred.

3.2.1 Superannuation

Employees of the Board are entitled to receive superannuation benefits and the Board contributes to various superannuation funds during the year.

Employer's superannuation contributions paid or payable for the reporting period are included in the comprehensive operating statement of the Board. The details are outlined below.

	Contributions paid		Contributions outstanding		Total contributions	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
ESSSuper defined benefit plan	259	254	-	33	259	287
Vicsuper	2,331	2,292	189	245	2,520	2,537
Others	816	325	99	165	915	490
Total	3,406	2,871	288	443	3,694	3,314

Employer superannuation expenses in relation to employees who are members of the defined benefit superannuation plan (Emergency Services and State Super (ESSSuper)) are expensed when incurred. The amount recognised in the comprehensive operating statement in relation to the employer contributions for members of the defined benefit superannuation plan is simply the employer contributions that are paid or payable to the plan during the reporting period.

Superannuation contributions are made to the plan based on the relevant rules of the plan. The Board does not recognise any defined benefit liability in respect of the superannuation plan because the Board has no legal or constructive obligation to pay future benefits relating to its employees; its only obligation is to pay superannuation contributions as they fall due.

ZOOLOGICAL PARKS & GARDENS BOARD

Notes to the financial statements for the year ended 30 June 2017

3.2.2 Employee benefits in the balance sheet

Provision is made for benefits accruing to employees in respect of annual leave and long service leave (LSL) for services rendered to the reporting date and recorded as an expense during the period the services are delivered.

	2017 \$'000	2016 \$'000
Current		
Annual Leave		
- Unconditional and expect to settle wholly within 12 months	2,774	2,790
- Unconditional and expect to settle wholly after 12 months	763	483
	3,537	3,273
Long Service Leave		
- Unconditional and expect to settle wholly within 12 months	671	633
- Unconditional and expect to settle wholly after 12 months	4,691	4,470
	5,362	5,103
Provisions related to employee benefit on-costs:		
- Unconditional and expect to settle wholly within 12 months	573	546
- Unconditional and expect to settle wholly after 12 months	828	770
	1,401	1,316
Total current provisions	10,300	9,692
Non-current		
Long Service Leave benefits	1,270	1,032
Provisions related to employee benefit on-costs	203	165
Total non-current provisions	1,473	1,197
Total provisions	11,773	10,889
Reconciliation of movement in Provisions		
Movement in provisions of on-costs		
Balance at start	1,485	1,409
Additional provision recognised	677	590
Reductions arising from payments/other sacrifices of future economic benefits	(526)	(518)
Unwind of discount and affect of changes in the discount rate	(33)	4
Closing balance	1,604	1,485
Current	1,401	1,316
Non-current	203	169

Annual leave

Liabilities for annual leave and on-costs are recognised as part of the employee benefits provision as current liabilities, because the Board does not have an unconditional right to defer settlements of these liabilities.

Depending on the expectation of the timing of settlement, liabilities for wages and salaries, annual leave and sick leave are measured at:

- nominal value - if the Board expects to wholly settle within 12 months; or
- present value - if the Board does not expect to wholly settle within 12 months.

Long Service Leave

Unconditional long service leave is disclosed as a current liability even where the Board does not expect to settle the liability within 12 months because it will not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months. The components of this current LSL liability are measured at:

- undiscounted value - if the Board expects to wholly settle within 12 months; or
- present value - if the Board does not expect to wholly settle within 12 months.

Conditional long service leave is disclosed as a non-current liability. There is an unconditional right to defer the settlement of the entitlement until the employee has completed the requisite years of service. This non-current long service liability is measured at present value. Any gain or loss following revaluation of the present value of non-current LSL liability is recognised as a transaction, except to the extent that a gain or loss arises due to changes in bond interest rates for which it is then recognised as an 'other economic flow' in the net result.

Employee benefits on-costs

On-costs, including superannuation, workers' compensation and payroll tax are recognised and included in employee benefits liabilities and on-costs when the employee benefits to which they relate are recognised as liabilities.

3.3 Other expenses

	2017 \$'000	2016 \$'000
Operating costs		
Information technology	1,183	1,075
Maintenance	8,617	7,245
Marketing and promotion	3,636	3,385
Supply and services	8,772	8,503
Utilities	2,041	2,013
Cost of goods sold	4,770	4,899
Total other expenses	29,019	27,120

Operating costs

Operating costs are recognised as an expense in the reporting period in which they are incurred. These expenses generally represent the day to day operating costs incurred in normal operations of the Board.

Supply and services includes operating costs such as animal food, auditor remuneration, bank charges, conservation activities, hospitality, insurance, legal, medical, postage, printing and stationary, professional services, staff amenities, staff development, subscriptions, travel, and veterinary costs.

Cost of goods sold

The cost of goods sold represents the amount of inventories sold during the year from retail activities and the cost of food and beverages for zoo activities. Cost of goods sold also include inventory write down, packaging and freight charges associated with the acquisition of the goods for sale.

The amount of any write-down of inventories to net realisable value and all shrinkage of inventory is recognised as an expense in the period the write-down or shrinkage occurs. Any reversal of write-downs of inventories will be recognised as a reduction in the amount of inventories sold during the period which the reversal occurs.

ZOOLOGICAL PARKS & GARDENS BOARD

Notes to the financial statements
for the year ended 30 June 2017

Note 4 – Key assets available to support our services

Introduction

The Board controls land, property, plant and equipment and vehicles that are utilised in fulfilling its objectives and conducting its activities. They represent the resources that have been entrusted to the Board to be utilised for delivery of its services.

4.1 Land, property, plant and equipment and vehicles

	Gross carrying amount		Accumulated depreciation		Net carrying amount	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Land at fair value	123,928	117,139	-	-	123,928	117,139
Property at fair value	198,921	195,722	(9,223)	(4)	189,698	195,718
Plant & equipment and vehicles at fair value	17,498	16,836	(7,494)	(6,812)	10,004	10,024
	340,347	329,697	(16,717)	(6,816)	323,630	322,881
Work-in-progress	10,392	3,637	-	-	10,392	3,637
Total	350,739	333,334	(16,717)	(6,186)	334,022	326,518

Initial recognition

Items of property and plant and equipment are measured initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment. Where an asset is acquired for no or nominal cost, the cost is its fair value at the date of acquisition.

The cost of constructed non-financial physical assets includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

The initial cost for non-financial physical assets under a finance lease is measured at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease.

Subsequent measurement

Property (including buildings) and plant and equipment are subsequently measured at fair value less accumulated depreciation and impairment. Fair value is determined with regard to the asset's highest and best use (considering legal or physical restrictions imposed on the asset, public announcements or commitments made in relation to the intended use of the asset) and is summarised by asset category.

Specialised land and specialised buildings are also valued using the market approach although is adjusted for the community service obligation (CSO) to reflect the specialised nature of the land being valued. The CSO adjustment is a reflection of the valuer's assessment of the impact of restrictions associated with an asset to the extent that is also equally applicable to market participants.

For the majority of the Board's specialised buildings, the depreciated replacement cost method is used, adjusting for the associated depreciation.

Vehicles are valued using the depreciated replacement cost method. The Board acquires new vehicles and at times disposes of them before the end of their economic life. The process of acquisition, use and disposal in the market is managed by experienced fleet managers through the State Government's Vehicle Management Leasing Unit (VicFleet) who set relevant depreciation rates during use to reflect the utilisation of the vehicles.

Fair value for plant and equipment that are specialised in use (such that it is rarely sold other than as part of a going concern) is determined using the depreciated replacement cost method. Fair value is determined as the original acquisition costs less any accumulated depreciation and accumulated impairment losses. Existing depreciated historical cost is generally a reasonable proxy for depreciated replacement cost because of the short lives of the assets concerned. The capitalisation threshold for plant and equipment, individually or forming part of a network, is \$2,000 and such assets are capitalised at the end of the financial year.

ZOOLOGICAL PARKS & GARDENS BOARD

Notes to the financial statements for the year ended 30 June 2017

4.1.1 Depreciation, amortisation and impairment of property, plant and equipment and vehicles

Revaluation of non-physical assets

Net revaluation increases (where the carrying amount of a class of assets is increased as a result of a revaluation) are recognised in 'other economic flows - other comprehensive income', and accumulated in equity under the physical asset revaluation surplus. However, the net revaluation increase is recognised in the net result to the extent that it reverses a net revaluation decrease in respect of the same class of property, plant and equipment previously recognised as an expense (other economic flows) in the net result.

Net revaluation decreases are recognised in 'other economic flows - other comprehensive income' to the extent that a credit balance exists in the physical asset revaluation surplus in respect of the same class of property, plant and equipment. Otherwise, the net revaluation decreases are recognised immediately as other economic flows in the net result. The net revaluation decrease recognised in 'other economic flows - other comprehensive income' reduces the amount accumulated in equity under the physical asset revaluation surplus.

Revaluation increases and decreases relating to individual assets in a class of property, plant and equipment, are offset against one another in that class but are not offset in respect of assets in different classes. The physical asset revaluation surplus is not transferred to accumulated funds on de-recognition of the relevant asset.

	2017 \$'000	2016 \$'000
Property	9,313	6,370
Plant and equipment and vehicles	1,610	1,507
Total	10,923	7,877
Intangibles	142	88
Total depreciation, amortisation and impairment	11,065	7,965

All property, plant and equipment and other non-financial physical assets that have finite useful lives, are depreciated. Operating leases are not included in the above figures.

Depreciation is generally calculated on a straight line basis, at rates that allocate the asset's value, less any estimated residual value, over its estimated useful life. Typical estimated useful lives for the different asset classes for current and prior years are included in the table below:

Asset	2017	2016
	Useful life	
Property	3 to 50 years	3 to 50 years
Plant and equipment	5 to 20 years	5 to 20 years
Vehicles	3 to 5 years	3 to 5 years

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, and adjustments made where appropriate.

Land is considered to have an indefinite life and is not depreciated. Depreciation is not recognised in respect of land because its service potential has not, in any material sense, been consumed during the reporting period.

Depreciation and amortisation begins when the asset is available for use, that is, when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

The capitalisation threshold for plant and equipment, individually or forming part of a network costing more than \$2,000 are capitalised at the end of the financial year.

Impairment

The carrying amounts of non-current assets, with the exception of available-for-sale assets, are assessed annually for indications of impairment. If there is an indication of impairment, the assets concerned are tested as to whether their carrying value exceeds their recoverable amount. Where an asset's carrying value exceeds its recoverable amount, the difference is written off by a charge as an 'other economic flow included in the net result' to the comprehensive operating statement except to the extent that the write-down can be debited to the physical asset revaluation surplus amount applicable to that class of asset.

The recoverable amount for most assets is measured at the higher of depreciated replacement cost and fair value less costs to sell. Recoverable amount for assets held primarily to generate net cash inflows is measured at the higher of the present value of future cash flows expected to be obtained from the asset and fair value less costs to sell. It is deemed that, in the event of the loss of an asset, the future economic benefits arising from the use of the asset will be replaced unless a specific decision to the contrary has been made.

ZOOLOGICAL PARKS & GARDENS BOARD

Notes to the financial statements
for the year ended 30 June 2017

4.1.2 Reconciliation of movements in carrying values of property, plant and equipment and vehicles

NON-CURRENT Details	Land at fair value		Property at fair value		Plant, equipment, and vehicles at fair value		Work-in progress at cost		Total	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Opening balance	117,139	112,130	195,718	128,195	10,024	9,575	3,637	1,054	326,518	250,954
Revaluation	6,789	5,009	-	68,367	-	-	-	-	6,789	73,376
Transfer in/(out)	-	-	2,408	3,334	-	-	(2,408)	(3,334)	-	-
Additions	-	-	2,053	2,207	1,696	2,082	9,163	5,917	12,912	10,206
Disposal	-	-	(1,168)	(16)	(106)	(126)	-	-	(1,274)	(142)
Depreciation	-	-	(9,313)	(6,369)	(1,610)	(1,507)	-	-	(10,923)	(7,876)
Net carrying amount	123,928	117,139	189,698	195,718	10,004	10,024	10,392	3,637	334,022	326,518

4.2 Intangible assets

Details	Gross carrying amount		Accumulated amortisation		Net carrying amount	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Intangible assets	2,788	1,002	(795)	(653)	1,993	349
	2,788	1,002	(795)	(653)	1,993	349
Work-in-progress	-	1,528	-	-	-	1,528
Total	2,788	2,530	(795)	(653)	1,993	1,877

Initial recognition

Intangible assets represent identifiable non-monetary assets without physical substance. The Board's intangible assets consist entirely of computer software. Purchased intangible assets are initially recognised at cost.

Amortisation begins when the asset is available for use, that is, when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

The capitalisation threshold for intangible assets, individually or forming part of a network, is \$2,000 and are capitalised at the end of the financial year.

Subsequent measurement

Intangible assets with finite useful lives are amortised as an 'expense from transactions' on a straight line basis over their useful lives, and are carried at cost less accumulated amortisation and accumulated impairment losses. Typical estimated useful lives for intangible assets are included in the table below:

Details	2017	2016
Intangible assets - useful life in years	10	10

Impairment of intangible assets

Intangible assets with finite useful lives are tested for impairment whenever an indication of impairment is identified. The methodology in connection with treatment of impairment is outlined in section 4.1.1.

4.2.1 Reconciliation of movements in carrying values of intangible assets

Details	Intangible assets		Work-in progress at cost		Total	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Opening balance	349	265	1,528	197	1,877	462
Transfer in/(out)	1,528	-	(1,528)	-	-	-
Additions	258	172	-	1,331	258	1,503
Amortisation	(142)	(88)	-	-	(142)	(88)
Net carrying amount	1,993	349	-	1,528	1,993	1,877

ZOOLOGICAL PARKS & GARDENS BOARD

Notes to the financial statements
for the year ended 30 June 2017

Note 5 – Other assets and liabilities

Introduction

This section sets out those assets and liabilities that arose from the Board's controlled operations.

5.1 Receivables

	2017 \$'000	2016 \$'000
Current		
Contractual		
Sale of goods and services	1,390	912
Other receivables	237	772
	1,627	1,684
Statutory		
GST input tax credit recoverable	325	164
Total receivables	1,952	1,848

Receivables consist of:

- Contractual receivables such as debtors in relation to goods and services, cheques received not banked, accrued interest, WorkCover premium refund claimed and finance lease receivables. Contractual receivables are classified as financial instruments and categorised as receivables (refer to Note 7.1.1); and
- Statutory receivables are mainly for Goods and Services Tax (GST) input tax credits recoverable. Statutory receivables are recognised and measured similarly to contractual receivables but are not classified as financial instruments because they do not arise from a contract.

Receivables are initially recognised at fair value and subsequent to initial measurement they are measured at amortised cost. Receivables are due for settlement normally 30 days from the date of recognition. Collectability of receivables is reviewed on an ongoing basis. A provision for doubtful debts is raised when there is objective evidence that the debts will not be collected. Bad debts are written off when identified.

No interest is charged for amounts not paid by the due date (30 days - standard credit term). The average credit period for sales of goods and services and for other receivables is normally settled in approximately 30 days. There are no financial assets that have had their terms renegotiated so as to prevent them from being past due or impaired, and they are stated at the carrying amounts as indicated.

5.2 Payables

	2017 \$'000	2016 \$'000
Current		
Contractual		
Trade payables	3,904	2,691
Other payables	326	949
	4,230	3,640
Statutory		
Fringe Benefit Tax, Payroll Tax, Superannuation payments	673	1,447
Total payables	4,903	5,087

Trade and other payables consist predominantly of creditors and other sundry liabilities. Payables are initially recognised at fair value, then subsequently carried at amortised cost and represent liabilities for goods and services provided to the Board prior to the end of financial year that are unpaid, and arise when the Board becomes obliged to make future payments in respect of the purchase of these goods and services. Payables consist of:

- Contractual payables classified as financial instruments and measured at amortised cost. Statutory payables are recognised and measured similarly to contractual payables, but are not classified as financial instruments and not included in the category of financial liabilities at amortised cost, because they do not arise from contracts; and
- Other payables consist mainly of accrued wages and deposits paid in advance for events reservations that are cancellable and refundable. Payables for supplies and services have an average credit period of 30 days. No interest is payable if the payment is made outside the normal trading terms.

5.3 Inventories

Inventories are comprised of finished goods held either for sale or for distribution in the ordinary course of business. All inventories are measured at the lower of cost and net realisable value. Inventory excludes depreciable assets. Cost for inventory is measured at cost.

5.4 Other non-financial assets

Other non-financial assets consist of prepaid expenditures which represent payments made in advance of the receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond that period.

ZOOLOGICAL PARKS & GARDENS BOARD

Notes to the financial statements
for the year ended 30 June 2017

Note 6 – How we finance our operations

Introduction

This section sets out of those assets and liabilities that arose from the Board's controlled operations.

6.1 Borrowings

	2017 \$'000	2016 \$'000
Current		
Finance lease	183	215
	183	215
Non-current		
Finance lease	565	499
Total borrowings	748	714

Borrowings refer to interest bearing liabilities raised from public borrowings raised through VicFleet for finance leases.

Borrowings are classified as financial instruments. All interest bearing borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. Subsequent to initial recognition, these financial instruments are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit and loss over the period of the interest bearing liability, using the effective interest rate method.

Finance leases are borrowings classified as financial instruments and are accommodated through VicFleet Fleet Management and Leasing facility and is for vehicles. The liability is measured at amounts equal to the fair value of the leased asset or, if lower, at the present value of minimum lease payments, each determined at the inception of the lease. Lease payments are allocated between the principal component of the lease liability and the interest expense.

6.1.1 Maturity analysis of borrowings

Details	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Finance lease liabilities payable				
- Not longer than one year	211	243	183	215
- Longer than one year and not longer than five years	604	544	565	499
Minimum future lease payments	815	787	748	714
Less future finance charges	(67)	(73)		
Present value of minimum lease payments	748	714	748	714
Included in the financial statements as:				
Current borrowings			183	215
Non-current borrowings			565	499
			748	714

During the current and prior year, there were no defaults or breaches of any of the loans.

6.1.2 Interest expense

	2017 \$'000	2016 \$'000
Interest on finance lease	32	35
Total interest expense	32	35

Interest expense represents costs incurred in connection with borrowings and currently the expense is for the interest components of finance lease repayments. Interest expense is recognised in the period in which it is incurred.

ZOOLOGICAL PARKS & GARDENS BOARD

Notes to the financial statements
for the year ended 30 June 2017

6.2 Commitments for expenditure

Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments are recorded below at their nominal value and inclusive of GST. Where it is considered appropriate and provides additional relevant information to users, the net present values of significant individual projects are stated. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised in the balance sheet.

6.2.1 Total commitments payable at nominal amounts

The following commitments have not been recognised as liabilities in the financial statements.

	2017 \$'000	2016 \$'000
(a) Capital expenditure commitments		
Payable within one year	2,675	3,273
Total capital expenditure commitments	2,675	3,273
(b) Operating lease commitments		
Payable within one year	39	58
Payable longer than one year and not longer than five years	72	-
Total operating lease commitments	111	58
Total commitments (inclusive of GST)	2,786	3,331
Less: GST recoverable	(253)	(303)
Total commitments (exclusive of GST)	2,533	3,028

Capital expenditure commitments consist of contractual amounts payable to contractors for construction works undertaken by the Board, mainly for asset renewal or refurbishment.

Operating lease commitments are for photocopier leases.

6.3 Cash flow information and balances

Cash and deposits, including cash equivalents, comprise cash on hand and cash at bank, deposits at call and those highly liquid investments with an original maturity of three months or less, which are held for the purpose of meeting short-term cash commitments rather than for investment purposes, and which are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

	2017 \$'000	2016 \$'000
Total cash and cash equivalent	34,743	37,974
Balance per cash flow statement	34,743	37,974

6.3.1 Composition of cash and cash equivalents

	2017 \$'000	2016 \$'000
Current		
Cash invested with approved institutions	481	239
Cash invested with Treasury Corporation of Victoria	33,250	36,450
	33,731	36,689
Cash in hand and at bank	1,012	1,285
Total cash and cash equivalents	34,743	37,974

Cash and cash equivalents comprise cash on hand and cash at bank, deposits at call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

ZOOLOGICAL PARKS & GARDENS BOARD

Notes to the financial statements
for the year ended 30 June 2017

6.3.2 Reconciliation of net result for the period to cash flow operating activities

	2017 \$'000	2016 \$'000
Net result	(6,327)	4,390
Non cash movements:		
Depreciation and amortisation of non current assets	11,065	7,965
(Gain)/loss on sale or disposal of non-financial assets	1,116	(60)
Movements in assets and liabilities:		
(Increase)/decrease in inventories	60	(84)
(Increase)/decrease in receivables	(104)	(960)
(Increase)/decrease in non-financial assets	113	(262)
(Decrease)/increase in payables	(476)	(21)
(Decrease)/increase in employee benefits	884	739
Net cash flows from/(used in) operating activities	6,331	11,707

6.3.3 Non-cash financing activities

During the reporting period, the Board assumed liabilities for new vehicles lease through VicFleet Fleet Management and Leasing facility as indicated below.

	2017 \$'000	2016 \$'000
Additions to vehicles under finance lease	268	350
Total additions to vehicles under finance lease	268	350

Note 7 – Risk, contingencies and valuation judgements

Introduction

The Board is exposed to risk from its activities and outside factors. In addition, it is often necessary to make judgements and estimates associated with recognition and measurement of items in the financial statements. This section sets out financial instrument specific information (including exposures to financial risks) as well as those items that are contingent in nature or require a higher level of judgement to be applied, which for the Board related mainly to fair value determination.

7.1 Financial instruments specific disclosure

Introduction

Financial instruments arise out of contractual agreements that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Due to the nature of the Board's activities, certain financial assets and financial liabilities arise under statute rather than a contract (for example taxes, fines and penalties). Such assets and liabilities do not meet the definition of financial instruments in AASB 132 Financial Instruments: Presentation.

Categories of financial instruments

Loans, receivables and cash are financial instrument assets with fixed and determinable payments that are not quoted on an active market. These assets are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial measurement, loans and receivables are measured at amortised cost using

the effective interest method (and for assets, less any impairment). The Board recognised the following assets in this category:

- cash and deposits; and
- receivables (excluding statutory receivables).

Financial liabilities at amortised cost are initially recognised on the date they are originated. They are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial instruments are measured at amortised cost with any difference between the initial recognised amount and the redemption value being recognised in profit and loss over the period of the interest bearing liability, using the effective interest rate method. The Board recognises the following liabilities in this category:

- payables (excluding statutory payables); and
- borrowings (including finance lease liabilities).

7.1.1 Financial instruments: Categorisation

	2017 \$'000	2016 \$'000
Financial assets		
Cash and cash equivalents	34,743	37,974
Receivables at amortised cost excluding statutory amounts	1,627	1,684
Total financial assets	36,370	39,658
Financial liabilities		
Borrowings	748	714
Payables at amortised cost excluding statutory amounts	4,230	3,640
Total financial liabilities	4,978	4,354

ZOOLOGICAL PARKS & GARDENS BOARD

Notes to the financial statements
for the year ended 30 June 2017

7.1.2 Financial risk management, objectives and policies



As a whole, the Board's financial risk management program seeks to manage these risks and the associated volatility of its financial performance. 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, with respect to each class of financial asset, financial liability above are disclosed below.

The main purpose in holding financial instruments is to prudentially manage the Board's financial risks within the government policy parameters. The Board's main financial risks include credit risk, liquidity risk and interest rate risk. At this stage, it has no exposure to foreign currency risk and equity price risk.

7.1.2.1 Financial instrument: Credit risk

Credit risk refers to the possibility that a borrower will default on its financial obligations as and when they fall due. The Board's exposure to credit risk arises from the potential default of a debtor on their contractual obligations resulting in financial loss to the Board. Credit risk is measured at fair value and is monitored on a regular basis.

The Board's maximum exposure to credit risk at balance date for each class of recognised financial assets is the carrying amount of those assets as disclosed in the balance sheet. The Board minimises concentrations of credit risk by undertaking transactions with a large number of customers and counter parties. Tour groups who wish to trade on credit terms are subject to credit verification. In addition, receivable balances are monitored on an ongoing basis with the result that the Board's exposure to bad debts is not significant.

There are no financial assets that have had their terms renegotiated so as to prevent them from being past due or impaired, and they are stated at the carrying amounts as indicated. The Board is not materially exposed to any customer or counter party. The maturity of the financial instruments is outlined in section 7.1.2.3.

7.1.2.2 Financial instrument: Liquidity risk

Liquidity risk arises from being unable to meet financial obligations as they fall due. The Board operates under the Government fair payments policy of settling financial obligations within 30 days and in the event of a dispute, making payments within 30 days from the date of resolution.

The Board's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed on the face of the balance sheet. There are no financial guarantees given by the Board. The Board manages its liquidity risk by:

- close monitoring of its monthly cash flows, monthly reviews of its financial position and where required taking necessary corrective actions;
- maintaining an adequate level of uncommitted funds that can be drawn at short notice to meet its short term obligations;
- holding investments and other contractual financial assets that are readily tradeable in the financial markets and investing its cash through secured and approved institutions such as the Treasury Corporation of Victoria; and
- careful maturity planning of its financial obligations based on forecasts of future cash flows.

The Board's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk. Cash for unexpected events is generally sourced from liquidation of our deposit held with the Treasury Corporation of Victoria. The maturity of the financial instruments is outlined in section 7.1.2.3.

7.1.2.3 Maturity of financial instruments

Details	Carrying Amount		Maturity dates					
			Less than 1 year		Greater than 1 but less than 3 years		Greater than 3 but less than 5 years	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Cash and deposits								
Cash and cash equivalents	34,743	37,974	34,743	37,974	-	-	-	-
Receivables								
Receivables at amortised cost excluding statutory amounts	1,627	1,684	1,627	1,684	-	-	-	-
	36,370	39,658	36,370	39,658	-	-	-	-
Borrowings								
Finance lease liabilities	748	714	183	215	565	499	-	-
Payables								
Payables at amortised cost excluding statutory amounts	4,230	3,640	4,230	3,640	-	-	-	-
	4,978	4,354	4,413	3,855	565	499	-	-

ZOOLOGICAL PARKS & GARDENS BOARD

Notes to the financial statements
for the year ended 30 June 2017

7.1.2.4 Financial instruments: Market exposure

The Board's exposures to market risk is primarily through interest rate risks. The Board's sensitivity to market risk is determined based on the observed range of actual historical data for the preceding 12 months, with all variables other than the primary risk variable held constant.

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Board has minimal exposure to cash flow interest rate risks through cash and deposits that are at floating rate.

The Board's exposure to market risk is primarily through interest rate risk. The future cash flows of a financial instrument will fluctuate because of changes in market rates. The Board invests most of its cash with Treasury Corporation of Victoria's investment products such as 11am cash deposit, guaranteed bill index deposits, and term deposits. The carrying amounts of financial assets and financial liabilities that are exposed to interest rates and the Board's sensitivity to interest rate risk are set out in the table that follows.

Interest rate exposure of financial instruments

Details	Weighted average effective interest rate		Carrying Amount		Interest rate exposure					
					Fixed interest rate		Variable interest rate		Non-interest bearing	
	2017 %	2016 %	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Cash and deposits										
Cash and cash equivalents	1.65	2.21	34,743	37,974	-	-	33,731	36,689	1,012	1,285
Receivables										
Receivables at amortised cost excluding statutory amounts			1,627	1,684	-	-	-	-	1,627	1,684
			36,370	39,658	-	-	33,731	36,689	2,639	2,969
Borrowings										
Finance lease liabilities	4.41	4.94	748	714	748	714	-	-	-	-
Payables										
Payables at amortised cost excluding statutory amounts			4,230	3,640	-	-	-	-	4,230	3,640
			4,978	4,354	748	714	-	-	4,230	3,640

Interest rate risk

Taking into account past performance, future expectations, economic forecasts, and management's knowledge and experience of the financial markets, the Board believes that a movement of 100 basis points up or down in market interest rates is possible over the next 12 months. The sensitivity analysis of the 100 basis points movements is outlined below.

Details	Carrying Amount		Interest rate risk			
			-100 basis points		+100 basis points	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Financial assets						
Cash and cash equivalents - does not include non-interest bearing amounts held for daily use such as change and petty cash.	33,731	36,689	(337)	(367)	337	367
Sensitivity impact on net result due to a +/-100 basis points movement in market interest rate.			(337)	(367)	337	367

7.2 Contingent assets and contingent liabilities

Contingent assets and contingent liabilities are not recognised in the balance sheet but are disclosed and, if quantifiable, are measured at nominal value. Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

The Board is not aware of and had not made: (a) any claim against a supplier or third party for a breach of their contract or (b) received any claim for damages against the Board or any staff for breach of contract, at the end of this financial year and none also for the last financial year.

7.3 Fair value determination

This section sets out information on how the Board determined fair value for financial reporting purposes. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The following assets and liabilities are carried at fair value:

- Financial assets and liabilities at fair value through operating result; and
- Land, buildings, infrastructure, plant and equipment.

In addition, the fair values of other assets and liabilities which are carried at amortised cost, also need to be determined for disclosure purposes. The Board determines the policies and procedures for determining fair values for both financial and non-financial assets and liabilities as required.

ZOOLOGICAL PARKS & GARDENS BOARD

Notes to the financial statements for the year ended 30 June 2017

7.3.1 Fair value hierarchy

In determining fair values a number of inputs are used. To increase consistency and comparability in the financial statements, these inputs are categorised into three levels, also known as the fair value hierarchy. The levels are as follows:

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.

The Board determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For those assets and liabilities for which fair values are determined, the following disclosures are provided:

- carrying amount and the fair value (which would be the same for those assets measured at fair value);
- which level of the fair value hierarchy was used to determine the fair value; and
- in respect of those assets and liabilities subject to fair value determination using Level 3 inputs:
 - a reconciliation of the movements in fair values from the beginning of the year to the end; and
 - details of significant unobservable inputs used in the fair value determination.

7.3.2 Fair value determination of financial assets and liabilities

The fair values and net fair values of financial assets and liabilities are determined as follows:

Level 1 - the fair value of financial instrument with standard terms and conditions and traded in active liquid markets are determined with reference to quoted market prices;

Level 2 - the fair value is determined using inputs other than quoted prices that are observable for the financial asset or liability, either directly or indirectly; and

Level 3 - the fair value is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using unobservable market inputs.

The Board currently holds a range of financial instruments that are recorded in the financial statements where the carrying amounts are a reasonable approximation of fair value, either due to their short-term nature or with the expectation that they will be paid in full in accordance with the agreed terms and conditions of the financial instruments.

These financial instruments include:

Financial assets

Cash and deposits

Receivables

- Sale of goods and services
- Other receivables

Financial liabilities

Payables

- Trade and other payables

Borrowings

- Finance lease liabilities

7.3.3 Fair value determination: Non-financial physical assets

Details	Net Carrying Amount		Fair value measurement at the end of the reporting period					
			Level 1		Level 2		Level 3	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Specialised Land	123,917	117,139	-	-	-	-	123,927	117,139
Specialised Property	189,698	195,718	-	-	-	-	189,698	195,718
Plant and equipment and vehicles	10,004	10,024	-	-	-	-	10,004	10,024
Net carrying amount	323,629	322,881	-	-	-	-	323,629	322,881

7.3.3.1 Specialised land and specialised property

The market approach is used for specialised land, although it is adjusted for the community service obligation (CSO) to reflect the specialised nature of the land being valued. The CSO adjustment is a reflection of the valuer's assessment of the impact of restrictions associated with an asset to the extent that is also equally applicable to market participants. This approach is in light of the highest and best use consideration required for fair value measurement, and takes into account the use of the asset that is physically possible, legally permissible, and financially feasible. As adjustments of CSO are considered as significant unobservable inputs, specialised land would be classified as Level 3 assets.

For all of the Board's specialised property, the depreciated replacement cost method is used, adjusting for the associated depreciations. As depreciation adjustments are considered as significant, unobservable inputs in nature, specialised buildings are classified as Level 3 fair value measurements.

Land and property, measured at fair value are revalued in accordance with Financial Reporting Directions (FRDs) issued by the Minister for Finance. Financial Reporting Direction 103F (FRD), determines the revaluation cycle to occur every five years and each year to use the land and building indices provided by Valuer General Victoria (VGV) to assess whether the land asset's carrying value still materially reflects its fair value for the class of asset. If the compound change in fair value is equal or greater than 40%, since the last scheduled valuation, the change is considered significant, then the Board will need to engage VGV to conduct the revaluation/reassessment exercise.

An independent valuation of the Board's specialised land and specialised property was performed by Valuer General Victoria (VGV) in 2016. The effective date of the valuation is 30 June 2016.

7.3.3.2 Plant and equipment

Plant and equipment is held at fair value. When plant and equipment is specialised in use, such that it is rarely sold other than as part of a going concern, fair value is determined using the depreciated replacement cost method. As depreciation adjustments are considered as significant, unobservable inputs in nature, these assets are classified as Level 3 fair value measurements.

ZOOLOGICAL PARKS & GARDENS BOARD

Notes to the financial statements
for the year ended 30 June 2017

7.3.3.3 Vehicles

Vehicles are valued using the depreciated replacement cost method. The Board acquires new vehicles and at times disposes of them before the end of their economic life. The process of acquisition, use and disposal in the market is managed by experienced fleet managers through VicFleet who set relevant depreciation rates during use to reflect the utilisation of the vehicles. As depreciation adjustments are considered as significant, unobservable inputs by nature, these assets are classified as Level 3 fair value measurements.

7.3.3.4 Land Valuation

Apart from the scheduled 5-year formal valuation, land is revalued on an annual basis using the VGV's indices at 30 June each year. The yearly adjustment would minimise the impact of the increment or the decrement in value of land following a formal valuation. The valuation for 2017 is based on VGV's land indices and the 2016 is based on a formal valuation by VGV.

Movement in physical asset revaluation surplus

Physical asset revaluation surplus	2017 \$'000	2016 \$'000
Balance at the beginning of the year	218,044	144,668
Revaluation land - increments/(decrements)	6,789	5,009
Revaluation property - increments/(decrements)	-	68,367
Total physical asset revaluation surplus	224,833	218,044

7.3.3.5 Reconciliation of Level 3 fair value movements

Details	Land Specialised		Property Specialised		Plant and Equipment and Vehicles		Total	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Opening balance	117,139	112,130	195,718	128,195	10,024	9,575	322,881	249,900
Additions and transfers from work-in-progress	-	-	4,461	5,541	1,696	2,083	6,157	7,624
Disposal	-	-	(1,168)	(16)	(106)	(126)	(1,274)	(142)
Depreciation	-	-	(9,313)	(6,369)	(1,610)	(1,508)	(10,923)	(7,877)
Sub total	117,139	112,130	189,698	127,351	10,004	10,024	316,841	259,505
Gains or losses recognised in other economic flows - other comprehensive income	-	-	-	-	-	-	-	-
Revaluation	6,788	5,009	-	68,367	-	-	6,788	73,376
Closing balance	123,927	117,139	189,698	195,718	10,004	10,024	323,629	322,881

7.3.3.6 Description of significant unobservable inputs to Level 3 valuation

2017 and 2016	Valuation Technique	Significant unobservable inputs and range
Specialised Land	Market approach	Community Service Obligation (CSO) adjustment ranging from 45% to 60% (to reduce the market approach for the Board's specialised land).
Specialised Property	Depreciated replacement cost	Cost per metre square and useful life of specialised buildings
Plant and equipment and vehicles	Depreciated replacement cost	Cost per unit and useful life of the asset

ZOOLOGICAL PARKS & GARDENS BOARD

Notes to the financial statements
for the year ended 30 June 2017

Note 8 – Other disclosures

Introduction

This section includes additional material disclosures required by accounting standards or otherwise, for the understanding of this financial report.

8.1 Subsequent events

The policy in connection with recognising subsequent events is as follows: where events occur between the end of the reporting period and the date when the financial statements are authorised for issue:

- adjustments are made to amounts recognised in the financial statements where those events provide information about conditions which existed at the reporting date; and/or
- disclosure is made where the events relate to conditions which arose after the end of the reporting period that are considered to be of material interest.

There are no matters or circumstances that have arisen since the end of the financial year that have significantly affected or may significantly affect the operations of the Zoological Parks and Gardens Board, the results of those operations or the state of affairs of the Zoological Parks and Gardens Board in future financial years.

8.2 Remuneration of executives

The number of executive officers, other than the minister and accountable officers, and their total remuneration during the reporting period are shown in the table below. Total annualised employee equivalents provide a measure of full time equivalent executive officers over the reporting period.

Remuneration comprises employee benefits in all forms of consideration paid, payable or provided by the entity, or on behalf of the entity, in exchange for services rendered, and is disclosed in the following categories:

- Short-term employee benefits include amounts such as wages, salaries, annual leave or sick leave that are usually paid or payable on a regular basis, as well as non-monetary benefits such as allowances and free or subsidised goods or services
- Other long-term benefits include long service leave, other long-service benefits or deferred compensation
- Termination benefits include termination of employment payments, such as severance packages.

Details	2017 \$'000	2016 ¹ \$'000
Remuneration		
Short-term employee benefits	1,616	-
Post-employment benefits	153	-
Other long-term benefits	30	-
Termination benefits	182	-
Share-based payments	n/a	-
Total remuneration	1,981	-
Total number of executives¹	13	-
Total annualised employee equivalents²	8	-

1 No comparatives have been reported because remuneration in the prior year was determined in line with the basis and definition under FRD 21B. Remuneration previously excluded non-monetary benefits and comprised any money, consideration or benefit received or receivable, excluding reimbursement of out-of-pocket expenses, including any amount received or receivable from a related party transaction. Refer to the prior year's financial statements for executive remuneration for the 2015-16 reporting period.

2 Annualised employee equivalent is based on the time fraction worked over the reporting period.

8.3 Responsible persons

In accordance with the Ministerial Directions issued by the Minister for Finance under the *Financial Management Act 1994* (FMA), the following disclosures are made regarding responsible persons for the reporting period.

Responsible Minister

The Hon Liliana (Lily) D'Ambrosio, MP <i>Minister for Energy, Environment and Climate Change</i>	1 July 2016 to 30 June 2017
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Governing board members

Anne Dorothy Fraser Ward <i>Chair</i>	1 July 2016 to 30 June 2017
Helen Lynette Thornton <i>Deputy Chair</i>	1 July 2016 to 30 June 2017
Kenneth William Hinchcliff	1 July 2016 to 30 June 2017
Geoffrey Charles Wescott	1 July 2016 to 30 June 2017
Natasha Rose Bowness	1 July 2016 to 30 June 2017
Carolyn Jackson	1 July 2016 to 30 June 2017
Kirsten Anne Sword	1 July 2016 to 30 June 2017
Sahil Suleman Merchant	1 July 2016 to 05 April 2017
Brian Carlyle Cook	1 July 2016 to 29 August 2016

Chief Executive Officer

Jenny Gray <i>Accountable Officer</i>	1 July 2016 to 30 June 2017
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8.3.1 Remuneration bands of responsible persons

The number of responsible persons and their relevant remuneration bands during the reporting period are shown in the table below.

Remuneration bands of responsible persons	No of persons ¹	
	2017	2016
\$0 to \$9,999	3	6
\$10,000 to \$19,999	6	5
\$300,000 to \$309,999	-	1
\$340,000 to \$350,000	1	-
Total number of persons	10	12

1 The Australian Accounting Standard Board has extended the scope of ASSB124 Related Party Disclosure to include not-for-profit sector entities from 1 July 2016. As a result, a new FRD 21C was issued by the Department of Treasury and Finance, that has provided clarification of the calculation of 'Remuneration'. As a result of implementation, the 2016-17 calculation differs from that used for 2015-16. Prior year was determined in line with the basis and definition under FRD 21B. Remuneration previously excluded non-monetary benefits and comprised any money, consideration or benefit received or receivable, excluding reimbursement of out-of-pocket expenses, including any amount received or receivable from a related party transaction.

Remuneration

Total remuneration received, due and receivable by responsible persons

	2017 \$'000	2016 \$'000
Total remuneration	434	-

ZOOLOGICAL PARKS & GARDENS BOARD

Notes to the financial statements for the year ended 30 June 2017

8.4 Related parties

The Board is a wholly owned and controlled entity of the State of Victoria.

Related parties of the Board include:

- all key management personnel (KMP) and their close family members and personal business interests (controlled entities, joint ventures and entities they have significant influence over);
- all cabinet ministers and their close family members; and
- all departments and public sector entities that are controlled and consolidated into the whole of state consolidated financial statements.

All related party transactions have been entered into on an arm's length basis.

8.4.1 Key management personnel (KMP)

Key management personnel of the Board includes the Portfolio Ministers, the Hon. Liliana (Lily) D'Ambrosio, MP, governing board members and the Chief Executive Officer as detailed in section 8.3.

8.4.2 Compensation of KMP

The responsible persons and KMP for the Board are one and the same group of people. The remuneration for the KMP for the reporting period is outlined below. This excludes the salaries and benefits the Portfolio Minister receives. The Minister's remuneration and allowances are set by the *Parliamentary Salaries and Superannuation Act 1968* and is reported within the Department of Parliamentary Services' Financial Report and not included here.

	2017 \$'000	2016 ¹ \$'000
Remuneration		
Short-term employee benefits	400	-
Post-employment benefits	26	-
Other long-term benefits	8	-
Termination benefits	-	-
Total remuneration	434	-
Total number of KMP	10	-

¹ No comparatives have been reported because remuneration in the prior year was determined in line with the basis and definition under FRD 21B. Remuneration previously excluded non-monetary benefits and comprised any money, consideration or benefit received or receivable, excluding reimbursement of out-of-pocket expenses, including any amount received or receivable from a related party transaction. Refer to the prior year's financial statements for executive remuneration for the 2015-16 reporting period.

8.4.3 Transactions with KMP and other related parties

During the year, outside of normal citizen type transactions, there were no related party transactions that involved KMP, their close family members and their personal business interest with Zoos Victoria. If a KMP sits on another board, any transactions between the entity the KMP is a board member of, had been identified, and were made on normal commercial terms and conditions.

8.4.4 Significant transactions with government-related entities

	2017 \$'000	2016 \$'000
(a) Department of Environment, Land, Water and Planning		
Amounts recognised as income in the Comprehensive operating statement. This grant is for the operation of the Board's activities.	20,814	20,460
Amounts recognised as capital contribution in the Balance sheet. This grant is for capital development at Melbourne Zoo (Predator and Prey Stage 2 project).	3,125	5,875
Amounts recognised as expenditure, in relation to various conservation programs.	(53)	(72)
(b) Department of Education and Training (DET)		
Amounts recognised as income in the Comprehensive Operating Statement. This grant is for strategic partnership program with DET.	726	727
(c) Treasury Corporation of Victoria (TCV)		
Amounts recognised as income in the Comprehensive Operating Statement. This is the interest earned from TCV investments.	625	815

8.5 Remuneration of auditors

	2017	2016
Victorian Auditor-General's Office		
Audit and review of the financial statements	36	35
Total remuneration of auditors	36	35

ZOOLOGICAL PARKS & GARDENS BOARD

Notes to the financial statements
for the year ended 30 June 2017

8.6 Ex-gratia expenses

	2017	2016
Forgiveness or waiver of debt ¹	-	-
Property damage	-	-
Others	-	-
Total ex-gratia expenses	-	-

¹ Ex-gratia expenses for both individual items and in aggregate that are greater than or equal to \$5000.

8.7 Other accounting policies

8.7.1 Value of animal collections

The zoo animal collection managed by the Board is reflected in the Board's accounting records as one dollar. This is consistent with worldwide zoo industry practice. The Board regards the animals as part of a regional and international collection and not the specific property of the holding institution.

8.7.2 Australian Accounting Standards issued that are not yet effective

Certain new Australian Accounting Standards (AAS) have been published that are not mandatory for the 30 June 2017 reporting period. The Department of Treasury and Finance assesses the impact of all these new standards and will advise the Board of their applicability and early adoption where applicable.

Topic	Key requirements	Applicable for reporting period beginning on	Impact on reporting entity
AASB 9 <i>Financial Instruments</i>	The key changes include the simplified requirements for the classification and measurement of financial assets, a new hedging accounting model and a revised impairment loss model to recognise impairment losses earlier, as opposed to the current approach that recognises impairment only when incurred.	1 Jan 2018	The assessment has identified that the amendments are likely to result in earlier recognition of impairment losses and at more regular intervals. The impact arising from AASB 9 to the Board's reporting requirements, if any, will be a change to the way financial instruments are disclosed.

Topic	Key requirements	Applicable for reporting period beginning on	Impact on reporting entity
AASB 15 <i>Revenue from Contracts with Customers</i>	The core principle of AASB 15 requires an entity to recognise revenue when the entity satisfies a performance obligation by transferring a promised good or service to a customer.	1 Jan 2018	The changes in revenue recognition requirements in AASB 15 may result in changes to the timing and amount of revenue recorded in the financial statements. The Standard will also require additional disclosures on service revenue and contract modifications. A potential impact will be the upfront recognition of revenue from licenses that cover multiple reporting periods. Revenue that was deferred and amortised over a period may now need to be recognised immediately as a transitional adjustment against the opening returned earnings if there are no former performance obligations outstanding. It is unlikely that the application of this standard will be applicable to the Board.
AASB 1058 <i>Income of Not-for-Profit Entities</i>	This standard replaces AASB 1004 Contributions and establishes revenue recognition principles for transactions where the consideration to acquire an asset is significantly less than fair value to enable not-for-profit entity to further its objectives.	1 Jan 2019	The assessment has indicated that revenue from capital grants that are provided under an enforceable agreement that have sufficiently specific obligations, will now be deferred and recognised as performance obligations are satisfied. It is not envisaged that this will have an impact for the Board as most capital grants are from the government, recognised on receipt of the grant and accounted for in contributed capital.
AASB 2016-7 <i>Amendments to Australian Accounting Standards - Deferral of AASB 15 for Not-for-Profit Entities</i>	This Standard defers the mandatory effective date of AASB 15 for not-for-profit entities from 1 January 2018 to 1 January 2019.	1 Jan 2019	This amending standard will defer the application period of AASB 15 for not-for-profit entities to the 2019-20 reporting period.
AASB 2015-8 <i>Amendments to Australian Accounting Standards - Effective Date of AASB 15</i>	This Standard defers the mandatory effective date of AASB 15 from 1 January 2017 to 1 January 2018.	1 Jan 2018	This amending standard will defer the application period of AASB 15 to the 2018-19 reporting period in accordance with the transition requirements.

ZOOLOGICAL PARKS & GARDENS BOARD

Notes to the financial statements
for the year ended 30 June 2017

AASB 16 Leases	The key changes introduced by AASB 16 includes the recognition of most operating leases (which are current not recognised) on balance sheet.	1 Jan 2019	The assessment has indicated that as most operating leases will come on balance sheet, recognition of lease assets and lease liabilities will cause net debt to increase. Depreciation of lease assets and interest on lease liabilities will be recognised in the income statement with marginal impact on the operating surplus. The amounts of cash paid for the principal portion of the lease liability will be presented within financing activities and the amounts paid for the interest portion will be presented within operating activities in the cash flow statement. The impact to the Board is immaterial.
AASB 2016-4 Amendments to Australian Accounting Standards - Recoverable Amount of Non-Cash-Generating Specialised Assets of Not-for-Profit Entities	The standard amends AASB 136 <i>Impairment of Assets</i> to remove references to using depreciated replacement cost (DRC) as a measure of value in use for not-for-profit entities.	1 Jan 2017	The assessment has indicated that there is minimal impact. Given the specialised nature and restrictions of public sector assets, the existing use is presumed to be the highest and best use (HBU), hence current replacement cost under AASB 13 Fair Value Measurement is the same as the depreciated replacement cost concept under AASB 136.

In addition to the new standards and amendments above, the AASB has issued a list of other amending standards that are not effective for the 2016-17 reporting period (as listed below). In general, these amending standards include editorial and references changes that are expected to have insignificant impacts on public sector reporting.

- AASB 2016-2 *Amendments to Australian Accounting Standards - Disclosure Initiative: Amendments to AASB 107*
- AASB 2017-2 *Amendments to Australian Accounting Standards - Further Annual Improvements 2014-16 Cycle*

8.8 Glossary of terms

AASB

Accounting Standards issued by the Australian Accounting Standards Board

Amortisation

Amortisation is the expense which results from the consumption, extraction or use over time of a non-produced physical or intangible asset. This expense is classified as another economic flow.

Comprehensive result

The net result of all items of income and expense recognised for the period. It is the aggregate of operating result and other comprehensive income.

Commitments

Commitments include those operating, capital and other outsourcing commitments arising from non cancellable contractual or statutory sources.

Depreciation

Depreciation is an expense that arises from the consumption through wear or time of a produced physical or intangible asset. This expense is classified as a 'transaction' and so reduces the 'net result from transactions.

Employee benefits expenses

Employee benefits expenses include all costs related to employment including wages and salaries, leave entitlements, redundancy payments and superannuation contributions.

Financial asset

A financial asset is any asset that is:

- cash;
- an equity instrument of another entity;
- a contractual right:
 - to receive cash or another financial asset from another entity; or
 - to exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity; or
- a contract that will or may be settled in the entity's own equity instruments and is:
 - a non derivative for which the entity is or may be obliged to receive a variable number of the entity's own equity instruments; or
 - a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments.

Financial liability

A financial liability is any liability that is:

- A contractual or statutory obligation:
 - To deliver cash or another financial asset to another entity; or
 - To exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity; or
- A contract that will or may be settled in the entity's own equity instruments and is:
 - A non-derivative for which the entity is or may be obliged to deliver a variable number of the entity's own equity instruments; or
 - A derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments. For this purpose, the entity's own equity instruments do not include instruments that are themselves contracts for the future receipt or delivery of the entity's own equity instruments.

ZOOLOGICAL PARKS & GARDENS BOARD

Notes to the financial statements for the year ended 30 June 2017

Financial instrument

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets or liabilities that are not contractual (such as statutory receivables or payables that arise as a result of statutory requirements imposed by governments) are not financial instruments.

Financial statements

A complete set of financial statements comprises:

- (a) a balance sheet at the end of the period;
- (b) a comprehensive operating statement for the period;
- (c) a statement of changes in equity for the period;
- (d) a statement of cash flows for the period;
- (e) notes, comprising a summary of significant accounting policies and other explanatory information;
- (f) comparative information in respect of the preceding period as specified in paragraphs 38 of AASB 101 Presentation of Financial Statements; and
- (g) a statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements in accordance with paragraphs 41 of AASB 101.

Grants expenses

Grants can be paid as general purpose grants which refer to grants that are not subject to conditions regarding their use. Alternatively, they may be paid as specific purpose grants which are paid for a particular purpose and/or have conditions attached regarding their use. Grants could be provided to communities, Australian and International partners to mitigate threats to wildlife, develop sustainable livelihoods and foster community and government support for conservation. The grants are provided to support Zoos Victoria's Fighting Extinction commitment, to secure and recover species at risk of extinction before it is too late.

Intangible assets

Intangible assets represent identifiable non monetary assets without physical substance.

Interest expense

Costs incurred in connection with the borrowing of funds. Interest expenses include interest on bank overdrafts and short term and long term interest bearing liabilities, amortisation of discounts or premiums relating to Interest bearing liabilities, interest component of finance leases repayments, and the increase in financial liabilities and non employee provisions due to the unwinding of discounts to reflect the passage of time.

Interest income

Interest revenue includes interest received on bank term deposits, interest from investments, and other interest received.

Leases

Leases are rights to use an asset for an agreed period of time in exchange for payment. Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and rewards incidental to ownership. Leases of infrastructure, property, plant and equipment are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership from the lessor to the lessee. All other leases are classified as operating leases.

Net acquisition of non financial assets (from transactions)

Purchases (and other acquisitions) of non financial assets less sales (or disposals) of non financial assets less depreciation plus changes in inventories and other movements in non financial assets. Includes only those increases or decreases in non financial assets resulting from transactions and therefore excludes write offs, impairment write downs and revaluations.

Net result

Net result is a measure of financial performance of the operations for the period. It is the net result of items of revenue, gains and expenses (including losses) recognised for the period, excluding those that are classified as 'other non owner changes in equity'.

Net result from transactions/net operating balance

Net result from transactions or net operating balance is a key fiscal aggregate and is revenue from transactions minus expenses from transactions. It is a summary measure of the ongoing sustainability of operations. It excludes gains and losses resulting from changes in price levels and other changes in the volume of assets. It is the component of the change in net worth that is due to transactions and can be attributed directly to government policies.

Non financial assets

Non financial assets are all assets that are not 'financial assets' such as property, plant and equipment, vehicles etc.

Non-reciprocal grants

Grants to the Board may result in the provision of some goods and services to the transferer, but they do not give the transferer a claim to receive directly benefits of approximately equal value. For this reason, grants are referred to by the AASB as involuntary transfers and are termed non-reciprocal transfers. Receipts and sacrifice of approximately equal value may occur, but only by coincidence.

Other economic flows included in net result

Other economic flows included in net result are changes in the volume or value of an asset or liability that do not result from transactions. It includes:

- gains and losses from disposals, revaluations and impairments of non-financial physical and intangible assets;
- fair value changes of financial instruments and agricultural assets; and
- depletion of natural assets (non-produced) from their use or removal.

Other economic flows - other comprehensive income

'Other economic flows - other comprehensive income' comprises items (including reclassification adjustments) that are not recognised in net result as required or permitted by other Australian Accounting Standards.

The components of 'other economic flows - other comprehensive income' include:

- changes in physical asset revaluation surplus;
- share of net movement in revaluation surplus of associates and joint ventures; and
- gains and losses on remeasuring available for sale financial assets.

Payables

Includes short and long term trade debt and accounts payable, grants and interest payable.

Prepayments

Prepayments which represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond that period. This is categorised as non financial assets in the balance sheet.

Receivables

Includes short and long term trade credit and accounts receivable, grants, net of goods and service tax receivable and interest receivable.

Sales of goods and services

Refers to revenue from the direct provision of goods and services and includes fees and charges for services rendered, sales of goods and services, fees from regulatory services and work done as an agent for private enterprises. It also includes rental income under operating leases and on produced assets such as buildings and entertainment, but excludes rent income from the use of non produced assets such as land. User charges includes sale of goods and services revenue.

Supplies and services

Supplies and services generally represent cost of goods sold and the day to day running costs, including maintenance costs, incurred in the normal operations of the Board.

Transactions

Transactions are those economic flows that are considered to arise as a result of policy decisions, usually an interaction between two entities by mutual agreement. They also include flows within an entity such as depreciation where the owner is simultaneously acting as the owner of the depreciating asset and as the consumer of the service provided by the asset. Taxation is regarded as mutually agreed interactions between the government and taxpayers. Transactions can be in kind (e.g. assets provided/given free of charge or for nominal consideration) or where the final consideration is cash. In simple terms, transactions arise from the policy decisions of the government.

DISCLOSURE INDEX

Directions	Requirement	Page
FRD 10 A	Disclosure index	94
FRD 22H	Objectives, functions, powers and duties	6
FRD 22H	Manner of establishment and responsible Minister	7
FRD 22H	Nature and range of services provided	7
FRD 22H	Key performance indicators	32
FRD 22H	Summary of the financial results	34
FRD 22H	Major changes or factors affecting performance	40
FRD 22H	Subsequent events	40
FRD 22H	Significant changes in financial position during the year	40
FRD 22H	Organisational structure	30
FRD 22H	Occupational health and safety policy	27
FRD 22H	Employment and conduct principles	31
FRD 29B	Workforce Data disclosures	31
FRD 21C	Executive Officer disclosures	84
FRD 22H	Details of consultancies in excess of \$10 000	40
FRD 22H	Details of consultancies under \$10 000	40
FRD 22H	Disclosure of government advertising expenditure	42
FRD 12B	Disclosure of major contracts	40
FRD 22H	Disclosure of ICT expenditure	41
FRD 22H	Statement on National Competition Policy	40
FRD 22H	Application and operation of <i>Protected Disclosures Act 2012</i>	41
FRD 22H	Summary of environmental performance	29
FRD 22H	Statement of availability of other information	42
FRD 22H	Application and operation of <i>Freedom of Information Act 1982</i>	42
FRD 22H	Compliance with <i>Building Act 1993</i>	42
FRD 25C	Victorian Industry Participation Policy disclosures	42
SD 3.7.1	Risk Management and Insurance Attestation	39
SD 5.2.2	Declaration in financial statements	50
SD 5.2.3	Declaration in report of operations	49
	<i>Legislation</i>	7
	<i>Zoological Parks and Gardens Act 1995</i>	7
	<i>Financial Management Act 1994</i>	49
	<i>Building Act 1993</i>	42
	<i>Freedom of Information Act 1982</i>	40
	<i>Protected Disclosures Act 2012</i>	41
	<i>Victorian Industry Participation Policy Act 2003</i>	42

INDEPENDENT AUDITOR'S REPORT

Independent Auditor's Report

To the Board of the Zoological Parks and Gardens Board

Opinion	<p>I have audited the financial report of the Zoological Parks and Gardens Board (the board) which comprises the:</p> <ul style="list-style-type: none"> • balance sheet as at 30 June 2017 • comprehensive operating statement for the year then ended • statement of changes in equity for the year then ended • cash flow statement for the year then ended • notes to the financial statements • declaration. <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the board 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 7 of the <i>Financial Management Act 1994</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 board 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's responsibilities for the financial report	<p>The Board is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Financial Management Act 1994</i>, and for such internal control as the Board determines 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 is responsible for assessing the board'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 our 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 board's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board
- conclude on the appropriateness of the Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the board'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 board 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 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.



Roberta Skliros
as delegate for the Auditor-General of Victoria

MELBOURNE
11 September 2017

NOTES





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