



Annual Report 2019-2020

While you were at home

ZOOS
VICTORIA
Fighting Extinction

*Illustrations found throughout
this report are by our young
Zoos Victoria Members.*

LION
Emily
– 8 years old



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In accordance with the Financial Management Act 1994, I am pleased to present Zoos Victoria's Annual Report for the year ending 30 June 2020.



Kate Vinot
Chair – Zoos Victoria



Dr Jenny Gray
CEO – Zoos Victoria



LION
Ericka
– 12 years old

Year in review

The last year has been complex and challenging. Bushfires and the coronavirus (COVID-19) have pushed us beyond what we thought we were capable of, and reinforced that during times of crisis, humans can achieve incredible things when we respond with focus and compassion.

The year started as normal, with ambitious visitation, membership and conservation targets. By December we were optimistic about achieving our targets. Building on the success of the *Dinosaurs* program in 2019, we confidently secured bigger, more impressive animatronic dinosaurs for 2020.

In September 2019, we launched the 'Lights off for the Bogong Moth' campaign, prompted by the near disappearance of billions of Bogong Moths from their usual migratory flight to the Victorian Alps, where critically endangered Mountain Pygmy-possums depend on them as their main food source. The Moth Tracker app was developed to allow anyone to record a sighting of a Bogong Moth and provide open source data to the scientific community. The campaign received international media attention, and resulted in 1 in 5 people in the Australian Capital Territory reporting that they were taking action to help Bogong Moths.

In October, more than 70 Eastern Barred Bandicoots travelled over 400 kilometres from Hamilton, on Victoria's mainland, to French Island in Western Port Bay. We were filled with pride as bandicoots leaped from their containers into the cold, clear night, knowing they would be safe on their island haven. The French Island community were an integral part of the release, and will continue to act as important guardians of this special population.

Healesville Sanctuary celebrated the birth of four Alpine She-oak Skinks, marking the first time the species has been successfully bred in captivity. As one of our priority 27 threatened species outlined in our Wildlife Conservation Master Plan, this was a major achievement for wildlife conservation.

We welcomed the safe arrival of three precious Snow Leopard cubs at Melbourne Zoo. As part of the European breeding program for the species, mum Miska and dad Kang-Ju were introduced to help contribute to the insurance population of this rare and reclusive species.

Using the change of the decade to focus on strategy, we refined the direction of our organisation over the next decade through consultation with the Board, staff and various focus groups over an eight month period. Our 2030 Strategy proposes that Zoos Victoria will secure the delivery of conservation outcomes, connected to our community, and be recognised as a thriving and ethical organisation. We'll see a stronger focus and investment in improving visitor and staff facilities, addressing climate change and providing unique wildlife experiences.

Then in January 2020, bushfires swept across Victoria and much of Australia, resulting in unimaginable loss of biodiversity and wildlife. Whilst the world watched in horror as images of injured wildlife and charred landscapes filled their screens, we were truly touched as demand for our staff and skills grew, and offers of help came through from donors, zoos and even school children from all corners of the earth.

We were able to respond quickly and effectively with expert care to animals affected by the fires. In January, we established the Bushfire Wildlife Emergency Fund to assist with the rehabilitation of injured wildlife and long-term strategy for species recovery. The Australian Wildlife Health Centre at Healesville Sanctuary became a central treatment centre for intensive care wildlife cases during this time, taking in 22 koalas. Our veterinary staff were deployed to triage sites in bushfire zones at Mallacoota, Bairnsdale and Corryong where they worked tirelessly to provide expert care on the ground.

We were involved in a rescue operation to save the last remaining Victorian population of Eastern Bristlebirds ahead of the approaching fire front. Working closely with partners, a group was transported by the Australian Defence Force on a Chinook helicopter to collect an insurance population and bring them back to Melbourne Zoo until it was safe to return them to their home in the wild.

The year had more to offer, by 24 March 2020, Zoos Victoria had to close to the public for the first time in 158 years. The global pandemic and risk to Australians required the closure of public spaces, schools and recreational activities. All staff that could work from home were directed to stay home. Zoos cannot simply close, we have a duty to care for the animals housed at our properties. Following global best practice, two rosters were implemented to reduce risk, and critical vets and keepers were separated into small teams. Increased hygiene and cleaning standards were implemented.

To meet interest in animals and help our members at home, we commenced live streaming of our amazing animals. Over 2.4 million people accessed our images, videos and keeper talks. Our education programs were a core part of maintaining connection with the community, and we explored new delivery and new classes. Over the two months of closure we laughed, danced and cried. We celebrated births and mourned the passing of much loved residents. On 1 June 2020, we reopened our gates to visitors. Tickets had to be booked online and we set limits on daily numbers to ensure safe distancing. Our visitors returned, with warm jackets and warmer smiles. Seeing their faces we were reminded that caring for animals, either in disasters or every day, is only half of our mission. Connecting people with nature is core to delivering a future rich in wildlife.

We have learnt the importance of being agile in the face of this global pandemic. We were pushed to reconsider how we operate, and we were forced to pivot our priorities in order to weather the storm. While our zoos were temporarily closed, we supported over 1,500 staff and volunteers with timely, transparent communications and advice and negotiated significant roster changes, consulting extensively with staff, unions, Government and health and safety representatives. Throughout it all, our conservation work didn't falter.

On behalf of Zoos Victoria, we would like to thank the State and Federal Governments, members, and donors from all over the world for their support during these trying times.

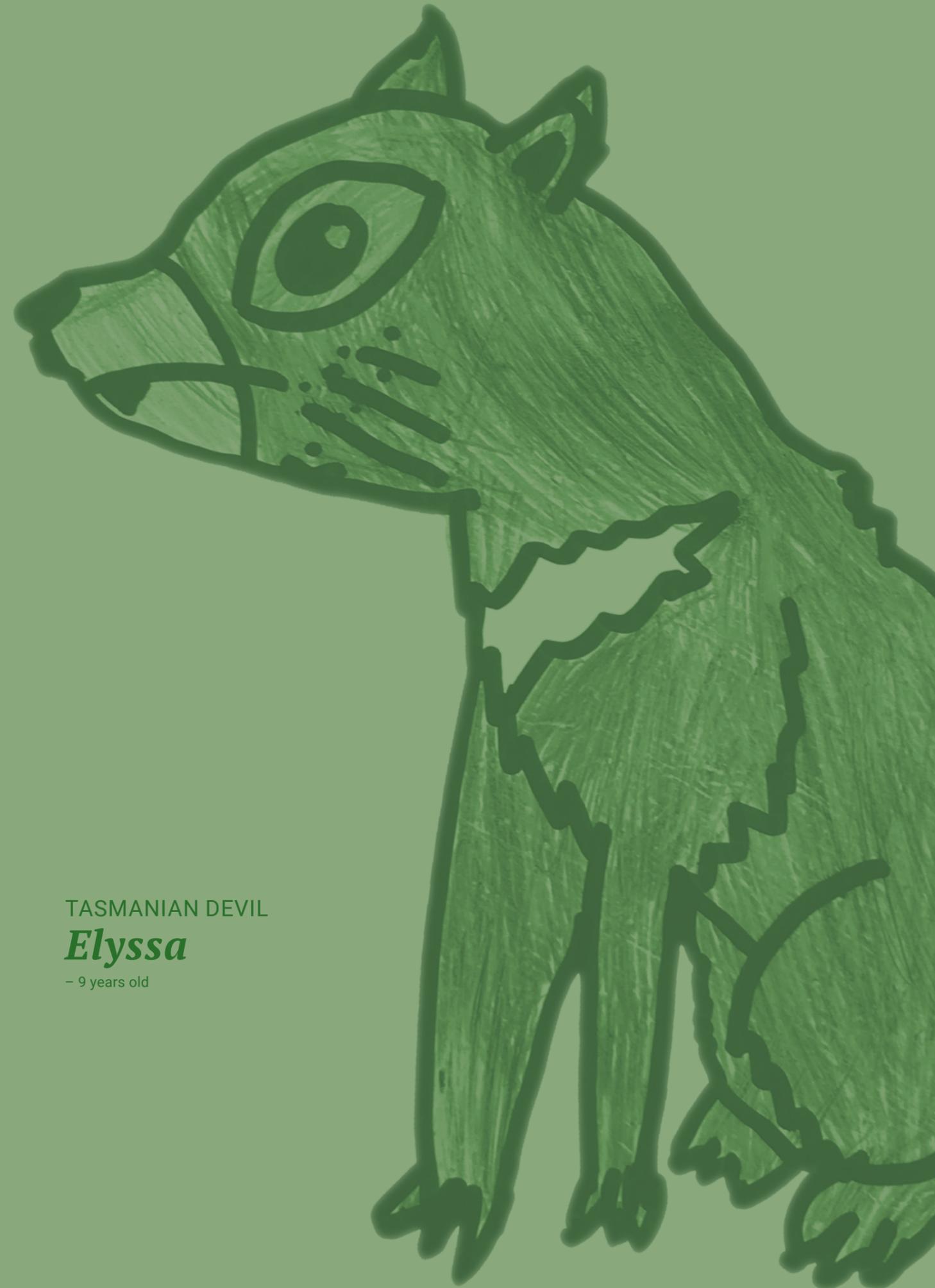
A special thank you to the Hon. Lily D'Ambrosio and the Department of Environment, Land, Water and Planning, and our Board for their guidance and support.

Thank you to our 34,000 donors and the community for all that they have done to help us through this challenging year. Because of your support, we will be able to deliver long-term projects to protect wildlife as we focus on the bushfire recovery. We look forward to bringing you on this journey with us.

Amid the devastation they have caused, the bushfires and coronavirus have been stark reminders that our planet is fragile and needs our protection more than ever. We enter this next financial year with hope, ambition and deep gratitude for the environment and wildlife we will continue to fight for.

Kate Vinot
Chair – Zoos Victoria

Dr Jenny Gray
CEO – Zoos Victoria



TASMANIAN DEVIL
Elyssa

– 9 years old



Our charter OUR PURPOSE

OUR VISION

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

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

GIRAFFE
Anika
– 10 years old



GOVERNANCE AND LEGISLATION

Since 1973, the three great 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, 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.

ORANGE-BELLIED PARROT

Lhiam

– 10 years old



Action areas IN FOCUS

These action areas underpin all that we do and ensure our vision evolves into reality.

- 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 We launched our second Wildlife Conservation Master Plan 2019-2024, integrating our wildlife and community conservation programs, and our commitment to 27 native threatened species.
- 2 The French Island community-assisted release of 74 Eastern Barred Bandicoots in October was a significant milestone 12 years in the making that will secure a brighter future for this species.
- 3 Zoos Victoria's Detection Dog program, a first for any Australian zoo, saw the appointment of two highly experienced detection dog specialists. Early Fighting Extinction focus species for the dogs include the Baw Baw Frog and Plains-wanderer.
- 4 Record numbers of Orange-bellied Parrots were released into the wild, including almost 100 in south-west Tasmania and 26 on the mainland, with nearly half of the birds having been bred or housed at Zoos Victoria properties. These releases contributed to the largest number of Orange-bellied Parrots leaving the breeding site in Tasmania since the 1990s.
- 5 The *Lights Off for the Bogong Moths* campaign asked residents of south-eastern Australia to switch off unnecessary outdoor lights to aid in the migration of Bogong Moths and help the Mountain Pygmy-possum. The program resulted in a 10.7% increase in awareness that a reduction of light pollution can help moths and possums.
- 6 Melbourne Zoo successfully bred and reared Grassland Earless Dragons for the first time as part of our conservation and husbandry development project. Also a first, Healesville Sanctuary bred Alpine She-oak Skinks as we continue to develop conservation breeding techniques for these rare animals.
- 7 We commenced our new international program with partnerships signed with Fauna & Flora International in Vietnam to protect Northern White-cheeked Gibbons and Asian Elephants; Dian Fossey Gorilla Fund in Rwanda to protect Mountain Gorillas; and with Societe d'Ornithologie de Polynesie in French Polynesia to protect critically endangered flycatchers and kingfishers.
- 8 We worked closely with Australia's largest confectionary manufacturer to shift them to only using the highest standard of Certified Sustainable Palm Oil in their Australian products, a major step for the *Don't Palm Us Off* community conservation campaign.
- 9 More than 22,000 zoo visitors took action to help the Mountain Pygmy-possum by purchasing a specially designed *Totes for Wildlife* bag in our retail stores, each one raising funds to support habitat restoration for the species.
- 10 We launched the Moth Tracker app and received more than 500 Bogong Moth sightings from citizen scientists in south-eastern Australia. The platform was the first of its kind and is dedicated to providing scientists with a better understanding of the annual migration of the moths to Mountain Pygmy-possum habitat.

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 three zoos.

- 1 We made a significant advancement in strategic species planning with the Species Selection Guiding Principles and Framework endorsed. The framework embeds justified, humane and effective as the guiding principles for our animal species choices.
- 2 At Healesville Sanctuary, the breeding programs for critically endangered Fighting Extinction species produced 524 Northern Corroboree Frogs eggs, 383 viable Southern Corroboree Frog eggs, four Alpine She-oak Skinks, 52 Orange-bellied Parrots, 22 Helmeted Honeyeaters, 13 Tasmanian Devils and seven Mountain Pygmy-possums. Additionally, a Goodfellow's Tree-kangaroo was born, joining the Global Species Management Program for the species.
- 3 Our continuous improvement philosophy for animal welfare focused on the development of Zoos Victoria's Reptile Welfare Guidelines to shine a spotlight on this incredible group of animals and their diverse behavioural needs.
- 4 Melbourne Zoo supported the Fighting Extinction programs with the hatching of 328 Baw Baw Frogs, 17 Grassland Earless Dragons and nine Regent Honeyeaters. Other significant births included two Hamadryas Baboons, four Asian Small-clawed Otters and three Snow Leopards. We also welcomed the hatching of 47 Crucifix Toads - the first time the species has been successfully bred in captivity.
- 5 Our animal training programs continued to achieve success both for animal welfare and visitor experience, including free-flight of birds, voluntary x-rays ultrasounds across a range of species, voluntary hand-injection of the Snow Leopard cubs and training for regular weighing and medical checks across multiple species including koalas, pelicans and kangaroos.
- 6 Young Asian Elephant bull Man Jai required specialised treatment of a damaged tusk. The successful veterinary procedure required careful planning, co-ordination and collaboration between various teams.
- 7 The temporary closure of our zoos due to coronavirus (COVID-19) provided a unique opportunity to gather data on the behaviours of animals whilst there were no visitors present. Species studied in this period ranged from butterflies to gorillas.
- 8 An Animal Behaviour Specialist joined the Zoos Victoria team and brought an exciting focus on strategic advancements in animal behaviour across the diverse range of species living in our care.

- 9 Werribee Open Range Zoo celebrated the continued success of breeding the Plains-wanderer, one of our Fighting Extinction species, with 10 chicks hatched. To ensure the genetic health of the population, seven birds have been transferred to other zoos, and four birds transferred into the Werribee colony. Programmed breeding of hoofstock as part of our regional species management programs led to births of two Plains Zebra, four Scimitar-horned Oryx and five Nyala.

- 10 Animal transfers routinely occur to support group management and breeding; notable transfers over the past 12 months included the arrival of a young male Giraffe at Melbourne Zoo, the transfer of three Sumatran Orang-utans from Melbourne Zoo to Sydney Zoo, and at Werribee Open Range Zoo, the exchange of male Southern White Rhinoceros with Halls Gap Zoo.

SNOWY OWLS *Michael*





GIRAFFE
Evie
– 7 years old

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
- 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.

2019-20 WELFARE REVIEW

Instances requiring investigation included:

MELBOURNE ZOO

- A Sumatran Orang-utan escaped from the Orang-utan Sanctuary. A hole in the exhibit mesh was found, as was a short piece of tree branch. It is likely the orang-utan used the branch as a tool to break the exhibit wire. Keepers responded quickly and coaxed the orang-utan to a secure area where it was captured without incident.

- A Corn Snake was found dead after it escaped overnight from its enclosure and made its way to an enclosure housing mice. The mice had killed the snake. It was found that the snake's enclosure was faulty; it appeared locked but there was a small gap in the doors.
- A juvenile Goodfellow's Tree-kangaroo was found deceased in its enclosure. It is assumed a Common Brushtail Possum killed the juvenile overnight.

WERRIBEE OPEN RANGE ZOO

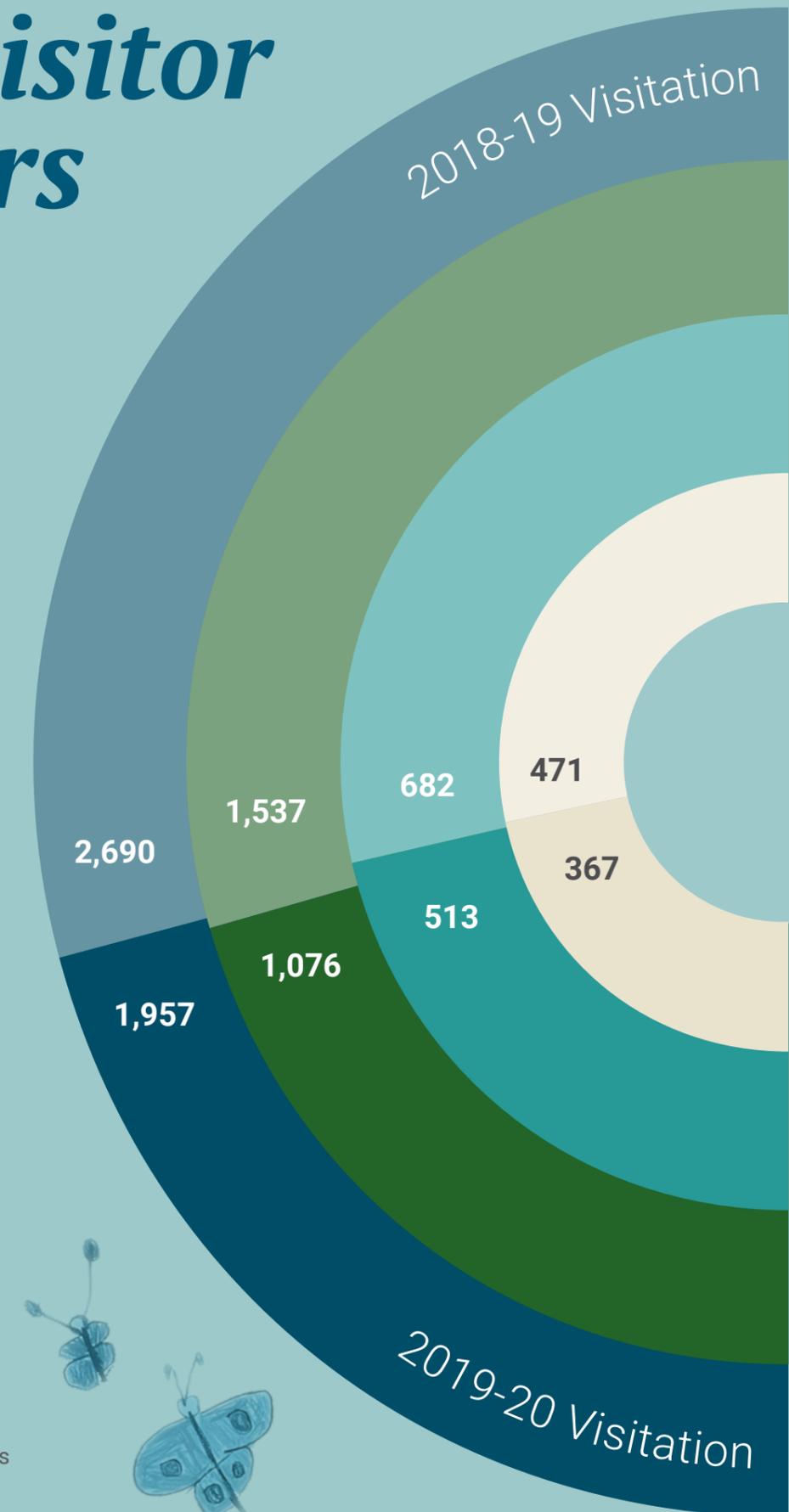
- A Scimitar-horned Oryx calf died after its head became caught in a hay feeder. The calf was removed from the feeder with immediate veterinary assistance provided.
- Two Plains Zebra died likely due to complications following transfer of 13 zebra between exhibits. One zebra injured its leg whilst being darted, and the other experienced capture myopathy. The decision was made for euthanasia of both zebra.
- A Common Brushtail Possum was found in poor condition after being becoming trapped in a building on the property. The possum was placed in an animal crate in a ward of the veterinary hospital for assessment. Unfortunately, usual procedure was not followed, and the possum was found in the ward several days later. Due to the possums deteriorating state, a decision was made for euthanasia.
- A Przewalski's Horse colt required euthanasia after its leg became caught in a gap between a fence-post and gate. It is assumed that the colt was pacing at the fenceline when its leg became trapped in the gap.

3 VISITORS AND COMMUNITY

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

- 1 We exceeded our record for Zoo Memberships, reaching a total of 299,000 active members in February. On average, Members comprised of 35% of all visitors on weekdays, and contribute to between 40 to 45% of visitation on weekends.
- 2 We were the first Australian zoo to stream live footage from animal exhibits during the temporary closure due to coronavirus (COVID-19). The *Animals at Home* initiative provided ongoing positive media coverage even during disrupted operations, drove significant website traffic to the Zoos Victoria website and allowed us to provide the community with a glimpse into daily life at our zoos. Over 2.2M people tuned in and spent an incredible average viewing time of 57 minutes.
- 3 Our total tourism revenue until March 2020 was up 10% on the same period the previous year, despite the bushfires and Coronavirus (COVID-19).
- 4 Filming of our first television series was completed, shining a spotlight on the wonderful care provided to the animals in our zoos and our critical conservation work being carried out in the field. The series, produced by an established Melbourne production company, WTFN, will be broadcast around the world and on Channel Nine in Melbourne.
- 5 We discontinued the use of single-use plastic water and soft drink bottles from all catering outlets and switched to fully compostable cups. This initiative helped to remove more than 12 tonnes of plastic waste per annum across our three zoos.
- 6 We doubled the size of our annual *Dream Night* event, with more than 1,300 children with disabilities and their families attending the evening. Philanthropic and in-kind support was once again secured with Naomi Milgrom Foundation, the Bowness Family Foundation, Schweppes, Streets and Restaurant Associates.
- 7 A centralised visitor feedback portal was implemented, designed for Customer Engagement Staff to track and log compliments, complaints and suggestions to help improve our services.
- 8 The Zoos Victoria Member VIP Portal was launched in April, with more than 4,200 web sessions in its first week. The Portal delivered on the Zoos Victoria Membership promise that "Members Get More", even when their favourite zoos are temporarily closed. Members were provided with exclusive access to keeper talks, video content and competitions.
- 9 ZV Magazine, our stakeholder and donor publication, was distributed digitally for the first time. The magazine was sent to 30,555 VIPs, with an incredibly strong 40% email open rate.
- 10 We launched an award-winning Zoos Victoria website, which highlights our Fighting Extinction work while also streamlining the user experience for visitors. We were delighted to discover that our website, which is responsive to both mobile and desktop platforms, won two awards (for Website Design and UX, Interface & Navigation) at the international Indigo Design awards.

Total visitor numbers 2019-20



Visitors shown in tens of thousands
Please note: 2019/20 visitor numbers affected by zoo closure due to coronavirus (COVID-19).

4 PEOPLE

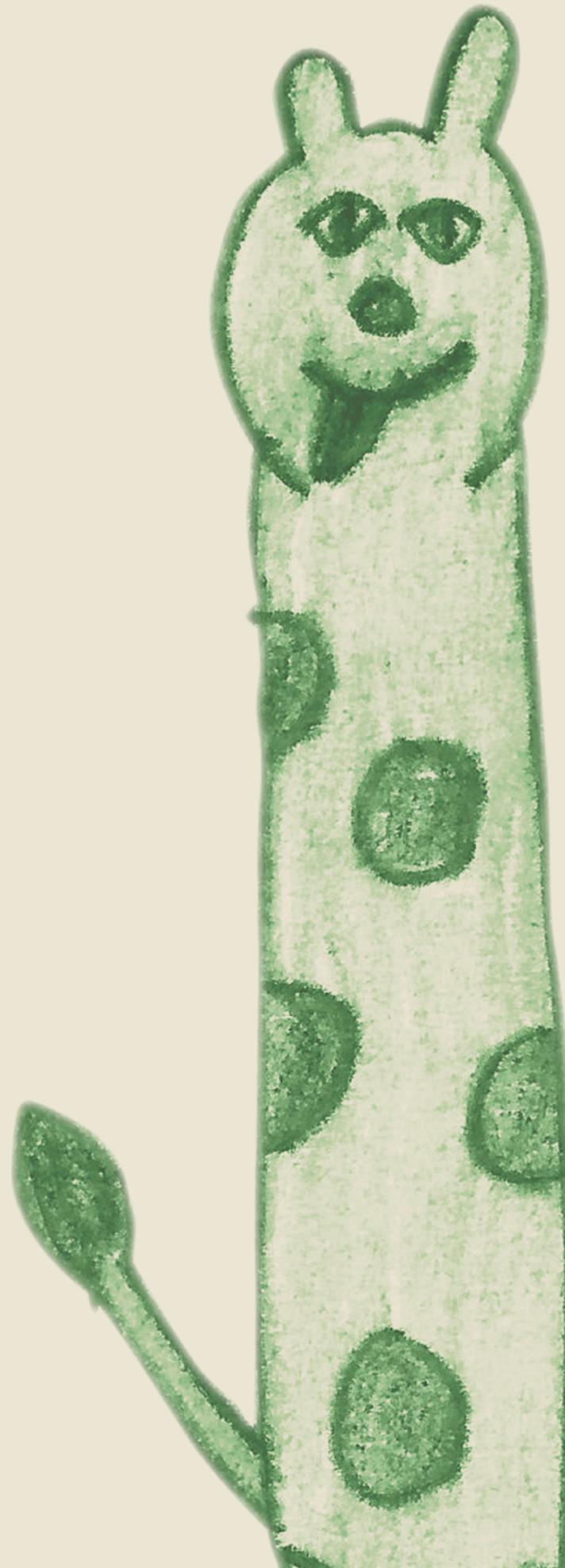
We care for Zoos Victoria staff and volunteers by providing support and services in line with our values to enable each individual to stay safe, contribute to our vision and realise their potential.

- 1 Job satisfaction exceeded a target of 85% with monthly staff surveys indicating 89% satisfaction. Acknowledgement exceeded target of 80% with monthly staff survey indicating 85%. These are really positive results in a year that has been challenging through bushfires and coronavirus (COVID-19).
- 2 The ZV Project Management Framework was developed and implemented across Zoos Victoria with more than 130 managers, coordinators and staff trained in the framework. The Framework is based on world-leading project methodologies and customised to our industry. It has provided the opportunity for us to implement leading practice Project Methodology consistently across all areas and teams of the organisation.
- 3 There has been more than 3,300 hours of face-to-face training delivered in areas of Equal Employment Opportunity, Safety, Cultural Awareness, Project Management, Connect Understand Act and Leadership. More than 2,700 online courses have been completed by staff through our eLearning platform. The courses range from Induction, Safety and Compliance, to Personal Development, Health and Well-being.
- 4 This year marked 40 years of formal volunteering at Zoos Victoria. Hall of Fame inductee, Beryl Durran, was the first of our volunteers to reach the 40-year milestone having been involved with the original organising committee in 1979. Our volunteer program continued to increase and expand into new areas, such as a horticulture program at Werribee Open Range Zoo, and a pro-bono vet activity at Healesville Sanctuary working on non-core workload such as necropsies. Time and skills continued to be donated in abundance with around 80,000 hours being gifted to Zoos Victoria this year.
- 5 The Animal Interlocking System at the Melbourne Zoo tiger exhibit is the first fully integrated system in the world. We were nominated for a WorkSafe award for this initiative and made it through to the final review panel. This system significantly increases the safety of our staff working with these dangerous animals and minimises the possibility of any human error when moving and working with tigers.
- 6 We engaged with Compassion Fatigue Australia to deliver compassion fatigue workshops for our vet teams in early December, as well as for the Marine Response Unit. This was followed by further workshops during the bushfire relief work. All of the sessions were well received and highly regarded by staff.
- 7 It was pleasing to see that our Safety Culture Maturity (as measured by the SafetyCircle cultural index survey) improved by five points. Our monthly Safety Survey also recorded a high proportion of our staff working safely each day within the SafetyCircle – an incredible 96%.

GIRAFFE *Ericka*

– 12 years old

- 8 We supported more than 1,500 staff and volunteers with timely, transparent and respectful communication, information, advice and referral on coronavirus (COVID-19) and retained fantastic staff job satisfaction, acknowledgement and safety results during a period of significant change and uncertainty. We provided access and support for our fantastic people through our Employee Assistance Program and through access to other wellness information and resources, and provided new resources for working parents with support from the Department of Land, Water and Planning.
- 9 As soon as coronavirus (COVID-19) became a significant issue, our CEO, Dr Jenny Gray, used our internal communications platform Workplace by Facebook to conduct daily live streams available to all staff. These live streams were consistently well attended, received extremely positive online ratings and provided an accessible update directly from Jenny, which included Q&As with a wide variety of staff.
- 10 Our technology infrastructure and support proved highly effective when a significant portion of staff were suddenly required to work from home. For example, staff used the BlueJeans video conference technology for an average of 80 meetings per day across the organisation, with a 97% user satisfaction rate.



5 FINANCIAL SUSTAINABILITY

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

- 1 Despite the incredibly difficult circumstances as a result of coronavirus (COVID-19), we delivered \$96M in revenue for the year, including membership revenue of \$16M. We were grateful that most of active member households didn't request a change to their membership during this time of great operational and financial challenge.
- 2 We introduced a range of cost savings and efficiency initiatives to partially offset the fall in revenue, and with further State Government financial support, we recommenced limited operations in June 2020, and prepared a detailed financial recovery plan to see the organisation through the next 12 months.
- 3 In conjunction with Ernst & Young, we prepared and presented a detailed Business Case and Economic Impact Study to support the Zoos Victoria 2030 plan, and in particular the redevelopment of Werribee Open Range Zoo, which includes the relocation of the elephant herd from Melbourne Zoo and the construction of a Sky Safari.
- 4 We developed and implemented a Social Procurement Framework, with the aim of achieving 100% responsible procurement by June 2021, and a focus on ethical, social and sustainability principles rather than only financial considerations.
- 5 The Zoos Victoria Procurement team was nominated as a finalist in three categories in the World Procurement Awards, for works in protecting the habitat of the critically endangered Helmeted Honeyeater and the Lowland Leadbeater's Possum.
- 6 The Bushfire Emergency Wildlife Fund was launched in January in response to the catastrophic fires in Victoria and New South Wales. We received over \$8.9M in donations from our State and Federal Government, local and international donors to support animal recovery and habitat restoration. These funds will be spent in line with the Zoos Victoria Bushfire Recovery Prospectus.
- 7 We continued our work on implementing the State Government Asset Management Framework, which covers over \$360M in assets. In 2019-20, we invested almost \$10M on new assets and \$8.8M in repairs and maintenance. We also completed asset class plans for vehicles, pathways, footpaths and animal enclosures.
- 8 A new philanthropy program, Conservation Partners, was launched with the goal of aligning the zoo's major gifts fundraising efforts more closely to our mission and vision to be a world-leading zoo-based conservation organisation. To date, we have grown the program from 40 Conservation Partners to 197.
- 9 The Zoos Victoria Endowment Fund continued to grow despite a difficult year, increasing to over \$4.5M, including a major single bequest of \$1.35M.
- 10 A number of financial system improvements designed to reduce costs and increase efficiencies were introduced, including improvements to the visitor ticketing system integration, electronic payment gateways and purchase ordering systems.

MOUNTAIN PYGMY-POSSUM

Rose

– 4 years old



OCCUPATIONAL HEALTH & SAFETY

Our occupational health and safety vision is to ensure all staff go home healthy and safe every day. During the 2019-20 financial year, the Safety Culture program further developed and continued to engage staff at all levels in a powerful, personal and positive way and challenged them to put safety first.

We implemented a number of initiatives to improve the health and safety of staff including continued focus on areas of improvement of our safety culture. Property Safety Action Plans were developed which included specific steps to promote improvements in the areas of having a speak up culture, Workplace Stress, Values and Behaviours, Acknowledgement and Bullying, Harassment & Discrimination. These initiatives all resulted in an improvement in our Safety Circle Cultural Index score.

As part of the Category 1 Risk assessment work that was done in previous years, "Plan, Do, Check, Act" workshops were organised to review these processes and identify further containment measures for risks. This was completed at Werribee Open Range Zoo, and will be followed by Melbourne Zoo in the 2020-21 financial year. The Animal Interlocking System (AIS) at Melbourne Zoo tigers exhibit was completed as part of the Category 1 project. The AIS is the first fully integrated system of its kind in the world and resulted in Zoos Victoria being nominated for a WorkSafe award.

In October we released our first Health and Wellbeing Plan, with a strong focus on mental wellness and initiatives. As part of this plan, we engaged with Anastasia Goussios from Compassion Fatigue Australia to deliver compassion fatigue workshops for our vet teams in early December, as well as for the Marine Response Unit. This was followed by further workshops during the bushfire relief work. All the sessions were well received and highly regarded by staff.

We launched our new health and safety incident and hazard management platform, also known as "ZV Safe". This new platform will expand our ability to track and report on all hazards and incidents. Mobile reporting is available on this platform as well as custom reports for managers.

Reported Hazards

Year	2019-20	2018-19	2017-18
Hazards	542	469	511
Per 100 FTE	89	78	85

The total number of hazards and number reported per 100 FTE increased to the highest level in the past three years. We continue to encourage staff to report hazards and reduce the barriers that discourage reporting.

Incidents

Year	2019-20	2018-19	2017-18
Incidents	228	176	149
Per 100 FTE	37	29	25

Similar to the trend seen in reported hazards, our level of reporting incidents and injuries continues to improve and grow each year. Increased reporting is a sign of a favourable or improving safety culture and must be interpreted in conjunction with other injury metrics.

Lost-time Injuries

Year	2019-20	2018-19	2017-18
LTIs	14	19	27
Per 100 FTE	2	3	5

There were some significant challenges in 2019-20 with a number of serious and major injuries being sustained when compared to previous years. While the number of LTIs decreased, the majority of injuries this year were classified as serious to major, with multiple cases resulting in surgical intervention. Five injuries were 'serious' resulting in 3-10 days lost and six were 'major' resulting in 11+ days time lost.

Lost-time Standard Workcover Claims

Year	2019-20	2018-19	2017-18
LTI Standard Claims	11	9	8
Per 100 FTE	1.8	1.5	1.5

There was a slight increase in the number of standard claims again in 2019-20, however the total FTE has also increased each of the last 3 years, resulting in a fairly steady Standard Claim/FTE rate.

Average Cost per Claim

Year	2019-20	2018-19	2017-18
Average Actual Paid	\$14,717	\$10,244	\$3,794
Average Total Estimate	\$74,312	\$29,374	\$4,424

The average cost per claim for both actual amounts paid and estimated average total cost of those claims has increased for 2019-20 due to an increased number of serious and major injuries having occurred in that year. It is important to note that the estimated total costs for claim changes every month, and for older claims years, the difference between the actual paid and estimated total cost figures is usually less. Therefore, this measure should be read in conjunction with other statistics for a full understanding of Zoos Victoria's claims performance.

WorkCover Premium

Year	2019-20	2018-19	2017-18
Premium	\$343,281	\$409,465	\$360,515

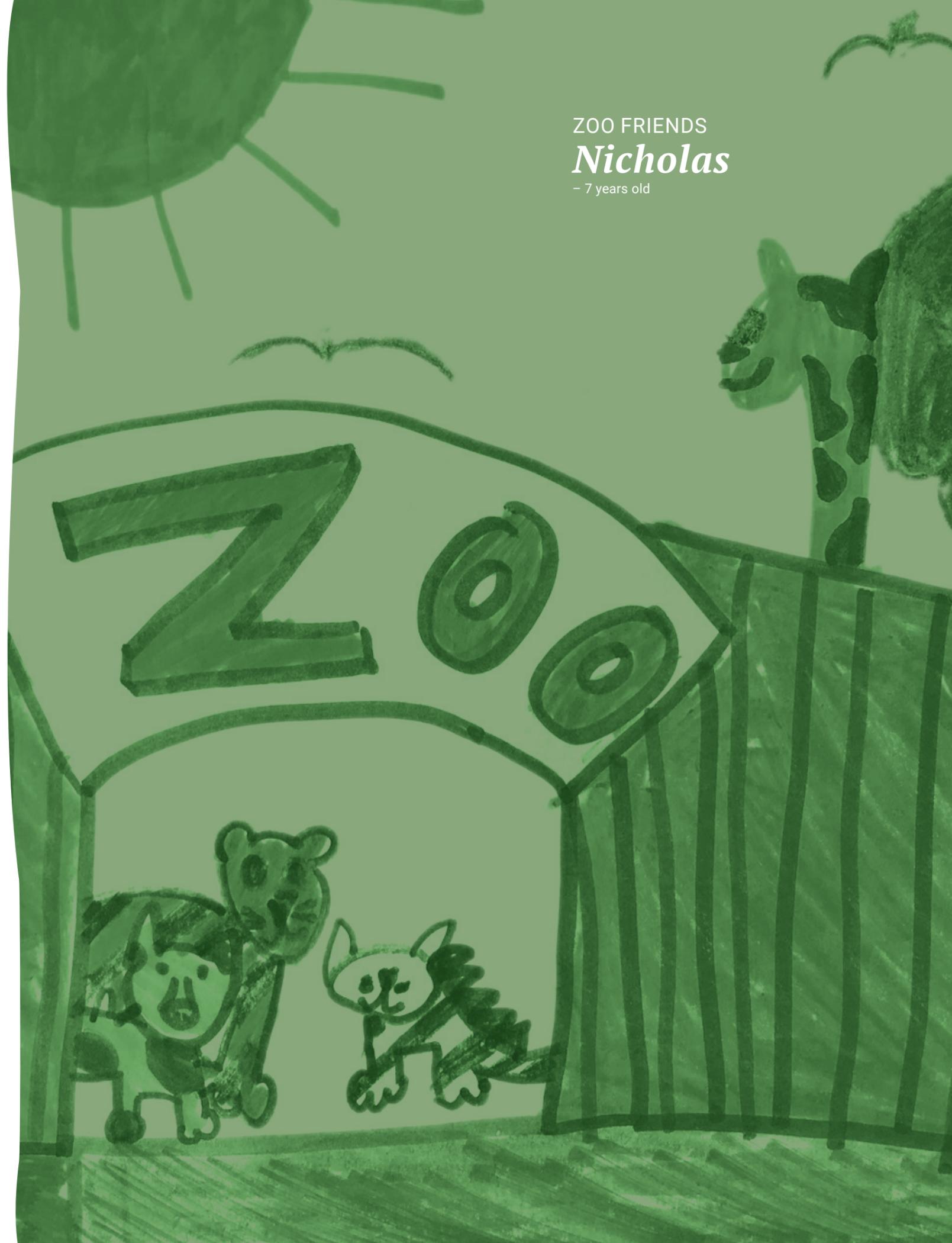
The decrease in the 2019-20 premium was reflective of less LTI's and WorkCover claims experienced in the three prior years that effect that premium. The decrease reflects the Board's proactive approach to safety and early intervention on return to work after an injury. Zoos Victoria continues to perform extremely well relative to our industry.

ENVIRONMENTAL SUSTAINABILITY

- We continued to divert 88% of waste from landfill through our Zero Waste to Landfill initiative. Only 12% of waste ended up in landfill; significantly reducing greenhouse gas emissions and increasing the recovery of raw materials through recycling and reuse.
- As part of our Single-Use Plastics Policy we implemented a post-mix beverage system to further improve on the delivery of soft drinks and water without single-use plastic containers.
- We increased our on-site solar PV installation by 70kW at Werribee Open Range Zoo. Our total on-site solar PV across our three sites was 675kW with a capacity of producing 886,000kWh of renewable energy per year, reducing greenhouse gas emissions by 1103 tonnes CO₂e.
- We continued to be certified under the Climate Active Carbon Neutral Standard (formerly the National Carbon Offset Standard – NCOS) for organisations. We have made positive changes in the way we do business to ensure our carbon emissions are equal to zero.
- At Melbourne Zoo, our water treatment plant processed and recycled approximately 100 mega litres of storm and grey water to Class A recycled water per year. This water was used for irrigation, washing animal exhibits and flushing toilets.
- Our environmental action plans were updated in the Zoos Victoria Environmental Sustainability Investment Prospectus 2019-2024.
- Our ISO 14001:2015 Environmental Management System continued to ensure we continuously improve on our environmental performance.
- The impact of a changing climate is apparent in increased risk to high altitude species, food shortage and extreme weather events. Zoos Victoria is adjusting operations and facilities to address changing circumstances.



ZOO FRIENDS
Nicholas
– 7 years old



WHILE YOU WERE AT HOME...

While the community looked after the people, we looked after the animals. It's been a busy year, and despite it's challenges we've achieved so much.

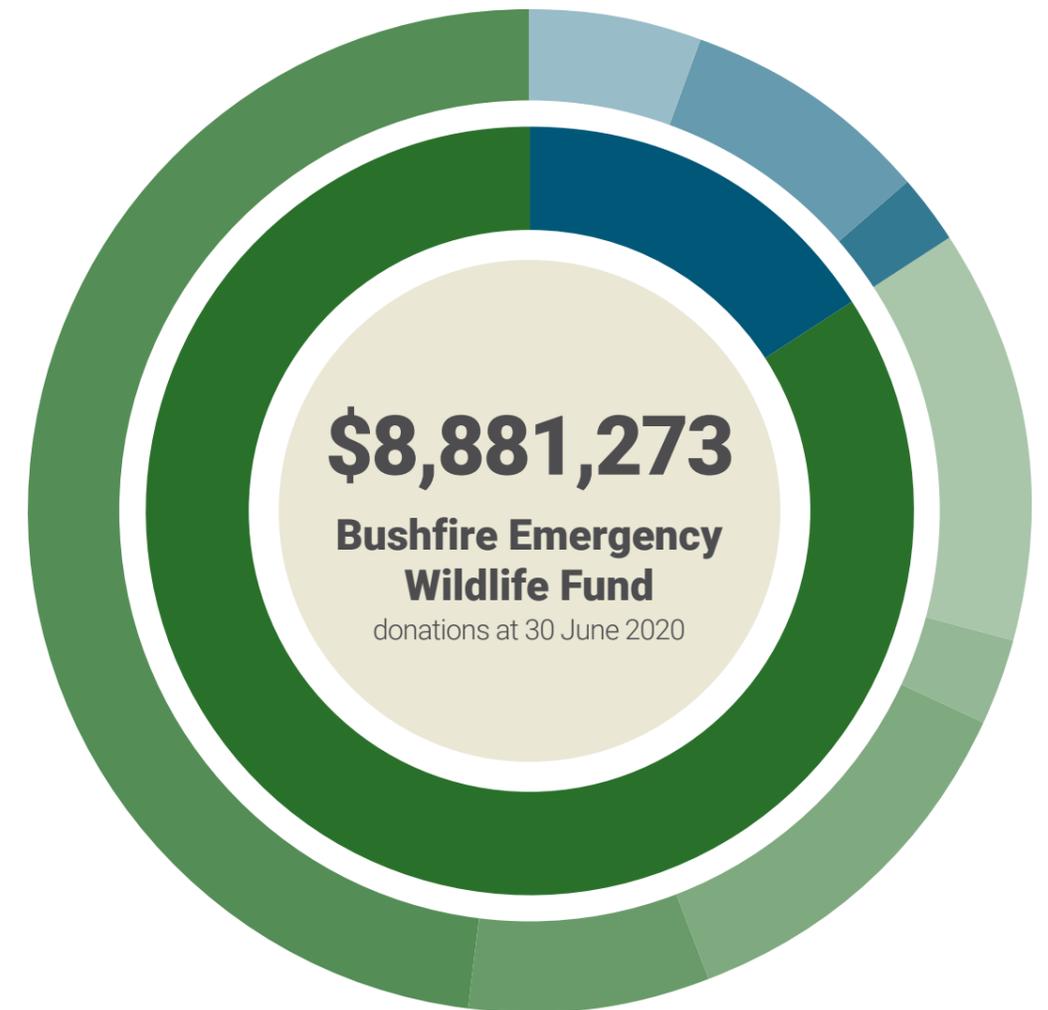


ELEPHANT
Grace
– 8 years old

- Zoos Victoria vets and nurses worked in triage sites across bushfire zones in Mallacoota, Bairnsdale and Corryong, providing specialised care to injured wildlife.
- 22 koalas received treatment at Healesville Sanctuary's Australian Wildlife Health Centre and five koalas were cared for at Melbourne Zoo after receiving injuries in the Victorian bushfires. Of these, 13 were transferred to Phillip Island Nature Park for rehabilitation prior to release.
- We were a part of the State Coordinated Bushfire Response and Recovery Program, and played a lead role in the evacuation of rare Eastern Bristlebirds ahead of the fire front in Mallacoota.
- Following the collapse of Bogong Moth numbers arriving in the high country, we developed nutritional 'Bogong Bikkies' and worked with our partners on the supplementary feeding trial for Mountain Pygmy-possums in fire ravaged areas of the snowy mountains.
- Following the bushfires, the Australian public demonstrated great concern for impacted wildlife. Our well established Digital Newsroom was able to publicise a phenomenal 3,000 stories, reaching an audience of over 20 million, ensuring visibility for the community on the role Zoos Victoria played in wildlife rescue and recovery.
- 1,380 Southern Corroboree Frog eggs were produced at Melbourne Zoo, providing a critical boost to numbers following the bushfires. Despite the extraordinary circumstances, the eggs were safely delivered to the New South Wales Office of Environment and Heritage, and released into Mt Kosciusko National Park.

- 20,000 students took part in Zoo Education Online. The Zoos Victoria Education team revolutionised the way education for conservation was delivered, offering teachers and their students a completely digital platform.
- More than 2M YouTube views and 1.6M webpage views (as of June 30 2020) of our Animals at Home live-streaming service. We were the first Australian zoo to provide public

- streaming of our animal exhibits, allowing people across the world to enjoy the delights of our zoos at home.
- Our Fighting Extinction Detection Dog team welcomed a new member, Moss the Labrador, who will help track and monitor threatened species.
- For the first time in Zoos Victoria history, the income via fundraising and philanthropic sources has topped \$13.2M.



- New Supporters \$4,259,195
- Corporate Supporters \$693,966
- Current Supporters \$1,079,958
- Members \$233,244
- International Zoos \$1,192,816

- Trusts and foundations \$190,000
- Victorian State Government \$732,094
- Australian Government \$500,000*

* A further \$500,000 is pledged to be received in 2020/21 financial year.

TOTAL GIFTS \$7,459,179
MAJOR AND MINOR, FROM VARIOUS SOURCES

TOTAL GRANTS \$1,422,094

ORGANISATIONAL CHART

DR JENNY GRAY
Chief Executive Officer



SNOW LEOPARDS

Eloise

- 7 years old



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 2020	As at 30 June 2019
Employees (total)	878	850
Male	296	288
Female	582	562
Self-described	none	none
HEAD COUNT		
Full-time and part-time		
Full-time and part-time (total)	576	573
Male	221	221
Female	355	352
Casual (total)	302	277
Male	75	67
Female	227	210
Full-time Equivalents (total)	581	599
Full-time and Part-time	510	516
Casual	71	83
Indigenous Employees (total)		
	2	2
Executive (total)		
Male	4	4
Female	5	5
Senior Managers (total)		
Male	8	9
Female	10	7

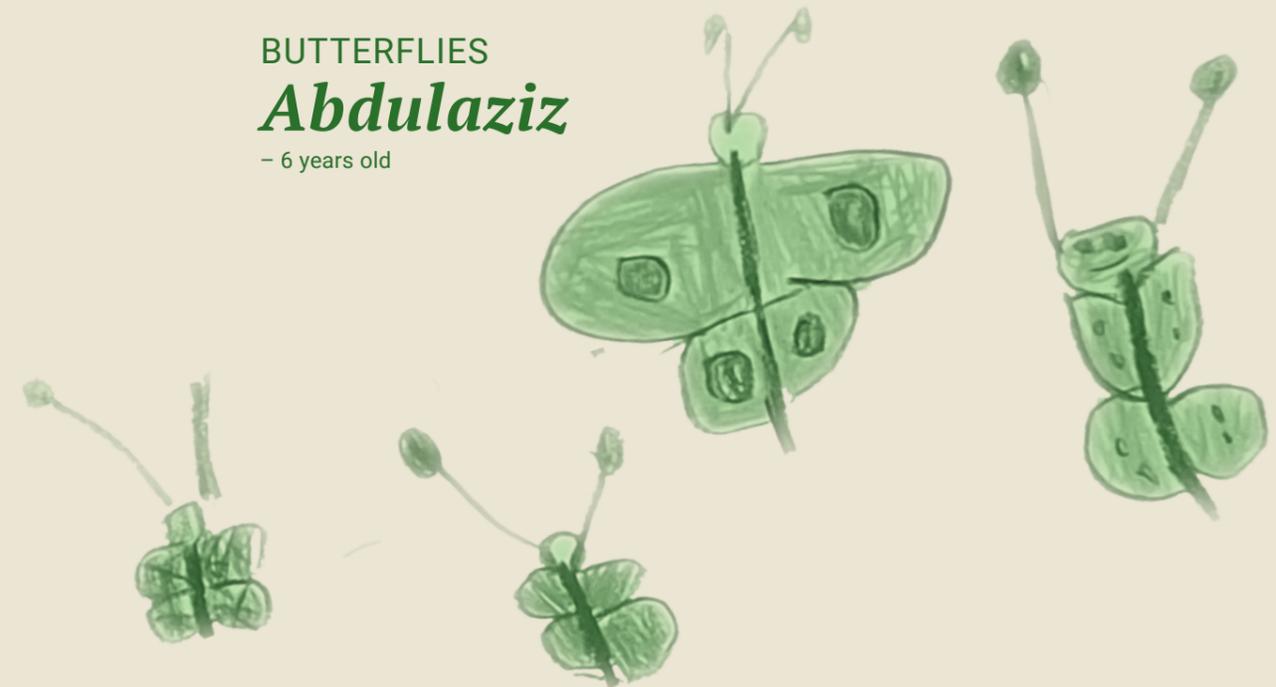
KEY PERFORMANCE INDICATORS

Measure	End June	Target	Met
Conservation			
<i>While bushfires led to the destruction of many species, captive breeding programs have progressed well and the general community came to understand Zoos Victoria's role in protecting and caring for wildlife. Target around waste reduction was impacted by challenges in the recycling sector.</i>			
Wildlife Conservation - % of Fighting Extinction species increasing in situ (%)	24%	37%	X
Wildlife Conservation - % of species with a captive breeding program ex situ (%)	52%	45%	✓
Zero Waste to Landfill – diversion rate from landfill (%)	88.5%	92%	X
Volunteers	931	1030	X
Measure of impact of messaging above benchmark (%)	70%	60%	✓
Animals			
<i>Targeted interventions addressed animal welfare concerns identified in the annual survey. The target was exceeded.</i>			
% of animals assessed as positive or neutral in animal welfare survey (%)	96%	95%	✓
Visitors			
<i>The March closure of the zoos due to coronavirus (COVID-19) impacted on visitation numbers. In June, Members made use of the limited opening to achieve the target of visits per member.</i>			
Annual visitation (millions)	1.95M	2.8M	X
Annual paid visitation (millions)	0.79M	1.28M	X
Visits per member	3.5	3.5	✓
Membership renewal rate (%)	55.5%	57%	X
Utilisation – average of top 10 days over last three years (%)	36.0%	39%	X
% of Victorian schools Fighting Extinction Schools	34%	35%	X
Our People			
<i>Due to the March closure, two teams were implemented to limit the spread and safeguard staff. Coronavirus (COVID-19) has impacted on rolling out some of the initiatives designed to improve safety environments and the number of volunteers but we were pleased to see an improvement on the LTI frequency rate and employee engagement. Pulse survey was delayed by the State Government.</i>			
Leadership measure according to Pulse Survey or People Matters Survey (%)	73%	>75%	X
Employee Engagement Index (People Matters) or Job Satisfaction (%)	89%	>86%	✓
Workplace Safety according to Pulse Survey (month) (%)	96.4%	>95%	✓
Lost time Injuries: Frequency Rate	12.34	15	✓
Lost time injuries: Number of incidents longer than 2 days lost	12	6	X
Excess Annual Leave: % of staff with excess leave	8.2%	5%	X
Financial Sustainability			
<i>The March closure of the zoos due to coronavirus (COVID-19) impacted on revenue activities and some project delivery.</i>			
Secure capital investment for WORZ - \$ raised	\$1.6M	\$15M	X
Revenue (YTD millions)	\$96M	\$112M	X
Expenditure (YTD millions)	\$109.8M	\$116M	X
Net operating result – (deficit)/surplus (YTD millions)	(\$13.8M)	(\$4M)	✓
Cash Holdings (31/05 millions)	\$27.3M	\$9.6M	✓
\$ revenue per total visitor (month)	\$45.35	\$36.58	✓
Wages as % revenue (YTD)	62.1%	<60%	X
Implementation of Corporate Plan 2019/20 - % actions implemented	76%	90%	X
Conservation Master Plan % spend against budget	70%	100%	X
Annual Members	299,000	300,000	X
Philanthropy (YTD millions)	\$13.5M	\$4.8M	✓
Asset Management % spend on asset maintenance against budget	85%	96%	X

ADMISSION CHARGES

Price / Category	2019-20	2018-19
Adult (16 years and over)	\$38	\$37
Child (above 4 to 15) normal day other than weekends, Victorian public holidays and Victorian school holidays.	\$19	\$19
Child (above 4 to 15) on weekends, Victorian public holidays and Victorian school holidays.	FREE	FREE
Child with disability concession on weekdays (excluding weekends, public holidays and school holidays)	\$5	\$5
Carer accompanying a person with a disability who is a holder of a Child Disability Allowance Health Care Card, Disability Pension Card or a Companion Card	FREE	FREE
Seniors	\$34	N/A
Concession	\$29	N/A
Weekday family saver: 2 adults + 2 children	\$95	\$93
Weekday family saver: 2 adults + 3 children	\$104.50	N/A
Weekday family saver: 2 adults + 4 children	\$114	N/A
Weekday family saver: 2 adults + 5 children	\$123.50	N/A

BUTTERFLIES *Abdulaziz* – 6 years old



FINANCIAL SUMMARY

	2019-20	2018-19	2017-18	2016-17
Recurrent				
Revenue Zoo Activities	55,385	67,200	61,227	56,053
Other grants, income and sponsorship	23,668	24,908	11,604	11,224
Parks and Reserve Trust Fund ¹	16,910	8,252	27,024	14,729
Total Income	95,963	100,360	99,855	82,006
Total Depreciation	(12,384)	(11,977)	(11,990)	(11,065)
Total Operating Expenses ²	(97,442)	(96,232)	(86,657)	(76,384)
Total Expenses³	(109,826)	(108,209)	(98,247)	(87,449)
Net Result from transactions	(13,863)	(7,849)	1,608	(5,443)
Other economic flows⁴	306	(303)	78	(884)
Net Result for the period	(13,557)	(8,152)	1,686	(6,327)
Assets, Liabilities and Equity				
Total Assets	396,306	399,539	385,211	373,921
Total Liabilities	(27,910)	(23,607)	(19,950)	(17,424)
Total Equity	368,396	375,932	365,261	356,497
Capital Contributions for⁵				
Big Cat Row Development				3,125

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

Subsequent to the end of the financial year the zoos have been closed to the public since July as a result of coronavirus (COVID-19). Refer to section 8.1 of the Zoos Victoria Financial Report for details.

SIGNIFICANT CHANGES IN THE FINANCIAL POSITION DURING THE YEAR

During the financial year the three zoos were closed to the public for a number of months which resulted in a reduction in revenue which impacted the financial position during the year. Refer to Section 1.6 in the Zoos Victoria Financial Report for details.

MAJOR CHANGES OR FACTORS AFFECTING PERFORMANCE

The impact of coronavirus (COVID-19) resulted in the closure of Zoos Victoria's three zoos to the public for a number of months in 2020, which led to a significant reduction in revenue from zoo activities for the year. Please refer to Section 1.6 in the Zoos Victoria Financial Report for details.

During December 2019 and January 2020, Victoria was subject to extreme bushfires which led to wide scale devastation of wildlife and habitat. Zoos Victoria launched a bushfire appeal which raised \$8.9 M to support animals and habitat. Refer to Section 1.7 in the Zoos Victoria Financial Report for details.

BOARD ATTENDANCE

BOARD ATTENDANCE 1 JULY 2019 TO 30 JUNE 2020

Member	No. of meeting eligible	No. of meeting attended	Date appointed
Kate Vinot (Chair)	7	7	1/7/18
Dr Geoff Wescott (Deputy Chair)	7	7	7/9/11
Prof. Kenneth Hinchcliff	7	7	21/5/08
Natasha Bowness	7	7	30/4/13
Heather Campbell*	4	4	1/8/17
Greg Smith AM	7	4	1/8/17
Rebecca McKenzie	7	6	1/7/18
Dana Hlavacek	7	6	1/7/18
William Whitford	7	7	1/7/18

BOARD ATTENDANCE OF EXTRAORDINARY MEETINGS MARCH 2019 – APR 2020

Member	No. of meeting eligible	No. of meeting attended
Kate Vinot	6	6
Dr Geoff Wescott	6	5
Prof. Kenneth Hinchcliff	6	5
Natasha Bowness	6	6
Greg Smith AM	6	6
Rebecca McKenzie	6	6
Dana Hlavacek	6	6
William Whitford	6	6

* Heather Campbell resigned from the Zoos Victoria Board in December 2019.

BOARD PROFILES

AS AT 30 JUNE 2020

KATE VINOT (CHAIR)

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, Chair of the Point Nepean Advisory Committee and a former member of the Uniting Age Well Audit and Risk 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 (DEPUTY CHAIR)

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 an 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. He is a Past President of the Australian Coastal Society and past Chair of the National Parks Advisory Council. 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. Recently he chaired the expert panel advising the State Government on the 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, Rebecca has held CEO and executive 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 also 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 and a member of the Greater Metropolitan Cemeteries Trust. 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 and 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. Previously a professor at Ohio State University and Dean of Veterinary Science and then of Veterinary and Agricultural Sciences at the University of Melbourne, Professor Hinchcliff is CEO (Warden) of Trinity College. This tertiary educational institution provides foundation studies programs to international students entering the University of Melbourne, a 148-year-old Residential College, and a Theological School. 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.

NATASHA BOWNESS

Natasha is an Executive Director of Wilbow Group, a private family investment business operating in Australia and the US. Its activities include property development and financing, listed and unlisted investments and private equity. Natasha is a Chartered Accountant and has extensive

experience in property development, 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 Advisory 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 20 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. Heather is no longer a current Board Member

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 Rebecca McKenzie	CEO; Director HR	-
Audit, Risk Management and Compliance Committee	Bill 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 Bill Whitford	CEO; Director, Wildlife Conservation; Senior Research Manager; Life Sciences Manager, Conservation and Research- Healesville Sanctuary; General Manager, Community Conservation and Education; General Manager, Threatened Species; Senior Social Science Research Manager	Andrew Bennett Graeme Coulson Liam Smith Kim Lowe Michael Kearney Karen Hughes John Woinarski
Animal Welfare Peer Review Committee	Dr. Geoff Wescott (Chair) Dana Hlavacek Rebecca McKenzie	CEO; Director - Wildlife Conservation; General Managers- Life Sciences; Veterinary Department Manager; Senior Manager, Animal Welfare and Life Sciences	Graham Mitchell Matthew Jackson Paul Hemsworth Tegan McPherson
Major Projects and Contracts	Dana Hlavacek (Chair) Kate Vinot Natasha Bowness Greg Smith	CEO; CFO; Procurement Manager	Ben Skinner
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 Matt Green Jamie Mi Andrew Abercrombie David Lee

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 purpose of the People, Culture and Safety Committee and Remuneration 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.

KOALAS
Oliver

– 6 years old

Corporate Governance AND OTHER DISCLOSURES

TIGER
Parthenia



AUDIT AND RISK MANAGEMENT AND COMPLIANCE COMMITTEE

The Audit and Risk Management and Compliance Committee consists of the following members at 30 June 2020. 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 to no. of meeting held
William Whitford	Board Member (Committee Chair)	01/08/2019 to 30/06/2020	5/6
Kate Vinot	Board Chair	01/08/2019 to 30/06/2020	6/6
Natasha Bowness	Board Member	01/07/2019 to 30/06/2020	6/6
Dana Hlavacek	Board Member	01/08/2019 to 30/06/2020	6/6

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

INTERNAL AUDITORS:

Pitcher Partners
01/07/2019 to 29/01/2020

RSM Australia -
01/03/2020 to current

FINANCIAL MANAGEMENT COMPLIANCE ATTESTATION STATEMENT

I, Kate Vinot, on behalf of the Responsible Body, certify that the Zoos Victoria has no Material Compliance Deficiencies with respect to the applicable Standing Directions of the Minister for Finance under the Financial Management Act 1994 and Instructions.

Kate Vinot
Chair – Zoos Victoria

LOCAL JOBS FIRST

The Local Jobs First Act 2003 introduced in August 2018 brings together the Victorian Industry Participation Policy (VIIP) 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 VIIP guidelines will continue to apply to MPSG applicable and VIIP applicable projects respectively, where contracts have been entered prior to 15 August 2018.

During 2019-20, the Board has not commenced or completed any major 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.
 - Appointed a Senior Disability Champion to advocate for the inclusion of people with disability
 - Developed a ZV Disability Employee Network to share successes and challenges as well as identify opportunities
 - Created a centralised expertise group with a list of contact people who are experts on inclusion and accessibility within Zoos Victoria
 - Developed a workplace adjustment policy and procedure which outlines everything for employees and managers to effectively manage adjustments during the recruitment process and on the job

- Updated recruitment advertisements and onboarding process to eliminate any barriers for people with a disability.
- Healesville Sanctuary completed an extensive Disability Audit and as a result has improved access to the Platypus Arena, retro-fitted toilets for better access and improved pathways for easier and safer access. A Changing Places facility was also opened at Healesville and Zoos Victoria is now proud to have one at each property. This facility is designed for anyone who needs a Changing Place and is visiting the Yarra Valley.
- Improved our infrastructure at all properties to enable better access for people with disabilities.
- Continued better access through our Educational and Learning experiences to include learning content in Auslan and captions. We also expanded our offering to include Social Scripts. Social scripts support students with Autism Spectrum Disorder to prepare for their visit.
- Continued our Community Access Program which included:
 - Providing access to children in out-of-home care and their carers through free tickets and hosting a special family day during Carer's Week
 - Hosting Dream Night at the Zoo, an evening for children with severe disabilities and their families in partnership with Association for Children with a Disability and other community based organisations
 - 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
- Zoos Victoria's disability action plan is aligned with Absolutely Everyone: state disability plan for 2017-2020, which is the Victorian Government's framework for enabling people with a disability to participate and contribute to the social, economic and civic life of their community.

DETAILS OF CONTRACTS

Details	2019-20		2018-19	
	Number	Value (\$Million)	Number	Value (\$Million)
Contract commenced	-	-	-	-
Contract completed	-	-	-	-



MEERKAT
Samson
9-years-old

FREEDOM OF INFORMATION

The Freedom of Information Act 1982 allows the public a right of access to documents held by the Board. From 1 September 2017, the Act has been amended to reduce the Freedom of Information (FOI) processing time for requests received from 45 to 30 days. However, when external consultation is required under ss29, 29A, 31, 31A, 33, 34 or 35, the processing time automatically reverts to 45 days. Processing time may also be extended by periods of 30 days, in consultation with the applicant. With the applicant's agreement this may occur any number of times. However, obtaining an applicant's agreement for an extension cannot occur after the expiry of the time frame for deciding a request. If an applicant is not satisfied by a decision made by Zoos Victoria, under section 49A of the Act, they have the right to seek a review by the Office of the Victorian Information Commissioner (OVIC) within 28 days of receiving a decision letter. Access to documents can also be obtained through a written request to the Zoological Parks and Gardens Board's Freedom of Information Officer, as detailed in s17 of the Act. When making an FOI request, applicants should ensure requests are in writing, and clearly identify what types of material/documents are being sought.

FOI requests should be addressed to The FOI Officer by:
 Email: foi@zoo.org.au
 Mail: FOI Officer, PO Box 74, PARKVILLE VIC 3052

Requests as detailed in Section 17 of the FOI Act must be made in writing along with the prescribed fee 1st July 2020 1st July 2019. Prescribed Fee as at \$29.60.

An application fee as shown in the Table above must accompany the FOI Request. Access charges may also be payable if the document pool is large, and the search for material time consuming. For more information regarding request and payment refer to our website: FOI REQUEST at <https://www.zoo.org.au/about-us/governance-and-policies/>

Details of FOI requests received during the financial year are outlined below.

Details	Number 2019-20	Number 2018-19
Access granted in part	0	0
Access granted in full	1	1
Access denied in full	2	0
No documents	1	0
Matters not finalised	1	0
FOI withdrawn	0	0
Total	5	1

During 2019-20, two requests were subject to a complaint/internal review by OVIC

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 2019-20.

DISCLOSURE OF MAJOR CONTRACTS

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

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

In 2019-20 there was one consultancy 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)
Ernst & Young	Business case	1/12/2019	31/03/2020	\$145,712	\$145,712	Nil

DETAILS OF CONSULTANCIES UNDER \$10,000

In 2019-20, 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 2019-20 reporting period, the Board had a total ICT expenditure of \$3.75M with the details shown below.

All Business as usual operational ICT Expenditure (\$ thou)	Non-business as usual ICT expenditure related to projects to create or enhance ICT capabilities (\$ thou)		
	Total ICT expenditure	Operational expenditure	Capital expenditure
3,105	649	-	649

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.

COMPLIANCE WITH PUBLIC INTEREST DISCLOSURE ACT 2012

The Public Interest Disclosure Act 2012 (PID Act) 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 in 2019-20 for notification to the Independent Broad-based Anti-Corruption Commission in relation to the operation, activities or officers of ZPGB.

Reporting procedures

Zoos Victoria is not a public body able to receive public interest disclosures under the PID Act. If you wish to make a public interest disclosure about Zoos Victoria or any of its employees and/or officers, you must contact:

The Independent Broad-based Anti-Corruption Commission (IBAC):

Level 1, North Tower, 459 Collins Street
Melbourne, VIC 3000
Phone: 1300 735 135

Internet: www.ibac.vic.gov.au

Email: (see the website above for the secure email disclosure process, which also provides for anonymous disclosures)

For further information, download a copy of Zoos Victoria Making and Handling Public Interest Disclosure Procedures available our website: <https://www.zoo.org.au/about-us/governance-and-policies/>.

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 22B of the Financial Management Act 1994 is held at Zoos Victoria offices and is available on request, subject to the Freedom of Information Act 1982.

COMPLIANCE WITH DATAVIC ACCESS POLICY

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

DISCLOSURE OF GOVERNMENT ADVERTISING EXPENDITURE

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

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.

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 & SUPPORTERS

CORPORATE PARTNERS

Annual Partners

Dental Health Services Victoria
IXOM
Mondelez
PETstock
RACV
Schweppes
Southern World
Unilever Australia

In-kind Partners

Active Air
Baby Jogger
Gribbles Veterinary Pathology
Jetpets
Mattioli
Melbourne Veterinary Specialist Centre
Pisces Enterprises
Troy Laboratories
YMCA

MEDIA PARTNERS

Channel 9
Herald Sun

ESTATES

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

Estate of Myra Rose Coate
Estate of May Edith Coillet
Estate of Kevin Stewart Cowell
Estate of Richard Gilmour-Smith
Estate of Jennifer Godenzi
Estate of Ursula Knight
Estate of Shirley Edith Poole
HGK Bequest
Merle Carroll Assistance Fund

PHILANTHROPIC PARTNERS

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

Visionary

BHP Foundation
Bowness Family Foundation
Cincinnati Zoo & Botanical Garden
Crown Resorts Foundation Limited
Prof Ian Gust AO and Dr Di Gust
The Kinghorn Foundation
Packer Family Foundation

Leader

Denver Zoo Donors
The Dyson Bequest

Fondation du Zoo de Granby
Mondelez Pty Ltd
Prague Zoo
#PropertyUnites bushfire fundraiser
World Wide Fund for Nature - Australia

Influencer

Hon Andrej Babiš
John Cochrane
CSL Limited
Kansas City Zoo
San Antonio Zoo
Nick Sims on behalf of Goldman Sachs Gives
Wroclaw Zoo

Hero

Assiniboine Park Conservancy Inc
The Association of Zoo Veterinary Technicians (AZVT)
Meg Bentley
Anthony Bignell & Robin Bignell
Cheyenne Mountain Zoo
Columbus Zoo and Aquarium
Fenton&Fenton
Fracture
KEEN Europe Outdoor
Naomi Milgrom Foundation
In honour of Helen Anderson Miller
Baillieu Myer AC and Sarah Myer
Orangetheory Fitness Melbourne
Rosamond Gifford Zoo
AAZK Chapter
Sunraysia Foundation
Hon Jason Wood MP
Zoo New England

Champion

Arizona Center for Nature Conservation / Phoenix Zoo
Marie Bacon
The Bartolo Family
Beach Energy
Bohemians Praha 1905
The Calvert-Jones Foundation
City of Kingston
Mark and Carol Collins
Digital Extremes Ltd
Dots by Donna
The Dyson Family
Edward Eisele Charitable Fund, held at Arizona Community Foundation
The Fox Family
Marc and Karyn Fookes
Fundacja Arena
The Garry White Foundation
Geeks Who Drink
Goldwind Australia

Alexander Gosling AM and Wirat Sukprem
Fenwick Software
In Memory of Serena Finlayson
Good Goods Pty Ltd (t/a Who Gives a Crap)
Grand Circle Foundation
Harlen Hair Melbourne
IDP Education Ltd
Insitu Group
JB Hi-Fi Limited
Allan Jones
JMS Foundation
Jost and Dorothee Kaiser
Kridgett Kreations
Lambys Tavern
The Lin Huddleston Charitable Foundation
The Lottery Office
Tim Lucas and Carla Hackett
Helen Myall and Alastair Firkin
Amy Myers MD
Nashville Zoo
Natural Encounters Conservation Fund
New Vision Clinics
Oregon Zoo
Julie Packard
Palitchoke and Nuches
Rota Mota
Seneca Park Zoo Society
Sri Durga Arts/Cultural & Educational Centre
In memory of Tom and Ann Smyth
Shirley Sullivan
Joyce Swan
Target Australia Pty Ltd and Cube Networks
TF Global Markets (Aust) Ltd.
Undercurrent
Vet Partners Australia
Zoo Miami

Fighter

AAZK Chapter at Lion Country Safari
April Albrecht
Roger Altman
Arcadia Group Pty Ltd
Arteq Productions
Annie and Andrew Bell
M.Begg
Jay Bethell and Peter Smart
BeWooden Company s.r.o.
Eric & Juliet Bird
Blank Park Zoo
B M Investments Pty Ltd
Bodriggy Brewing Company
Maxine Bowness
Brevard Zoo
Brockhampton / New Strategies LLC
Karen Caldwell

The Cattermole Family
Lisa Cochrane and Scott Hipkins
Columbus Zoo and Aquarium
Anita Conrad
Coote Family Lawyers
Convergint Technologies Australia
Covestro Pty Ltd
Creo Consultants Pty Ltd
Debbie Dadon AM
Raymond Dando
Denver Zoological Foundation
Dinosaur Polo Club
Dudley Zoo and Castle
Simon and Christina Edelstein
Experience Oz
Andrew Fairbairn
Fleet Plant Hire Pty Ltd
Fresno Chaffee Zoo Wildlife Conservation Fund
Clients of Gallery Funaki
Andy McGillivray and Judy McGillivray
In memory of Phyll Goddard
Assiniboine Park Conservancy Inc
The Goodman Family Foundation
Grey St. Primary School Traralgon Grade 4
Lesley Griffin
Gaye and Roy Hamilton
Penny and Milton Harris
Heritage Finance
In Memory of Serena Finlayson
Holiday Vacations
Houston Zoo
Suzanne Kirkham
Andreas Knaack
Judith Landsberg and David Cash
Caroline Liow
Little Hop
The Living Desert Zoo and Gardens
Louisville Zoo
Helen MacDougall in honour of John Seebeck
Jamie Mi's Family
Maryland Zoo in Baltimore
Phil McKern, Bendigo
The McPhee Charitable Trust
Microchips Australia
Moody Gardens
Mornington Church of Christ Opportunity Shop
Denver Zoo Donors
Northcote Rotary Club
Outdoor Travel Adventures - San Diego
Palm Beach Conservation Society
Palm Beach Zoo
Prague Zoo
Peerless Jal
Janice Pleydell
Probe Group
Vivienne Porter
Readings
Redbubble
Rhode Island Zoological Society

Riverbanks Zoo & Garden, Columbia, SC
Margaret S. Rosst AM
Rotary Club of Hondo
Saint Louis Zoo WildCare Institute
Elizabeth Sarraillhe
Sonia and Wayne Kent Foundation
Sunda
Swarovski Optik KG
Shaun Tan and Corinne and Jon Beinart of Beinart Gallery
Taylor Cullity Lethlean
Gregory Taylor
TSA Group
Kate and Blaise Vinot
Olive Wakefield
Helen Williams
Zoo Atlanta

Please visit our supporters page for further information: zoo.org.au/donate/our-supporters/

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
Go Beyond Melbourne
Great Southern Touring Route
Melbourn Convention Bureau
Sydney Melbourne Touring Route
Tennis Australia
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
Catchment Management Authority
Catholic Education Commission of Victoria
Catholic Education Melbourne
Centre for Ecological Learning
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)
NSW Department of Planning, Industry and Environment

Education

CERES
Doug McKenzie-Mohr and Associates
Engagement Specialist Advisory Group, Zoo and Aquarium Association
Environment Education Victoria
Environment Protection Authority (EPA)
Environmental Education in Early Childhood
Environmental Science Teachers Network
Geography Teachers Association of Victoria
Healesville Indigenous Community Services Association
International Zoo Educators Association
Jane Goodall Institute
Melbourne Water
Monash Art Design and Architecture
Monash University Faculty of Education
Museum Victoria
Office for Environment and Heritage (NSW)
Parks Victoria
Phillip Island Nature Parks
Princes Trust
Reconciliation Victoria
Royal Botanic Gardens
RSPCA Victoria
Science Teachers Association of Victoria
Shire of Yarra Ranges

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 & Research

ACT Environment and Sustainability
Animal and Gene Resource and Storage Centre – Monash University
Arthur Rylah Institute
Australasian Dark Sky Alliance
Australian Conservation Foundation
Australian National University
Australian Museum Bass Coast Shire
Australian Veterinary Association
Aussie Ark
Baw Baw Frog Recovery Team
Baw Baw National Park
Baw Baw Shire Council
Beach Patrol 3207
BeadWORKS
Behaviourworks Australia, Monash Sustainability Institute
BirdLife Australia
Bjarne K Dahl
Brush-tailed Rock-wallaby Recovery Team
Bush Heritage Australia
Cardinia Shire Council
Canidae Development
CeRDI – Federation University
City of Melbourne
City of Monash
City of Port Phillip
Charles Sturt University
Coastcare Victoria
Conservation Planning Specialist Group
Conservation Volunteers Australia
Corroboree Frog Recovery Team
Currumbin Wildlife Sanctuary
Deakin University
Department of Environment, Land, Water and Planning (Vic)
Department of Primary Industry, Parks, Water and Environment (Tas)
Diane Fossey Gorilla Fund International
Dunkeld Pastoral Co
Eastern Barred Bandicoot Recovery Team
Elanus Consulting
Fauna & Flora International
FaunaBank

Featherdale Wildlife Park
Federation University
Friends of the Leadbeater's Possum
Friends of the Helmeted Honeyeater
Future Fish
Gorilla Doctors
Greening Australia
Helmeted Honeyeater Recovery Team
ICON Science Research Group, RMIT University
Institute for Marine and Antarctic Studies
La Trobe University
Lake Mountain Alpine Resort
Land for Wildlife
Leadbeater's Possum Recovery Team
Lord Howe Island Board
Lord Howe Island Museum
Lund University
Mabuwaya Foundation
Melbourne Water
Monash University
Mountain Pygmy-possum Recovery Team
Mount Baw Baw Alpine Resort
Mt Buller & Mt Stirling Management Board
Mt Hotham Alpine Resort Management Board
Mt Rothwell Biodiversity
Mt Toolebewong & District Landcare
Murdoch University
Museums Victoria
National Geographic
National Trust Co
Northern Plains Conservation Management Network
Northern Rangelands Trust
Odonata
Orange-bellied Parrot Recovery Team
Parks Victoria
PETstock
Phillip Island Nature Parks
PhoneCycle
Plains-wanderer Recovery Team
Port Moresby Nature Park
Port Phillip & Westernport Catchment Management Authority
Port Phillip Ecocentre
Priam Psittaculture Centre
Regent Honeyeater Recovery Team
Remember the Wild
Rhino Fund Uganda
RMIT University
RSPCA Australia
RSPCA Victoria
San Mariano Municipal Government
Save the Tasmanian Devil Program
Spotted Tree Frog Recovery Team
Societe d'Ornithologie de Polynesie-Manu
Southern bent-wing bat Recovery Team
Southern Cross University

Southern Red-tailed black cockatoo Recovery Team
SWIFFT
Swinburne University
Tangaroa Blue
Taronga Conservation Society Australia
The Carnivore Conservancy
The Save the Tasmanian Devil Program
Threatened Mallee Birds Steering Committee
Tidbinbilla Nature Reserve
Tree Kangaroo Conservation Program
Trust for Nature
University of Canberra
University of Melbourne
University of Newcastle
University of Queensland
University of South Australia
University of Sydney
University of Tasmania
University of Western Australia Woodland Park Zoo
University of Wollongong
Uganda Wildlife Education Centre
Urban Light Lab - University of Melbourne
Victoria University
Wildlife Profiles
Wildlife Unlimited
World Association of Zoos and Aquariums
WWF Australia
Yarra Valley Water
Zoo and Aquarium Association
Zoos SA

Catering Partners

Compass Group
Kitchen & Butcher

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BIRD
Ericka
– 12 years old

Annual Report 2019-2020
*Financial
Report*



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 2020 and provides users with the information about the Board's stewardship of resource entrusted to it. It is presented in the following structure:

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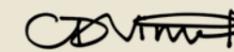
Declaration

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 2020 and financial position of the Zoological Parks and Gardens Board at 30 June 2020.

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 12 November 2020.



Kate Vinot
Chair
Melbourne



Dr. Jenny Gray
Chief Executive Officer
Melbourne



Mark Lucas
Chief Financial Officer, FCA
Melbourne

ZOOLOGICAL PARKS AND GARDENS BOARD
FINANCIAL STATEMENTS

Comprehensive operating statement for the financial year ended 30 June 2020

		(\$ thousand)	
	Notes	2020	2019
Income from transactions			
Rendering of services and sale of goods	2.2	55,385	67,200
Government and other grants	2.3	26,271	26,616
Other income	2.4	14,307	6,544
Total income from transactions		95,963	100,360
Expenses from transactions			
Employee expenses	3.2	(62,514)	(57,610)
Other expenses	3.3	(34,903)	(38,594)
Depreciation, amortisation and impairment	4.1.1	(12,384)	(11,977)
Interest expense	6.1.2	(25)	(28)
Total expenses from transactions		(109,826)	(108,209)
Net surplus/(deficit) from transactions		(13,863)	(7,849)
Other economic flows included in net result			
Net gain/(loss) on disposal of physical assets		96	44
Net gain/(loss) on financial assets		506	412
Net gain/(loss) arising from revaluation of long service leave liability due to change in bond rates		(296)	(759)
Total other economic flows included in net result		306	(303)
Net surplus/(deficit)		(13,557)	(8,152)
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	14,104	18,890
Changes to the fair value of investments measured at fair value through other comprehensive income	8.7.2	(285)	(67)
Total other economic flows – other comprehensive income		13,819	18,823
Comprehensive result		262	10,671

The accompanying notes form part of these financial statements.

ZOOLOGICAL PARKS AND GARDENS BOARD
FINANCIAL STATEMENTS

Balance sheet as at 30 June 2020

		(\$ thousand)	
	Notes	2020	2019
Assets			
Current financial assets			
Cash and cash equivalents	6.3	17,697	29,829
Receivables	5.1	2,125	3,297
Total current financial assets		19,822	33,126
Non-current financial assets			
Investments	4.3	9,637	8,286
Total financial assets		29,459	41,412
Non-financial assets			
Land, property, plant and equipment and vehicles	4.1.2	363,432	355,291
Intangible assets	4.2	1,933	1,517
Inventories	5.3	1,119	958
Other non-financial assets	5.4	363	361
Total non-financial assets		366,847	358,127
Total assets		396,306	399,539
Liabilities			
Employee benefits	3.2.2	16,800	14,965
Payables and contract liabilities	5.2	10,500	7,989
Borrowings and leases	6.1	610	653
Total liabilities		27,910	23,607
Net assets		368,396	375,932
Equity			
Accumulated surplus/(deficit)		(30,685)	(7,465)
Contribution by owners		129,623	129,623
Endowment reserve	8.7.1	4,905	3,040
Financial assets at fair value through comprehensive income revaluation reserve	8.7.2	(159)	126
Physical asset revaluation surplus	7.3.3.4	264,712	250,608
Net worth		368,396	375,932
Commitments for expenditure	6.2		
Contingent assets and contingent liabilities	7.2		

The accompanying notes form part of these financial statements.

ZOOLOGICAL PARKS AND GARDENS BOARD
FINANCIAL STATEMENTS

Statement of changes in equity for the financial year ended 30 June 2020

(\$ thousand)							
Movements in carrying amounts	Notes	Accumulated surplus/ (deficit)	Contributions by owner	Endowment reserve	Financial assets at FV through other comprehensive income	Physical asset revaluation surplus	Total
Opening balance at 1 July 2018		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 1 July 2019		(7,465)	129,623	3,040	126	250,608	375,932
Changes in accounting policy (due to AASB 15)	8.8	(7,798)	-	-	-	-	(7,798)
Restated balance at 1 July 2019		(15,263)	129,623	3,040	126	250,608	368,134
Net result for the year		(13,557)	-	-	-	-	(13,557)
Transfer/ movement to Endowment reserve	8.7.1	(1,865)	-	1,865	-	-	-
Contributed capital by owners		-	-	-	-	-	-
Other comprehensive income for the year	7.3.3.4, 8.7.2	-	-	-	(285)	14,104	13,819
Balance at 30 June 2020		(30,685)	129,623	4,905	(159)	264,712	368,396

The accompanying notes form part of these financial statements.

ZOOLOGICAL PARKS AND GARDENS BOARD
FINANCIAL STATEMENTS

Cash flow statement for the financial year ended 30 June 2020

(\$ thousand)			
	Notes	2020	2019
Cash flows from operating activities			
Receipts			
Receipts from sales of goods and services		56,214	69,494
Receipts from government and other grants		26,271	34,616
Sponsorship, grants and donations received		13,066	4,871
GST net refunded from/(payable to) the ATO ⁰		2,520	2,208
Receipts from other sources		889	1,153
Interest received		598	884
Total receipts		99,558	113,226
Payments			
Payments to employees		(61,619)	(55,148)
Payments to suppliers		(41,455)	(42,849)
Interest and other costs of finance paid		(25)	(28)
Total payments		(103,099)	(98,025)
Net cash flows from/(used in) operating activities	6.3.2	(3,541)	15,201
Cash flows from investing activities			
Payments for property, plant and equipment and vehicles		(6,238)	(9,082)
Payments for intangible assets	4.2.1	(642)	-
Payments for VFMC investments		(1,636)	(805)
Proceeds from sale of plant and equipment and vehicles		144	104
Net cash flows from/(used in) investing activities		(8,372)	(9,783)
Cash flows from financing activities			
Owner contributions by State Government		-	-
Repayment of finance lease liabilities		(219)	(128)
Net cash flows from/(used in) financing activities		(219)	(128)
Net increase/(decrease) in cash and cash equivalents		(12,132)	5,290
Cash and cash equivalents at the beginning of the financial year		29,829	24,539
Cash and cash equivalents at the end of the financial year	6.3	17,697	29,829

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 and going concern has been applied in preparing these financial statements, whereby assets, liabilities, equity, income and expenses are recognised in the reporting period to which they relate, regardless of when cash is received or paid, except for Government Grants which are recognised as income in the financial statements on receipt of the cash during the year and where Zoos Victoria has control over the funds.

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

Judgements, estimates and assumptions are required to be made about financial information being presented. The significant judgements made in the preparation of these financial statements are disclosed in the notes where amounts affected by those judgements are disclosed. Estimates and associated

assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

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

- The fair value of land, buildings, infrastructure, plant and equipment (note 7.3);
- Employee benefits provisions based on likely tenure of existing staff, patterns of leave claims, future salary movements and future discount rates (note 3.2.2);
- Estimated useful lives over which non-financial assets are depreciated (note 4.1.1);
- The timing of satisfaction of performance obligation (note 2.2);
- For leases, determining whether the arrangement is in substance a short term arrangement and estimating the discount rate when not implicit in the lease (note 6.1);
- The impacts of COVID-19 on the financial report and going concern (note 1.6).

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 12 November 2020.

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.

1.6 COVID-19 impact

In March 2020 the State Government declared a State of Emergency as a result of COVID-19 global health pandemic. This has had a significant impact on the operating and economic environment for the Board which has led to a number of restrictions that have impacted the ability of the Board to trade.

All three zoos were closed to the public from the period of 24 March to 31 May 2020. This resulted in the loss of revenue from rendering goods and services such as admissions, zoo activities and retail sales, with only limited membership sales and renewals taking place. During this time all animal care and welfare needs, building infrastructure and utility requirements continued to be provided to the animal collection at all three zoos.

The three zoos re-opened with visitor caps from 1 June 2020 but as a result of the second wave of COVID-19 the zoo's three properties were again closed to the public from 8 July 2020 and reopened with visitor restrictions on 29 October 2020.

This has stopped the majority of all revenue from rendering goods and services to the Board.

During this period the Board has also reduced its transactional expenditure (excluding costs related to animal care, welfare and safety), wherever possible to assist in offsetting the loss in revenue. As a State Government owned entity the Board is not eligible for JobKeeper but has kept full time, part time and designated casual staff employed as a result of the application of the Victoria Public Sector guidance note for COVID-19 and ongoing financial support from the State Government to maintain employment.

The Board has worked closely with the State Government through the responsible minister and the Department of Environment Land, Water and Planning (DELWP) to maintain adequate financial support during these periods of closure to the public, including the provision of regular and detailed cash flow forecasts. As a result, DELWP provided an advance of \$5.9m of 2020/21 funding in April 2020 and in July 2020 DELWP provided an additional \$5.5m COVID-19 funding support. The responsible Minister through DELWP has further committed to provide ongoing financial support for Zoos Victoria to meet its financial responsibilities, including the provision of a letter of financial support for the period until 30 November 2021.

There are account balances directly affected by the closure of the three zoos to the public and other account balances affected by COVID-19 due to management's judgements and assumptions about the future and estimation uncertainty. The Board has reviewed the underlying accounting policies and assumptions of all balance sheet and operating statement items in the preparation of these financial statements and has not made any adjustment to those balances or amounts as a result of COVID-19.

NOTES TO THE FINANCIAL STATEMENTS

Further disclosures to reflect the Board's judgements, assumptions and consequential impact of COVID-19 can be found in:

- Note 2.2 Rendering of services and sale of goods
- Note 2.3 Government and other grants
- Note 3.2 Employee Expenses
- Note 3.3 Other Expenses
- Note 4.1.1 Depreciation, amortisation and impairment of property, plant and equipment and vehicles
- Note 5.1 Receivables

Due to the continuing nature of this event and the material uncertainty that exists it is not possible to quantify the full economic impact of COVID-19 on the operations of the Board. The Board has assessed its financial position in accordance with the impact of COVID-19 on Going Concern and related assessments as jointly published by the Australian Accounting Standards Board and the Auditing and Assurance Standards Board, and DELWP have committed to providing ongoing cash flow support to meet the Board's current and future obligations as and when they fall due for a period up to 30 November 2021. On that basis it has been determined that the Going Concern assumption remains to be the appropriate basis for the preparation of the 2019-20 annual financial report.

1.7 Bushfire impact

During December 2019 and January 2020 Victoria, New South Wales and South Australia were subject to extreme bushfires which led to wide scale devastation of animals and habitat. The Board responded to this emergency by providing staff and services to look after injured wildlife at triage centres across the state and provided animal care and rehabilitation at its three zoo properties.

In January 2020 the Board launched a Bushfire Emergency Wildlife Appeal which in the six months to June 2020 raised approximately \$8.9m. These donations and grants are disclosed in the accounts in Other Income (Note 2.4.2). These funds are to be used to support the Bushfire Response and Recovery Plan approved by the Board in March 2020 and will be spent over the next three years providing support capability, facilities and field work to assist in the rehabilitation of animals and habitat.

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.

Structure

2.1	Summary of income that funds the delivery of our services	59
2.2	Rendering of services and sale of goods	59
2.3	Government and other grants	61
2.4	Other income	63

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	2020	2019
Rendering of services and sale of goods	2.2	55,385	67,200
Government and other grants	2.3	26,271	26,616
Other income	2.4	14,307	6,544
Total income from transactions		95,963	100,360

2.2 Rendering of services and sale of goods

		(\$ thousand)	
	Notes	2020	2019
Rendering of services	2.2.1	49,582	60,111
Sale of goods		5,803	7,089
Total income from rendering of services and sale of goods		55,385	67,200

NOTES TO THE FINANCIAL STATEMENTS

2. FUNDING THE DELIVERY OF OUR SERVICES (CONTINUED)

2.2.1 Rendering of services and sale of goods

Income from rendering of services is recognised when the services are rendered. It includes items such as income from gate admissions, zoo memberships, catering commissions and income from zoo activities. Income from the sale of goods includes retail sales and 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 reliably measured.

The income from rendering of services and sale of goods is lower in the 2020 year due to reduced trading activity in March, April and May as a result of closure of the three zoos to the public during this time due to COVID-19 restrictions.

The rendering of services and sale of goods included in the table above are transactions that the Board has determined to be classified as revenue from contracts with customers in accordance with AASB 15. The impact of initially applying AASB 15 on the Board's revenue from membership contracts with customers is described in Note 8.8.2. As a result of the adoption of AASB 15, revenue from membership contracts with customers has changed from recognising the membership revenue in full at the point of entering the contract to recognising the membership revenue progressively over the 12 month period of the membership contract. Due to the modified retrospective transition method chosen in applying AASB 15, comparative information has not been restated to reflect the new requirements.

Performance obligations and revenue recognition policies

Revenue is measured based on the consideration specified in the contract with the customer. The Board recognises revenue when it transfers control of a good or service to the customer, i.e. when, or as, the performance obligations for the sale of services, goods, and assets to the customer are satisfied.

- Customers obtain control of the supplies and consumables at a point in time when the goods or services are delivered to and have been accepted by the customer.
- Revenue from the sale of goods is recognised when the goods or services are delivered and have been accepted by the customer.

Revenue from the rendering of services such as membership, admissions and zoo activities is recognised at a point in time when the performance obligation is satisfied when the service is completed; and over time when the customer simultaneously receives and consumes the service as it is provided.

Customers are invoiced and revenue is recognised when retail goods are delivered and accepted by customers. For services rendered, where customers simultaneously receive and consume the services as it is provided, revenue is recognised progressively as contract assets until the customer is subsequently invoiced in accordance with the terms of the service agreement. For other customers that are only able to consume the services when they have been completed, revenue is only recognised upon completion and delivery of the services.

Consideration received in advance of recognising the associated revenue from the customer is recorded as a contract liability (Note 5.2). Where the performance obligations is satisfied but not yet billed, a contract asset is recorded (Note 5.1).

NOTES TO THE FINANCIAL STATEMENTS

2. FUNDING THE DELIVERY OF OUR SERVICES (CONTINUED)

Previous accounting policy for 30 June 2019

Revenue from the sale of goods was recognised when:

- the Board no longer had any of the significant risks and rewards of ownership of the goods transferred to the buyer;
- the Board no longer had continuing managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold;
- the amount of revenue, and the costs incurred or to be incurred in respect of the transactions, could be reliably measured; and
- it was probable that the economic benefits associated with the transaction would flow to the Board.

Revenue from the rendering of services was recognised by reference to the stage of completion of the services performed. The income was recognised when:

- the amount of the revenue, stage of completion and transaction costs incurred could be reliably measured; and
- it was probable that the economic benefits associated with the transaction would flow to the Board.

2.3 Government and other grants

		(\$ thousand)	
	Notes	2020	2019
Within portfolio department - PRTA ⁽¹⁾ for current year	2.3.1	19,144	14,971
Within portfolio department - PRTA grants received in advance	2.3.1	5,900	10,600
Other state government departments	2.3.2	401	724
Others	2.3.3	826	321
Total government and other grants		26,271	26,616

(i) The Parks and Reserves Trust Account.

The Board received an advance of \$5.9m PRTA grant funds in April 2020 to assist with cash flow support as a result of COVID-19.

The Board has determined that all grant income is recognised as income of not-for-profit entities in accordance with AASB 1058.

The impact of initially applying AASB 1058 on the Board's grant revenue is described in Note 8.8.3. Due to the modified retrospective transition method chosen in applying AASB 1058, comparative information has not been restated to reflect the new requirements. The adoption of AASB 1058 did not have an impact on Other comprehensive income and the Statement of cash flows for the financial year.

Income from grants that are enforceable and with sufficiently specific performance obligations are accounted for as revenue from contracts with customers.

Income from grants without any sufficiently specific performance obligations, or that are not enforceable, is recognised when the Board has an unconditional right to receive cash which usually coincides with receipt of cash. On initial recognition of the asset, the Board recognises any related contributions by owners, increases in liabilities, decreases in assets, and revenue in accordance with other Australian Accounting Standards.

As the Board does not have income from grants that are enforceable and with sufficiently specific performance obligations, the transitional impact of adopting AASB 15 and AASB 1058 are nil.

NOTES TO THE FINANCIAL STATEMENTS

2. FUNDING THE DELIVERY OF OUR SERVICES (CONTINUED)

Previous accounting policy for 30 June 2019

Grant income arises from transactions in which a party provides goods or assets (or extinguishes a liability) to the Board without receiving approximately equal value in return. While grants may result in the provision of some goods or services to the transferring party, they do not provide a claim to receive benefits directly of approximately equal value (and are termed 'non-reciprocal' transfers). Receipt and sacrifice of approximately equal value may occur, but only by coincidence.

Some grants are reciprocal in nature (i.e. equal value is given back by the recipient of the grant to the provider). The Board recognises income when it has satisfied its performance obligations under the terms of the grant.

For non-reciprocal grants, the Board recognises revenue when the grant is received.

Grants can be received as general-purpose grants, which refers to grants which are not subject to conditions regarding their use. Alternatively, they may be received as specific-purpose grants, which are paid for a particular purpose and/or have conditions attached regarding their use.

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 PRTA, the source of 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.

Government Grants received in 2019/20 include \$5.9 million of grant income for services to be provided in 2020/21. Government Grants received in 2018/19 included \$10.6 million of grant income for services provided in 2019/20.

2.3.2 Government grants – other state government departments

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 Others – including Federal Government 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

2. FUNDING THE DELIVERY OF OUR SERVICES (CONTINUED)

2.4 Other income

		(\$ thousand)	
	Notes	2020	2019
Interest income	2.4.1	230	520
Sponsorship, grants and donations	2.4.2	4,307	4,871
Bushfire Appeal grants and donations	2.4.2	8,881	-
Sundry income	2.4.3	889	1,153
Total other income		14,307	6,544

2.4.1 Interest income

Interest income includes interest received on the Board's bank accounts. Interest income is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

2.4.2 Sponsorship, grants and donations

Sponsorship, grants, bequests, donations and contributions from Corporates, Trusts & Foundations and the general public are recognised as income on receipt of the funds and there is reasonable assurance that all the attaching conditions can be complied with. The Board has endorsement as a deductible gift recipient (DGR) from the Australian Taxation Office. Any donation above \$2 is tax deductible.

The 2020 amount included \$8.9m grants and donations received as a result of the establishment by the Board of a Bushfire Emergency Wildlife Fund following the Victoria bushfires in December and January, with funds raised to assist with the response and recovery activities for wildlife and their habitat. These grants and donations relating to the Bushfire Emergency Wildlife Fund have been accounted for in accordance with AASB 1058.

2.4.3 Sundry income

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

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.

Structure

3.1	Summary of expenses in the delivery of services	64
3.2	Employee expenses	64
3.3	Other expenses	68

3.1 Summary of expenses in the delivery of services

(\$ thousand)			
	Notes	2020	2019
Employee expenses	3.2	(62,514)	(57,610)
Other expenses	3.3	(34,903)	(38,594)
Total expenses incurred in the delivery of services		(97,417)	(96,204)

3.2 Employee expenses

(\$ thousand)			
	Notes	2020	2019
Salary and wages, annual leave and long service leave		(52,982)	(49,132)
Payroll tax		(2,705)	(2,533)
Workcover		(362)	(388)
Movement in provisions – annual leave and long service leave		(1,557)	(1,168)
Sub-total		(57,606)	(53,221)
Superannuation	3.2.1	(4,908)	(4,389)
Total employee expenses		(62,514)	(57,610)

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

During COVID-19, the Board has followed the Victorian Public Service guidance note requirements to retain the employment of existing full time, part time and designated casual staff.

NOTES TO THE FINANCIAL STATEMENTS

3. THE COST OF DELIVERING THE SERVICES (CONTINUED)

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.

Details	(\$ thousand)					
	Contributions paid		Contributions outstanding		Total contributions	
	2020	2019	2020	2019	2020	2019
ESSSuper defined benefit plan	233	251	-	-	233	251
Vicsuper	2,594	2,489	211	214	2,805	2,703
Others	1,693	1,275	177	160	1,870	1,435
Total	4,520	4,015	388	374	4,908	4,389

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. THE COST OF DELIVERING THE SERVICES (CONTINUED)

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)	
	2020	2019
Provisions		
Current		
Annual Leave		
– Unconditional and expect to settle wholly within 12 months	3,230	3,085
– Unconditional and expect to settle wholly after 12 months	1,791	1,099
	5,021	4,184
Long Service Leave		
– Unconditional and expect to settle wholly within 12 months	704	655
– Unconditional and expect to settle wholly after 12 months	7,237	6,518
	7,941	7,173
Provisions related to employee benefit on-costs		
– Unconditional and expect to settle wholly within 12 months	623	603
– Unconditional and expect to settle wholly after 12 months	1,348	1,180
	1,971	1,783
Total current provisions	14,933	13,140
Non-current		
Long Service Leave benefits	1,617	1,574
Provisions related to employee benefit on-costs	250	251
Total non-current provisions	1,867	1,825
Total provisions	16,800	14,965
Reconciliation of movement in Provisions		
Movement in provisions of on-costs		
Balance at start	2,034	1,816
Additional provision recognised	735	725
Reductions arising from payments/other sacrifices of future economic benefits	(589)	(613)
Unwind of discount and effect of changes in the discount rate	41	106
Closing balance	2,221	2,034
Current	1,971	1,783
Non-Current	250	251

NOTES TO THE FINANCIAL STATEMENTS

3. THE COST OF DELIVERING THE SERVICES (CONTINUED)

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. THE COST OF DELIVERING THE SERVICES (CONTINUED)

3.3 Other Expenses

	(\$ thousand)	
	2020	2019
Operating costs		
Supply and services	12,245	12,487
Maintenance	8,840	10,437
Cost of goods sold	5,378	6,406
Marketing and promotion	4,430	5,351
Utilities	2,393	2,521
Information technology	1,617	1,392
Total other expenses	34,903	38,594

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, low value lease payments (leases with underlying asset's fair value that is no more than \$10,000), medical, postage, printing and stationary, professional services, staff amenities, staff development, subscriptions, travel and veterinary costs.

Operating costs in 2020 are lower than in the prior year due to the requirement to reduce non-essential operating expenditure as a result of COVID-19.

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.

Cost of goods sold in 2020 is lower than the prior year as a result of lower retail sales during the closure of the zoos to the public due to COVID-19.

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.

Structure

4.1	Land, property, plant and equipment and vehicles	69
4.2	Intangible assets	74
4.3	Investments	75

4.1 Land, property, plant and equipment and vehicles

	(\$ thousand)					
Details	Gross carrying amount		Accumulated depreciation		Net carrying amount	
	2020	2019	2020	2019	2020	2019
Land at fair value	163,806	149,702	-	-	163,806	149,702
Property at fair value	218,848	216,075	(37,701)	(28,103)	181,147	187,972
Plant & equipment and vehicles at fair value ^①	28,177	24,016	(12,488)	(10,187)	15,689	13,829
	410,831	389,793	(50,189)	(38,290)	360,642	351,503
Work-in-progress	2,790	3,788	-	-	2,790	3,788
Total	413,621	393,581	(50,189)	(38,290)	363,432	355,291

^① AASB 16 Leases has been applied for the first time from 1 July 2019. Details of leases are outlined in note 6.1.

4.1(a) Total right-of-use assets: plant and equipment and vehicles

	(\$ thousand)		
Details	Gross carrying amount 2020	Accumulated depreciation 2020	Net carrying amount 2020
Plant, Equipment and vehicles	1,023	(646)	377
Net carrying amount	1,023	(646)	377

	(\$ thousand)
Plant, Equipment and vehicles at fair value	
Opening balance – 1 July 2019	440
Additions	176
Disposals	(38)
Depreciation	(201)
Closing balance – 30 June 2020	377

This balance represents the initial recognition of right-of-use assets recorded on the balance sheet on 1 July 2019 along with the transfer from finance lease assets (recognised under AASB 117 at 30 June 2019) to right-of-use assets (recognised under AASB 16 at 1 July 2019).

NOTES TO THE FINANCIAL STATEMENTS

4. KEY ASSETS AVAILABLE TO SUPPORT OUR SERVICES (CONTINUED)

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 (under AASB 117 until 30 June 2019) 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.

Right-of-use asset acquired by lessees (Under AASB 16 Leases from 1 July 2019) – Initial measurement

The Board recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost which comprises the initial amount of the lease liability adjusted for:

- Any lease payments made at or before the commencement date less any lease incentive received; plus
- Any initial direct costs incurred.

NOTES TO THE FINANCIAL STATEMENTS

4. KEY ASSETS AVAILABLE TO SUPPORT OUR SERVICES (CONTINUED)

Subsequent measurement

Property (including buildings) and plant and equipment as well as right-of-use assets under leases 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 land 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.

The Board depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of lease term. The right-of-use assets are also subject to revaluation. In addition, the right-of-use asset is periodically reduced by impairment losses, if any and adjusted for certain premeasurements of the lease liability. The Board's right-of-use assets are vehicles leased through the State Government's Vehicle Management Leasing Unit (Vicfleet). The 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.

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. KEY ASSETS AVAILABLE TO SUPPORT OUR SERVICES (CONTINUED)

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

	(\$ thousand)	
	2020	2019
Property	9,598	9,547
Plant and equipment and vehicles	2,560	2,207
Total	12,158	11,754
Intangible assets	226	223
Total depreciation, amortisation and impairment	12,384	11,977

All property, plant and equipment and other non-financial physical assets that have finite useful lives, are depreciated. Low value 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:

Asset	Useful life (years)	
	2020	2019
Property	3 to 50	3 to 50
Plant and equipment	5 to 20	5 to 20
Vehicles (including leased assets)	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.

NOTES TO THE FINANCIAL STATEMENTS

4. KEY ASSETS AVAILABLE TO SUPPORT OUR SERVICES (CONTINUED)

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.

COVID-19

Given the nature of the Board's land, property, plant and equipment and the purposes for which they are used, the Board does not consider that there is any impairment of the carrying value of these assets as a result of COVID-19.

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

	(\$ thousand)									
Non-current	Land at fair value		Property at fair value		Plant, equipment and vehicles at fair value		Work-in progress at cost		Total	
Details	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Opening balance ^①	149,702	130,812	187,972	194,000	13,829	13,143	3,788	878	355,291	338,833
Revaluation	14,104	18,890	-	-	-	-	-	-	14,104	18,890
Transfer in/(out)	-	-	1,193	719	1,465	-	(2,658)	(719)	-	-
Additions	-	-	1,580	2,805	3,002	2,946	1,660	3,629	6,242	9,380
Disposal	-	-	-	(5)	(47)	(53)	-	-	(47)	(58)
Depreciation	-	-	(9,598)	(9,547)	(2,560)	(2,207)	-	-	(12,158)	(11,754)
Net carrying amount	163,806	149,702	181,147	187,972	15,689	13,829	2,790	3,788	363,432	355,291

^① The opening balance also includes amounts transferred from finance lease assets (recognized under AASB 117 at 30 June 2019) to right-of-use assets (recognized under AASB 16 at 1 July 2019).

NOTES TO THE FINANCIAL STATEMENTS

4. KEY ASSETS AVAILABLE TO SUPPORT OUR SERVICES (CONTINUED)

4.2 Intangible assets

Details	(\$ thousand)					
	Gross carrying amount		Accumulated amortisation		Net carrying amount	
	2020	2019	2020	2019	2020	2019
Intangible assets	2,784	2,596	(851)	(1,079)	1,933	1,517
	2,784	2,596	(851)	(1,079)	1,933	1,517
Work-in-progress	-	-	-	-	-	-
Total	2,784	2,596	(851)	(1,079)	1,933	1,517

Initial recognition

Intangible assets represent identifiable non-monetary assets without physical substance. The Board's intangible assets consist 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 such assets are capitalised at the end of the financial year.

Subsequent measurement

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

Details	2020	2019
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.

NOTES TO THE FINANCIAL STATEMENTS

4. KEY ASSETS AVAILABLE TO SUPPORT OUR SERVICES (CONTINUED)

4.2.1 Reconciliation of movements in carrying values of intangible assets

Details	(\$ thousand)					
	Intangible assets		Work-in-progress at cost		Total	
	2020	2019	2020	2019	2020	2019
Opening balance	1,517	1,741	-	-	1,517	1,741
Transfer in/(out)	-	-	-	-	-	-
Additions	641	-	-	-	641	-
Amortisation	(225)	(224)	-	-	(225)	(224)
Net carrying amount	1,933	1,517	-	-	1,933	1,517

4.3 Investments

	(\$ thousand)	
	2020	2019
Managed investment with VFMC – Endowment	4,513	2,728
Managed investment with VFMC – General Account	5,124	5,558
Total Investments	9,637	8,286

Ageing analysis of investments and other financial assets

All investment and financial assets are not past due and not impaired for 2020.

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.

Structure

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5.3	Inventories	78
5.4	Other non-financial assets	78

5.1 Receivables

	(\$ thousand)	
	2020	2019
Current		
Contractual		
Sale of goods and services	720	2,842
Other receivables	1,310	193
	2,030	3,035
Statutory		
GST input tax credit recoverable	95	262
Total receivables	2,125	3,297

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.

Contractual receivables previously included direct debit membership receivables that arose as a result of the timing of revenue recognition. This has now changed as a result of the first time adoption of AASB 15.

The Board has reviewed the carrying value of receivables including payments received subsequent to the end of the financial year, and has determined that there are no receivable impairments to bring to account as a result of COVID-19.

NOTES TO THE FINANCIAL STATEMENTS

5. OTHER ASSETS AND LIABILITIES (CONTINUED)

Impairment of financial assets under AASB 9

The Board records the allowance for expected credit loss for the relevant financial instruments, applying 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-19	Current	Total
Expected loss rate	0%	
Gross carrying amount of contractual receivables	3,035	3,035
Loss allowance	-	-
30-Jun-20	Current	Total
Expected loss rate	0%	
Gross carrying amount of contractual receivables	2,030	2,030
Loss allowance	-	-

The Board's historical credit losses are 0%.

NOTES TO THE FINANCIAL STATEMENTS

5. OTHER ASSETS AND LIABILITIES (CONTINUED)

5.2 Payables and contract liabilities

	(\$ Thousand)	
	2020	2019
Current		
Contractual		
Trade payables	2,392	5,025
Unearned revenue	1,100	-
Contract liabilities	5,653	916
Other payables	705	1,449
	9,850	7,390
Statutory		
Fringe Benefit Tax, Payroll Tax, Superannuation payments	650	599
Total payables and contract liabilities	10,500	7,989

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;
- Unearned revenue consists of proceeds received in advance of meeting the obligations associated with recognising the revenue;
- Contract liabilities consists of unredeemed admission tickets and deposits paid in advance for events reservations that are cancellable and refundable. It also includes the amount of membership revenue not yet earned as at 30 June 2020 as a result of adoption of AASB 15 to recognise membership revenue as earned progressively throughout the financial year rather than at the point of entering into the membership contract; and
- Other payables consist mainly of accrued wages. 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.

Structure

6.1	Borrowings and leases	79
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6.1 Borrowings and leases

	(\$ thousand)	
	2020	2019
Current		
Lease liabilities	324	299
	324	299
Non-current		
Lease liabilities	286	354
Total borrowings	610	653

Borrowings refer to interest bearing liabilities through VicFleet for lease liabilities.

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.

NOTES TO THE FINANCIAL STATEMENTS

6. HOW WE FINANCE OUR OPERATIONS (CONTINUED)

6.1.1 Maturity analysis of lease liabilities

Details	(\$ thousand)			
	2020	2019	2020	2019
Lease liabilities payable				
– Not longer than one year	339	318	324	299
– Longer than one year and not longer than five years	301	372	286	354
Minimum future lease payments	640	690	610	653
Less future finance charges	(30)	(37)	-	-
Present value of minimum lease payments	610	653	610	653
Included in the financial statements as:				
Current borrowings			324	299
Non-current borrowings			286	354
			610	653

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

6.1.2 Interest expense

	(\$ thousand)	
	2020	2019
Interest on lease liabilities	25	28
Total interest expense	25	28

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

NOTES TO THE FINANCIAL STATEMENTS

6. HOW WE FINANCE OUR OPERATIONS (CONTINUED)

6.1.3 Leases

The Board's leasing activities

The Board leases motor vehicles and photocopiers. The lease contracts are typically made for fixed periods of 1-5 years with an option to renew the lease after that date.

Leases of photocopiers with contract terms of 1-3 years are either short-term and or/leases of low-value items. The Board has elected not to recognise right-of-use assets and lease liabilities for these leases.

Right-of-use assets are presented in note 4.1(a).

The following amounts are recognised in the Comprehensive Operating Statement relating to leases:

	(\$ thousand)
	2020
Interest expense on lease liabilities	25
Expenses relating to leases of low-value assets	54
Total amount recognised in the Comprehensive Operating Statement	79

The following amounts are recognised in the Statement of Cashflows for the year ending 30 June 2020 relating to leases:

	(\$ thousand)
	2020
Total cash outflow for leases	219

For any new contracts entered into on or after 1 July 2019, the Board considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition the Board assesses whether the contract meets three key evaluations:

- Whether the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Board and for which the supplier does not have substantive substitution rights;
- Whether the Board has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract and the Board has the right to direct the use of the identified asset throughout the period of use; and
- Whether the Board has the right to take decisions in respect of 'how and for what purpose' the asset is used throughout the period of use.

This policy is applied to contracts entered into, or changed, on or after 1 July 2019.

Separation of lease and non-lease components

At inception or on reassessment of a contract that contains lease component, the lessee is required to separate out and account separately for non-lease components within a lease contract and exclude these amounts when determining the lease liability and right-of-use asset amount.

NOTES TO THE FINANCIAL STATEMENTS

6. HOW WE FINANCE OUR OPERATIONS (CONTINUED)

Recognition and measurement of leases as a lessee (under AASB 16 from 1 July 2019)

Lease Liability – initial measurement

The lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease if that rate is readily determinable or the Board's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments (including in-substance fixed payments) less any lease incentive receivable;
- Variable payments based on an index or rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- Payments arising from purchase and termination options reasonably certain to be exercised.

Lease Liability – subsequent measurement

Subsequent to the initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit or loss if the right-of-use asset is already reduced to zero.

Leases of low-value assets

The Board has elected to account for leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

Presentation of right-of-use assets and lease liabilities

The Board presents right-of-use assets as 'property plant equipment' in the balance sheet. Lease liabilities are presented as 'borrowings' in the balance sheet.

Recognition and measurement of leases (under AASB 117 until 30 June 2019)

In the comparative period, leases of property, plant and equipment were classified as either finance lease or operating leases.

The Board determined whether an arrangement was or contained a lease based on the substance of the arrangement and required an assessment of whether fulfilment of the arrangement is dependent on the use of the specific asset(s); and the arrangement conveyed a right to use the asset(s).

Leases of property, plant and equipment where the Board as a lessee had substantially all of the risks and rewards of ownership were classified as finance leases. Finance leases were initially recognised as assets and liabilities at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payment, each determined at the inception of the lease. The leased asset is accounted for as a non-financial physical asset and depreciated over the shorter of the estimated useful life of the asset or the term of the lease. Minimum finance lease payments were apportioned between the reduction of the outstanding lease liability and the periodic finance expense, which is calculated using the interest rate implicit in the lease and charged directly to the consolidated comprehensive operating statement.

Assets held under other leases were classified as operating leases and were not recognised in the Board's balance sheet. Operating lease payments were recognised as an operating expense in the Statement of Comprehensive Income on a straight-line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS

6. HOW WE FINANCE OUR OPERATIONS (CONTINUED)

6.2 Commitments for expenditure

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

6.2.1 Total commitments payable at nominal amounts

	(\$ thousand)	
	2020	2019
The following commitments have not been recognised as liabilities in the financial statements.		
(a) Capital expenditure commitments		
– Payable within one year	1,698	2,919
Total capital expenditure commitments	1,698	2,919
(b) Operating lease commitments		
– Payable within one year	42	33
– Payable longer than one year and not longer than five years	76	-
Total operating lease commitments	118	33
Total commitments (inclusive of GST)	1,816	2,952
Less: GST recoverable	(165)	(268)
Total commitments (exclusive of GST)	1,651	2,684

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 low-value leases of photocopiers.

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. Cash Invested with approved institutions includes cash received from the Bushfire Wildlife Appeal Fund.

	(\$ thousand)	
	2020	2019
Total cash and cash equivalents	17,697	29,829
Balance per cash flow statement	17,697	29,829

NOTES TO THE FINANCIAL STATEMENTS

6. HOW WE FINANCE OUR OPERATIONS (CONTINUED)

6.3.1 Composition of cash and cash equivalents

	(\$ thousand)	
	2020	2019
Current		
Cash invested with approved institutions	16,809	21,430
	16,809	21,430
Cash on hand and at bank	888	8,399
Total cash and cash equivalents	17,697	29,829

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

	(\$ thousand)	
	2020	2019
Net surplus/(deficit)	(13,557)	(8,152)
Non-cash movements:		
– Depreciation and amortisation of noncurrent assets	12,384	11,977
– Goods in kind donations	(122)	-
– (Gain)/loss on sale or disposal of non-financial assets	(96)	(44)
Movements in assets and liabilities:		
– (Increase)/decrease in inventories	(161)	114
– (Increase)/decrease in receivables	1,172	7,845
– (Increase)/decrease in non-financial assets	(2)	(25)
– (Decrease)/increase in payables	(4,994)	1,513
– (Decrease)/increase in employee benefits	1,835	1,973
Net cash flows from/(used in) operating activities	(3,541)	15,201

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)	
	2020	2019
Additions to vehicles under finance lease	176	113
Total additions to vehicles under finance lease	176	113

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.

Structure

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7.3	Fair value determination	92

7.1 Financial instruments specific disclosure

Introduction

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

Categories of financial assets

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 other comprehensive income

Equity investments are measured at fair value through other comprehensive income if the assets are not held for trading. These assets are initially recognised at fair value with any subsequent change in fair value recognised in other comprehensive income. Upon disposal of these equity instruments, any related balance in fair value reserve is reclassified to retained earnings. The Board recognises managed investments with VFMC within this category.

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.

NOTES TO THE FINANCIAL STATEMENTS

7. RISK, CONTINGENCIES AND VALUATION JUDGEMENTS (CONTINUED)

Categories of financial liabilities

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. RISK, CONTINGENCIES AND VALUATION JUDGEMENTS (CONTINUED)

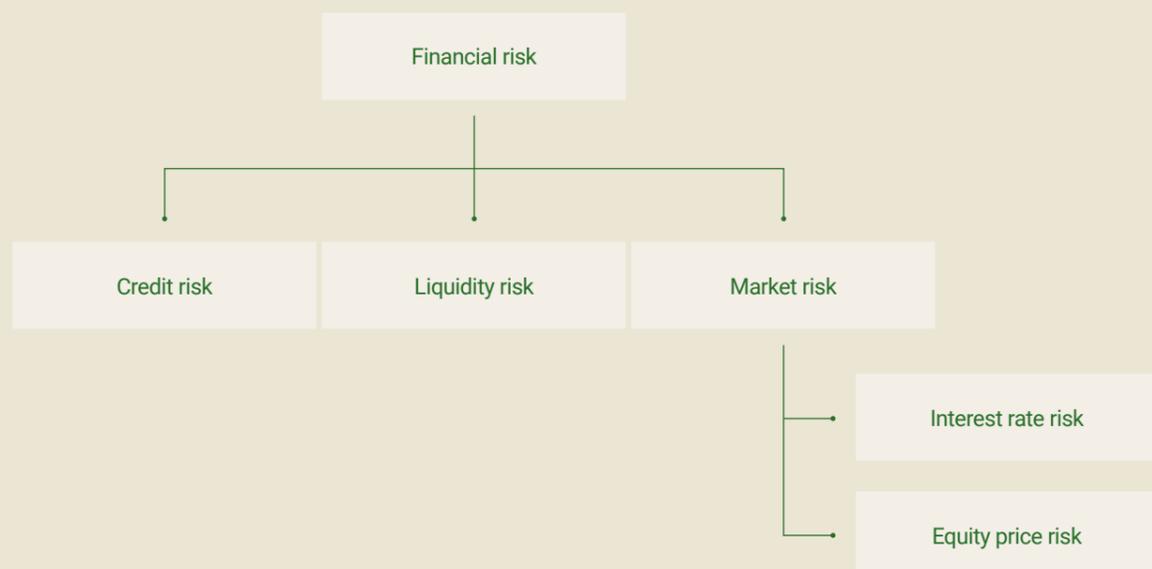
7.1.1 Financial instruments: Categorisation

2020	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	-	17,697	-	17,697
Receivables:				
- Sale of goods and services	-	720	-	720
- Other receivables	-	1,310	-	1,310
Investments and other contractual financial assets:				
- Managed investment schemes	9,637	-	-	9,637
Total contractual financial assets	9,637	19,727	-	29,364
Contractual financial liabilities				
Payables:				
- Supplies and services	-	-	9,850	9,850
Borrowings:				
- Lease liabilities	-	-	610	610
Total contractual financial liabilities	-	-	10,460	10,460
2019				
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:				
- Lease liabilities	-	-	\$653	\$653
Total contractual financial liabilities	-	-	8,043	8,043

NOTES TO THE FINANCIAL STATEMENTS

7. RISK, CONTINGENCIES AND VALUATION JUDGEMENTS (CONTINUED)

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. The Board manages these financial risks in accordance with its financial risk management policy. The Board uses different methods to measure and manage the different risks to which it is exposed. Primary responsibility for the identification and management of financial risks rests with the Board.

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 2019-20.

NOTES TO THE FINANCIAL STATEMENTS

7. RISK, CONTINGENCIES AND VALUATION JUDGEMENTS (CONTINUED)

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 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 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

	Carrying amount		Maturity dates					
			Less than 1 year		Greater than 1 but less than 3 years		Greater than 3 but less than 5 years	
	2020	2019	2020	2019	2020	2019	2020	2019
<i>(\$ thousand)</i>								
Cash and deposits								
– Cash and cash equivalents	17,697	29,829	17,697	29,829	-	-	-	-
Receivables								
– Receivables at amortised cost excluding statutory amounts	2,030	3,035	2,030	3,035	-	-	-	-
	19,727	32,864	19,727	32,864	-	-	-	-
Borrowings								
– Finance lease liabilities	610	653	324	299	286	354	-	-
Payables								
– Payables at amortised cost excluding statutory amounts	9,850	7,390	9,850	7,390	-	-	-	-
	10,460	8,043	10,174	7,689	286	354	-	-

NOTES TO THE FINANCIAL STATEMENTS

7. RISK, CONTINGENCIES AND VALUATION JUDGEMENTS (CONTINUED)

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 Westpac Banking Corporation investment products such as cash deposits. The carrying amounts of financial assets and financial liabilities that are exposed to interest rates and the Board's sensitivity to interest rate risk are set out in the table that follows.

Interest rate exposure of financial instrument

Details	%		(\$ thousand)							
	Weighted average effective interest rate	Carrying amount	Fixed interest rate		Variable interest rate		Non-interest bearing			
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Cash and deposits										
– Cash and cash equivalents	1.03	1.80	17,697	29,829	-	-	16,810	21,430	887	8,399
Receivables										
– Receivables at amortised cost excluding statutory amounts			2,030	3,035	-	-	-	-	2,030	3,035
			19,727	32,864	-	-	16,810	21,430	2,917	11,434
Borrowings										
– Finance lease liabilities	3.93	4.00	610	653	610	653	-	-	-	-
Payables										
– Payables at amortised cost excluding statutory amounts			9,850	7,390	-	-	-	-	9,850	7,390
			10,460	8,043	610	653	-	-	9,850	7,390

NOTES TO THE FINANCIAL STATEMENTS

7. RISK, CONTINGENCIES AND VALUATION JUDGEMENTS (CONTINUED)

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.

Details	Carrying amount		Interest rate risk			
			-100 basis points		+100 basis points	
	2020	2019	2020	2019	2020	2019
Financial assets						
– Cash and cash equivalents - does not include non-interest bearing amounts held for daily use such as change and petty cash.	16,810	21,430	(168)	(214)	168	214
Sensitivity impact on net result due to a +/-100 basis points movement in market interest rate.			(168)	(214)	168	214

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.

Details	Carrying amount		-5%		+5%	
			Fair value through operating comprehensive income revaluation reserves		Fair value through operating comprehensive income revaluation reserve	
	2020	2019	Net result	Net result	Net result	Net result
Managed investment with VFMC	9,637	-	(482)	-	-	482
Total impact	9,637	-	(482)	-	-	482
2019						
Managed investment with VFMC	8,286	-	(414)	-	-	414
Total impact	8,286	-	(414)	-	-	414

NOTES TO THE FINANCIAL STATEMENTS

7. RISK, CONTINGENCIES AND VALUATION JUDGEMENTS (CONTINUED)

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.

NOTES TO THE FINANCIAL STATEMENTS

7. RISK, CONTINGENCIES AND VALUATION JUDGEMENTS (CONTINUED)

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.

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
– Sale of goods and services	– Lease liabilities
– Other receivables	
– Managed investment with VFMC	

NOTES TO THE FINANCIAL STATEMENTS

7. RISK, CONTINGENCIES AND VALUATION JUDGEMENTS (CONTINUED)

Financial assets measured at fair value

Details	Net carrying amount		Fair value measurement at the end of the reporting period using:					
			Level 1		Level 2		Level 3	
	2020	2019	2020	2019	2020	2019	2020	2019
Managed investment schemes	9,637	8,286	-	-	9,637	8,286	-	-
Net carrying amount	9,637	8,286	-	-	9,637	8,286	-	-

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.

7.3.3 Fair value determination of non-financial physical assets

Details	Net carrying amount		Fair value measurement at the end of the reporting period using:					
			Level 1		Level 2		Level 3	
	2020	2019	2020	2019	2020	2019	2020	2019
Specialised Land	163,806	149,702	-	-	-	-	163,806	149,702
Specialised Property	181,147	187,972	-	-	-	-	181,147	187,972
Plant and equipment and vehicles	15,689	13,829	-	-	-	-	15,689	13,829
Net carrying amount	360,642	351,503	-	-	-	-	360,642	351,503

NOTES TO THE FINANCIAL STATEMENTS

7. RISK, CONTINGENCIES AND VALUATION JUDGEMENTS (CONTINUED)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

7. RISK, CONTINGENCIES AND VALUATION JUDGEMENTS (CONTINUED)

Movement in physical asset revaluation surplus

	(\$ thousand)	
	2020	2019
Physical asset revaluation surplus		
Balance at the beginning of the year	250,608	231,718
Revaluation land - increments	14,104	18,890
Revaluation property - increments	-	-
Total physical asset revaluation surplus	264,712	250,608

7.3.3.5 Reconciliation of Level 3 fair value movements

	(\$ thousand)							
	Specialised land		Specialised property		Plant, equipment and vehicles		Total	
Details	2020	2019	2020	2019	2020	2019	2020	2019
Opening balance	149,702	130,812	187,972	194,000	13,829	13,143	351,503	337,955
Additions and transfers from work-in-progress	-	-	2,773	3,524	4,467	2,946	7,240	6,470
Disposals	-	-	-	(5)	(47)	(53)	(47)	(58)
Depreciation	-	-	(9,598)	(9,547)	(2,560)	(2,207)	(12,158)	(11,754)
Sub-total	149,702	130,812	181,147	187,972	15,689	13,829	346,538	332,613
Gains or losses recognised in other economic flows – other comprehensive income								
Revaluation	14,104	18,890	-	-	-	-	14,104	18,890
Closing balance	163,806	149,702	181,147	187,972	15,689	13,829	360,642	351,503

7.3.3.6 Description of significant unobservable inputs to Level 3 valuation

2020 and 2019	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.

Structure

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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.

The uncertainty and challenges caused by the COVID-19 pandemic, including the likelihood of unplanned events, ongoing reduction in revenue earnings and the uncertain duration of the current environment have resulted in managerial assessment and forecasts as to the future business expectations. In July 2020, the Victorian State Government announced Stage 3 restrictions, which were in August elevated to Stage 4, and in September extended to the end of October. This has resulted in the continued closure of the three zoos to the public until 29 October 2020, and reopening has commenced with strict visitor number restrictions and conditions. Management have determined that these visitor number restrictions and conditions will continue to result in the loss of external revenue to the Board.

It has been necessary throughout the pandemic for the Board to make continual managerial estimates and forecasts as to the likelihood of returning visitors, revenue and expenditures. It is anticipated that revenue earnings will be significantly lower in 2020-21 due to travel restrictions, economic climate and decreasing consumer confidence and sentiment. The impact of the pandemic is expected to have significant impacts on the Board's revenue.

NOTES TO THE FINANCIAL STATEMENTS

8. OTHER DISCLOSURES (CONTINUED)

The Board and management have submitted regular forecast and cash flow updates to DELWP and the responsible minister reflecting the changing operating circumstances for ZV as a result of the State Government's response to COVID-19. The Board continues to monitor the financial and non-financial impacts of COVID-19 on its operations and cash flow, and has put in place appropriate mitigation strategies such as substantially reducing non-essential operating and capital expenditure.

However, due to the continuing nature of this event and the material uncertainty that exists, it is not possible to quantify the full economic impact at present. To mitigate this risk, DELWP has provided to the Board a letter of financial support for the period to 30 November 2021 to provide a level of assurance that financial assistance will be made available for the entity to continue as a going concern. The conditions of the letter of support are as follows:

- all necessary steps must be taken to minimise expenditure, including deferring discretionary internal projects, while maintaining core activities as required to ensure programs and services can rebound once restrictions are lifted;
- retaining existing permanent staff, including the consistent application of the Victoria Public Sector guidance note for coronavirus (COVID-19) and any subsequent policies determined by the Victorian Government;
- drawing down on existing funding sources, including uncommitted cash reserves and liquidating tradeable equity investments (unless significantly disadvantageous); and
- information to support the application of these conditions and any funding requests is provided to DELWP and the Department of Treasury and Finance as requested.

Zoos Victoria has met and continues to meet all conditions associated with the provision of the letter of financial support.

On the basis that the Board continues to work closely with DELWP to ensure that appropriate funding is available to continue its operations until the zoos can resume normal trading activities, and with the confirmation of financial support from DELWP to meet its current and future obligations as and when they fall due for a period up to November 2021, the financial statements have been prepared on a going concern basis.

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	2020	2019
Remuneration		
Short-term employee benefits	1,617	1,649
Post-employment benefits	154	148
Other long-term benefits	40	40
Termination benefits	-	-
Total remuneration	1,811	1,837
Total number of executives	8	10
Total annualised employee equivalent – based on the time fraction worked over the reporting period	8	8

NOTES TO THE FINANCIAL STATEMENTS

8. OTHER DISCLOSURES (CONTINUED)

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. Lilians (Lily) D'Ambrosio, MP	Minister for Energy, Environment and Climate Change	1 July 2019 to 30 June 2020
Governing board members		
Kate Vinot	Chair	1 July 2019 to 30 June 2020
Dr Geoff Wescott	Deputy Chair	1 July 2019 to 30 June 2020
Prof Kenneth Hinchcliff		1 July 2019 to 30 June 2020
Natasha Bowness		1 July 2019 to 30 June 2020
Greg Smith, AM		1 July 2019 to 30 June 2020
Heather Campbell		1 July 2019 to 31 December 2019
Rebecca McKenzie		1 July 2019 to 30 June 2020
Dana Hlavacek		1 July 2019 to 30 June 2020
William Whitford		1 July 2019 to 30 June 2020
Chief Executive Officer		
Dr Jennifer Gray	Accountable Officer	1 July 2019 to 30 June 2020

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.

Details	(number)	
	2020	2019
\$0 - \$9,999	1	-
\$10,000 to \$19,999	8	9
\$330,000 to \$339,999	-	-
\$340,000 - \$360,000	1	1
Total number of responsible persons	10	10
Total Remuneration (\$ thousands)	437	434

NOTES TO THE FINANCIAL STATEMENTS

8. OTHER DISCLOSURES (CONTINUED)

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. Liliانا (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	2020	2019
Remuneration		
Short-term employee benefits	400	398
Post-employment benefits	29	28
Other long-term benefits	8	8
Termination benefits	-	-
Total remuneration	437	434
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. OTHER DISCLOSURES (CONTINUED)

8.4.4 Significant transactions with government-related entities

	(\$ thousand)	
	2020	2019
a) Department of Environment, Land, Water and Planning		
Amounts recognised as income in the Comprehensive operating statement. These grants are for the operations of the Board's activities.	25,044	25,604
Amounts recognised as expenditure, in relation to various conservation programs.	(135)	(11)
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.	362	797
c) Treasury Corporation of Victoria (TCV)		
Amounts recognised as income in the Comprehensive operating statement. This is the interest earned from TCV investments.	-	407
d) Victorian Funds Managed Corporation (VFMC)		
Amounts invested with VFMC as at 30 June (refer note 4.3)	9,637	8,286
Amounts recognised as other economic flow in the Comprehensive operating statement. This is the investment distribution income earned from VFMC investments.	506	412
e) Parks Victoria		
Amounts recognised as expenditure in the Comprehensive operating statement. This payment relates to transfer of LSL provision.	(16)	-

8.5 Remuneration of auditors

	(\$ thousand)	
Details	2020	2019
Victorian Auditor-General's Office		
Audit and review of the financial statements	39	38
Total remuneration of auditors	39	38

NOTES TO THE FINANCIAL STATEMENTS

8. OTHER DISCLOSURES (CONTINUED)

8.6 Ex-gratia expenses

	(\$ thousand)	
Details	2020	2019
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)	
Details	2020	2019
Balance at beginning of financial year	3,040	2,077
Transfer of accumulated surplus comprising:		
Endowment funds received in current year	1,762	506
Endowment funds recognised in prior year	-	381
Investment distribution income reinvested	217	134
Endowment distribution for the year	(110)	(83)
Unrealised Endowment movement	(4)	25
Balance at end of financial year	4,905	3,040

The Board's Endowment Reserve 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 through other comprehensive income revaluation surplus

	(\$ thousand)	
	2020	2019
Balance at the beginning of financial year	126	-
Opening balance adjustment on adoption of AASB 9	-	193
Valuation gain/(loss) recognised	(285)	(67)
Balance at end of financial year	(159)	126

NOTES TO THE FINANCIAL STATEMENTS

8. OTHER DISCLOSURES (CONTINUED)

8.8 Change in accounting policies

8.8.1 Leases

This note explains the impact of the adoption of AASB 16 *Leases* on the Board's financial statements.

The Board has applied AASB 16 with a date of initial application of 1 July 2019.

The Board has elected to apply AASB 16 using the modified retrospective approach, as per the transitional provisions of AASB 16 for all leases for which it is a lessee. The cumulative effect of initial application is recognised in retained earnings as at 1 July 2019. Accordingly, the comparative information presented is not restated and is reported under AASB 117 and related interpretations.

Previously, the Board determined at contract inception whether an arrangement is or contains a lease under AASB 117 and Interpretation 4 *Determining whether an arrangement contains a Lease*. Under AASB 16, the Board assesses whether a contract is or contains a lease based on the definition of a lease as explained in note 6.1.3.

On transition to AASB 16, the Board has elected to apply the practical expedient to grandfather the assessment of which transactions are leases. It applied AASB 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under AASB 117 and Interpretation 4 were not reassessed for whether there is a lease. Therefore, the definition of a lease under AASB 16 was applied to contracts entered into or changed on or after 1 July 2019.

As a lessee, the Board previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Board. Under AASB 16, the Board recognises right-of-use assets and lease liabilities for all leases except where exemption is availed in respect of short-term and low-value leases.

The Board has performed a detailed assessment on the operating lease for IT equipment, these are considered as low value leases with the underlying asset's fair value (when new, regardless of the age of the asset being leased) is no more than \$10,000 and hence lease payments are recognised on a straight-line basis in the Comprehensive operating statement.

For leases that were classified as finance leases under AASB 117, the carrying amount of the right-of-use asset and lease liability at 1 July 2019 are determined as the carrying amount of the lease asset and lease liability under AASB 117 immediately before that date. The Board has always classified the finance lease liabilities as right-of-use asset per the principles of AASB 16, and hence no transition adjustment is required.

8.8.2 Revenue from contracts with customers

AASB 15 Revenue from Customers, supersedes AASB 118 Revenue, AASB 111 Construction Contracts and related Interpretations and it applies, with limited exceptions, to all revenue arising from contracts with its customers.

AASB 15 establishes a five-step model to account for revenue arising from an enforceable contract that imposes a sufficiently specific performance obligation on an entity to transfer goods or services. AASB 15 requires entities to only recognise revenue upon the fulfilment of the performance obligation. Therefore, entities need to allocate the transaction price to each performance obligation in a contract and recognise the revenue only when the related obligation is satisfied.

AASB 15 and the related guidance came into effect for not-for-profit entities for annual reporting beginning on or after 1 January 2019. The Board adopted and applied these standards from 1 July 2019 on a modified retrospective approach basis as mandated by the DTF through FRD 121 Transitional requirements. The adoption of AASB 15 resulted in an increase in net result in the current year of \$1.074m. The impact for each major class of revenue and income in the initial year of application is shown in table 8.8.4.

AASB 15 accounting policies are disclosed in the notes below and the disclosure details on how the standard has been applied to revenue transactions.

- Note 2.2 – Rendering of services and sale of goods.

NOTES TO THE FINANCIAL STATEMENTS

8. OTHER DISCLOSURES (CONTINUED)

8.8.3 Income for not-for-profit entities

To address specific concerns from the 'not-for-profit' sector in Australia, the AASB also released: AASB 1058 Income of Not-for-Profit Entities, to supplement AASB 15 and provide criteria to be applied by not-for-profit entities in establishing the timing of recognising income for government grants and other types of contributions previously contained within AASB 1004 Contributions.

AASB 1058 and the related guidance came into effect for not-for-profit entities for annual reporting beginning on or after 1 January 2019. The Board adopted and applied these standards from 1 July 2019. The Board has performed a detailed assessment of AASB 1058 and the potential impact for each major class of revenue and income in the initial year of application is Nil. Comparative information has not been restated.

AASB 1058 accounting policies are disclosed in the notes below and the disclosure details on how the standard has been applied to revenue transactions.

- Note 2.3 – Government grants and other grants,
- Note 2.4 – Other income (Sponsorship, grants and donations, sundry income such as insurance claims, receipts from disposal of assets)

The adoption of AASB 1058 did not have an impact on Other comprehensive income and the Statement of Cash flows for the financial year.

8.8.4 Transition impact on financial statements

This note explains the impact of the adoption of the following new accounting standards for the first time, from 1 July 2019:

- AASB 15 Revenue from contracts with Customers

Impact on balance sheet due to the adoption of AASB 15 is illustrated with the following reconciliation between the restated carrying amounts at 30 June 2019 and the balances reported under the new accounting standards at 1 July 2019:

Balance Sheet	Notes	Before new accounting standards Opening 1 July 2019	Impact of new accounting standards – AASB 15	After new accounting standards Opening 1 July 2019
Total financial assets		41,412	(2,385)	39,027
Total non-financial assets		358,127		358,127
Total assets		399,539	(2,385)	397,154
Payables and contract liabilities	5.2	7,989	5,413	13,402
Borrowings		653		653
Other liabilities		14,965		14,965
Total liabilities		23,607	5,413	29,020
Accumulated surplus/(deficit)	5.2	(7,465)	(7,798)	(15,263)
Physical asset revaluation surplus		250,608		250,608
Other items in equity		132,789		132,789
Total equity		375,932	(7,798)	368,134

NOTES TO THE FINANCIAL STATEMENTS

8. OTHER DISCLOSURES (CONTINUED)

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 2020 reporting period. The Department of Treasury and Finance assesses the impact of all these new standards and will advise the Board of their applicability and early adoption where applicable.

Topic	Key requirements	Applicable for reporting period beginning on	Impact on reporting entity
AASB 17 Insurance Contracts	The new Australian standard seeks to eliminate inconsistencies and weaknesses in existing practices by providing a single principle based framework to account for all types of insurance contracts, including reissuance contract that an insurer holds. It also provides requirements for presentation and disclosure to enhance comparability between entities. This standard currently does not apply to the not-for-profit public sector entities.	1 Jan 2021	The standard is not expected to have a significant impact on the Board
AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Materiality	This Standard principally amends AASB 101 Presentation of Financial Statements and AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors. 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 2020	The standard is not expected to have a significant impact on the Board.
AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current	This Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. A liability is classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. The meaning of settlement of a liability is also clarified.	1 Jan 2022	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 2019-20 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

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

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

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

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

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

Financial asset – A financial asset is any asset that is:

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

Financial liability – A financial liability is any liability that is:

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

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

Financial statements – A complete set of financial statements comprises:

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

NOTES TO THE FINANCIAL STATEMENTS

8.10 Glossary of terms

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

Intangible assets – Intangible assets represent identifiable non monetary assets without physical substance.

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

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

Leases – Leases are rights conveyed in a contract, or part of a contract, the right to use an asset (underlying asset) for a period of time in exchange for consideration.

Net acquisition of non financial assets (from transactions)

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

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

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

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

Non-reciprocal grants – Grants to the Board may result in the provision of some goods and services to the 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

8.10 Glossary of terms

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

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

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

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

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

Transactions – Transactions are those economic flows that are considered to arise as a result of policy decisions, usually an interaction between two entities by mutual agreement. They also include flows within an entity such as depreciation where the owner is simultaneously acting as the owner of the depreciating asset and as the consumer of the service provided by the asset. Taxation is regarded as 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 2020
- 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 2020 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
16 November 2020



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

