

Annual Report 2018-19

Dinosaurs and Dreams

ZOOS
VICTORIA
Fighting Extinction

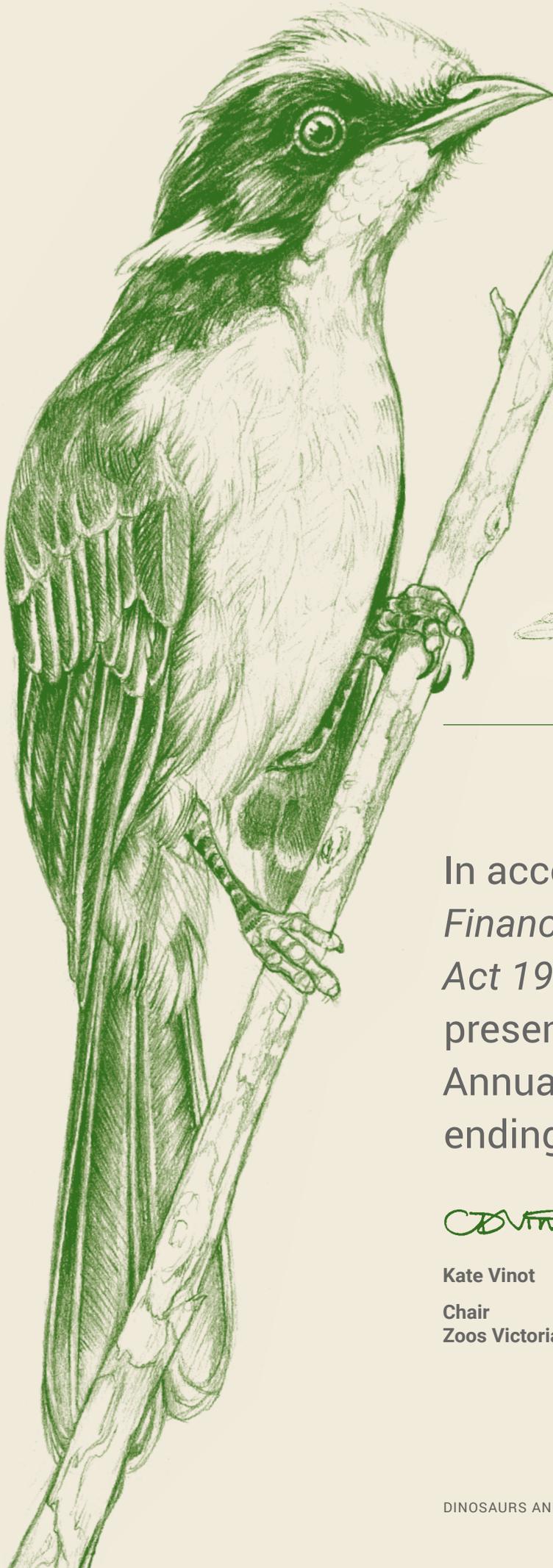


SERVAL





A year in review	03
Our charter, our purpose	04
Governance and legislation	05
Action areas in focus	06
1. Conservation	07
2. Animals	08
3. Visitors and community	10
4. People	12
5. Financial sustainability	13
Occupational health and safety	14
Environmental sustainability	15
Dinosaurs and dreams	16
Organisational chart	18
Our workplace profile	19
Key performance indicators	20
Admission charges	21
Financial summary	22
Board attendance	23
Board profiles	24
Board committees	27
Corporate governance and other disclosures	30
Our partners and supporters	36
Disclosure index	40
Financial report	41



HELMETED HONEYEATER

In accordance with the *Financial Management Act 1994*, I am pleased to present Zoos Victoria's Annual Report for the year ending 30 June 2019.

Kate Vinot
Chair
Zoos Victoria

Dr Jenny Gray
CEO
Zoos Victoria



A year in review

Saving species from extinction takes time, great partners and unwavering commitment. At Zoos Victoria we are lucky to have all three of these in abundance. It is this determination and passion which has seen our zoos become must-see Victorian destinations for almost 2.7 million visitors in the past year. Led by our three-property *dinosaur* activations, which drew a record-breaking 264,102 visitors over the Easter school holidays alone, we proudly showed our visitors what we can do if we dream big and stand together against extinction.

We are in a unique and privileged position to provide opportunities for our visitors to enjoy personal encounters with animals that they may otherwise never see in the wild. We know we are lucky to be able to speak with authority and credibility on the need to act now to protect animals and their habitat, and equip our visitors with the knowledge and tools to turn around the trajectory.

The past twelve months were busy with a calendar full of exciting events. Melbourne Zoo hosted its second *Dream Night*, welcoming over 550 children with disabilities and their families through the gates for an unforgettable evening where families enjoyed activities and entertainment in a safe, welcoming space. A new event, *Neon Playground*, provided an opportunity for visitors to visit Melbourne Zoo after dark and experience the iconic gardens illuminated with light installations. Over 50,000 visitors attended Melbourne's biggest cause-related music event, *Zoo Twilights*, and engaged with the ambassador species, the Eastern Barred Bandicoot. For the first time, visitors had the chance to be transported

to the wide open plains of the African savannah with *Sunset Safari* at Werribee Open Range Zoo.

We launched *dinosaur activations* across the three properties in time for the Easter holidays, and welcomed record-breaking crowds through the gates. This event reminded us that while dinosaurs may be gone forever, some of their closest relatives can be found in the wildlife around us today – and they need our help.

We achieved great things for our Fighting Extinction species thanks to the hard work and dedication of staff and our strong relationships with conservation partners. We bred Critically Endangered Baw Baw Frogs in captivity for the first time and we had a highly successful breeding season of Plains-wanderers with nine chicks born at Werribee Open Range Zoo. Over 1,300 threatened species individuals were released into the wild, including 74 Critically Endangered Orange-bellied Parrots.

We were delighted to have the *When Balloons Fly* community conservation campaign recognised as a winner at the Zoos and Aquariums Awards and the Premier's Sustainability Awards. More than 20,000 individuals, councils and veterinary practices joined the Safe Cat, Safe Wildlife community to show their support for protecting wildlife while keeping cats safe and happy at home.

We are proud to be leaders in the space of tackling waste management and sustainability and we continued to make strides towards our goal of zero-waste to landfill by 2021. Plastics have been recognised as an enormous environmental issue, and the Marine Response Unit sees the impact of plastics on the health of

our oceans and marine wildlife first-hand, with the team responding to a growing number of cases each year.

For over a decade Zoos Victoria has been plastic straw free, however in December, we made the decision to remove all biodegradable straws available onsite and in May, we removed all single-use plastic bottles from retail outlets across the three zoos. We are ready to make more positive and innovative changes to find greener, more wildlife-friendly solutions.

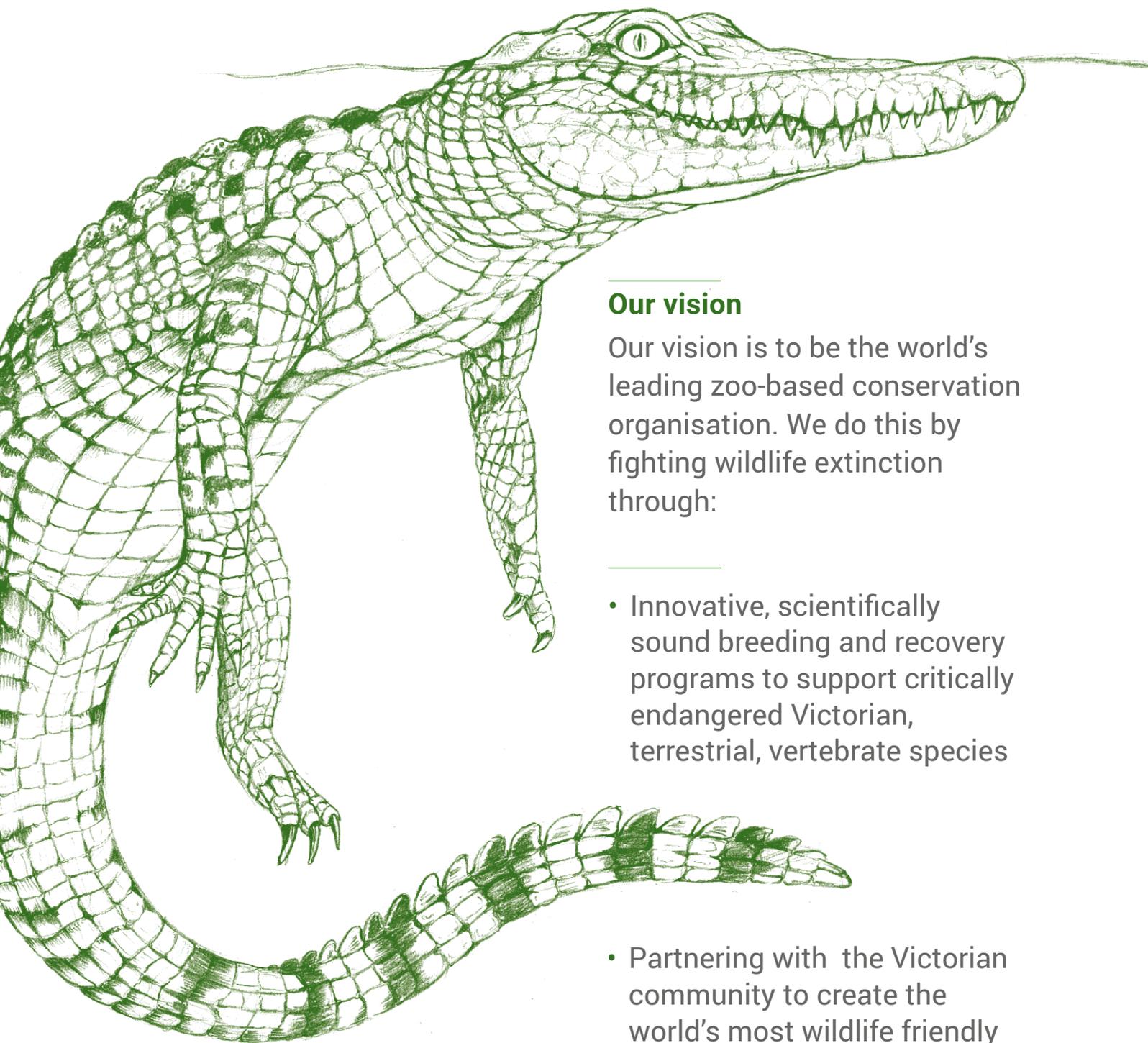
We are so very proud of all the goals we've achieved thanks to the unwavering commitment of Zoos Victoria's staff and volunteers. The work you do every day brings us closer to fighting extinction, and importantly – gives a voice to wildlife.

We would like to extend a special thanks to the Hon. Lily D'Ambrosio and the Department of Environment, Land, Water and Planning for their support, and particularly their leadership of the Biodiversity 2037 Plan.

Thank you to our Board for continuing to provide guidance, support and a shared vision for the organisation.

Together we are empowered, we're brave, and we are hopeful. And we know that given a fighting chance, nature will find a way.

Our charter, our purpose



Our vision

Our vision is to be the world's leading zoo-based conservation organisation. We do this by fighting wildlife extinction 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
 - Strong commercial approaches to secure financial sustainability.

Governance and legislation

Since 1973, the three zoos collectively trading as Zoos Victoria – Healesville Sanctuary (formally known as the Sir Colin MacKenzie Sanctuary), Melbourne Zoo 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*.

Comprised of nine members appointed by the Governor in Council, on the recommendation of the Minister for Energy, Environment and Climate Change and Solar Homes, 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.

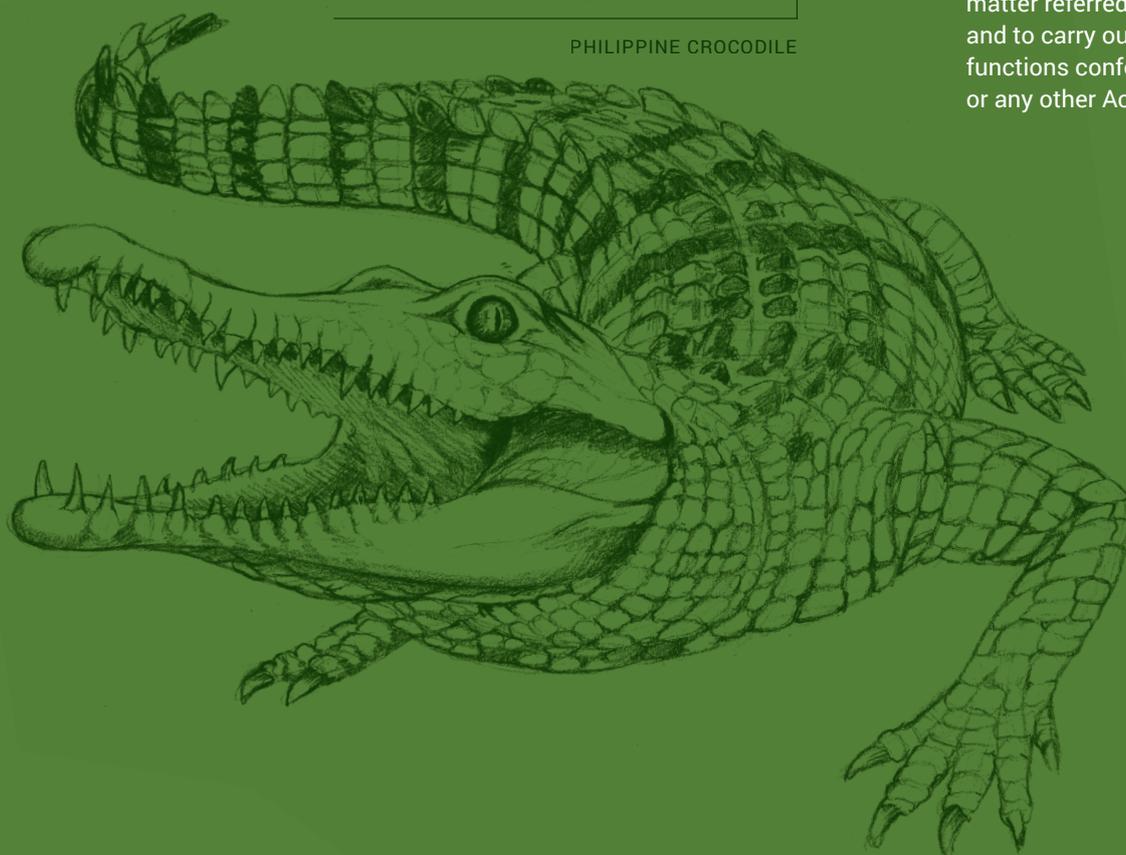
THE ZOOLOGICAL PARKS AND GARDENS ACT 1995

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.



PHILIPPINE CROCODILE



Action areas in focus

We dreamed big across our five action areas in 2018-19, improving our reach, impact and operational excellence. These action areas underpin all that we do and guide us on our journey as we endeavour to be the world's leading zoo-based conservation organisation.

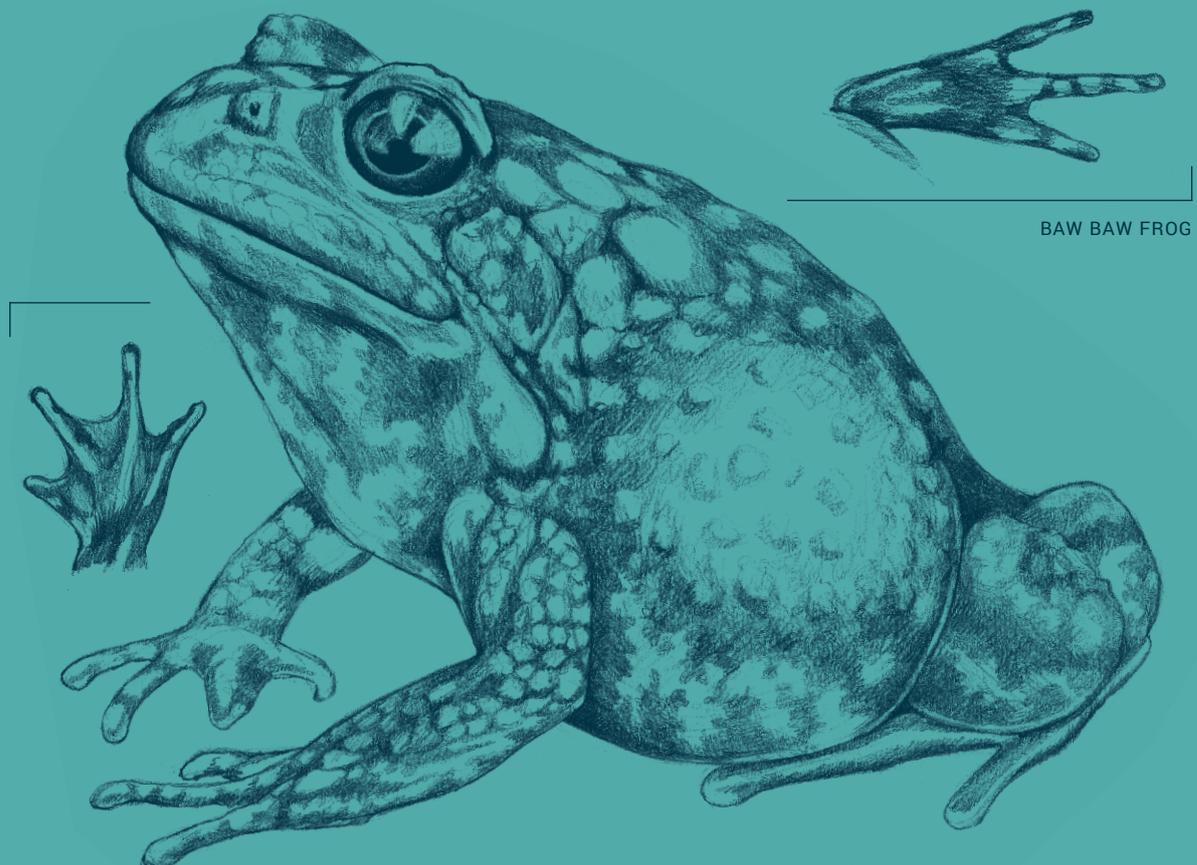
1 Conservation

2 Animals

3 Visitors and community

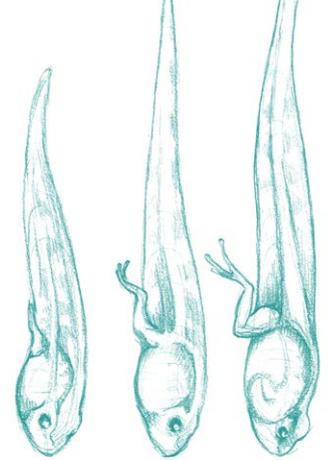
4 People

5 Financial sustainability



1. Conservation

We will strengthen the conservation efforts of Zoos Victoria to service the recovery needs of our Fighting Extinction priority species, locally and globally, including invertebrate species.



1.1 *Safe Cat, Safe Wildlife*, in partnership with RSPCA Victoria, asked Victorians to keep their cat safe at home at all times to give them the longest and happiest life possible while protecting wildlife. More than 20,000 cat owners have joined the campaign along with 116 other collaborators such as vets, local councils and animal shelters.

1.2 We raised enough funds to plant 4,000 trees to restore critically endangered Helmeted Honeyeater habitat by calling on visitors to purchase specially designed tote bags.

1.3 The captive population of the critically endangered Plains-wanderer doubled with the birth of nine Plains-wanderer chicks at Werribee Open Range Zoo. The chicks were raised under the care of expert zoo keepers who have developed highly successful husbandry techniques for the precious bird.

1.4 Building on the success of the proof of concept trials, the second stage of our conservation dogs program commenced with the establishment of the Detection Dog program at Healesville Sanctuary, complementing the established Guardian Dog program based at Werribee Open Range Zoo. The first pair of Guardian Dogs were deployed at the Mooramong field trial site in western Victoria, an important milestone in the program.

1.5 In a world-first, we successfully bred the critically endangered Baw Baw Frog in captivity, slowing down the species' path towards extinction. Melbourne Zoo expanded the breeding facility with a second Baw Baw 'bunker' installed onsite, designed to mimic the frog's natural alpine habitat.

1.6 Community Conservation campaign *When Balloons Fly, Seabirds Die*, asks Australians to blow bubbles instead of balloons at their next outdoor event. So far, more than 165,000 people have pledged to switch to bubbles. The campaign was recognised with a Premier's Sustainability Award in the Environmental Protection category and an Education Award in partnership with Phillip Island Nature Parks from the Zoo and Aquarium Association.

1.7 We led the biggest egg release to date for the critically endangered Southern Corroboree Frog, with 1,500 healthy viable eggs released into the Mt Kosciusko National Park. The eggs were distributed amongst the 22 disease-containers, as well as the frog's natural habitat of sphagnum bogs. As a result of the hard work and dedication that has gone into the breeding program, a 100% success rate of raising Southern Corroboree Frogs from tadpole through to healthy frogs was achieved, helping continue to support the recovery breeding program and fight extinction.

1.8 Building on the success of the Sister Zoo arrangement with Port Morseby Nature Park, a new International Conservation Model was adopted to support Sister Zoos in each of the three regions where we support substantial field programs. The renewed arrangement aims to strengthen ties with Manila Zoo and the Uganda Wildlife and Education Centre and foster their support for the community based programs such as the Philippine Crocodile and White Rhinoceros respectively.

1.9 The Orange-bellied Parrot 'ranching' program, in an innovative step, saw 25 birds collected from the breeding site in Tasmania at the end of the 2018 season to be held over winter on the mainland. Of the birds, 13 ranched at Werribee Open Range Zoo and 12 at Moonlit Sanctuary. The program demonstrated promising results with nearly all of the birds successfully returned to their home site in Tasmania. In addition, some birds successfully went on to breed.

1.10 The restoration of Haining Farm in the Don Valley commenced in 2018. Working in partnership with Greening Australia and Parks Victoria, significant earthworks has reshaped the contours of the property to encourage the development of favourable microclimates. This, with the planting of over 250,000 trees and shrubs is expected to benefit of Leadbeater's Possums, Helmeted Honeyeaters, and our greater Victorian Community.

2. Animals

We will strive to ensure the animals within our care are thriving, contribute to our conservation mission, and enhance our visitors' experience of our zoos.

2.1 Healesville Sanctuary welcomed a successful breeding season of two Fighting Extinction species, with 44 Orange-bellied Parrots and 32 Helmeted Honeyeaters hatched. The Helmeted Honeyeater population has benefitted from a genetic rescue trial of mixed pairs of Helmeted Honeyeaters and the closely related Yellow-tufted Honeyeater successfully producing healthy offspring.

2.2 Werribee Open Range Zoo celebrated the successful breeding of several hoofstock species as part of our regional species management programs. These births, including species such as Nyala, Scimitar Oryx, Plains Zebra and Przewalski's Horse support the Werribee Open Range Zoo herd populations. Five African Wild Dog brothers were also welcomed into a newly-renovated exhibit at Werribee Open Range Zoo and a Cotton-top Tamarin and three Hamadryas Baboons were born into established families at Melbourne Zoo.

2.3 Melbourne Zoo hosted the Australasian Society of Zoo Keeping Animal Training Conference, enabling animal trainers and keepers from across the Australasian region to share and develop their skills and knowledge in the area of animal training and showcase animal training programs at all three of our zoos.

2.4 The Code of Animal Welfare and Ethics was updated to provide a robust framework for decision-making for animal care programs that align with contemporary practices and ensure in all instances, the needs, interests, and welfare of animals in our care is of primary consideration.

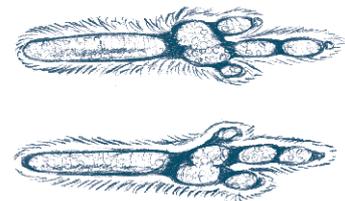
2.5 The Marine Response Unit responded to more cases than ever before, helping 522 cases of injured and distressed marine wildlife. Seal cases increased by 30% on last year's figures and seabird cases by 50%. In total, 115 animals were returned to Melbourne Zoo for assessment or treatment, an increase of 160% from the previous year.

2.6 Healesville Sanctuary celebrated the official opening of the Myer Merrin Aviary, a purpose-built facility for housing Helmeted Honeyeaters. The new aviary allows keepers to develop fitness and predator avoidance behaviours in birds before they are released to the wild.

2.7 Zoos Victoria's Willy Wonka program encouraged staff to develop creative and novel enrichment opportunities for the animals in our care. Seven Willy Wonka projects were chosen, including the lion wheel of paw-tune, gorilla therapeutic house, seal bubble curtain, orang-utan climbing wall, and platypus wave machine.

2.8 Healesville Sanctuary mourned the loss of Jess the Wedge-tailed Eagle, who had lived at the Sanctuary for over 40 years and was one of the world's oldest eagles in zoo care.

2.9 Melbourne Zoo welcomed two Fiordland Penguins; both birds were rescued within the same week by the Marine Response Unit. The species' population is rapidly declining with as few as 2,500-3,000 breeding pairs left in the wild.



BRUSH-TAILED ROCK-WALLABY



Animal Welfare Peer Review Committee Report

The Animal Welfare Peer Review Committee has been reviewing and providing advice to the Zoos Victoria Board on matters and incidents related to animal welfare since it was established in 2008 by the Victorian Minister for Environment.

Members of the Committee possess either a qualification related to, or interest in and deep commitment to animal welfare.

COMMITTEE MEMBERS

- **Geoff Wescott (Chair)**
Zoos Victoria Board member and Chair of the Committee
- **Heather Campbell**
Zoos Victoria Board member
- **Rebecca McKenzie**
Zoos Victoria Board member
- **Dana Hlavacek**
Zoos Victoria Board member
- **Paul Hemsworth**
University of Melbourne
- **Dr Graham Mitchell AO**
Foursight Associates
- **Matthew Jackson**
Parks Victoria
- **Tegan McPherson**
RSPCA Victoria
- **Gerry Farrell**
Zoetis Inc

2018-2019 Welfare Review

Instances requiring investigation included:

WERRIBEE OPEN RANGE ZOO

- A Cape Barren Goose gosling being held at Werribee Open Range Zoo for rehabilitation died after becoming entangled in a rope that was used to secure its food at an appropriate feeding height.
- A Rothschild Giraffe hybrid died at Werribee Open Range Zoo due to an unavoidable incident in which his neck was entrapped in the overnight holding yards, causing circulatory failure and rapid death.

MELBOURNE ZOO

- Three Southern Fiddler Rays died in a temporary holding tank, thought to be due to the lack of provision of an 'air rock' leading to decreased oxygenation of the water.
- A Gould's Wattled Bat died during a veterinary procedure after the inadvertent overdose of a pre-medication which complicated the anaesthesia.

3. Visitors and community

We will provide profound experiences that inspire communities to engage with Zoos Victoria and take actions that benefit wildlife conservation.

3.1 A record 2.69 million visitors came through the gates of Zoos Victoria's three zoos. This exceeds all previous records and demonstrates the ongoing value of Zoos Victoria to the Victorian community.

3.2 Melbourne Zoo celebrated 50 years of zoo education. Education programs continue to be popular, with more than 750 Victorian schools now awarded Fighting Extinction School status, providing opportunities to develop student's understanding of how special animals are, how to care for our threatened species, the environment and contribute to a sustainable future.

3.3 Over 50,000 visitors attended Melbourne's biggest cause-related music event, *Zoo Twilights*, and in doing so, supported the recovery work for the ambassador species, the Eastern Barred Bandicoot.

3.4 The quality, reach and impact of Zoos Victoria's social media presence continued to improve through engaging and professional videos which highlighted welfare and conservation goals. Zoos Victoria's audience watched more than five million minutes of videos on our Facebook page, doubling the number of viewers from the previous financial year. The highest rating video was a story about a wombat's dental health check at Healesville Sanctuary, with over 3.8 million views.

3.5 A record 285,000 members are now a part of the Zoos Victoria family, and in June, the one millionth member visited Zoos Victoria.

3.6 Healesville Sanctuary and Werribee Open Range Zoo opened new Changing Places toilet facilities with change tables and hoists for people with severe or profound disability. A complete review of accessibility was also undertaken at Healesville Sanctuary, focussing on improvements to ensure everyone can visit and enjoy the Sanctuary with recommendations to be implemented next financial year.

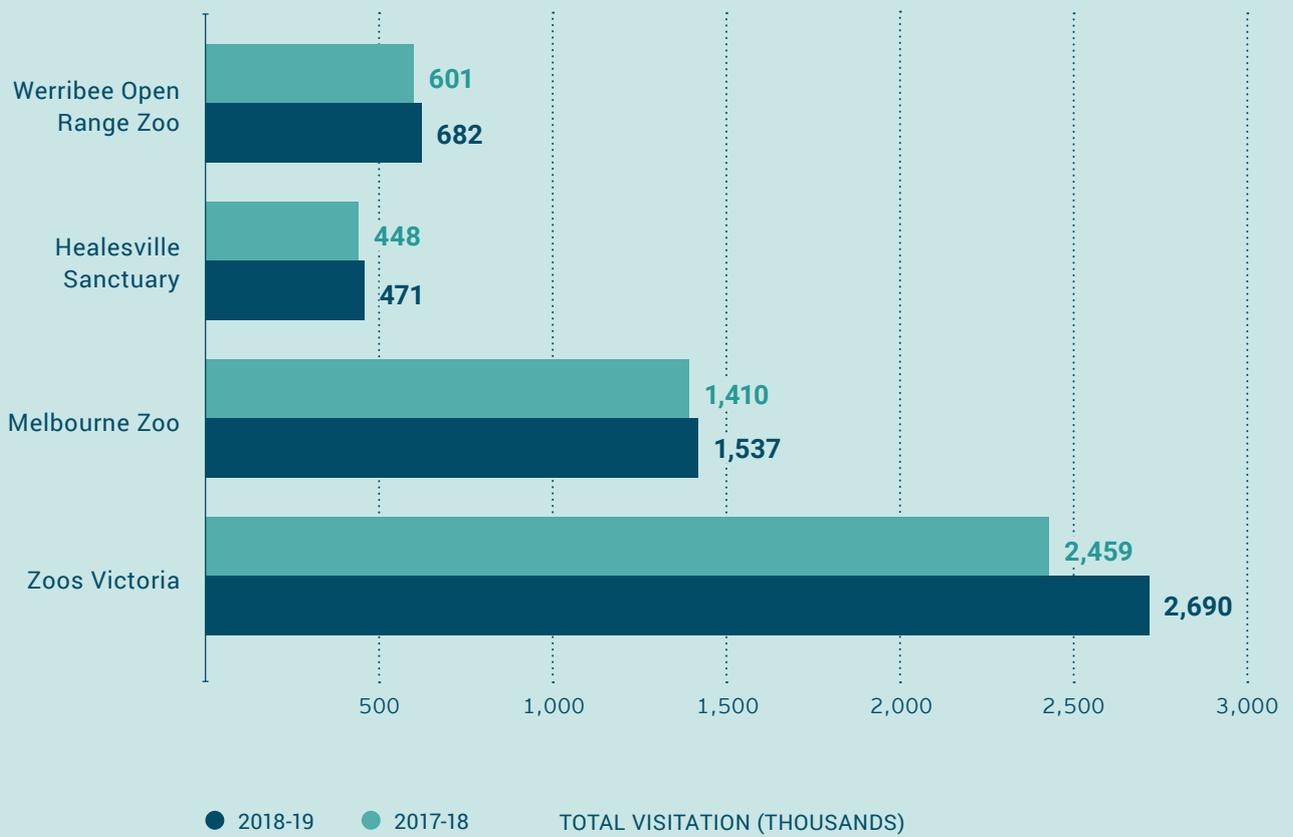
3.7 The new *dinosaur* activations contributed to a record 264,102 visitors over the Easter school holidays across the three zoos.

3.8 We renovated Healesville Sanctuary's Reptile House and Water Rat exhibit to create better welfare outcomes and more engaging displays enhancing the visitor experience.

3.9 We launched three new major events: Hop Fest at Healesville Sanctuary, Neon Playground at Melbourne Zoo, and Sunset Safari at Werribee Open Range Zoo.

3.10 We welcomed over 550 children with disabilities and their families to Melbourne Zoo for the second annual Dream Night event. The wonderful event was made possible through the generous support of the Naomi Milgrom Foundation, Bowness Family Foundation and event partners ANZ, Restaurant Associates, Streets and Schweppes.

Total visitor numbers 2018-19



4. 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.

4.1 Job satisfaction exceeded a target of 85% with monthly staff surveys indicating 88% satisfaction. Surveys focus on the areas that are of most importance to our people, including health and safety, respect for staff, leadership and communication, workload and job security.

4.2 A new internal communications platform, Workplace by Facebook, was implemented to encourage internal collaboration between teams and enable a more engaged workforce. Staff have found this to be an extremely useful digital platform to share their stories and provide ongoing feedback to their colleagues, as demonstrated by an ongoing average participation rate of 80% of our workforce being active users.

4.3 The People Matter Survey provided data which allowed us to reflect on how Zoos Victoria is performing against other organisations in our sector, with 84% of staff reporting they feel proud to tell others they work for Zoos Victoria, and 87% feeling that they work within a safe work environment.

4.4 Life Sciences Appraisal documents were implemented to provide relevant and meaningful competency based skills assessment and develop opportunities. The Salaried Staff and KVNHG Agreements were approved to ensure Zoos Victoria staff would continue to have excellent conditions of employment for the coming years, and their remuneration and benefits reflected their passion and commitment.

4.5 A standardised work model was implemented using LEAN principles across eight Life Sciences teams to support continuous improvement for animal welfare and safety. The standardisation of routines allowed staff to prioritise animal training to improve proactive animal health care and to deliver enrichment to ensure that animals in our care are thriving.

4.6 Zoos Victoria celebrated our longest standing volunteer, who holds 40 years of service to our visitors and wildlife conservation.

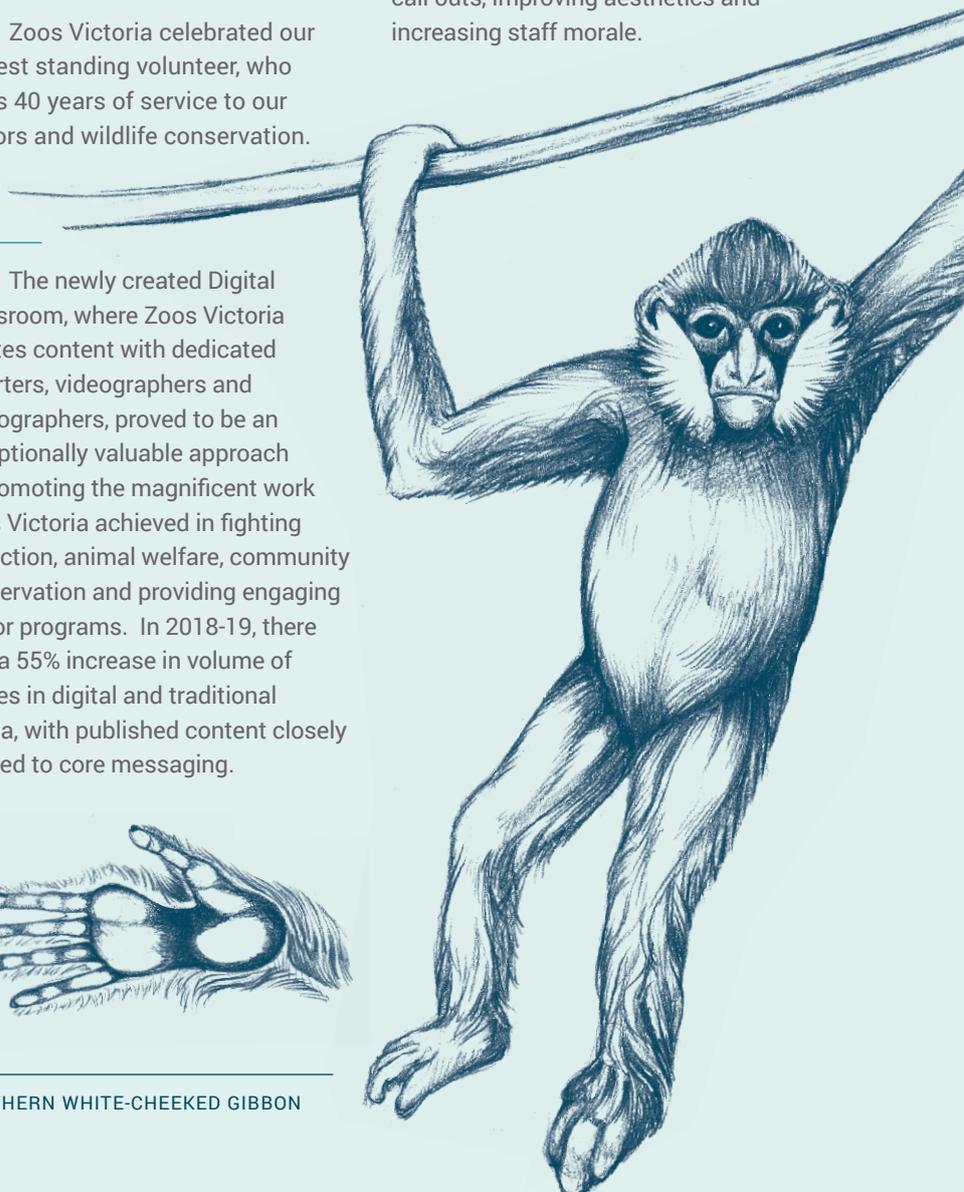
4.7 The newly created Digital Newsroom, where Zoos Victoria creates content with dedicated reporters, videographers and photographers, proved to be an exceptionally valuable approach to promoting the magnificent work Zoos Victoria achieved in fighting extinction, animal welfare, community conservation and providing engaging visitor programs. In 2018-19, there was a 55% increase in volume of stories in digital and traditional media, with published content closely aligned to core messaging.

4.8 Almost 600 staff completed an online course comprising compliance modules, mental health, conflict resolution and leadership to continue to build their professional capability.

4.9 The new Preventative Maintenance Program commenced at Werribee Open Range Zoo, with many positive benefits to asset condition, reducing maintenance requests and call outs, improving aesthetics and increasing staff morale.



NORTHERN WHITE-CHEEKED GIBBON



5. Financial sustainability

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

5.1 Our revenue exceeded \$100 million for the first time, with more than 73% generated from our own commercial operations such as gate admissions, membership fees and a diverse range of events and activities.

5.2 We received \$1.5 million from the Estate of Richard Gilmour-Smith. The generous gift will contribute towards threatened species programs at Healesville Sanctaury in honour of his will.

5.3 \$27 million of government funding was critical in driving Zoos Victoria's Fighting Extinction initiatives, including conservation programs like returning the Southern Corroboree Frog to the wild and community conservation campaigns such as Safe Cat, Safe Wildlife.

5.4 Zoo memberships hit a record number of 285,000 members and revenue levels of \$16 million.

5.5 Work continued on the \$86 million Werribee Open Range Zoo Master Plan, which received strong support from the local community and tourism groups. With the support of the Victorian Government, we completed a detailed pre-design plan and engineering analysis for the new developments, and a Flora and Fauna and Water Management Study were undertaken, all of which moved planning activities towards being ready for implementation.

5.6 The Zoos Victoria Endowment Reserve was established in 2017, and has continued to grow, ending the year with over \$3 million in the Reserve. Programs supported by earnings from the Endowment Reserve this year included tigers, Tasmanian Devils and Dream Night.

5.7 We implemented the Victorian Government's Asset Management Framework across all of Zoos Victoria's assets, which saw \$6.5 million spent on the construction of new and replacement exhibits and infrastructure, and more than \$6 million spent on repairs and maintenance, all of which contribute to meeting animal welfare standards, appropriate health and safety standards for staff and visitors and providing an exceptional visitor experience.

5.8 We continued to upgrade and improve core financial, purchasing, payroll and workforce management systems to provide greater capability to manage and optimise all areas of Zoos Victoria's expenditure.

5.9 Investments and strong partnerships in a range of sustainability initiatives, such as onsite waste management capabilities and Zero Waste to Landfill, as well as being one of 14 founding partners in the Melbourne Renewable Energy Project (MREP) to purchase wind generated power for Healesville Sanctuary, not only improved our financial position but also reduced our environmental impact.

5.10 The Future Hands Fellowship, a new Gifts in Will program, was launched to support Zoos Victoria's Fighting Extinction work and its established Endowment Fund. Currently the fellowship has 93 members who have confirmed they have left a gift in their wills to Zoos Victoria.



Occupational health and safety

Zoos Victoria's Occupational Health and Safety strategy is to ensure all staff go home healthy and safe every day. The Safety Culture program has continued to develop throughout Zoos Victoria in partnership with the team from IPM Safety. The SafetyCircle program engages staff in a powerful, personal and positive way and challenges Zoos Victoria staff to put safety first.

During the 2018-19 financial year, Zoos Victoria implemented a number of initiatives to improve the health and safety of staff including a Zoos Victoria investigation procedure, competency and training documentation, a review and update of task analysis for various roles throughout Zoos Victoria to aid in pre-employment selection and allocation for suitable duties, the introduction of the Workplace Inspection Framework, and a risk assessment of high risk areas including but not limited to waterbodies, category 1 animal facilities and secondary containment.

REPORTED HAZARDS

Year	2018-2019	2017-2018	2016-2017
Hazards	469	511	470
Per 100 FTE	78	85	95

The number of hazards reported remained stable. We continued to focus on encouraging staff to report hazards and reduce the barriers that discourage reporting.

INCIDENTS

Year	2018-2019	2017-2018	2016-2017
Incidents	176	149	167
Per 100 FTE	29	25	34

We saw an increase in the total number of incidents, however the majority of injuries were of minor severity. The increase is likely due to the development of our safety culture, which encourages staff to speak up to ensure we all go home safe and well every day.

LOST-TIME INJURIES

Year	2018-2019	2017-2018	2016-2017
Lost Time Injuries (LTIs)	19	27	22
Per 100 FTE	3	5	4

The number of LTIs decreased and the majority continued to be of a minor nature. The average days lost per LTI was four days.

AVERAGE COST PER CLAIM

	2018-2019	2017-2018	2016-2017
	\$13,444	\$10,697	\$12,745

The average cost per claim has increased for 2018-19. These values continue to change where previous claims incur further medical expenses.

PREMIUM

	2018-2019	2017-2018	2016-2017
	\$361,400	\$531,856	\$575,489

The decrease in our premium is reflective of Zoos Victoria's early intervention program and the proactive approach to providing meaningful duties to enable people to return to work. Zoos Victoria has been performing well relative to our industry.

Environmental sustainability

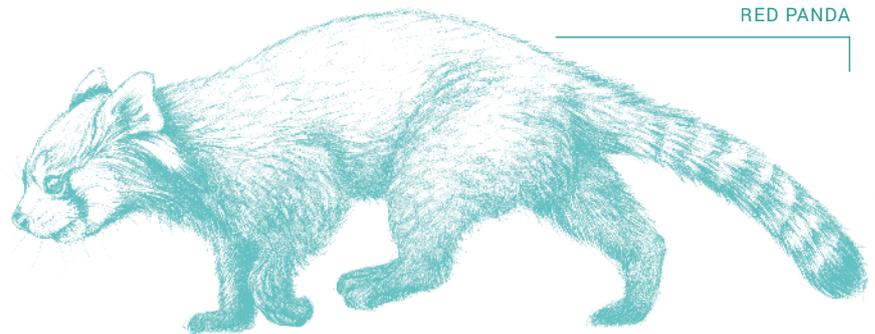
- Zoos Victoria has set the ambitious target of Zero Waste to Landfill by 2021 across the whole organisation. This year, all landfill waste bins were removed and replaced with composting and soft-plastics recycling bins.
- The Single-use Plastics Policy was implemented in an effort to protect marine wildlife, reduce our impact on the environment and advance the sustainable use of resources. Zoos Victoria removed all non-essential single-use plastic from the organisation, including plastic bottled water and soft drinks, which will no longer be sold across the three zoos. Any unavoidable plastic packaging is to be recycled through the onsite soft plastics system.
- Healesville Sanctuary was powered by 100% renewable energy from January 2019 as part of the Melbourne Renewable Energy Project (MREP). The MREP marked the first time in Australia that a local group of governments, cultural institutions, universities and corporations collectively purchased renewable energy from a newly built facility.
- In total Zoos Victoria has installed 605 kW of solar PV. These solar PVs are capable of producing 794,000 kWh of renewable energy per year and reduction of greenhouse gasses by 937 tonnes CO₂e.
- Zoos Victoria continues to be certified Carbon Neutral as an organisation under the National Carbon Offset Standard (NCOS).



Waste to landfill reduced by 3% from last year, with a diversion rate of 88.5%, bringing us closer to our Zero Waste to Landfill target.

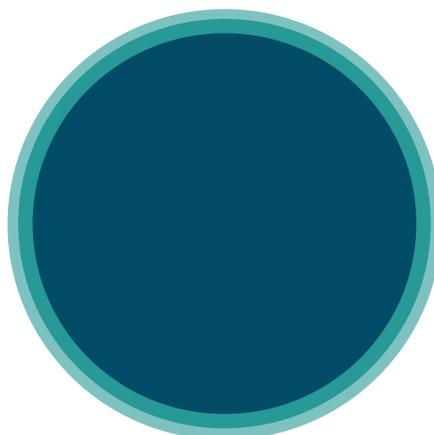


Renewable energy by on-site Solar PV increased by 64% to a total of 802,480 kWh.



RED PANDA

Carbon emissions



2018-19

14,140

2017-18

14,647

2016-17

14,306

Dinosaurs and dreams

Our three zoos' dinosaur activations, which drew a record breaking 264,102 visitors over the Easter school holidays alone, proudly demonstrated to our visitors what we can do if we dream big and stand together against extinction.

– DR. JENNY GRAY

856,666

total visitors

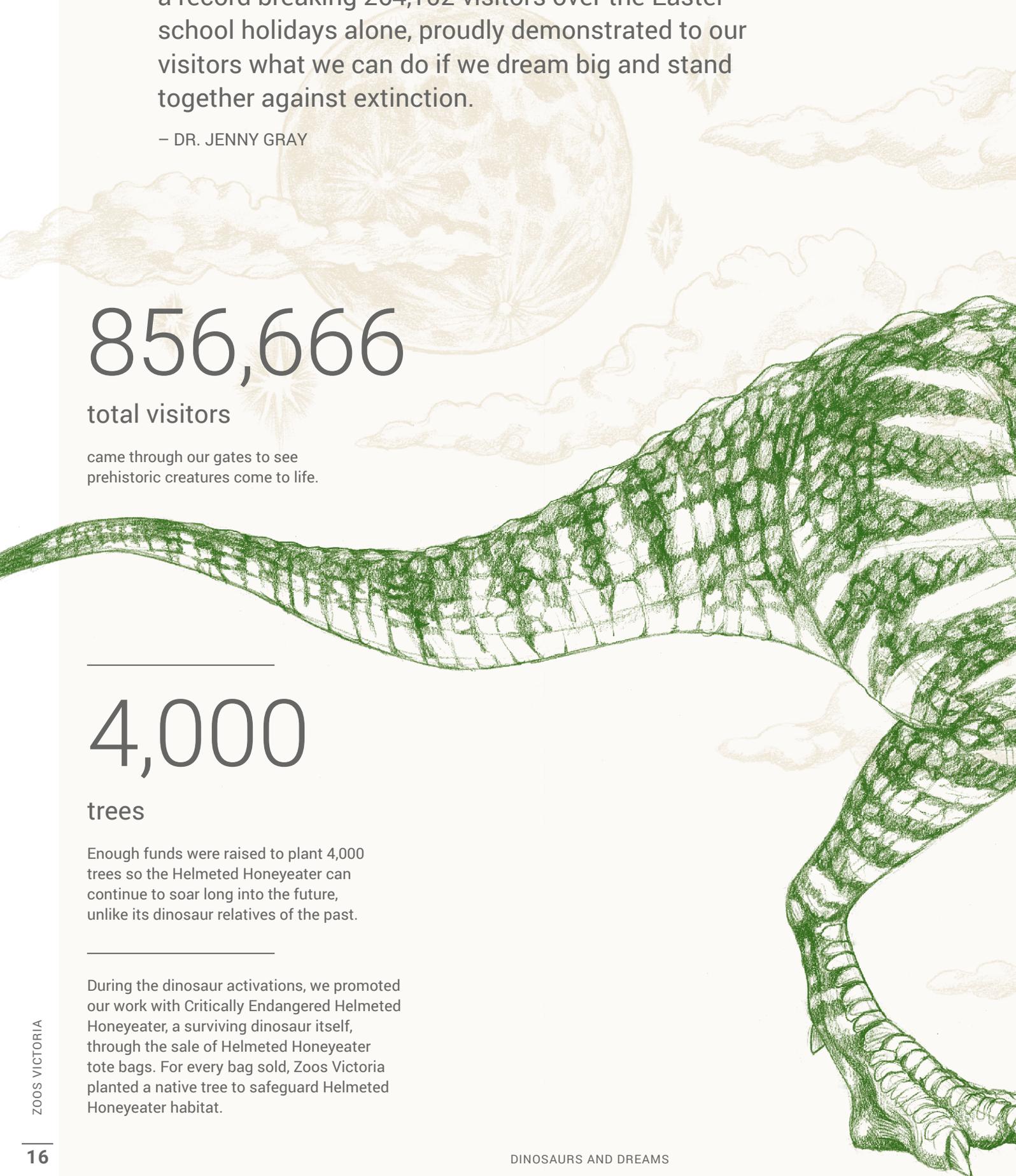
came through our gates to see prehistoric creatures come to life.

4,000

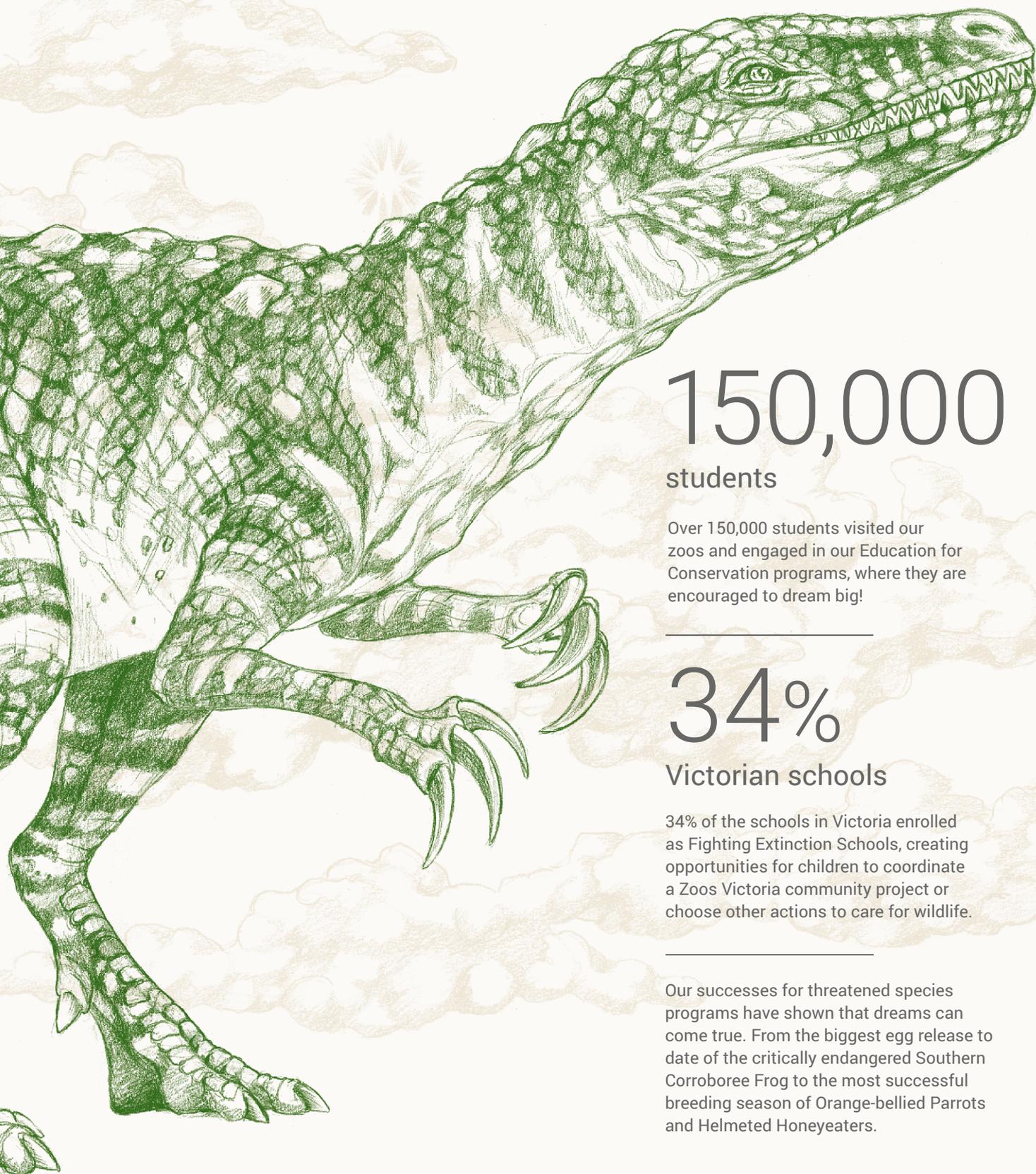
trees

Enough funds were raised to plant 4,000 trees so the Helmeted Honeyeater can continue to soar long into the future, unlike its dinosaur relatives of the past.

During the dinosaur activations, we promoted our work with Critically Endangered Helmeted Honeyeater, a surviving dinosaur itself, through the sale of Helmeted Honeyeater tote bags. For every bag sold, Zoos Victoria planted a native tree to safeguard Helmeted Honeyeater habitat.



On Dream Night, we again welcomed 550 children with a disability and their families to Melbourne Zoo for an evening of visiting animals, activities and entertainment in a safe, welcoming setting.



150,000
students

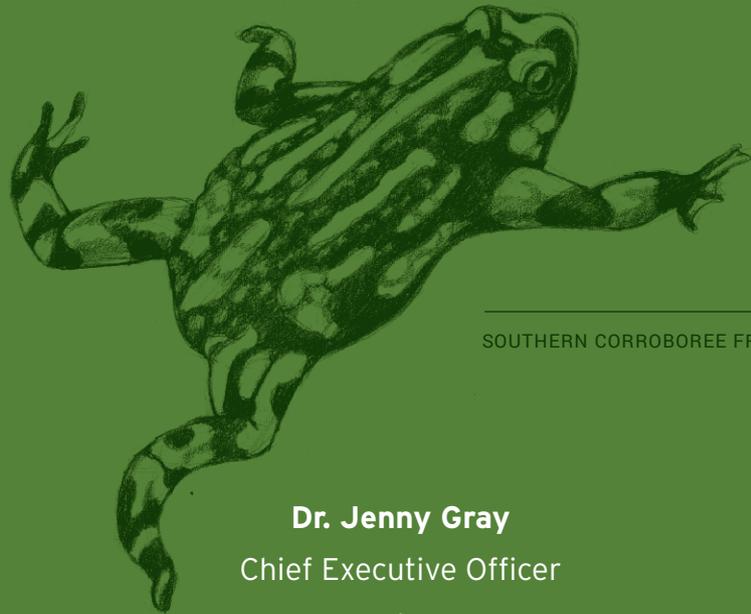
Over 150,000 students visited our zoos and engaged in our Education for Conservation programs, where they are encouraged to dream big!

34%
Victorian schools

34% of the schools in Victoria enrolled as Fighting Extinction Schools, creating opportunities for children to coordinate a Zoos Victoria community project or choose other actions to care for wildlife.

Our successes for threatened species programs have shown that dreams can come true. From the biggest egg release to date of the critically endangered Southern Corroboree Frog to the most successful breeding season of Orange-bellied Parrots and Helmeted Honeyeaters.

Organisational chart



SOUTHERN CORROBOREE FROG

Dr. Jenny Gray
Chief Executive Officer

Dr. Sally Sherwen
Director
Wildlife Conservation
and Science

Ross Williamson
Director
Healesville Sanctuary

Glen Holland
Director
Weribee Open
Range Zoo

Michelle Bruggeman
Director
Melbourne Zoo

Robyn Grattidge
Director
Business Development

Jantine Eddelbuttel
Director
Human Resources

David Methven
Director
Digital Engagement

Mark Lucas
Chief Financial Officer



DINOSAURS AND DREAMS

Our workplace profile

Merit and equity principles are always applied when appointing staff at Zoos Victoria. Applicants are assessed and evaluated fairly and equally, without discrimination, against the key selection criteria and other accountabilities.

	As at 30 June 2019	As at 30 June 2018
EMPLOYEES (TOTAL)	850	758
Male	288	312
Female	562	446
Self-described	none	none
HEAD COUNT		
FULL-TIME AND PART-TIME (TOTAL)	573	530
Male	221	256
Female	352	274
CASUAL (TOTAL)	277	228
Male	67	56
Female	210	172
FULL-TIME EQUIVALENTS (TOTAL)	599	541
Full-time and Part-time	516	479
Casual	83	62
INDIGENOUS EMPLOYEES (TOTAL)		
	2	2
EXECUTIVE		
Male	4	5
Female	5	4
SENIOR MANAGERS (TOTAL)		
Male	9	10
Female	7	6

Key performance indicators

Measure	Actual	Target
CONSERVATION		
Wildlife Conservation - % of Fighting Extinction species increasing in situ (%)	25	33
Wildlife Conservation - % of Fighting Extinction species with a captive breeding program increasing ex situ (%)	55	50
Zero Waste to Landfill – diversion rate from landfill (%)	88	88
Measure of impact of messaging above benchmark (%)	70	70
ANIMALS		
% of animals assessed as positive or neutral in animal welfare survey (%)	91	100
Life Sciences Standard Rounds – number of teams implemented	8	14
VISITORS		
Annual visitation (millions)	2.69	2.76
Annual paid visitation (millions)	1.14	1.27
Visits per member	3.01	3.2
Membership renewal rate (%)	55	57
Utilisation - average of top 10 days over last three years (%)	36	39
% of Victorian schools are Fighting Extinction Schools (%)	34	30
OUR PEOPLE		
Leadership measure according to Pulse Survey or People Matter Survey (%)	91.1	>67
Employee Engagement Index (People Matter) or job satisfaction (%)	88.6	>84
Workplace Safety according to Pulse Survey (month) (%)	96.9	>95
Volunteers	930	915
FINANCIAL SUSTAINABILITY		
Revenue (millions)	\$100.4	\$99.9
Expenditure (millions)	\$108.2	\$98.2
Net operating result - (deficit)/surplus (millions)	(\$7.8)	\$1.7
Cash holdings (millions)	\$29.8	\$17.0
\$ revenue per total visitor (month)	\$37.32	\$36.56
Wages as % revenue (%)	57.4	57.0

Admission charges

Price / Category	2018-19	2017-18
Adult (16 years and over)	\$37.00	\$36.00
Child (above 4 to 15) normal day other than weekends, Victorian public holidays and Victorian school holidays.	\$19.00	\$18.00
Child (above 4 to 15) on weekends, Victorian public holidays and Victorian school holidays.	FREE	FREE
Physically or intellectually disabled child under 16 years of age	\$5.00	\$5.00
Family (a group of 2 adults and 2 children)	\$93.00	\$91.00
Full-time student on presentation of proof of full time enrolment in secondary school or post-secondary educational institution	\$28.00	\$27.50
Eligible recipient or eligible beneficiary within the meaning of the State Concessions Act 1986 on presentation of a current pensioner or Health Care Card issued by the Commonwealth Government	\$28.00	\$27.50
Seniors (10% discount, rounded)	\$33.00	\$32.50

Financial summary

(\$thousand)

	2018-19	2017-18	2016-17	2015-16	2014-15
RECURRENT					
Revenue zoo activities	67,200	61,227	56,053	55,630	52,598
Government Grants Parks and Reserve Trust Fund ¹	24,908	27,024	14,729	16,370	16,469
Other grants, income and sponsorship	8,252	11,604	11,224	11,115	9,573
Total income²	100,360	99,855	82,006	83,115	78,640
Total depreciation	(11,977)	(11,990)	(11,065)	(7,965)	(7,852)
Total operating expenses ²	(96,232)	(86,657)	(76,384)	(70,480)	(66,142)
Total expenses³	(108,209)	(98,247)	(87,449)	(78,445)	(73,994)
Net result from transactions	(7,849)	1,608	(5,443)	4,670	4,646
Other economic flows ⁴	(303)	78	(884)	(280)	(58)
Net result for the period	(8,152)	1,686	(6,327)	4,390	4,588
ASSETS, LIABILITIES AND EQUITY					
Total assets	399,539	385,211	373,921	369,601	284,449
Total liabilities	(23,607)	(19,950)	(17,424)	(16,691)	(15,180)
Total equity	375,932	365,261	356,497	352,910	269,269
CAPITAL CONTRIBUTIONS FOR⁵					
Big Cat Row development	-	-	3,125	5,875	

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 comprise of high fixed costs linked to the care of animals and assets of Zoos Victoria.

4. Other economic flows consist of revaluation of long service leave liability due to changes in bond rates and net gain or loss on disposal of physical assets.

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

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.

Board attendance

1 July 2018 to 30 June 2019

Member	No. of Meetings Eligible	No. of Meetings Attended	Date appointed
Kate Vinot	8	8	1/7/18
Prof. Ken Hinchcliff	8	7	21/5/08
Dr. Geoff Wescott	8	7	7/9/11
Natasha Bowness	8	6	30/4/13
Greg Smith AM	8	7	1/8/17
Heather Campbell	8	7	1/8/17
Rebecca McKenzie	8	7	1/7/18
William Whitford	8	8	1/7/18
Dana Hlavacek	8	8	1/7/18

Board profiles

as at 30 June 2019

KATE VINOT

Kate was appointed Chair of Zoos Victoria in 2018. She brings extensive Board and executive leadership experience to the role. Her particular expertise lies in strategy and risk management in organisations where excellence in environmental management and community engagement are key for business success, and where addressing the risks from climate change is paramount.

Kate is also on the Board of Parks Victoria, Chair of the Parks Victoria Audit and Risk Committee, a member of the Uniting Age Well Audit and Risk Committee, and Chair of the Point Nepean Advisory Committee. Previous Board roles include Grampians Wimmera Mallee Water and Water Stewardship Australia. In addition, Kate is the General Manager, Energy and Resources at the Bureau of Meteorology. She has held executive director roles at the City of Melbourne, Nous Group, Veolia Water, Visy and South East Water.

Kate has degrees in civil engineering, economics and business administration. She is a Fellow of Engineers Australia, Fellow of the Williamson Community Leadership Program, and a graduate of the Australian Institute of Company Directors.

DR. GEOFF WESCOTT

Geoff was appointed to the Board in 2011. He retired in March 2018 from being an Associate Professor of Environment at Deakin University in Melbourne. He is now an Honorary Principal Fellow in the School of Ecosystem and Forest Sciences at the University of Melbourne and a Honorary Research Fellow at Deakin University. He is a Fellow of the Environment Institute of Australia and New Zealand, a member of the World Commission for Protected Areas of the IUCN and a Life Member of the Australian Coastal Society and Australian Marine Sciences Association. 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 recently published a book (Big, Bold and Blue) on Australia's marine protected areas. He was also the Chair of an expert panel advising the state government on the new Marine and Coastal Act 2018.

REBECCA MCKENZIE

Rebecca is an accomplished public sector leader with a successful career at executive level in Australia, UK and the Republic of Ireland. Rebecca joined the Zoos Victoria Board in July 2018. CEO at City of Glen Eira since February 2016, over the last 20 years Rebecca has held CEO and Director level roles across local and state government, and in the higher education sector. Rebecca is passionate about creating resilient communities with a sense of pride of place. A values based leader who invests in her people, Rebecca builds strong relationships at all levels, and acts as a mentor and coach for emerging leaders. Rebecca is also a Board member of LGPro (the professional member based association for local government professionals in Victoria) and sits on the South East Water Customer and Community Advisory Council. Rebecca's qualifications include a Bachelor of Arts, Masters of Science and she is a graduate of the Australian Institute of Company Directors.

WILLIAM WHITFORD

William is the Managing Director of the Treasury Corporation of Victoria, a role he has held since July 2003. In addition, he is a non-executive Director and Chairman of the Audit Committee of the Australian Financial Markets Association, and a member of the Investment Committee of Australian Unity. He has previously held non-executive Director roles with the Rural Finance Corporation of Victoria and Big Sky Building Society. He is a Fellow of the Australian Institute of Company Directors, a graduate of the Australian Institute of Superannuation Trustees and a Trustee of the Committee for Economic Development of Australia. William has more than 30 years' experience in market risk, gained through financial markets roles with Banque National de Paris and the State Bank of South Australia, and the financing of government and infrastructure with the South Australian and Victorian Governments. He holds an MBA from Adelaide University Graduate School of Management.

DANA HLAVACEK

Dana Hlavacek is an experienced corporate executive and independent director with expertise in treasury and finance, audit, risk, compliance and governance. Her executive career includes roles in the resources sector and audit and assurance. Dana is a director of the Brotherhood of St Laurence, a member of the Greater Metropolitan Cemeteries Trust and a member of the Salvation Army Corporate and Philanthropy Committee. Previous director roles include RSPCA Victoria, Melbourne Water Corporation, VicWater and Trustee of the Victorian Arts Centre Trust. Dana is a Fellow of Chartered Accountants ANZ, a graduate member of the Australian Institute of Company Directors and holds a Bachelor of Commerce (Hons) and a Master of Accounting.

PROF KENNETH HINCHCLIFF

A veterinarian, scientist and experienced academic administrator with international expertise in higher education and veterinary medicine. Prof. Hinchcliff is a strong business development professional skilled in strategic planning and governance of not-for-profit organisations. He is also a world recognised expert in equine medicine and exercise physiology providing global leadership through membership of key organisations and authorship of leading veterinary textbooks and other publications. Qualifications include a B.Vet. Sci (first class honours), M.Sc. PhD, Diplomate of the American College of Veterinary Internal Medicine and a graduate of the Australian Institute of Company Directors.





GOODFELLOW'S TREE-KANGAROO

NATASHA BOWNESS

Natasha was appointed to the Board in April 2013. She 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 is a member of the Monash University Campaign Council and has been Deputy Chair of the Zoos Victoria Foundation Board.

HEATHER CAMPBELL

Heather is an experienced executive and Board Director with a passion for the Environment and Community engagement. She is currently the CEO of Bush Heritage Australia and a previous CEO of Landcare Australia. She is Chair of Sustainability Victoria, on the Boards of the Aluminium Stewardship Initiative, Arid Recovery and the Midlands Conservation Fund and has managed sustainability for a number of large corporations. She has extensive general management experience operating as an executive, CEO and Board Director focused on stakeholder engagement, sustainability, risk management, safety, and organisational efficiency. Heather has spent over twenty years managing issues such as, government affairs and community relations, risk, sustainability, safety, and environment at the highest levels both locally and internationally within the agricultural, natural resource management, research, retail property, not-for-profit, paper and packaging industries.

GREG SMITH AM

Greg has had extensive experience in conciliation and arbitration, both in Australia and overseas, through his previous roles with the Conciliation and Arbitration Commission, Industrial Relations Commission and Fair Work Commission. His skills in resolving industrial disputes across a range of industry sectors through conciliation, mediation and arbitration span over 30 years. His non-executive Director experience includes being the current Board Chair of the Country Fire Authority, and a Director of Ambulance Victoria.

Board committees

Zoos Victoria Board Committees	Board Members	Zoos Victoria Management	Independent Members
People, Culture and Safety	Greg Smith (Chair) Kate Vinot Heather Campbell Rebecca McKenzie	CEO Director HR Property Directors	Loren Murray
Remuneration Committee	Kate Vinot (Chair) Greg Smith AM Heather Campbell Rebecca McKenzie	CEO Director HR	
Audit, Risk Management and Compliance Committee	William Whitford (Chair) Natasha Bowness Dana Hlavacek Kate Vinot	CEO CFO Senior Manager Governance and Risk	
Science Advisory Committee	Prof Kenneth Hinchcliff (Chair) Dr. Geoff Wescott Heather Campbell William Whitford	CEO Director Wildlife Conservation; Senior Scientist; Senior Research Manager; Melbourne Zoo Veterinarian; General Manager Community Conservation and Education; General Manager Threatened Species	Andrew Bennett David Middleton Graeme Coulson Liam Smith Kim Lowe Michael Kearney Karen Hughes John Woinarski
Animal Welfare Peer Review Committee	Dr. Geoff Wescott (Chair) Heather Campbell Dana Hlavacek Rebecca McKenzie	CEO Director Wildlife Conservation; General Managers Life Sciences; Veterinary Department Manager	Graham Mitchell Matthew Jackson Paul Hemsworth Tegan McPherson Geraldine Farrell

Board committees (continued)

Zoos Victoria Board Committees	Board Members	Zoos Victoria Management	Independent Members
Major Projects and Contracts	Dana Hlavacek (Chair) Kate Vinot Natasha Bowness Greg Smith AM	CEO CFO	
Development Committee	Natasha Bowness (Chair) Greg Smith Prof Ken Hinchcliff	CEO Director Business Development; General Manager Philanthropy	Sonia Kent
Foundation Advisory Board	Prof. Ken Hinchcliff Natasha Bowness Greg Smith AM	CEO Director Business Development; General Manager Philanthropy; Relationship Manager Philanthropy	Sonia Kent (Chair) Olivia Bartolo Sunday Batters Andrew Bell Timothy Clark John Dyson Elizabeth Finkel Monica Grollo Colin Hyett Mark Newman Jane Parker Tessa Smith Andrew Vizard Elina Wilson

The Major Projects and Contracts Committee was established in August 2018. The purpose of the Major Projects and Contracts committee is to advise the Board on policies, frameworks and strategies to improve Zoos Victoria's effectiveness in managing and delivering major projects and contracts.

The Remuneration and Governance Committee was renamed to the People, Culture and Safety Committee and Remuneration with the remuneration portfolio separated into its own committee. It's purpose is to advise the Board on executive remuneration.

The Development Committee makes recommendations to the Zoos Victoria Board in relation to the philanthropy strategy. The Committee oversees at a strategic level the Zoos Victoria Philanthropy Plan and its components which include annual giving, major giving, trusts and foundation, Endowment Fund, bequests, major fundraising campaigns and major fundraising events.

The Zoos Victoria Foundation Advisory Board (ZVFAB) provides advice and practical support to Zoos Victoria in identifying and raising funds from current and prospective supporters to assist Zoos Victoria to achieve its philanthropy objectives.



MOUNTAIN PYGMY-POSSUM



Corporate governance and other disclosures

AUDIT AND RISK MANAGEMENT AND COMPLIANCE COMMITTEE

The Audit and Risk Management and Compliance Committee consists of the following members at 30 June 2019. The committee members were in office for this entire period, unless otherwise stated.

AUDIT AND RISK MANAGEMENT AND COMPLIANCE COMMITTEE ATTENDANCE

Names	Position	Period	No. of meetings attended/ no. of meeting held
William Whitford	Board Member (Committee Chair)	01/08/2018 to 30/06/2019	4/5
Kate Vinot	Board Chair	01/08/2018 to 30/06/2019	5/5
Natasha Bowness	Board Member	01/07/2018 to 30/06/2019	5/6
Dana Hlavacek	Board Member	01/08/2018 to 30/06/2019	5/5
Greg Smith AM	Board Member	01/07/2018 to 25/07/2018	1/1

The main responsibilities of the Audit and Risk Management and 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.

NON-COMMITTEE ZOO MANAGEMENT MEMBERS IN ATTENDANCE:

Jenny Gray
Chief Executive Officer

Mark Lucas
Chief Financial Officer

Lawrence Tai
Senior Manager
Governance and Risk

ATTESTATION FOR FINANCIAL MANAGEMENT COMPLIANCE WITH STANDING DIRECTION 5.1.4

Zoos Victoria Financial Management Compliance Attestation Statement.

I, Kate Vinot, on behalf of the Responsible Body, certify that Zoos Victoria has complied with the applicable Standing Directions 2018 under the Financial Management Act 1994 and Instructions.



Kate Vinot
Chair
Zoos Victoria

Corporate governance and other disclosures

LOCAL JOBS FIRST

The Local Jobs First Act 2003 introduced in August 2018 brings together the Victorian Industry Participation Policy (VIPP) and Major Project Skills Guarantee (MPSG) policy, which were previously administered separately.

Departments and Public sector bodies are required to apply the Local Job first policy in all projects valued at \$3 million or more in metropolitan Melbourne or for statewide projects, or \$1 million or more for projects in regional Victoria.

MPSG applies to all construction projects valued at \$20 million or more. The MPSG guidelines and VIPP guidelines will continue to apply to MPSG applicable and VIPP applicable projects respectively, where contracts have been entered prior to 15 August 2018.

During 2018-19, the Board has not commenced or completed any projects.

COMPLIANCE WITH THE DISABILITY ACT 2006

The Disability Act 2006 requires Zoos Victoria to prepare a disability action plan and report on its implementation in their annual report. Zoos Victoria's Disability Action Plan aims to reduce barriers for people with a disability to access our services and facilities and promote inclusion and participation in the community. In the reporting period Zoos Victoria has:

- Continued to improve our infrastructure at all properties to enable better access for people with disabilities.
- Conducted Disability Access Audits for all new building designs and at Healesville Sanctuary.
- Hosted Dream Night at Melbourne Zoo, an evening for children with disabilities and their families.
- Provided our staff and volunteers with Disability Awareness training.

- Further developed our relationships with Disability Employment Providers and extended our disability networks.

Continued our Community Access Program which included:

- Hosting Mission Australia Family Day at the Zoo.
- Supporting charities, schools and community groups through the provision of passes for their community and fundraising work.
- Working with the Royal Children's Hospital, Monash Children's Hospital and the Royal Melbourne Hospital on therapeutic initiatives for patients.

DETAILS OF CONTRACTS

Details	2018-19		2017-18	
	Number	Value (\$Million)	Number	Value (\$Million)
Contract commenced	-	-	-	-
Contract completed	-	-	-	\$7.6

Corporate governance and other disclosures

FREEDOM OF INFORMATION

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

Details	Number 2018-19	Number 2017-18
Access granted in part	0	0
Access granted in full	0	1
Access denied in full	0	0
No documents	0	0
Matters not finalised	0	0
FOI withdrawn	0	0
Total	0	1

Requests as detailed in Section 17 of the FOI Act must be made in writing along with the prescribed fee	1 July 2019	1 July 2018
Prescribed fee as at	\$29.60	\$28.90

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 2018-19.

DISCLOSURE OF MAJOR CONTRACTS

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

Corporate governance and other disclosures

DETAILS OF CONSULTANCIES (VALUED AT \$10,000 OR GREATER)

In 2018-19, there were two consultancies where the total fees payable to the consultants were \$10,000 or greater. Details of individual consultancies are outlined below.

Consultant	Purpose of consultancy	Start date	End date	Total approved project fee (excl. GST)	Expenditure 2017-18 (excl. GST)	Future expenditure (excl. GST)
Nous Group	Organisational review	1/12/2018	31/03/2019	\$78,352	\$78,352	Nil
Ernst & Young	Business case	1/09/2018	31/12/2018	\$61,961	\$61,961	Nil

DETAILS OF CONSULTANCIES UNDER \$10,000

In 2018-19, there were no consultancies engaged during the year, where the total fees payable to the individual consultancies was less than \$10,000.

INFORMATION AND COMMUNICATION TECHNOLOGY EXPENDITURE

For the 2018-19 reporting period, the Department had a total ICT expenditure of \$100,000, with the details shown below.

(\$thousand)

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
\$2,750	\$43	-	\$43

Corporate governance and other disclosures

COMPETITIVE NEUTRALITY POLICY

Competitive neutrality requires government businesses to ensure where services compete, or potentially compete with the private sector, any advantage arising solely from their government ownership be removed if it is not in the public interest. Government businesses are required to cost and price these services as if they were privately owned. Competitive neutrality policy supports fair competition between public and private businesses and provides government businesses with a tool to enhance decisions on resource allocation. This policy does not override other policy objectives of government and focuses on efficiency in the provision of service.

The Board continues to comply with the requirements of the Competitive Neutrality 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 (ZPGB) 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 ZPGB 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 2018-19 for notification to the Independent Broad-based Anti-corruption Commission in relation to the operation, activities or officers of ZPGB.

REPORTING PROCEDURES

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

- the Protected Disclosure Coordinator;
- the Chief Executive Office;
- 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 about whom a disclosure has been made.

Alternatively, disclosures of improper conduct or detrimental action by any members of ZPGB 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

ibac.vic.gov.au

Email

(See the website above for the secure email disclosure process, which also provides for anonymous disclosures.)

The Protective Disclosure Guide outlines the procedures for reporting disclosure of improper conduct or detrimental action by the Board or any of its employees and/or officers, and is available on the intranet and website.

Corporate governance and other disclosures

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 specific interest at the start of each Board meeting.

STATEMENT OF AVAILABILITY OF OTHER INFORMATION

Information relevant to the headings listed in Financial Reporting Direction 22H of the Financial Management Act 1994 is held at the 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.

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

There were no major building works during the year.

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.

Our partners and supporters

CORPORATE PARTNERS

Annual Partners

PETstock

Dental Health Services Victoria

IXOM

Southern World

Streets

Asahi Lifestyle Beverages

RACV

In-kind Partners

Melbourne Veterinary Specialist Centre

Active Air

Melbourne Airport

The Amazing Baby Company

Yarra Trams

Gribbles Veterinary

Pisces Enterprises

Jetpets

Mattioli

YMCA

MEDIA PARTNERS

Channel 9

The Herald Sun

ESTATES

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

Estate Of Audrey Lillian Barzowski

Estate of Joyce Bruce

Estate of June Louisa Cameron

The Merle Carrol Assistance Fund

Estate of Richard Gilmour-Smith

The HGK Bequest 1

Equity Trustees Charitable Foundation

Estate of Verna Beatrice Howden

Estate of Rodney Norman Opie

Estate of Dietrich Scheffsky

Estate of Keith Vladimir Tiedemann

Estate of Debra Joy Trickey

PHILANTHROPIC PARTNERS

Zoos Victoria acknowledges the generosity of those who give via our Philanthropic Conservation Partners program.

Zoos Victoria acknowledges the support of the State Government of Victoria through ongoing annual funding.

Visionary

Bowness Family Foundation

Leader

The Dyson Bequest

Influencer

John Cochrane

Toyota Community Trust

The Yulgilbar Foundation

Champion

Anthony Bignell and Robin Bignell

Naomi Milgrom Foundation

Sunraysia Foundation

Vizard Foundation

Hero

Meg Bentley

Alan and Jillian Cobb

Alexander Gosling AM and Wirat Sukprem

Finkel Foundation

Paula Fox AO

The Lin Huddleston Charitable Foundation

Margaret S. Ross AM

Shirley Sullivan

Fighter

April Albrecht

AMP Foundation

ANZ

Eric and Juliet Bird

B M Investments

The Cattermole Family

Debbie Dadon AM

The Dyson Family

Lesley Griffin

Our partners and supporters

In memory of Ursula Keckstein

Judith Landsberg and David Cash

Caroline Liow

Jacqueline Moth and Christopher Peryer

Baillieu Myer AC and Sarah Myer

Lady Potter AC

Liz Sarraillhe

Kate and Blaise Vinot

Stuart Webster and Family

Supporter

Venise Alstergren

Chitra Amaradasa

Ken and Joy Barassi

Annie and Andrew Bell

John Bennetts and Ann Ryan

Jay Bethell and Peter Smart

Anne Brooks

Mark and Tamara Boldiston (Lord Coconut)

Maxine Bowness

Jenny Burns

Cincinnati Zoo & Botanical Gardens

Melissa Cannon

Debbie Carruthers

Gregory Cevasco

Lynette Clark

City of Greater Dandenong staff

Colin Hyett Design

Kashi, Sharmini and Tavish Cooper

Andrea Delaforce and Steve Cappadona

Department of Economic Development,
Jobs, Transport and Resources

Simon and Christina Edelstein

In memory of Jason Farmer

Andrea and Simon Fortune

Catriona Gardiner

Sandra Green

Dana Hlavacek and Stephen Creese

Susan Hill

Shirley and Rudy Huber

Allan Jones

Victoria Leaver

Carolyn Lidgerwood

George and Grace Kass

Sonia and Wayne Kent

Nate Keyzers and Emma Lindsay's
Community Fundraising

G & D Kinross

Cara Kwok

Moya Kim in memory of Smoochie Cat

Judith Kinnear

Brian Little

Judy and Andy McGillivray

Tina McMeckan

Carol Miller

Bev Milner

Clare and Grace Myers

Simone Neal

Valerie Newman

Mara Olekans

Patricia Peck

Janice Pleydell

Adam Prideux and Linda Aldridge

Restaurant Associates & Lavazza

Eleanor Saunders

Nola Schenk

Philip and Deborah Sewell

Tessa Smith

Margaret Stevens

Alastair and Molly Stevenson

Brendan and Tessa Sullivan

David Taranto In memory of Valerie Taranto

Jenny Tatchell

Charles Tegner

Tri Colour Federation

L Tyack

COMMUNITY PARTNERS

Cardinia Catchment Landcare

Community and Public Sector Union

Country Fire Authority

Help for Wildlife

Leukaemia Foundation

Make a Wish

Melbourne Airport

Member for Seymour, Cindy McLeish

Mission Australia

Monash Children's Hospital

RACV Healesville Country Club

Royal Children's Hospital

Starlight Foundation

United Voice

University of Melbourne Construction,
Forestry, Mining and Energy Union

Wildlife Victoria

Worawa Aboriginal College

Wyndham Children's Week Festival

Wyndham Community and Education Centre

Yarra Trams

YMCA Victoria

TOURISM PARTNERS

Australian Tourism Export Council

Business Events Geelong

Business Events Victoria

City of Melbourne

Destination Melbourne

Tourism Australia

Tourism Greater Geelong and the Bellarine

Victorian Tourism Industry Council

Visit Victoria

Western Melbourne Tourism

Wyndham Business and
Tourism Association

Yarra Ranges Tourism

Yarra Valley Business and
Tourism Association

GOVERNMENT PARTNERS

Aboriginal Catholic Ministry Victoria and
the Opening the Doors Foundation with
the Sandhurst Catholic Education Office

Animal Quarantine and Inspection Service

Australian Education Union

BehaviourWorks Australia

Biology Teachers Network

BirdLife Australia

Box Hill TAFE

Catchment Management Authority

Catholic Education Commission of Victoria

Our partners and supporters

Catholic Education Melbourne

Centre for Ecological Learning

CERES

City of Melbourne

City West Water

Commissioner for Environmental Sustainability Victoria

Corangamite Catchment Management Authority

Department of Agriculture and Water Resources (Aust)

Department of Economic Development, Jobs, Transport and Resources

Department of Education and Training (Vic)

Department of Environment and Energy (Aust)

Department of Environment, Land, Water and Planning

Department of Health and Human Services

Department of Primary Industry, Parks, Water and Environment (Tas)

Department of Treasury and Finance (Vic)

Education

Doug McKenzie-Mohr and Associates

Eastern Alliance for Sustainable Learning (EASL) (Knox City, Manningham City, Maroondah City, Whitehorse City and Yarra Ranges)

Engagement Specialist Advisory Group, Zoo and Aquarium Association

Environment Education Victoria

Environment Protection Authority (EPA)

Environmental Education in Early Childhood

Environmental Science Teachers Network

Eucalypt Australia

FIRE (Friends Igniting Reconciliation through Education) Carrier Project

Geography Teachers Association of Victoria

Healesville Indigenous Community Services Association

International Zoo Educators Association

Melbourne Water

Monash University Faculty of Education

Museum Victoria

Office for Environment and Heritage (NSW)

Parks Victoria

Phillip Island Nature Parks

Port Phillip and Western Port

Reconciliation Action Plan

Reconciliation Victoria

Royal Botanic Gardens

RSPCA Victoria

Science Teachers Association of Victoria

Shire of Yarra Ranges

Shire of Yarra Ranges – Learning for Sustainability

Somers School Camp

Sustainability Victoria

Tangaroa Blue

Tourism Australia

Victorian Association for Philosophy in Schools

Victorian Youth Advisory Council

Visit Victoria

Wathaurung Aboriginal Corporation

Woodleigh School

Worawa Aboriginal College

Wurundjeri Council

Wyndham City Council

YMCA Victoria

Conservation

ACT Environment and Sustainable

Animal and Gene Resource and Storage Centre – Monash University

Arthur Rylah Institute

Australian Conservation Foundation

Australian Veterinary Association

Bass Coast Shire

Baw Baw Frog Recovery Team

Baw Baw National Park

Baw Baw Shire Council

Beach Patrol 3207

BirdLife Australia

Bjarne K Dahl

Brush-tailed Rock-wallaby Recovery Team

Canidae Development

CeRDI

City of Melbourne

City of Monash

City of Port Phillip

Coastcare Victoria

Conservation Breeding Specialist Group

Conservation Volunteers Australia

Corroboree Frog Recovery Team

Deakin University

Directorate Amphibian

Dr Jennifer Lavers

Eastern Barred Bandicoot Recovery Team

Elanus Consulting

Friends of the Leadbeater's Possum

Friends of the Helmeted Honeyeater

Future Fish

Gorilla Doctors

Greening Australia

Greenpeace Australia Pacific

Helmeted Honeyeater Recovery Team

Interpretation Centre

Jane Goodall Institute

Land for Wildlife

Leadbeater's Possum Recovery Team

Lord Howe Island Board

Lord Howe Island Museum

Mabuwaya Foundation

Mountain Pygmy-possum Recovery Team

Mt Hotham Alpine Resort Management Board

Mt Rothwell Biodiversity

Museums Victoria

Odonata

Orange-bellied Parrot Recovery Team

Parks Victoria

Phillip Island Nature Parks

PhoneCycle

Port Moresby Nature Park

Port Phillip Ecocentre

Regent Honeyeater Recovery Team

Research Centre

Rhino Fund Uganda

Our partners and supporters

RMIT University
RSPCA Australia
RSPCA Victoria
San Mariano Municipal Government
Save the Tasmanian Devil Program
Spotted Tree Frog Recovery Team
Sum of Us
Tangaroa Blue
Taronga Conservation Society Australia
Tidbinbilla Nature Reserve
Tree Kangaroo Conservation Program
Trust for Nature
University of Melbourne
Victoria University
Woodland Park Zoo
World Association of Zoos and Aquariums
World Rainforest Day
WWF Australia
Zoo and Aquarium Association

Catering Partners

Compass Group
Kitchen & Butcher

Research

Australian Museum
Behaviourworks Australia, Monash Sustainability Institute
Charles Sturt University
Conservation Volunteers Australia
Deakin University
Department of Environment, Land, Water and Planning (Vic)
Department of Primary Industry, Parks, Water and Environment (Tas)
FaunaBank
Greening Australia
Institute for Marine and Antarctic Studies
La Trobe University
Lord Howe Island Board
Melbourne Water
Monash University
Murdoch University
Museums Victoria

Office for Environment and Heritage (NSW)
Parks Victoria
RMIT
Southern Cross University
Swinburne University
Taronga Conservation Society Australia
University of Melbourne
University of Newcastle
University of Queensland
University of South Australia
University of Sydney
University of Tasmania
University of Western Australia
University of Wollongong
Victoria University
Wildlife Profiles
Wildlife Unlimited
World Association of Zoos and Aquariums
Zoo and Aquarium Association

Disclosure index

LEGISLATION	REQUIREMENT	PAGE REFERENCE
FRD 10A	Disclosure index	40
FRD 22H	Purpose, functions, powers and duties	4
FRD 22H	Manner of establishment and the relevant Minister	5
FRD 22H	Nature and range of services provided	4
FRD 22H	Key performance indicators	20
FRD 22H	Summary of the financial results for the year	22
FRD 22H	Major changes or factors affecting performance	22
FRD 22H	Subsequent events	22
FRD 22H	Significant changes in financial position during the year	22
FRD 22H	Organisational structure	18
FRD 22H	Occupational health and safety policy	14
FRD 22H	Employment and conduct principles	19
FRD 29 C	Workforce Data disclosures	19
FRD 21C	Executive officer disclosures	84
FRD 22H	Details of consultancies over \$10,000	33
FRD 22H	Details of consultancies under \$10,000	33
FRD 22H	Disclosure of government advertising expenditure	35
FRD 12B	Disclosure of major contracts	32
FRD 22H	Disclosure of ICT expenditure	33
FRD 22H	Statement on National Competition Policy	34
FRD 22H	Application and operation of Protected Disclosures Act 2012	34
FRD 22H	Summary of environmental performance	15
FRD 22H	Statement of availability of other information	35
FRD 22H	Application and operation of Freedom of Information Act 1982	32
FRD 22H	Compliance with building and maintenance provisions of Building Act 1993	35
FRD 25D	Local Jobs First	31
SD 5.2.2	Declaration in financial statements	43
SD 5.2.3	Declaration in report of operations	2
SD 5.4.1	Attestation for compliance with Ministerial Standing Direction	30
Legislation		
	<i>Zoological Parks and Gardens Act 1995</i>	
	<i>Financial Management Act 1994</i>	
	<i>Building Act 1993</i>	
	<i>Freedom of Information Act 1982</i>	
	<i>Protected Disclosures Act 2012</i>	
	<i>Local Job First Act 2003</i>	

2018-19 Zoos Victoria Financial Report

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 2019 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

Declaration	43
Comprehensive operating statement for the financial year ended 30 June 2019	44
Balance sheet as at 30 June 2019	45
Statement of changes in equity for the financial year ended 30 June 2019	46
Cash flow statement for the financial year ended 30 June 2019	47

NOTES TO THE FINANCIAL STATEMENTS

1. ABOUT THIS REPORT	48	6. HOW WE FINANCE OUR OPERATIONS	66
2. FUNDING THE DELIVERY OF OUR SERVICES	50	6.1 Borrowings	66
2.1 Summary of income that funds the delivery of our services	50	6.2 Commitments for expenditure	67
2.2 Rendering of services and sale of goods	50	6.3 Cash flow information and balances	68
2.3 Government and other grants	51	7. RISK, CONTINGENCIES AND VALUATION JUDGEMENTS	71
2.4 Other income	52	7.1 Financial instruments specific disclosure	71
3. THE COST OF DELIVERING THE SERVICES	53	7.2 Contingent assets and contingent liabilities	78
3.1 Summary of expenses in the delivery of services	53	7.3 Fair value determination	78
3.2 Employee expenses	53	8. OTHER DISCLOSURES	83
3.3 Other expenses	57	8.1 Subsequent events	83
4. KEY ASSETS AVAILABLE TO SUPPORT OUR SERVICES	58	8.2 Remuneration of executives	84
4.1 Land, property, plant and equipment and vehicles	58	8.3 Responsible persons	85
4.2 Intangible assets	61	8.4 Related parties	86
4.3 Investments	62	8.5 Remuneration of auditors	87
5. OTHER ASSETS AND LIABILITIES	63	8.6 Ex-gratia expenses	88
5.1 Receivables	63	8.7 Reserves	88
5.2 Payables	65	8.8 Change in accounting policies	89
5.3 Inventories	65	8.9 Other accounting policies	89
5.4 Other non-financial assets	65	8.10 Glossary of terms	92

Financial statements

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 2019 and financial position of the Zoological Parks and Gardens Board at 30 June 2019.

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

We authorise the attached financial statements for issue on 23 September 2019.



Kate Vinot
Chair

Melbourne



Dr. Jenny Gray
Chief Executive Officer

Melbourne



Mark Lucas
Chief Financial Officer, FCA

Melbourne

Financial statements

Comprehensive operating statement for the financial year ended 30 June 2019

(\$ thousand)

	Notes	2019	2018
Income from transactions			
Rendering of services and sale of goods	2.2	67,200	61,227
Government and other grants	2.3	26,616	31,294
Other income	2.4	6,544	7,334
Total income from transactions		100,360	99,855
Expenses from transactions			
Employee expenses	3.2	(57,610)	(50,780)
Other expenses	3.3	(38,594)	(35,848)
Depreciation, amortisation and impairment	4.1.1	(11,977)	(11,590)
Interest expense	6.1.2	(28)	(29)
Total expenses from transactions		(108,209)	(98,247)
Net result from transactions		(7,849)	1,608
Other economic flows included in net result			
Net gain/(loss) on disposal of physical assets		44	(328)
Net gain/(loss) on financial assets		412	389
Net gain/(loss) arising from revaluation of long service leave liability due to change in bond rates		(759)	17
Total other economic flows included in net result		(303)	78
Net result		(8,152)	1,686
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	18,890	6,885
Changes to the fair value of investments measured at fair value through other comprehensive income	8.7.3	(67)	-
Items that may be reclassified subsequently to net result			
Changes in financial assets available-for-sale revaluation surplus	8.7.2	-	193
Total other economic flows – other comprehensive income		18,823	7,078
Comprehensive result		10,671	8,764

The accompanying notes form part of these financial statements.

Financial statements

Balance sheet as at 30 June 2019

(\$ thousand)

	Notes	2019	2018
Assets			
Current financial assets			
Cash and cash equivalents	6.3	29,829	24,539
Receivables	5.1	3,297	11,142
Total current financial assets		33,126	35,681
Non-current financial assets			
Investments	4.3	8,286	7,548
Total financial assets		41,412	43,229
Non-financial assets			
Land, property, plant and equipment and vehicles	4.1	355,291	338,833
Intangible assets	4.2	1,517	1,741
Inventories	5.3	958	1,072
Other non-financial assets	5.4	361	336
Total non-financial assets		358,127	341,982
Total assets		399,539	385,211
Liabilities			
Employee benefits	3.2.2	14,965	12,992
Payables	5.2	7,989	6,290
Borrowings	6.1	653	668
Total liabilities		23,607	19,950
Net assets		375,932	365,261
Equity			
Accumulated surplus		(7,465)	1,650
Contribution by owners		129,623	129,623
Endowment reserve	8.7.1	3,040	2,077
Financial assets available-for-sale revaluation surplus	8.7.2	-	193
Financial assets at fair value through comprehensive income revaluation reserve	8.7.3	126	-
Physical asset revaluation surplus	7.3.3.4	250,608	231,718
Net worth		375,932	365,261
Commitments for expenditure	6.2		
Contingent assets and contingent liabilities	7.2		

The accompanying notes form part of these financial statements.

Financial statements

Statement of changes in equity for the financial year ended 30 June 2019

(\$ thousand)

Movements in carrying amounts	Notes	Accumulated surplus	Contributions by owner	Endowment reserve	Financial assets available-for-sale revaluation surplus	Financial assets at FV through other comprehensive income	Physical asset revaluation surplus	Total
Balance at 1 July 2017		2,041	129,623	-	-	-	224,833	356,497
Net result for the year		1,686	-	-	-	-	-	1,686
Transfer/movement to Endowment reserve	8.7.1	(2,077)	-	2,077	-	-	-	-
Contributed capital by owners		-	-	-	-	-	-	-
Other comprehensive income for the year	7.3.3.4 8.7.2	-	-	-	193	-	6,885	7,078
Balance at 30 June 2018		1,650	129,623	2,077	193	-	231,718	365,261
Change in accounting policy	8.8	-	-	-	(193)	193	-	-
Opening balance at 1 July 2018 (restated)		1,650	129,623	2,077	-	193	231,718	365,261
Net result for the year		(8,152)	-	-	-	-	-	(8,152)
Transfer/movement to Endowment reserve	8.7.1	(963)	-	963	-	-	-	-
Contributed capital by owners		-	-	-	-	-	-	-
Other comprehensive income for the year	7.3.3.4 8.7.2	-	-	-	-	(67)	18,890	18,823
Balance at 30 June 2019		(7,465)	129,623	3,040	-	126	250,608	375,932

The accompanying notes form part of these financial statements.

Financial statements

Cash flow statement for the financial year ended 30 June 2019

(\$ thousand)

	Notes	2019	2018
Cash flows from operating activities			
Receipts			
Receipts from sales of goods and services		69,494	62,419
Receipts from government and other grants		34,616	23,294
Sponsorship, grants and donations received		4,871	4,778
GST net refunded from/(payable to) the ATO ⁰		2,208	2,546
Receipts from other sources		1,153	1,740
Interest received		884	1,055
Total receipts		113,226	95,832
Payments			
Payments to employees		(55,148)	(49,813)
Payments to suppliers		(42,849)	(38,419)
Interest and other costs of finance paid		(28)	(29)
Total payments		(98,025)	(88,261)
Net cash flows from/(used in) operating activities	6.3.2	15,201	7,571
Cash flows from investing activities			
Payments for property, plant and equipment and vehicles		(9,082)	(10,314)
Payments for intangible assets	4.2.1	-	-
Payments for VFMC investments		(805)	(7,355)
Proceeds from sale of plant and equipment and vehicles		104	43
Net cash flows from/(used in) investing activities		(9,783)	(17,626)
Cash flows from financing activities			
Owner contributions by State Government		-	-
Repayment of finance leases		(128)	(149)
Net cash flows from/(used in) financing activities		(128)	(149)
Net increase/(decrease) in cash and cash equivalents		5,290	(10,204)
Cash and cash equivalents at the beginning of the financial year		24,539	34,743
Cash and cash equivalents at the end of the financial year	6.3	29,829	24,539

⁰ Goods and Services Tax (GST) refunded by the Australian Taxation Office (ATO) is presented on a net basis.

The accompanying notes form part of these financial statements.

Notes to the financial statements

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 principal 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.

AASB 9 Financial Instruments, which replaces AASB 139 Financial Instruments: Recognition and Measurement, introduces new requirements for recognition, classification and measurement, a new impairment model for financial assets based on expected credit losses, and simplified hedge accounting. The Board has adopted AASB 9 as at 1 July 2018 and has applied the new rules on a modified retrospective basis. As a result, comparatives for 2017-18 in our 30 June 2019 financial statements will not be restated. Further disclosures in relation to AASB 9 are at notes 5 and 7 of this report.

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 AAS’s 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 23 September 2019.

Notes to the financial statements

1.4 Goods and Services 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.

Notes to the financial statements

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	Pg. 50
2.2	Rendering of services and sale of goods	Pg. 50
2.3	Government and other grants	Pg. 51
2.4	Other income	Pg. 52

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.

(\$ thousand)

	Notes	2019	2018
Rendering of services and sale of goods	2.2	67,200	61,227
Government and other grants	2.3	26,616	31,294
Other income	2.4	6,544	7,334
Total income from transactions		100,360	99,855

2.2 Rendering of services and sale of goods

(\$ thousand)

	Notes	2019	2018
Rendering of services	2.2.1	60,111	54,778
Sale of goods	2.2.2	7,089	6,449
Total income from rendering of services and sale of goods		67,200	61,227

Notes to the financial statements

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. It includes retail sales.

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.

Government Grants received in 2018/19 includes \$10.6 million of grant income for services to be provided in 2019/20.

(\$ thousand)

	Notes	2019	2018
Within portfolio department – 2018/19 PRTA	2.3.1	14,971	22,242
Within portfolio department – 2019/20 PRTA	2.3.1	10,600	8,000
Outside portfolio department	2.3.2	724	946
Others	2.3.3	321	106
Total government and other grants		26,616	31,294

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 (PRTA) 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.

Notes to the financial statements

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	Pg. 53
3.2	Employee expenses	Pg. 53
3.3	Other expenses	Pg. 57

3.1 Summary of expenses in the delivery of services

(\$ thousand)

	Notes	2019	2018
Employee expenses	3.2	(57,610)	(50,780)
Other expenses	3.3	(38,594)	(35,848)
Total expenses incurred in the delivery of services		(96,204)	(86,628)

3.2 Employee expenses

(\$ thousand)

	Notes	2019	2018
Salary and wages, annual leave and long service leave		(49,132)	(43,083)
Payroll tax		(2,533)	(2,202)
Workcover		(388)	(346)
Movement in provisions – annual leave and long service leave		(1,168)	(1,222)
Sub-total		(53,221)	(46,853)
Superannuation	3.2.1	(4,389)	(3,927)
Total employee expenses		(57,610)	(50,780)

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

Notes to the financial statements

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.

(\$ thousand)

Details	Contributions paid		Contributions outstanding		Total contributions	
	2019	2018	2019	2018	2019	2018
ESSSuper defined benefit plan	251	247	-	-	251	247
Vicsuper	2,489	2,613	214	211	2,703	2,824
Others	1,275	734	160	122	1,435	856
Total	4,015	3,594	374	333	4,389	3,927

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.

Notes to the financial statements

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 for services rendered to the reporting date and recorded as an expense during the period the services are delivered.

(\$ thousand)

	2019	2018
Provisions		
Current		
Annual Leave		
– Unconditional and expect to settle wholly within 12 months	3,085	2,851
– Unconditional and expect to settle wholly after 12 months	1,099	997
	4,184	3,848
Long Service Leave		
– Unconditional and expect to settle wholly within 12 months	655	629
– Unconditional and expect to settle wholly after 12 months	6,518	5,348
	7,173	5,977
Provisions related to employee benefit on-costs		
– Unconditional and expect to settle wholly within 12 months	603	571
– Unconditional and expect to settle wholly after 12 months	1,180	1,024
	1,783	1,595
Total current provisions	13,140	11,420
Non-current		
Long Service Leave benefits	1,574	1,350
Provisions related to employee benefit on-costs	251	222
Total non-current provisions	1,825	1,572
Total provisions	14,965	12,992
Reconciliation of movement in Provisions		
Movement in provisions of on-costs		
Balance at start	1,816	1,604
Additional provision recognised	725	763
Reductions arising from payments/other sacrifices of future economic benefits	(613)	(548)
Unwind of discount and effect of changes in the discount rate	106	(3)
Closing balance	2,034	1,816
Current	1,783	1,595
Non-Current	251	222

Notes to the financial statements

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 and annual 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 long service leave 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.

Notes to the financial statements

3.3 Other expenses

(\$ thousand)

	2019	2018
Operating costs		
Information technology	1,392	1,135
Maintenance	10,437	10,561
Marketing and promotion	5,351	5,196
Supply and services	12,487	11,365
Utilities	2,521	2,266
Cost of goods sold	6,406	5,325
Total other expenses	38,594	35,848

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.

Notes to the financial statements

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	Pg. 58
4.2	Intangible assets	Pg. 61
4.3	Financial assets available-for-sale	Pg. 62

4.1 Land, property, plant and equipment and vehicles

(\$ thousand)

Details	Gross carrying amount		Accumulated depreciation		Net carrying amount	
	2019	2018	2019	2018	2019	2018
Land at fair value	149,702	130,812	-	-	149,702	130,812
Property at fair value	216,075	212,557	(28,103)	(18,557)	187,972	194,000
Plant & equipment and vehicles at fair value	24,016	21,381	(10,187)	(8,238)	13,829	13,143
	389,793	364,750	(38,290)	(26,795)	351,503	337,955
Work-in-progress	3,788	878	-	-	3,788	878
Total	393,581	365,628	(38,290)	(26,795)	355,291	338,833

Notes to the financial statements

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 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.

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 included 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.

Notes to the financial statements

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

(\$ thousand)

	2019	2018
Property	9,547	9,398
Plant and equipment and vehicles	2,207	1,940
Total	11,754	11,338
Intangible assets	223	252
Total depreciation, amortisation and impairment	11,977	11,590

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 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:

	2019	2018
Asset	Useful life (years)	
Property	3 to 50	3 to 50
Plant and equipment	5 to 20	5 to 20
Vehicles	3 to 5	3 to 5

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.

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.

Notes to the financial statements

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

(\$ thousand)

Non-current Details	Land at fair value		Property at fair value		Plant, equipment and vehicles at fair value		Work-in progress at cost		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Opening balance	130,812	123,927	194,000	189,698	13,143	10,004	878	10,393	338,833	334,022
Revaluation	18,890	6,885	-	-	-	-	-	-	18,890	6,885
Transfer in/(out)	-	-	719	10,204	-	-	(719)	(10,204)	-	-
Additions	-	-	2,805	3,807	2,946	5,136	3,629	689	9,380	9,632
Disposal	-	-	(5)	(311)	(53)	(57)	-	-	(58)	(368)
Depreciation	-	-	(9,547)	(9,398)	(2,207)	(1,940)	-	-	(11,754)	(11,338)
Net carrying amount	149,702	130,812	187,972	194,000	13,829	13,143	3,788	878	355,291	338,833

4.2 Intangible assets

(\$ thousand)

Details	Gross carrying amount		Accumulated amortisation		Net carrying amount	
	2019	2018	2019	2018	2019	2018
Intangible assets	2,596	2,596	(1,079)	(855)	1,517	1,741
	2,596	2,596	(1,079)	(855)	1,517	1,741
Work-in-progress	-	-	-	-	-	-
Total	2,596	2,596	(1,079)	(855)	1,517	1,741

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.

Notes to the financial statements

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	2019	2018
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

(\$ thousand)

Details	Intangible assets		Work-in-progress at cost		Total	
	2019	2018	2019	2018	2019	2018
Opening balance	1,741	1,993	-	-	1,741	1,993
Transfer in/(out)	-	-	-	-	-	-
Additions	-	-	-	-	-	-
Amortisation	(224)	(252)	-	-	(224)	(252)
Net carrying amount	1,517	1,741	-	-	1,517	1,741

4.3 Investments

(\$ thousand)

	2019	2018
Managed investment with VFMC – Endowment	2,728	2,102
Managed investment with VFMC – General Account	5,558	5,446
Total Investments ⁽ⁱ⁾	8,286	7,548

(i) AASB 9 Financial Instruments became effective in the 2018-19 financial year. Investments previously held as 'available-for-sale' are now classified as 'at fair value through other comprehensive income'.

Ageing analysis of investments and other financial assets

All investment and financial assets are not past due and not impaired for 2019.

Notes to the financial statements

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	Pg. 63
5.2	Payables	Pg. 65
5.3	Inventories	Pg. 65
5.4	Other non-financial assets	Pg. 65

5.1 Receivables

(\$ thousand)

	2019	2018
Current		
Contractual		
Sale of goods and services	2,842	2,801
Other receivables	193	8,139
	3,035	10,940
Statutory		
GST input tax credit recoverable	262	202
Total receivables	3,297	11,142

Receivables consist of:

- Contractual receivables such as debtors in relation to goods and services, 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.

Notes to the financial statements

Impairment of financial assets under AASB 9 – applicable from 1 July 2018

From 1 July 2018, the Board has been recording the allowance for expected credit loss for the relevant financial instruments, replacing AASB 139's incurred loss approach with AASB 9's Expected Credit Loss approach. Subject to AASB 9, impairment assessment includes the Board's contractual receivables and statutory receivables. Other financial assets mandatorily measured or designated at fair value through net result are not subject to impairment assessment under AASB 9. While cash and cash equivalents are also subject to the impairment requirements of AASB 9, the identified impairment loss was immaterial.

Contractual receivables at amortised cost

The Board applies AASB 9 simplified approach for all contractual receivables to measure expected credit losses using a lifetime expected loss allowance based on the assumptions about risk of default and expected loss rates. The Board has grouped contractual receivables on shared credit risk characteristics and days past due and select the expected credit loss rate based on the Board's past history, existing market conditions, as well as forward-looking estimates at the end of the financial year.

On this basis, the Board determines the opening loss allowance on initial application date of AASB 9 and the closing loss allowance at end of the financial year as follows:

5.1.1 Expected loss allowance

1-Jul-18	Current	Total
Expected loss rate	0%	
Gross carrying amount of contractual receivables	10,940	10,940
Loss allowance	-	-
30-Jun-19	Current	Total
Expected loss rate	0%	
Gross carrying amount of contractual receivables	3,035	3,035
Loss allowance	-	-

Notes to the financial statements

5.2 Payables

	(\$ thousand)	
	2019	2018
Current		
Contractual		
Trade payables	5,025	5,084
Other payables	2,365	685
	7,390	5,769
Statutory		
Fringe Benefit Tax, Payroll Tax, Superannuation payments	599	521
Total payables	7,989	6,290

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 the 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;
- 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.

Notes to the financial statements

6. HOW WE FINANCE OUR OPERATIONS

Introduction

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

6.1	Borrowings	Pg. 66
6.2	Commitments for expenditure	Pg. 67
6.3	Cash flow information and balances	Pg. 68

6.1 Borrowings

	(\$ thousand)	
	2019	2018
Current		
Finance lease	299	187
	299	187
Non-current		
Finance lease	354	481
Total borrowings	653	668

Borrowings refer to interest bearing liabilities raised from public borrowings 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.

Notes to the financial statements

6.1.1 Maturity analysis of borrowings

(\$ thousand)

Details	2019	2018	2019	2018
Finance lease liabilities payable				
– Not longer than one year	318	208	299	187
– Longer than one year and not longer than five years	372	503	354	481
Minimum future lease payments	690	711	653	668
Less future finance charges	(37)	(43)		
Present value of minimum lease payments	653	668	653	668
Included in the financial statements as:				
Current borrowings			299	187
Non-current borrowings			354	481
			653	668

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

6.1.2 Interest expense

(\$ thousand)

	2019	2018
Interest on finance lease	28	29
Total interest expense	28	29

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.

6.2 Commitments for expenditure

Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments are recorded 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.

Notes to the financial statements

6.2.1 Total commitments payable at nominal amounts

(\$ thousand)

	2019	2018
The following commitments have not been recognised as liabilities in the financial statements.		
(a) Capital expenditure commitments		
– Payable within one year	2,919	824
Total capital expenditure commitments	2,919	824
(b) Operating lease commitments		
– Payable within one year	33	39
– Payable longer than one year and not longer than five years	-	33
Total operating lease commitments	33	72
Total commitments (inclusive of GST)	2,952	896
Less: GST recoverable	(268)	(81)
Total commitments (exclusive of GST)	2,684	815

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.

(\$ thousand)

	2019	2018
Total cash and cash equivalents	29,829	24,539
Balance per cash flow statement	29,829	24,539

Notes to the financial statements

6.3.1 Composition of cash and cash equivalents

(\$ thousand)

	2019	2018
Current		
Cash invested with approved institutions	21,430	844
Cash invested with Treasury Corporation of Victoria	-	23,000
	21,430	23,844
Cash on hand and at bank	8,399	695
Total cash and cash equivalents	29,829	24,539

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.

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

(\$ thousand)

	2019	2018
Net result	(8,152)	1,686
Noncash movements:		
- Depreciation and amortisation of noncurrent assets	11,977	11,590
- Goods in kind donations	-	(233)
- (Gain)/loss on sale or disposal of non-financial assets	(44)	328
Movements in assets and liabilities:		
- (Increase)/decrease in inventories	114	(154)
- (Increase)/decrease in receivables	7,845	(9,190)
- (Increase)/decrease in non-financial assets	(25)	(43)
- (Decrease)/increase in payables	1,513	2,368
- (Decrease)/increase in employee benefits	1,973	1,219
Net cash flows from/(used in) operating activities	15,201	7,571

Notes to the financial statements

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.

	(\$ thousand)	
	2019	2018
Additions to vehicles under finance lease	113	69
Total additions to vehicles under finance lease	113	69

Notes to the financial statements

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 relates mainly to fair value determination.

7.1	Financial instruments specific disclosure	Pg. 71
7.2	Contingent assets and contingent liabilities	Pg. 78
7.3	Fair value determination	Pg. 78

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*.

From 1 July 2018, the Board applies AASB 9 and classifies all of its financial assets based on the business model for managing the assets and the assets' contractual terms.

Categories of financial assets under AASB 9

Financial assets at amortised cost

Financial assets are measured at amortised costs if both of the following criteria are met and the assets are not designated as fair value through net result:

- the assets are held by the Board to collect the contractual cash flows, and
- the assets' contractual terms give rise to cash flows that are solely payments of principal and interests.

These assets are initially recognised at fair value plus any directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method less any impairment.

The Board recognises the following assets in this category:

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

Financial assets at fair value through net result

Equity instruments that are held for trading as well as derivative instruments are classified as fair value through net result. Other financial assets are required to be measured at fair value through net result unless they are measured at amortised cost or fair value through other comprehensive income as explained above.

Notes to the financial statements

However, as an exception to those rules above, the Board may, at initial recognition, irrevocably designate financial assets as measured at fair value through net result if doing so eliminates or significantly reduces a measurement or recognition inconsistency ('accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Categories of financial assets previously under AASB 139

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, receivables are measured at amortised cost using the effective interest method (and for assets, less any impairment).

The Board recognises the following assets in this category:

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

Available-for-sale financial instrument assets are those designated as available-for-sale or not classified in any other category of financial instrument asset. Such assets are initially recognised at fair value. Subsequent to initial recognition, they are measured at fair value with gains and losses arising from changes in fair value, recognised in 'Other economic flows – other comprehensive income' until the investment is disposed. Movements resulting from impairment and foreign currency changes are recognised in the net result as other economic flows. On disposal, the cumulative gain or loss previously recognised in 'Other economic flows – other comprehensive income' is transferred to other economic flows in the net result. The Board recognises investments in equities and managed investment schemes in this category.

Categories of financial liabilities under AASB 9 and previously under AASB 139

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).

De-recognition of financial assets:

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired; or
- the Board retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- the Board has transferred its rights to receive cash flows from the asset and either:
 - has transferred substantially all the risks and rewards of the asset; or
 - has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the Board has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of the Board's continuing involvement in the asset.

Impairment of financial assets:

At the end of each reporting period, the Board assesses whether there is objective evidence that a financial asset or group of financial assets is impaired. All financial instrument assets, except those measured at fair value through profit or loss, are subject to annual review for impairment. The allowance is the difference between the financial asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. In assessing impairment of statutory (non-contractual) financial assets, which are not financial instruments, professional judgement is applied in assessing materiality using estimates, averages and other computational methods in accordance with AASB 136 *Impairment of Assets*.

De-recognition of financial liabilities:

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

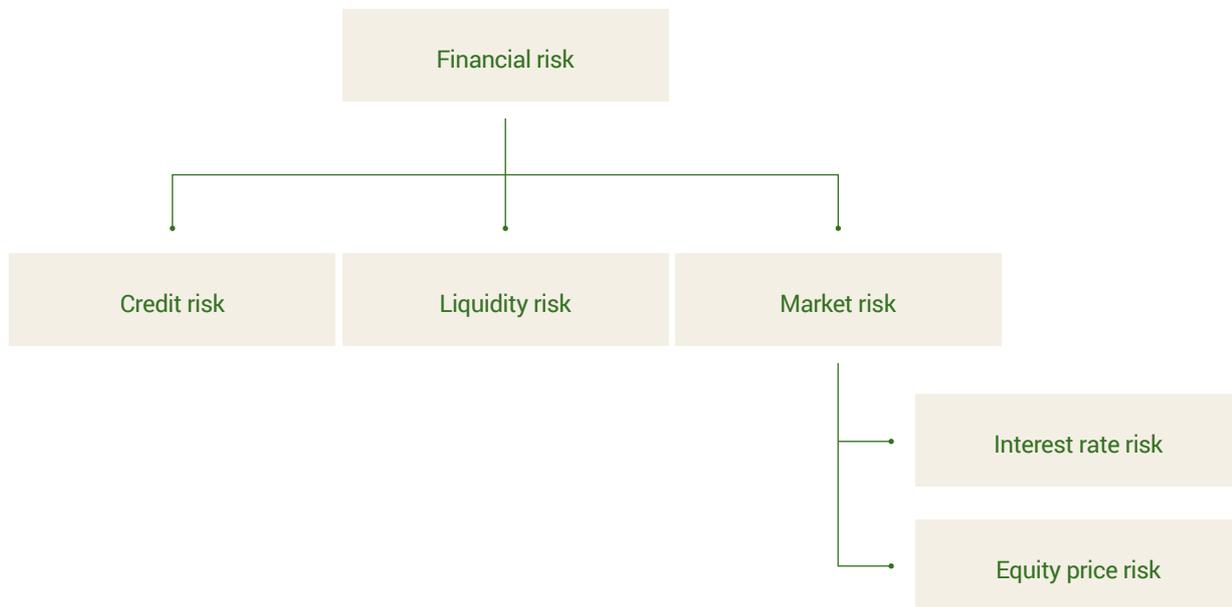
Notes to the financial statements

7.1.1 Financial instruments: Categorisation

2019	Financial assets designated at fair value through other comprehensive income	Financial assets at amortised cost	Financial liabilities at amortised cost	Total
Contractual financial assets				
- Cash and deposits	-	29,829	-	29,829
Receivables:				
- Sale of goods and services	-	2,842	-	2,842
- Other receivables	-	193	-	193
Investments and other contractual financial assets:				
- Managed investment schemes	8,286	-	-	8,286
Total contractual financial assets	8,286	32,864	-	41,150
Contractual financial liabilities				
Payables:				
- Supplies and services	-	-	7,390	7,390
Borrowings:				
- Finance lease liabilities	-	-	653	653
Total contractual financial liabilities	-	-	8,043	8,043
2018				
Contractual financial assets				
- Cash and deposits	-	24,539	-	24,539
Receivables:				
- Sale of goods and services	-	2,801	-	2,801
- Other receivables	-	8,139	-	8,139
Investments and other contractual financial assets:				
- Managed investment schemes	7,548	-	-	7,548
Total contractual financial assets	7,548	35,479	-	43,027
Contractual financial liabilities				
Payables:				
- Supplies and services	-	-	5,769	5,769
Borrowings:				
- Finance lease liabilities	-	-	668	668
Total contractual financial liabilities	-	-	6,437	6,437

Notes to the financial statements

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 and financial liability 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, interest rate 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.

There has been no material change to the Board’s credit risk profile in 2018-19.

Notes to the financial statements

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, Westpac Banking Corporation and Victorian Funds Management Corporation; 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, Westpac Banking Corporation and Victorian Funds Management Corporation. The maturity of the financial instruments is outlined in section 7.1.2.3.

7.1.2.3 Maturity of financial instruments

(\$ thousand)

	Maturity dates							
	Carrying amount		Less than 1 year		Greater than 1 but less than 3 years		Greater than 3 but less than 5 years	
	2019	2018	2019	2018	2019	2018	2019	2018
Cash and deposits								
- Cash and cash equivalents	29,829	24,539	29,829	24,539	-	-	-	-
Receivables								
- Receivables at amortised cost excluding statutory amounts	3,035	10,940	3,035	10,940	-	-	-	-
	32,864	35,479	32,864	35,479	-	-	-	-
Borrowings								
- Finance lease liabilities	653	668	299	186	354	482	-	-
Payables								
- Payables at amortised cost excluding statutory amounts	7,390	5,769	7,390	5,769	-	-	-	-
	8,043	6,437	7,689	5,955	354	482	-	-

Notes to the financial statements

7.1.2.4 Financial instruments: Market risk

The Board's exposures to market risk is primarily through interest rate risks and equity price risk. 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.

Interest rate risk

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

The future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Board invests most of its cash with Treasury Corporation of Victoria and Westpac Banking Corporation investment products such as 11am cash deposit, guarantee bill index deposits and term deposit. 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 instrument

Details	%		(\$ thousand)							
	Weighted average effective interest rate		Carrying amount		Fixed interest rate		Variable interest rate		Non-interest bearing	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Cash and deposits										
- Cash and cash equivalents	1.80	1.69	29,829	24,539	-	-	21,430	23,845	8,399	694
Receivables										
- Receivables at amortised cost excluding statutory amounts			3,035	10,940	-	-	-	-	3,035	10,940
			32,864	35,479			- 21,430	23,845	11,434	11,634
Borrowings										
- Finance lease liabilities	4.00	4.31	653	668	653	668	-	-	-	-
Payables										
- Payables at amortised cost excluding statutory amounts			7,390	5,769	-	-	-	-	7,390	5,769
			8,043	6,437	653	668	-	-	7,390	5,769

Notes to the financial statements

Interest rate risk sensitivity

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.

(\$ thousand)

Details	Carrying amount		Interest rate risk			
	2019	2018	-100 basis points		+100 basis points	
	2019	2018	2019	2018	2019	2018
Financial assets						
- Cash and cash equivalents - does not include non-interest bearing amounts held for daily use such as change and petty cash.	21,430	23,845	(214)	(238)	214	238
Sensitivity impact on net result due to a +/-100 basis points movement in market interest rate.			(214)	(238)	214	238

Equity price risk sensitivity

The Board is exposed to equity price risk through its investments in managed investment schemes. Such investments are allocated, traded and managed by VFMC to match the Board's investment objectives. On behalf of the Board, VFMC closely monitors performance and manages the equity price risk through diversification of the Board's investment in VFMC Balanced Fund.

The Board's sensitivity to equity price risk is set out below.

(\$ thousand)

	Carrying amount	-5%		+5%	
		Net result	Available-for-sale revaluation surplus	Net result	Available-for-sale revaluation surplus
2018					
Managed investment with VFMC	7,548	-	(377)	-	377
Total impact	7,548	-	(377)	-	377
2019					
Managed investment with VFMC	8,286	-	(414)	-	414
Total impact	8,286	-	(414)	-	414

Notes to the financial statements

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:

- Available-for-sale financial assets;
- 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.

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.

Disclosures in connection with fair value determination for financial instruments (refer Note 7.3.2) and non-financial physical assets (refer Note 7.3.3) are set out below.

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.

Notes to the financial statements

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	Financial liabilities
Cash and deposits	Payables
Receivables	Borrowings
<ul style="list-style-type: none"> • Sale of goods and services • Other receivables • Managed investment with VFMC 	<ul style="list-style-type: none"> • Finance lease liabilities

Financial assets measured at fair value

(\$ thousand)

Details	Net carrying amount		Fair value measurement at the end of the reporting period using:					
			Level 1		Level 2		Level 3	
	2019	2018	2019	2018	2019	2018	2019	2018
Managed investment schemes	8,286	7,548	-	-	8,286	7,548	-	-
Net carrying amount	8,286	7,548	-	-	8,286	7,548	-	-

There have been no transfers between levels during the period.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The Board invests in the Balanced Fund managed by VFMC, which is not quoted in an active market and which may be subject to restrictions on redemptions.

Notes to the financial statements

7.3.3 Fair value determination of non-financial physical assets

(\$ thousand)

Details	Net carrying amount		Fair value measurement at the end of the reporting period using:					
			Level 1		Level 2		Level 3	
	2019	2018	2019	2018	2019	2018	2019	2018
Specialised Land	149,702	130,812	-	-	-	-	149,702	130,812
Specialised Property	187,972	194,000	-	-	-	-	187,972	194,000
Plant and equipment and vehicles	13,829	13,143	-	-	-	-	13,829	13,143
Net carrying amount	351,503	337,955	-	-	-	-	351,503	337,955

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 depreciation. 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 is revalued in accordance with Financial Reporting Directions (FRDs) issued by the Minister for Finance. Financial Reporting Direction 103H (FRD) determines the revaluation cycle to occur every five years and each year to use the land and building indices provided by the 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 the VGV to conduct the revaluation/reassessment exercise. An independent valuation of the Board's specialised land and specialised property was last performed by the VGV in 2016. The effective date of the valuation is 30 June 2016. Land revaluation is conducted by management (Managerial Revaluation) on a yearly basis using the indexes provided by the VGV to take into account the incremental change in land value, rather than absorbing the valuation every five years.

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.

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 in nature, these assets are classified as Level 3 fair value measurements.

Notes to the financial statements

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.

(\$ thousand)

Movement in physical asset revaluation surplus

Physical asset revaluation surplus	2019	2018
Balance at the beginning of the year	231,718	224,833
Revaluation land - increments	18,890	6,885
Revaluation property - increments	-	-
Total physical asset revaluation surplus	250,608	231,718

7.3.3.5 Reconciliation of Level 3 fair value movements

(\$ thousand)

Details	Specialised land		Specialised property		Plant, equipment and vehicles		Total	
	2019	2018	2019	2018	2019	2018	2019	2018
Opening balance	130,812	123,927	194,000	189,698	13,143	10,004	337,955	323,629
Additions and transfers from work-in-progress	-	-	3,524	14,011	2,946	5,136	6,470	19,147
Disposals	-	-	(5)	(311)	(53)	(57)	(58)	(368)
Depreciation	-	-	(9,547)	(9,398)	(2,207)	(1,940)	(11,754)	(11,338)
Sub-total	130,812	123,927	187,972	194,000	13,829	13,143	332,613	331,070
Gains or losses recognised in other economic flows – other comprehensive income	-	-	-	-	-	-	-	-
Revaluation	18,890	6,885	-	-	-	-	18,890	6,885
Closing balance	149,702	130,812	187,972	194,000	13,829	13,143	351,503	337,955

Notes to the financial statements

7.3.3.6 Description of significant unobservable inputs to Level 3 valuation

2019 and 2018	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 value 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

Notes to the financial statements

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	Pg. 83
8.2	Remuneration of executives	Pg. 84
8.3	Responsible persons	Pg. 85
8.4	Related parties	Pg. 86
8.5	Remuneration of auditors	Pg. 87
8.6	Ex-gratia expenses	Pg. 88
8.7	Reserves	Pg. 88
8.8	Change in accounting policies	Pg. 89
8.9	Other accounting policies	Pg. 89
8.10	Glossary of terms	Pg. 92

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.

Notes to the financial statements

8.2 Remuneration of executives

The number of executive officers, other than the minister and accountable officer, 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; and
- Termination benefits include termination of employment payments, such as severance packages.

(\$ thousand)

Details	2019	2018
Remuneration		
Short-term employee benefits	1,649	1,538
Post-employment benefits	148	142
Other long-term benefits	40	39
Termination benefits	-	3
Total remuneration	1,837	1,722
Total number of executives	10	9
Total annualised employee equivalent – based on the time fraction worked over the reporting period	8	8

Notes to the financial statements

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	Minister for Energy, Environment and Climate Change	1 July 2018 to 30 October 2018 31 December 2018 to 30 June 2019
Governing board members		
Catherine (Kate) Vinot	Chair	1 July 2018 to 30 June 2019
Geoffery Wescott	Deputy Chair	1 July 2018 to 30 June 2019
Kenneth Hinchcliff		1 July 2018 to 30 June 2019
Natasha Bowness		1 July 2018 to 30 June 2019
Greg Smith, AM		1 July 2018 to 30 June 2019
Heather Campbell		1 July 2018 to 30 June 2019
Rebecca McKenzie		1 July 2018 to 30 June 2019
Dana Hlavacek		1 July 2018 to 30 June 2019
William Whitford		1 July 2018 to 30 June 2019
Chief Executive Officer		
Jennifer Gray	Accountable Officer	1 July 2018 to 30 June 2019

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.

	Number	
	2019	2018
\$0 - \$9,999	-	2
\$10,000 to \$19,999	9	7
\$330,000 to \$339,999	-	1
\$340,000 - \$349,000	1	-
Total number of responsible persons	10	10
Total Remuneration (\$ thousand)	434	408

Notes to the financial statements

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.

(\$ thousand)

Details	2019	2018
Remuneration		
Short-term employee benefits	398	374
Post-employment benefits	28	26
Other long-term benefits	8	8
Termination benefits	-	-
Total remuneration	434	408
Total number of KMP	10	10

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

Notes to the financial statements

8.4.4 Significant transactions with government-related entities

(\$ thousand)

	2019	2018
a) Department of Environment, Land, Water and Planning		
Amounts recognised as income in the Comprehensive operating statement. This grant is for the operations of the Board's activities.	25,604	30,285
Amounts recognised as expenditure, in relation to various conservation programs.	(11)	(58)
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.	797	821
c) Treasury Corporation of Victoria (TCV)		
Amounts recognised as income in the Comprehensive operating statement. This is the interest earned from TCV investments.	407	561
d) Victorian Funds Managed Corporation (VFMC)		
Amounts recognised as other economic flow in the Comprehensive operating statement. This is the investment distribution income earned from VFMC investments.	412	389
e) Department of Human Services (DHS)		
Amounts recognised as income in the Comprehensive operating statement. This grant is for the construction of disability toilets.	-	200

8.5 Remuneration of auditors

(\$ thousand)

	2019	2018
Victorian Auditor-General's Office		
Audit and review of the financial statements	38	37
Total remuneration of auditors	38	37

Notes to the financial statements

8.6 Ex-gratia expenses

(\$ thousand)

	2019	2018
Forgiveness or waiver of debt (for both individual items and in aggregate that are greater than or equal to \$5,000)	-	-
Property damage	-	-
Others	-	-
Total ex-gratia expenses	-	-

8.7 Reserves

8.7.1 Endowment reserve

(\$ thousand)

	2019	2018
Balance at beginning of financial year	2,077	-
Transfer of accumulated surplus comprising:		
Endowment funds received in current year	506	1,967
Endowment funds received in prior year	381	-
Investment distribution income reinvested	134	110
Endowment distribution for the year	(83)	-
Unrealised Endowment movement	25	-
Balance at end of financial year	3,040	2,077

The Board's Endowment Fund is a long-term commitment that builds a capital base and will secure the future sustainability of the organisation. The capital is invested with VFMC's Balanced fund, with the distributions earned being used to fund projects that will further enhance the goals of the Board including staff development, conservation, animal welfare and education.

8.7.2 Financial assets available-for-sale revaluation surplus

(\$ thousand)

	2019	2018
Balance at beginning of financial year	193	-
Opening balance adjustment on adoption of AASB 9	(193)	-
Valuation gain/(loss) recognised	-	193
Balance at end of financial year	-	193

Notes to the financial statements

8.7.3 Financial assets through other comprehensive income revaluation surplus

(\$ thousand)

	2019	2018
Balance at the beginning of financial year	-	-
Opening balance adjustment on adoption of AASB 9	193	-
Valuation gain/(loss) recognised	(67)	-
Balance at end of financial year	126	-

The financial assets available-for-sale revaluation surplus arises on the revaluation of available-for-sale financial assets. Where a revalued financial asset is sold, a portion of the revaluation surplus which relates to that financial asset is effectively realised, and is recognised in the net result. Where a revalued financial asset is impaired, that portion of the revaluation surplus which relates to that financial asset is recognised in the net result.

8.8 Change in accounting policies

This note explains the impact of the adoption of AASB 9 Financial Instruments on the Board's financial statements.

8.8.1 Changes in classification and measurements

On initial application of AASB 9 on 1 July 2018, the Board's management has assessed for all financial assets based on the Board's business models for managing the assets. The following is the change in the classification of the Board's financial assets:

Managed investment schemes previously classified as available-for-sale under AASB 139 are now classified as fair value through other comprehensive income under AASB 9 because these investments are held as long-term strategic investments that are not expected to be sold in the short to medium term.

8.9 Other accounting policies

8.9.1 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.

8.9.2 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 2019 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.

Notes to the financial statements

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 2019	<p>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. Revenue from grants that are provided under an enforceable agreement that have sufficiently specific obligation will now be deferred and recognised as the performance obligations attached to the grant are satisfied.</p> <p>The Board already recognises revenue that is under an enforceable agreement when specific performance obligations are satisfied. It is unlikely that the changes in the standard will have a material impact to the Board’s financial statements.</p>
AASB 1058 <i>Income of Not-for-Profit Entities</i>	This standard replaces AASB 1004 <i>Contributions</i> 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	<p>Grant revenue is currently recognised up front upon receipt of the funds under AASB 1004 <i>Contributions</i>.</p> <p>The timing of revenue recognition for grant agreements that fall under the scope of AASB 1058 may be deferred.</p> <p>The impact on current revenue recognition of the changes is the potential phasing and deferral of revenue recorded in the operating statement.</p> <p>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.</p>

Notes to the financial statements

Topic	Key requirements	Applicable for reporting period beginning on	Impact on reporting entity
AASB 16 Leases	The key changes introduced by AASB 16 includes the recognition of most operating leases (which are currently not recognised) on balance sheet.	1 Jan 2019	<p>The assessment has indicated that most operating leases, with the exception of short term and low value leases will come on to the balance sheet and will be recognised as right of use assets with a corresponding lease liability.</p> <p>The impact to the Board is immaterial as most of the leases are low-value and can be exempted from this standard by way of an accounting policy.</p>
AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material	This Standard principally amends AASB 101 <i>Presentation of Financial Statements</i> and AASB 108 <i>Accounting Policies, Changes in Accounting Estimates and Errors</i> . The amendments refine and clarify the definition of material in AASB 101 and its application by improving the wording and aligning the definition across AASB Standards and other publications. The amendments also include some supporting requirements in AASB 101 in the definition to give it more prominence and clarify the explanation accompanying the definition of material.	1 Jan 2019	The standard is not expected to have a significant impact on the Board.

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 2018-19 reporting period. In general, these amending standards include editorial and references changes that are expected to have insignificant impacts on public sector reporting. For the current financial period, there are no amending standards that would impact Zoos Victoria.

Notes to the financial statements

8.10 Glossary of terms

AASB	Accounting Standards issued by the Australian Accounting Standards Board
<hr/>	
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.
<hr/>	
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.
<hr/>	
Commitments	Commitments include those operating, capital and other outsourcing commitments arising from noncancellable contractual or statutory sources.
<hr/>	
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'.
<hr/>	
Employee benefits expenses	Employee benefits expenses include all costs related to employment including wages and salaries, leave entitlements, redundancy payments and superannuation contributions.
<hr/>	
Financial asset	<p>A financial asset is any asset that is:</p> <ol style="list-style-type: none"> a. cash; b. an equity instrument of another entity; c. a contractual right: <ul style="list-style-type: none"> • 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 d. a contract that will or may be settled in the entity's own equity instruments and is: <ul style="list-style-type: none"> • a nonderivative 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.

Notes to the financial statements

Financial liability	<p>A financial liability is any liability that is:</p> <ol style="list-style-type: none"> a. a contractual or statutory obligation: <ul style="list-style-type: none"> • 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 b. a contract that will or may be settled in the entity's own equity instruments and is: <ul style="list-style-type: none"> • 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.
Financial instrument	<p>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.</p>
Financial statements	<p>A complete set of financial statements comprises:</p> <ol style="list-style-type: none"> 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	<p>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.</p>
Intangible assets	<p>Intangible assets represent identifiable non-monetary assets without physical substance.</p>

Notes to the financial statements

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 writeoffs, impairment writedowns 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 transferor but they do not give the transferor 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 transfer. Receipts and sacrifice of approximately equal value may occur, but only by coincidence.

Notes to the financial statements

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 nonfinancial 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 nonproduced 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 daytoday 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 a 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.

Independent Auditor's Report

To the Board of the Zoological Parks and Gardens Board

Opinion I have audited the financial report of the Zoological Parks and Gardens Board (the authority) which comprises the:

- balance sheet as at 30 June 2019
- 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, including significant accounting policies
- declaration.

In my opinion, the financial report presents fairly, in all material respects, the financial position of the authority as at 30 June 2019 and its financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the *Financial Management Act 1994* and applicable Australian Accounting Standards.

Basis for Opinion I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

My independence is established by the *Constitution Act 1975*. My staff and I are independent of the authority in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Board's responsibilities for the financial report The Board of the authority is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the *Financial Management Act 1994*, 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.

In preparing the financial report, the Board is responsible for assessing the authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.

Auditor's responsibilities for the audit of the financial report

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

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

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the authority'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 authority'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 authority 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.

MELBOURNE
24 September 2019



Paul Martin
as delegate for the Auditor-General of Victoria



ZOOS

VICTORIA
Fighting Extinction

PO Box 74
Parkville, Vic. 3052
Elliot Avenue
Parkville Victoria
www.zoo.org.au

MELBOURNE ZOO

Elliott Avenue
Parkville, Vic. 3052
Tel: 1300 966 784
Fax: 61-3-9285 9350

HEALESVILLE SANCTUARY

Badger Creek Road
Healesville, Vic. 3777
Tel: 1300 966 784
Fax: 61-3-5957 2870

WERRIBEE OPEN RANGE ZOO

K Road
Werribee, Vic. 3030
Tel: 1300 966 784
Fax: 61-3-9731 9606

