The Royal Society for the Prevention of Cruelty to Animals (Victoria) was established in Melbourne in 1871. The RSPCA is an independent animal welfare charity, which relies on community support to generate the income to fund the vital animal welfare services provided. RSPCA Victorian State office is located at Burwood.

A key objective for the RSPCA is to develop, implement and evaluate influencing, information and education programs to raise the knowledge and skills of the community in the care and treatment of animals and increase public support for animal welfare. The RSPCA also advocates for improved legislation. Legislative improvements for animal welfare have been achieved at both state and federal levels through lobbying from the RSPCA.

RSPCA Victoria has a strong commitment to enhance the five freedoms for animals. The organisation operates thirteen animal welfare shelters, which provide refuge and care for stray, injured and abandoned animals and adoption services for the community. In Victoria we operate two private veterinary clinics, which provide care for our shelter animals and vet services to the members of the public. RSPCA inspectors investigate cruelty complaints, educate the public and where necessary, prosecute offenders, as well as rescuing animals from dangerous situations.

The RSPCA believes that we must treat animals humanely. Where humans make use of animals or interfere with their habitat, we should bestow a level of care befitting our own dignity as rational, intelligent, compassionate beings. Such care should be marked by sympathy, consideration, compassion and tenderness towards animals.
Objectives

The primary objectives of the RSPCA are the prevention of cruelty to animals and animal rehabilitation by:

- Enforcing existing laws and co-operating with the relevant authorities
- Preparing submissions for advocating improved legislation
- Generating and sustaining public opinion throughout Victoria for responsible attitudes towards animals
- Assisting bodies throughout Australia, and elsewhere, with the prevention of cruelty to animals
- Providing suitable facilities for animal care, recovery and management

Values

Accountability

Preparedness to be held accountable for plans, actions and outcomes

Professionalism

Behaviour and standards that set the benchmark for other organisations

Integrity

Soundness of judgement and honesty in everything we do

Openness

Transparency in our actions, decisions and results to all stakeholders

Creativity

Willingness to review current operations and implement new and innovative approaches that assist in achieving our overall objectives

Vision

That all animals, great and small, are:

- Free from hunger and thirst
- Free from discomfort
- Free from pain, injury and disease
- Free to express normal behaviour
- Free from fear and distress

For all creatures great and small.
In the past few years the worldwide animal welfare movement has reached a critical mass ensuring that it can no longer be ignored by the political process. To remain this successful the animal welfare movement must always keep in mind the big picture, thinking globally and acting locally. RSPCA Victoria, in its day-to-day activities, does precisely this, responding to the needs and aspirations of the Victorian community for the welfare of its animals as well as assisting with the development of a national and international response to the increasing number of animal welfare issues at these levels.

During the last twelve months, and not for the first time, the RSPCA 181 year old philosophy of preventing cruelty to animals via the legislative process and this is captured in the opening paragraph of the RSPCA Animals Charter.

**State Council and Society Administration**

The State Council is responsible to the Society membership and wider Victorian community for the sound governance of the RSPCA and for the development of Society policies to meet the expectations and aspirations of the community for the welfare of animals. The Council is a hard working group of volunteers and I sincerely thank my colleagues for their dedication and support of the RSPCA.

The Chief Executive Officer, Maria Mercurio, assisted by the executive management team, heads a large staff, including many volunteers, dedicated to achieving the aims and objectives of the RSPCA. The Society continues to benefit from a well qualified and trained cohesive and hard working staff and I congratulate the CEO and her team on what has been achieved over the past year.

For the past two years the State Council has been reviewing the traditional role of the Branches. Legislative changes and the high cost of building and delivering shelter services, together with aging committees and falling RSPCA regional membership forced the Council to develop and adopt a new local community model for the management of an expanded Statewide presence and the maintenance of regional RSPCA services. This model will encourage further participation in a more flexible and targeted way.

**Government Relations**

Relations with the Minister for Agriculture, Bob Cameron, remain good. The Minister always gives the RSPCA representatives a fair hearing and the Society submissions receive careful and objective consideration. Further amendments to the Prevention of Cruelty to Animals Act and the Domestic Animals Act are currently being considered.

The Memorandum of Understanding between the RSPCA and the Department of Agriculture was reviewed during the year. The MOU defines the relationship between the RSPCA and Department of Primary Industries Inspectorates. These inspectorates continue to work well at field level, but the RSPCA still questions the department’s commitment to satisfactorily managing animal welfare issues involving production animals. Some departmental officers continue to believe that an animal health issue is not an animal welfare issue despite the World Animal Health Organisation recently declaring that this view is neither correct nor sustainable.

Hopefully, a Memorandum of Understanding can also be negotiated with the Victoria Police, which also enforces the Prevention of Cruelty to Animals Act.

It is a matter of regret to the RSPCA that the Victorian opposition parties do not seem to be interested in the issue of animal welfare, do not have policies on the subject, and never discuss with the Society any of the animal welfare issues before the parliament, or being debated within the community.
**Campaigns and Events**

The RSPCA mounted a strong campaign to have duck shooting finally banned. Victoria remains the only State not to have banned duck shooting on public lands.

A Cat Crisis Coalition of animal welfare groups brought to the attention of the community the shocking statistic that 48,000 cats and kittens enter Victorian shelters every year of which 32,000 are destroyed. The Minister for Agriculture has been asked to introduce compulsory desexing of pet cats and to mount an on-going educational campaign to alter poor community cultural attitudes to cats.

Cruelty associated with the bobby calf trade continues to concern the Society, as does the plight of horses submitted to jumps racing.

During the year the World Animal Day Gala Evening, All Creatures Day, Million Paws Walk and Annual Art Show events drew bumper crowds and I thank all members and supporters for their interest, patronage and financial assistance to the RSPCA at these functions.

**RSPCA Australia**

Nationally, RSPCA Australia co-ordinates the work of the Australian RSPCA movement and represents the RSPCA to the Australian government, dealing principally with the Department of Agriculture, Fisheries and Forestry, and internationally via the World Society for the Protection of Animals.

After twenty-five years of such work the RSPCA National Council authorised an independent Review of RSPCA Australia and, in particular, the function of the National office. The Review identified a number of federation issues which retard the work of the National office and a subsequent National Council Workshop agreed to the appointment of a national Chief Executive Officer, a new position which will also combine the position of Government Liaison Officer.

RSPCA Australia is represented on a range of committees, most notably the National Consultative Committee on Animal Welfare, the Australian Animal Welfare Strategy Implementation Committee, the Live Export Standards Advisory Committee and the Advisory Committee to the Professor of Animal Welfare. National issues of concern continue to be Live Animal Exports, Intensive Farming, Import of Asian Elephants and other wildlife matters and long distance transportation.

**WSPA**

Internationally, RSPCA Australia is represented on the Board and Executive Committee of the World Society for the Protection of Animals. This global animal welfare organisation now represents 560 animal welfare Societies located in 126 countries and is therefore rightly considered as the international parliament of the animal welfare movement.

The WSPA, working through member Societies, finances animal welfare projects in developing countries, rescues animals subjected to disasters such as the Asian tsunami, provides expertise to governments and campaigns globally on major international animal welfare issues. Currently, these campaigns are to have the United Nations adopt a Universal Declaration for the Welfare of Animals and to have whaling banned because there is no method available to kill whales humanely.

The next international campaign to commence in 2006 will be on long distance transportation of animals. RSPCA Australia will play a leading role in the development of this campaign.

I have had great pleasure in completing the first of a two-year term as the WSPA president.

**Acknowledgement**

Again, I acknowledge with pleasure and gratitude the great support given by the Patrons, Councillors, Chief Executive Officer, Executive Managers, members of the Staff, volunteers throughout the State, and by RSPCA members and supporters without whom the work of the Society could not be maintained let alone developed.

The advice and support of RSPCA National Councillors and colleagues on the WSPA Board, together with the staff of each Society is also acknowledged. Yet again it has been a very busy and productive year and I thank you all for assisting the RSPCA achieve the results it has, thus keeping faith with the commitment to satisfy the aspirations and expectations of Victorians for the welfare of animals.

Hugh J Wirth AM
Honorary President
rspca councillors

**Councillors**

Dr Hugh Wirth AM
BVSc., Hon DVSc (Melb)
President, World Society for the Protection of Animals (WSPA).
President, RSPCA Victoria.
President, RSPCA Australia.
Private Veterinary Practitioner.
Director, RSPCA (VIC) Foundation Pty Ltd.
Council (Chair). Appointed March 1969; Vice-President 1971; President since 1972.
11 meetings 2004-05: Attended 10; Apology 1

Dr Onn Ben-David
BVSc
Vice-President, RSPCA Victoria.
Private Veterinary Practitioner.
11 meetings 2004-05: Attended 8; Apology 2; Leave of Absence 1

Ms Barbara Horn
Vice President, RSPCA Victoria
Published author.
Lifelong commitment to animal welfare.
Former ABC Radio presenter.
Director, RSPCA (VIC) Foundation Pty Ltd.
11 meetings 2004-05: Attended 8; Apology 2; Leave of Absence 1

Mr James Smith
B. Comm FCA
Treasurer, RSPCA Victoria.
Practicing Chartered Accountant and business advisor.
Director, RSPCA (VIC) Foundation Pty Ltd.
11 meetings 2004-05: Attended 9; Apology 1; Leave of Absence 1

Professor Virginia Studdert
BS, DVM (CALIF) Hon DVSc (Melb)
Emeritus Professor of Veterinary Science, The University of Melbourne.
Veterinary Consultant to Industry, Government agencies and not for profit organisations.
11 meetings 2004-05: Attended 10; Apology 1

Dr Michael Sheedy
BVSc
Private Veterinary Practitioner, 30 years experience in Wildlife Veterinarian Care.
Past President, Australian Veterinary Association Victoria.
11 meetings 2004-05: Attended 10; Leave of Absence 1

Miss Betty Amsden OAM
Board Member, Orchestra Victoria.
President, Patrons Programme Australian Ballet School.
11 meetings 2004-05: Attended 10; Apology 1

Dr Carole Webb
BVSc (Hons), MACUSC (Feline Medicine)
Practitioner, Feline Medicine.
Executive Director, Cat Protection Society.
11 meetings 2004-05: Attended 10; Apology 1

Mr Robert Carrall OAM
B.Ag.Sc, Dip.Ag.Extn., FAIAST
Agricultural Scientist, experienced in farm animal production.
Board Member, Greening Australia (Vic).
11 meetings 2004-05: Attended 10; Apology 1

Senior Sergeant Peter Given
Police Representative, RSPCA Council
Associate Diploma Police Studies.
11 meetings 2004-05: Attended 9; Leave of Absence 2
New Councillors

RSPCA would like to welcome the following new councillors.

**Shirley Westerberg**
Member of Baw Baw Shire Council
Tourism Advisory Board.
Commercial Manager Walhalla
Goldfields Railway.
RSPCA Regional Leader - Strzelecki.
2 meetings 2004-05:
Attended 2

**Lorraine Bates**
Business experience – Tourism and
Customer Service.
Inaugural Member of St Martins Club &
volunteer with the RSPCA.
2 meetings 2004-05:
Attended 1; Leave of Absence 1

General information

RSPCA is governed by 12 state councillors
who operate in the same capacity as a
board of directors.
State Councillors volunteer their time
and receive no fees or payments for the
contribution they make. State Council
sets the strategic direction for the
Society and in conjunction with the
Chief Executive Officer, develops the
policies for RSPCA Victoria.
In addition to attending 11 council
meetings each year all councillors
are members of at least one of
the Committees, which review and
recommend changes to the policy and
direction of the Society.

The Council committees include
the following:
• Budget and Finance
• Strategy and Corporate Policy
• Audit
• Animal Welfare Policy
• Marketing
• CEO Review

During the year the following
Councillors resigned. We would like
to thank them for their contributions to
the RSPCA and wish them success
in the future.

**Dr Robert Begg, B.Sc. (Hons), Ph.D.**
Deputy Director, Flora and Fauna,
Department of Sustainability
and Environment.

**Dr Stephen Tate, BVSc**
Director, Bureau of Animal
Welfare, Victoria.
Council. Appointed 17 October 2000

**Mrs Prue Gillies AM, B.A., B.Ed., M.Ed.**
Director/Proprietor, Kids on Collins
Council. Elected 17 October 2002
Looking Back

Financial results for the year for our Burwood operations were disappointing in income terms but encouraging on a number of fronts. All of our fundraising activities and events returned excellent results indicating strong, ongoing support from the community. Unfortunately, bequest income was well below expectations for the year, which led to a shortfall against a $5.03m income budget of $2.35m and a significant operating deficit. The RSPCA Foundation funded the deficit. Expenditure was held in check and at year-end was in excess of $400,000 below our budget for the year of $16.32m.

The grant from the State government, which contributes to the funding for our inspectors, increased to $200,000 ($150,000 in 2003/04) and will increase again in 2005/06 to $300,000.

The Future Takes Shape

The 2004/05 year has seen important changes, which have been foreshadowed for the past few years, actually begin to take shape. Our strategic directions are being translated into business plans and implemented. A performance management system is well established to ensure that we are all held accountable for delivering results.

Our safety record for staff and volunteers is now excellent and our Workcover premiums have been reduced by $700,000 in the past 2 years. A formal risk management strategy is taking shape to ensure that we identify and manage potential risks to our viability. The organisation has been renewed and we are on track to deliver more for less cost.
This level of funding has now been set as part of a newly negotiated Memorandum of Understanding (MOU) between the RSPCA and the Department of Primary Industries, and will be reviewed annually.

Staffing structures were reviewed and as a result, revamped in the Inspectorate, the Clinic and other areas of the Animal Welfare Centre at Burwood. We have improved our systems, including the implementation of a new Finance system (Sage), which includes inventory management and stock control, to increase efficiencies and reduce costs. We have made significant progress in the implementation of our IT strategy and renewal of our infrastructure including new PCs (built in-house), a new email system, new internet gateway, as well as having completed the research for the next phase.

Animal welfare service delivery is of course, core business. But the means of delivering services to achieve best outcomes needs constant review. In metropolitan Melbourne, the numbers of companion animals entering our Shelter in Burwood have been declining – the number of dogs has dropped by 17% from last year; cats have declined by 11%. While the reclaim rate for dogs continues to increase and the rate of euthanasia declines, the cat numbers, while also declining, are still far too high. Nearly 33% of cats that come into Burwood are euthanased. The picture in regional Victoria is a different one. The number of dogs coming into the shelters has increased by 12.5%, cats by 18.5%.

The messages about responsible pet ownership – de-sexing, microchipping, appropriate pet selection, management of behavioural issues – obviously are not being heard. Nearly 65% of cats received at our country shelters were euthanased – a trend that has, sadly, remained steady. The Cat Crisis Coalition, in which the RSPCA is a strong participant, was formed during the year to address this very real crisis.

While we have traditionally managed shelters across the State as add-ons to managing Council pounds under contract, that trend is beginning to shift. Local governments, particularly in country areas, are more and more likely to want to manage their pound facilities directly. As part of setting our strategic directions to achieve a more effective statewide presence, we have revamped our plans for additional country shelter facilities. Our work to more accurately forecast the needs, design and costings of shelters has informed our decision-making, and we have begun to consolidate our resources and concentrate our efforts. In addition, the need to comply with the necessary Bureau of Animal Welfare codes, has meant that significant capital expenditure is required to bring many of the existing facilities up to scratch. The RSPCA will continue to work with local governments and with local vets throughout regional Victoria, to deliver discounted desexing and microchipping schemes and communicate our strong messages about animal welfare and responsible pet ownership. Our longer-term goal is to eliminate the need for shelters.

While it is early days, our new model for an enhanced Statewide presence has just been introduced (from 1 July, 2005), to take the place of the previous Branch Committee structure. This model is indicative of a fresh approach to engaging with our community. The aim is to encourage more people to connect with the RSPCA and to make a contribution in a way that suits skills and time available. We have relied for too long on a small number of hardworking volunteers to raise funds, organise events and be the face and voice of animal welfare across the State. The revamped model is designed to create more opportunities for a larger number of people.

The challenges continue and our resources are always stretched. But we are encouraged by a stronger animal welfare commitment from governments, farmers, producers and especially the community.

Our staff, volunteers, State Councillors, members and supporters have all played a critical part in keeping animal welfare on the agenda. Thank you all for your commitment to all creatures great and small.

A major bequest from the Johnson family is close to being realised which will allow us to build the infrastructure that we so desperately need to improve our animal facilities at a number of sites, provide a wider range of behavioural training, and increase our income generating capacity.

Strong messages to the community about animal welfare and responsible pet ownership are having an impact on numbers of animals entering our shelters. Our Inspectorate and education capacity have expanded both in numbers and in influence. The link between cruelty to animals and human cruelty has been clearly established so the importance of our work is highlighted. Government relations are strong and our voice for animal welfare is respected (while not always heard). A tremendous amount has been achieved, as we look back, with ongoing challenges for the future.

Maria Mercurio
CEO
Animal Welfare Advocacy

Influencing governments to improve the legislative framework, enforcement and funding for animal welfare programs

- Legislation changes and input to RIS’s, draft legislation (POCTAA changes incl. Tail docking)
- Strong voice on AWAC and represented on all seven (7) AWAC working groups
- New MOU with DPI and increased Inspectorate grant
- Membership on AECC’s across the State
- Lobbying government to ban Duck shooting via a public campaign
- Campaign to lobby for compulsory cat desexing via Cat Crisis Coalition
- Work with Ballarat Council that resulted in closure of Learmonth Puppy farm

Influencing Public Opinion

Develop, implement and evaluate influencing and education programs to raise the knowledge, skills and public support for animal welfare

- Increased student numbers via our education programs (over 18,000; an increase of 41% over the previous year)
- Expanding impact and influence – national RSPCA education conference, national and international projects
- New education programs for secondary school students
- New program for students with special needs (physical and intellectual disabilities)
- Campaigns to promote accredited animal welfare friendly products
- Cat Cruelty Campaign to address the increase in incidents of cat cruelty and torture
- ‘Animal Cruelty does Matter’ campaign highlighting the links between animal cruelty and human violence

Enhancing the 5 Freedoms for Animals

Develop, implement and evaluate an integrated program(s) to enhance the five freedoms for animals

- Introduction of the ‘Healthy lifestyle’ program to address the issues of pet obesity
- Strategy development for an animal behaviour training centre
- Expanded Inspectorate to country/metro fringe areas.
- Improved shelter and clinic operating procedures – improved animal welfare outcomes
- Review of Statewide presence – revamp and construction of regional shelters
- Standardised, improved Shelter operations in all Victorian locations including opening hours, staffing, vet contracts, regular audits
- Strategic review of RSPCA activity to improve production animal systems and maximise impact on government and community attitudes
Community Presence

**Project an engaging professional image to a broad audience**

- Record attendance & fundraising results from our Million Paws Walk.
- Inaugural World Animal Day Gala ball and children’s celebration day.
- Development of the Regional de-sexing program in conjunction with local councils.
- Increased participation in Council microchipping events.
- Corporate engagement Partnerships.
- Enhanced development of member communications – newsletter, annual report.
- Strategic review of our statewide presence to enhance participation in regional communities.
- Numerous staff presentations to community and professional groups.

Income Generation

**Increase and diversify the income stream**

- Development of our retail strategy to diversify our income sources.
- Secured new sponsorship arrangements for all events.
- 30% growth of our monthly donor program.
- Record result for our Xmas campaign appeal.
- Policy development and revamping of regional shops.
- Further development of our Workplace giving programs.
- Increased development of RSPCA branded merchandise – producing positive sales results.
- Increased income generated from all RSPCA events.

Organisational Effectiveness

**Build a low cost organisation that achieves outcomes**

- Site re-development project to improve animal facilities.
- IT strategy (Linux, open source).
- New finance system and improved financial controls.
- Corporate Governance changes i.e. charter, development of risk management systems and review of State Council procedures and constitution.
- Strong organisational accountability to deliver through performance management system.
- Reduced costs of lost time accidents, Workcover premiums, absenteeism.
- Reduced legal costs – particularly for Inspectorate through an open EOI process to appoint legal panel.
- Staff and volunteer development to achieve better animal welfare outcomes.
Towards a Corporate Governance Charter

During 2004/05 the RSPCA continued its review of all aspects of corporate governance and made significant progress towards the development of a Corporate Governance Charter. The State Council worked through and defined its key governance roles and relationships, taking into account its primary responsibilities to members, in setting the goals and overall strategic direction of the RSPCA.

A Code of Conduct for Councillors was developed and in September 2004 members voted to amend the Constitution to require current members and members who stand for election to sign the Code of Conduct. This Code aims to assist Council members in effectively carrying out their duties and responsibilities, including duties of good faith, care and diligence, compliance with laws, conflicts of interest, and confidentiality.

The Council has also reviewed its “board” processes and will finalise this review in the coming year.

Enhanced Systems

This year has seen the implementation of our IT strategy, which is intended to deliver lower cost, fit for purpose systems. We have implemented a new Finance system – Sage – that replaces the legacy AS400 system and will provide enhanced reporting with a much higher level of accuracy and timeliness. All “dumb terminals” have now been replaced by in-house assembled, desktop pc’s. Inventory and stock control systems are being migrated to the new system. Our Internet gateway has been replaced and plans are now advanced to implement subsequent phases of the plan and replace and integrate all remaining databases.

A review of all our telecommunication contracts was completed. The number of carriers has been rationalised and costs have been significantly reduced.

Workplace Safety

RSPCA’s OH&S management system has continued to provide guidance to management and staff to ensure we provide a safe working environment at all our sites. Traditional tools for measuring OH&S look at lost time injuries. This year lost times injuries were 91 days compared to a 2000/01 high of 1,899 days. However this only tells us that something has failed. It does not tell us what caused it or why it happened. We now focus on positive performance indicators i.e. measure compliance to our standards and achievements.

OH&S compliance audits were conducted in 2003 to coincide with the implementation of the new system. These audits were conducted again this year. Results suggested that each department has improved significantly from the initial 2003 audit and as an organisation we are continuing to build upon this and move to a continuous improvement model. These audits support a strategic approach to managing OH&S risks.

Since the implementation of the OHS Management System in 2003 the organisation has reduced the Workcover premium by 85%. This translates to an annual saving of over $700,000 - funds that can now be redirected into positive outcomes for animal welfare.

Physical infrastructure

Physical infrastructure issues across the State include regional shops, shelters and the Burwood precinct.

In 2004/05 our major focus was on planning for the future locations of shelters in regional and outer Melbourne and identifying existing shelters that require extensive redevelopments to meet both Bureau
Site Redevelopment

During 2004/05 planning for the physical redevelopment of the East Burwood site proceeded in earnest. It has been important to ensure that we first developed our strategic directions to ensure that our facilities will support our vision. The planning stage is critical to the success of the redevelopment. We have now articulated the project vision, the key objectives and the strategies needed to achieve the vision.

The vision is to provide the physical infrastructure that enhances and aids the development and implementation of our animal welfare services. The strategies to ensure this are:

- Flexibility in innovative design to ensure the physical environment can respond to changing demands
- An environmentally sustainable planning philosophy
- Provision of an economically sustainable infrastructure
- Provision of safe public, volunteer and staff access to the RSPCA environment

Construction of Stage 1 is planned to start in March/April 2006 and will concentrate on the redevelopment of the animal shelters, exercise yards and infrastructure services to the site. Locating the shelters indoors is required to eliminate noise pollution and provide a temperature-controlled environment for our animals.

In designing the shelter environment significant work has also begun on site service issues. For example we are committed to reducing energy and water usage by utilising solar energy, maximising natural ventilation and north facing exposures, utilising recycled and sustainable materials in the construction process, installing extensive systems of water collection and recycling, and ensuring effective and efficient sewage treatment is implemented on the site.

of Animal Welfare code and OH&S requirements. A primary aspect of the planning was to identify a generic design that can be applied to all shelter facilities regardless of the location, ensuring that the design is economical in terms of capital outlays.

The primary issue for all our regional shops was the planning and implementation of upgrades to ensure OH&S compliance to protect our volunteer staff and the public. This work will continue into the new year.

Given the imminent redevelopment of the Burwood site, improvements were restricted to some minor upgrades to the kennel facilities to ensure they remain code compliant until the major redevelopment begins in 2005/06. Minor refits of some office areas and the retail area were also completed during 2004/05.
The further development of RSPCA as the leading animal welfare organisation in Victoria requires an enhanced focus on organisational effectiveness. Staff development is the primary means by which the RSPCA can ensure that the talented staff we recruit are fully equipped with the skills required to achieve our goals, objectives and outcomes. The implementation of the organisation-wide performance management system is critical to our success. This system includes individual goals and objectives as well as development plans that define skill-enhancing activities to ensure the individual’s development adds to organisational improvement.

The performance planning process forms a cycle of continuous improvement, by encouraging all staff to engage in ongoing learning to improve their current and future work performance. An organisational training program was developed and strategic approach was implemented to support individual development plans.

- 232 paid staff and 80 volunteers participated in Standards of Behaviour Level 2 training statewide
- 19 staff required competency-based training in information technology applications
- 14 staff trained in the new finance system Sage to support successful implementation
- Media training was provided to relevant staff to ensure that RSPCA’s key messages are delivered to the community in the appropriate way
- Contract management, project management and leadership and innovation courses were undertaken by key staff to support them in delivering on their goals and objectives
- 5 staff participated in extensive Animal Behaviour training, followed by in-house training for all Shelter and Clinic staff
- 2 vets attended a weekend workshop on veterinary anaesthetics to increase the expertise of specialist anaesthetic procedures.

The community continues to provide fantastic support to the RSPCA via a number of participatory programs including volunteerism, work experience and corporate volunteering. Volunteer numbers remained steady at approximately 1,300 across the State and nearly 600 in metropolitan Melbourne. Interest in corporate volunteerism continued to grow over the past year with nearly 150 participants from companies such as ANZ, NAB, GIO, Esanda, Westpac and Adidem. This was up 200% from the previous year. The Work Experience program was again very popular with 130 student participants working in the Shelter, Clinic, Education and support services departments.

The RSPCA makes every effort to integrate its volunteers into the organisation to work cohesively with paid staff. Standards of Behaviour, workplace safety, equal opportunity and line management processes all apply to volunteers working within the organisation. The challenge for 2005/06 will be to further engage and develop volunteers in our regional areas.

The 2004/05 year saw the RSPCA continuing its commitment to successfully achieving our strategic directions by the further development of our staff both paid and unpaid, and by improving our systems of work.
Executive Management Team

Maria Mercurio  
CEO Victoria  
Appointed August 2002

Jo Lindley  
Executive Manager  
Animal Welfare  
Appointed March 2003
- Statewide Shelter Operations
- Veterinary Services
- Local Governments Contracts

Jim Wilson  
Executive Manager  
Education  
Appointed October 2001
- Education Programs and Development

Wayne Harding  
Executive Manager  
Finance & Major Projects  
Appointed July 2004
- Finance
- Major Projects
- Site Maintenance and Development

Jennifer Davis  
Executive Manager  
Marketing & Development  
Appointed December 2002
- Fundraising and Telemarketing
- Events and Media
- Communications
- Volunteer Resources

Jo Benvenuti  
Executive Manager  
Corporate Affairs  
Appointed January 2004
- Inspectorate
- Corporate Governance
- Legal Services

Corporate Management Team

Front Row
George Nicholson Maintenance Manager, Jennifer Davis Executive Manager Marketing & Development, Maria Mercurio CEO, Jo Lindley Executive Manager Animal Welfare, Shelly Pynenburg Retail Manager

Second Row
John Campbell Customer Service Coordinator, Jo Benvenuti Executive Manager Corporate Affairs, Fiona Hunt Animal Welfare Policy Officer, Alan Synnott Local Government Services Manager, Katrina Bahen Human Resources Manager, Wayne Harding Executive Manager Finance & Major Projects, Chris Thurgood Chief Veterinarian

Third Row
Michael Tenance Management Accountant, Ray Lord Media Officer, Merewyn Smith Fundraising Manager, Andrew Foran Shelter Manager, Kevin Apostolides Senior Inspector

Back Row
Dominic Pangrazio Volunteer Resources Manager, Peter Blanker Information Services Manager
Cat Crisis Coalition

For the first time, all major Victorian shelters joined together with the aim of achieving mandatory desexing of cats, in order to reduce cat overpopulation and stop the heartbreaking destruction of so many cats each year. In Victoria alone, shelters receive 48,000 cats each year – 32,000 are destroyed.

The animal welfare groups that formed the Cat Crisis Coalition are working together to ensure that legislation is enacted in Victoria to require that all cats over the age of 12 weeks are desexed unless registered to a licensed breeder and require all cats and kittens offered for sale or acquired, to be desexed.

The campaign was officially launched in June 2005 and to date the RSPCA has received more than 4,000 signatures supporting the campaign.

Live Exports

Nationally the RSPCA continued the campaign to have the Live Export trade banned. Following the public outcry over the Cormo Express incident in August to October 2003 the Federal Minister for Agriculture, Fisheries and Forestry, Warren Truss announced an enquiry into the live export industry headed by Dr John Keniry. The Keniry Report was released in January 2004.

Whilst the RSPCA believed that full and proper adoption and implementation of the Keniry recommendations would have seen improvement in how the trade was conducted, the recommendations were not fully adopted by the government. The fact remains that there are inherent problems in the long distance transport of animals. The RSPCA believes the only solution to the cruelty inherent in the live animal export for slaughter trade, is an end to the trade.

Campaigns for 2005/06

The RSPCA will continue to campaign on a state and a national level to improve animal welfare legislation.

Key campaigns for 2005/06 include:

- Banning of Duck shooting
- Compulsory Cat Desexing
- Regulation/improvement in Bobby Calf trade
- Accreditation programs for production systems
- Intensive farming – Sow stalls, battery hens and live exports
**Legislation Improvements – Hunting Legislation**

Stricter controls were set such as:
- what dogs can be used for deer hunting,
- requirement to register scent-trailing hounds with the Secretary to the Department of Sustainability & Environment
- requirement of scent trailing hounds to be microchipped and wear a collar with a metal id tag

**Domestic Act (Feral & Nuisance Animals)**

The improvements are:
- The establishment of a central register for dangerous, menacing, and restricted breed dogs under the Domestic (Feral and Nuisance) Animals Act 1994
- Mandatory reporting requirements for owners of dangerous, menacing, and restricted breed dogs and the municipal councils in which such dogs are located
- Requirement for Municipal councils to forward on information regarding dangerous, menacing, and restricted breed dogs for inclusion in the central registry
- Requirement for the permanent identification of menacing dogs
- The requirement for all cats and dogs to be registered with councils at 3 months of age

**Prevention of Cruelty to Animals Act**

- Amendments to the Act allow for the issue of search warrants to enable an inspector to enter premises (including a person’s dwelling) in which an inspector believes on reasonable grounds there is an abandoned, diseased, distressed or disabled animal
- Provide for the registration and enforcement of interstate court orders relating to the custody of animals
- Strengthen the enforcement provisions with respect to the seizure of animals

**Victorian Animal Welfare Committees**

As part of our commitment to gain animal welfare legislative improvements, RSPCA Victoria participates in numerous committees that review legislation, codes of practice and makes recommendations on improvements. These committees are:
- POCTAA Committee
- Domestic Animal Management & Implementation Committee
- Animal Welfare Science Centre Advisory Committee
- BAW Restricted Breed Panel Membership
- Pig Welfare Management Group
- Dairy Welfare Management Group
- Victoria Jumps Racing Review Panel

**Government Relations**

The RSPCA recently agreed a revised Memorandum of Understanding (MOU) with the Department of Primary Industries (DPI). This agreement covers the enforcement of the Prevention of Cruelty to Animals Act 1986 by the RSPCA and sets up protocols between the RSPCA Inspectorate and DPI for the next two years. Important initiatives in this MOU include a new emphasis on communication, training and sharing of information. The RSPCA also acknowledges the increase in funding support that forms part of the agreement, from $150,000 per annum to $300,000 per annum for the next two years.
Influencing purchasing decisions

Barn Laid Eggs
The RSPCA egg accreditation program is an incentive to producers to get hens out of cages and into a more humane system. The program works by raising consumer awareness and creating demand for humanely produced eggs. All royalties are used to pay the RSPCA Egg inspectors and to fund ongoing campaigns aimed at improving the welfare of farm animals. The RSPCA continues to oppose battery hen production systems but until legislation is changed to ban this practice, the accreditation program provides a humane alternative to consumers. In 2000 non-caged eggs accounted for 8% of all eggs sold, in 2003 it was 12.8%.

Otway Pork
The Pastoral Pork Company has adopted the RSPCA animal welfare friendly standards for pork production and now offer pork under their own Otway Pork brand. The pigs are born outdoors. From birth, Otway Pork pigs are free to forage and roll in the mud, play and sleep in straw, eat a healthy diet and drink fresh clean water freely. To protect them from the natural elements they have free access to large straw lined shelters.

The RSPCA believes that the welfare of pigs is paramount, and by giving accreditation to Otway Pork, these animals will be able to enjoy an enriched environment during their lives and be slaughtered with a humane process including CO2 stunning.
Exposing young minds to the importance of treating animals humanely will have significant benefits to society at large. Shifts in community attitudes will only be achieved if we are able to provide people of all ages with the knowledge, skills and a better understanding of the issues relating to animal welfare. The impact and influence of the RSPCA’s Education Department was expanded to national and international levels during the year. Student numbers continued to rise with over 18,000 students taught, an increase of 36% over the previous year, with 53% of all visits at the Education Centre. Programs for students expanded with ever increasing numbers of primary and secondary students being taught throughout the state. Secondary school programs in science, careers and English proved to be very popular and the program for students with special needs (physical and intellectual disabilities) continued to attract groups to the Barn. All of this effort helps to spread an animal welfare message and will ultimately lead to a heightened awareness of and increased sensitivity to animals. To ensure the message is well communicated, new educational resources were developed, including a redesigned CD-ROM. In March 2005 the Education Department hosted a national conference of education staff from RSPCA’s throughout Australia and New Zealand. It resulted in Victoria leading the development of a national project to provide new high quality educational resources that will be used nationally. Following speaking engagements at two NZ national conferences, the Education Department has been commissioned to develop a CD-ROM for the Royal New Zealand SPCA.

Support was provided for a joint program with the Children’s Protection Society. This project supports the campaign ‘Animal Cruelty Does Matter” by directly intervening with children who have been cruel to animals and using the RSPCA barn animals to help change their attitudes and actions. Education staff hosted “Choosing a Dog” seminars to help educate the public about making informed choices of dogs for pets, and delivered a Children’s Week Program, (funded by the Department of Education and Training), and our now traditional Paw Prints Holiday Programs.

The expansion of RSPCA education programs to national and international levels, the continued increase in student numbers, the successful evaluations of our programs and the excitement and enthusiasm generated by our presentations are strong measures that indicate the RSPCA is successfully influencing public opinion. Future plans involve participating in the delivery of government supported pet care programs and expansion of education programs at new locations in RSPCA venues throughout the state.

Influencing community attitudes

Cat Cruelty

The RSPCA ran a series of television commercials with the key message “Cats, if you don’t like ‘em, leave ‘em alone”. This awareness campaign was in response to an increase in reported cases of cat cruelty involving young men torturing and killing cats and kittens.

Marketing specialists Solomon Partnership developed the campaign on a pro bono basis. Eight times World Kick Boxing Champion and now motivational speaker Stan Longinidis, donated all of his time to participate. SMR productions and independent media agency, Mitchells, also donated their services to enable this very successful campaign to get to air.

Links between animal cruelty and human violence

In February 2005 the RSPCA conducted a campaign ‘Animal Cruelty Does Matter” highlighting the link between animal cruelty and human violence.

The campaign included details of research from the United States that suggests violent offenders frequently have a history of serious acts of animal cruelty during their childhood. The campaign highlights the need for early intervention and indicates the importance of our education programs which are successfully developing responsible and caring behaviour towards animals.

The national RSPCA scientific seminar, supported by two RSPCA Victoria speakers, also focussed on this theme of animal abuse – a human issue.
Each year an enormous number and variety of animals are admitted into the 13 RSPCA regional and metropolitan shelters across Victoria. The majority of these are companion animals and typically a vast majority of these are cats and dogs. But shelters also receive a range of other types of animals including small to large production animals ranging from sheep and goats to horses and cows and a large number of poultry such as chickens, ducks and geese.

The trends in the number admitted and the reasons for their admission speak very clearly about attitudes to animal welfare and the role that the RSPCA and other community groups play in changing those attitudes.

In recent years metropolitan shelters have seen a steady decrease in the number of dogs and cats admitted into shelters. The reasons for this are wide and varied but can be summarised into several definable areas. Firstly, the increase in the use of microchip technology and other permanent identification has enabled more accurate location and reunification of owners with animals lost or stray in residential areas.

Secondly the message driven by the RSPCA and other welfare groups about broad issues encompassed in responsible pet ownership has provided people with the knowledge and skills to maximise their relationship with their animal and provide a safe, secure environment in which to keep their animals.

These issues include the need for desexing and permanent identification of pets; appropriate pet selection and housing; management of behavioural issues; the need for exercise and stimulation and supporting veterinary advice and assistance.

The shelters run and operated by the RSPCA are not just about cats and dogs, but about all animals that coexist in society. 5,000 other animals received included rabbits, guinea pigs, ferrets, chickens, ducks, geese, sheep, goats, pigs, tortoises, and fish to highlight a few.

Significantly, a majority were native wildlife species, particularly possums and birds. While much has been spoken about in recent times about the plight of companion animals, wildlife can often be forgotten.

The RSPCA is committed to better management practices regarding wildlife and ensuring that we, and our companion animals, make every endeavour to coexist with wildlife in our neighbourhoods.

enhancing the five freedoms for animals
As evidenced here in the brief analysis of statistics for all metropolitan and regional shelters, the numbers of animals admitted into metropolitan shelters has declined while regional facilities have continued to increase. In fact, the Burwood shelter has seen a dramatic drop of almost 7,000 animals a year since the turn of the century, only five years ago! Regional shelters have seen the opposite, although this can be attributed to the increased presence of RSPCA regionally and the specific issue of cat management. Indeed, the increase of admissions to regional shelters of over 3,000 in three years correlates directly to an identical increase in cat admissions. This highlights the issues raised by the RSPCA and other welfare groups through the Cat Crisis Coalition regarding the endemic social problems created by a burgeoning cat population. Of 11,236 cats admitted to our regional shelters, 64.5% were euthanased, with the Sunraysia area recording a euthanasia rate of over 95%! Cat management is often seen as a metropolitan issue but the impact regionally is quite significant and needs to be immediately addressed.

Happily, not all the statistics tell a story of doom and gloom. RSPCA shelters are well above the national average for adoption and reclaim rates. Over 4,500 dogs and 5,500 cats were rehomed through our 13 shelters. That represents over 10,000 animals that the RSPCA has desexed, vaccinated, microchipped, health checked and rehomed to loving families who have chosen the RSPCA above anyone else to find a companion.

Over 6,600 dogs were reclaimed by their owners but a disappointing total of only 650 cats were reunited with their owners. While this is a fantastic result for the dog population, it is disappointing that cats still face a far less hopeful chance of being reclaimed when they lose their way, and cat owners are far less vigilant about keeping their pets confined.
RSPCA Veterinary Clinics

The RSPCA is a major ‘consumer’ of veterinary services. The main areas where these services are required are in the Shelter network across the State, the Inspectorate, and in the provision of the veterinary clinics. As a provider and consumer of veterinary services there is a need to keep these services under constant review.

During the year 2004/05, as part of this review, standard veterinary contracts for the provision of veterinary services to the regional shelters have been agreed with local veterinary clinics. This standard contract will ensure that there is uniformity in the quality, the cost and the level of care provided at all RSPCA shelters to meet legislative and organisational requirements.

We have also negotiated a supply contract with a pharmaceutical distributor. This will ensure that all shelters will obtain pharmaceutical supplies at the best possible price on a statewide basis.

In conjunction with the Inspectorate, we have developed a new protocol for the provision of veterinary support for inspector cases. With the high costs involved in prosecution, this protocol should result in a higher level of evidentiary support.

The private veterinary clinics at Burwood and Pearcedale are operated in tandem with our two largest shelters. They are primarily conducted to provide a level of veterinary service to our largest shelters at these sites, at the highest benchmark standard, but in a cost effective manner.

At Burwood, throughout the year, we have significantly increased the number of minor elective surgical procedures performed on shelter animals resulting in increased animals available for adoption and reducing the number euthanased.

Throughout the year we have been developing the Animal Behavioural and Training Centre. This initiative has occurred in recognition of the increasing number of animals, particularly dogs, presented at both the clinic and the shelter with behavioural problems. It is hoped that when this Centre is fully developed it will provide a practical model that will assist in the reduction of animals surrendered by owners to shelters.

The recent appointment of an Animal Behavioural and Training Co-ordinator is the beginning of a program that is expected to rapidly expand over the next few years.

A closer relationship between the clinics at Burwood and Pearcedale has been established as a result of the increased movement of staff between the sites. These clinics previously operated in a fully independent manner, and both will benefit from the exchange of staff and expertise.

During the year we have continued to encourage the involvement of local government, where we have local government contracts, in developing desexing schemes. These schemes offer concessional rates that are supported by the RSPCA.

Those that are further subsidized by the municipality, ensure that the cost of desexing to the owner is lower than any alternative scheme presently available. This should assist in reducing the number of puppies and kittens being surrendered at our shelters.

The veterinary clinics have continued our participation with the University of Melbourne Veterinary School in their elective program for final year students. This participation ensures that the RSPCA is seen by the veterinary profession as a provider of quality veterinary services and care.

In summary the clinic at Burwood has had a highly productive year, as reflected in the statistics, and the groundwork has been laid to continue this development.
RSPCA Burwood
Veterinary Activity

<table>
<thead>
<tr>
<th></th>
<th>2004/05</th>
<th>2003/04</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adult desexing</td>
<td>1,610</td>
<td>1,692</td>
<td>- 4.85%</td>
</tr>
<tr>
<td>Immature shelter animal desexing</td>
<td>2,677</td>
<td>2,591</td>
<td>+ 3.3%</td>
</tr>
<tr>
<td>Shelter animal surgery</td>
<td>1,638</td>
<td>1,444</td>
<td>+13.4%</td>
</tr>
<tr>
<td>Shelter animal consultations</td>
<td>1,091</td>
<td>1,231</td>
<td>- 11.4%</td>
</tr>
<tr>
<td>Private adult desexing</td>
<td>528</td>
<td>512</td>
<td>+ 3.1%</td>
</tr>
<tr>
<td>Private immature desexing</td>
<td>814</td>
<td>779</td>
<td>+ 4.5%</td>
</tr>
<tr>
<td>Private surgery</td>
<td>2,610</td>
<td>2,583</td>
<td>+ 1.0%</td>
</tr>
<tr>
<td>Private consultations</td>
<td>13,857</td>
<td>13,138</td>
<td>+ 5.5%</td>
</tr>
</tbody>
</table>

Local Governments are charged with the primary role of safeguarding the welfare of animals. They are responsible for enforcing legislation, advocating responsible pet ownership and providing the means of managing stray animals, which includes impounding.

The RSPCA provides various animal management services under contract to many council across the State, ranging from pound management of strays to Animal Management Officers working in local communities. It also includes the collection of annual registration fees for animals.

From the Burwood shelter we manage the pound for five metropolitan Melbourne councils. We also provide full Animal Management for two councils and maintain after-hours services for contained or injured animals for six councils. We are pleased to work with Cities of Monash, Glen Eira, Port Phillip, Whitehorse and Whittlesea. We also have pound management agreements with regional councils located at the Pearcedale Branch working with the City of Casey and the Mornington Shire Council.

Other shelters where we are contracted to pound management services are located at Bairnsdale, Portland, Warrnambool, Ballarat, Castlemaine, Bendigo, Echuca, Wangaratta, and Mildura. The Sale shelter operates for surrendered animals only.

The RSPCA, in association with several of our contracted councils, provided the public with discounted microchipping, giving owners an extra opportunity to be reunited with their pet should it become lost.

An Affordable Desexing Scheme was introduced this year to assist regional councils to obtain better results from their desexing programs, and reduce the number of animals coming into our shelters. Discount desexing is available from our Burwood Veterinary Clinic at nominated times during the year.
In 2004/05 the effects of drought continued to have an impact on cruelty complaint numbers in some regional areas and overall complaint numbers increased by 17% from the previous year. Substantial rainfall in October 2004 and February 2005 provided some feed and staved off more serious drought conditions, however, particular areas of Victoria continued to experience severe drought. Despite de-stocking by farmers, the drought conditions continued to have an impact on livestock complaint numbers mainly as a result of lack of attention by absentee landlords and hobby farmers.

Implementing the Strategic Plan

A strategic review of the Inspectorate in the latter part of the previous financial year set the priorities for 2004/05. Three additional inspectors were recruited to add to our total capacity and to build response flexibility and capability in the team. These inspectors service the growth corridors of Melton, Whittlesea and Pakenham and the placement of inspectors in these areas also allows quick deployment to assist country and metropolitan inspectors with difficult cases.

A number of changes were made to improve safety and security for inspectors in the field. A further priority was the work undertaken to improve the induction, training and skills maintenance of inspectors.

The Inspectorate also implemented changes to its complaint receipt system, information provision and case referral processes. These changes were aimed at improving our ability to respond well to our clients and enhancing our relationships with other service providers.

A revised Memorandum of Understanding (MOU) was signed with the Department of Primary Industries. The MOU includes an increased emphasis on communication and shared training and increases the State government’s contribution to the Inspectorate’s funding to $300,000.

Prosecutions

The RSPCA regards prosecution as a last resort. The decision to prosecute following an alleged breach of the Prevention of Cruelty to Animals Act 1986 depends on the seriousness of the matter, whether a positive outcome can be reached by education or warning and/or the availability of evidence in order to proceed.

The RSPCA prosecuted 45 cases in 2004/05 and this continues the downward trend in prosecutions, despite the increase in complaint investigations.

Reasonable Doubt?

This case study involves an investigation that took place in 2002, however, the court findings were handed down in June 2005. An RSPCA inspector responded to a complaint regarding some 500 drought affected cattle, many of which appeared to be starving. The inspector enlisted the advice of a veterinarian and over a three-day period the vet and a stock agent yarded and assessed the individual condition of the worst of the cattle. 128 were euthanased.

The Magistrate dismissed all charges against the defendant. In summing up, His Honour observed that it was unquestionable that the evidence of the RSPCA prosecution witnesses was very powerful in its impact and at the conclusion of its case the prosecution had established all the animals were starving due to the absence of sufficient feed in the forest. However, His Honour concluded that due to contrary evidence provided by a veterinarian witness on behalf of the defence, an element of doubt had been introduced. Therefore the RSPCA had
failed to prove the charges beyond reasonable doubt and he was bound to dismiss the charges.

The case highlights the difficult task of inspectors in prosecuting cruelty cases, which need to attain the criminal law benchmark of proving a case beyond reasonable doubt.

This latest result is due to the introduction of a policy to increase formal warnings through the issuing of Notices to Comply. This strategy is achieving good welfare outcomes without the need to proceed to court.

The RSPCA was successful in 43 of the 45 cases heard in this period, with a total of 172 charges laid; this was a success rate of 95.5%. As of 1 July, charges have been laid in relation to seven additional cases and these are awaiting court mention dates.

Whilst the RSPCA’s record in prosecution is good, the financial penalty of losing a case can be extremely high. Court cases and potential appeals can be extremely costly and difficult to plan for.

Fines imposed by the court, go to the State government and whilst costs can be awarded to the RSPCA, these are often difficult to recover.

The legal costs of this case alone for the RSPCA are estimated to be in the order of tens of thousands of dollars.
Cruelty complaints

Cruelty complaints increased by 17% to 9,759 in 2004/05. In particular, the increase in cattle and horse complaints has resulted from absentee and hobby farmers not providing regular oversight of the animals on their land. It appears that this increase may signal some complacency regarding the extended drought conditions and the owners’ responsibilities to ensure the animals are provided with adequate food, water and shelter. Also of concern was the increase in serious cruelty cases involving cats and domestic animals in general.

Routine Inspections

RSPCA inspectors conducted 104 routine inspections in 2004/05. RSPCA inspectors’ powers to enter a property are limited to where an Inspector has received a complaint and has a reasonable belief that a breach of the Prevention of Cruelty to Animals Act 1986 may be occurring. Routine inspections can only be carried out where the owner of the property allows the inspector entry. As can be seen by the cruelty complaint statistics, a number of commercial premises were also the subject of investigation this year.

Rescues

RSPCA inspectors undertook 1,373 rescues across Victoria in 2004/05.

A number of changes have been made to the RSPCA’s rescue procedures. The most significant change has been the introduction of improved, safer work practices, and a determination to build closer relationships with the State Emergency Service and Country Fire Authority. These agencies assist with the provision of equipment and officers who are skilled in specialised areas. The equipment and skill sets complement the animal welfare skills of RSPCA inspectors and better results are achieved.

The RSPCA also improved its information/advice direct to the public. This meant more cases were resolved without the need for inspector intervention, e.g. providing information on how to release a possum from the roof of a house, rather than undertaking a rescue operation.

Rescue Case Study

In February 2005 an inspector received a call regarding a cockatoo that had been sitting in a tree in the same spot for five days and was now hanging upside down. Due to the height of the bird’s position the inspector requested assistance from the Country Fire Authority and a unit from Warrandyte was promptly dispatched.

Upon examination it was clear that the cockatoo had tangled some hay bale around its leg which had got caught on the high branch. Five days of the cockatoo attempting to release itself had resulted in the leg being completely stripped of flesh, exposing the bare bones of the leg. The bird was exhausted, dehydrated and starving.

Seven hours, over 20 people and one front fence later, the cockatoo was released from its stringy entanglement and quickly transported back to the RSPCA’s veterinary clinic where it was assessed. Consultations between the RSPCA and specialist bird veterinarians led to the decision to amputate the injured leg. After a lengthy recovery at the RSPCA, the bird was sent to a wildlife carer where he continues to be rehabilitated with the view to release back into the wild.

“It doesn’t bother me”

In late June 2004 an RSPCA inspector investigated a complaint of cruelty towards a cat. The complainant produced a plastic bag that contained the remains of a tortoiseshell cat.

A post mortem examination was conducted and the vet was of the opinion that the cat had sustained terrible injuries including multiple fractures to its head, neck and limbs. It was also noted that the cat was alive through the majority of the attack before succumbing to blood loss and the impacts of the blows.

The inspector eventually located the alleged owner and perpetrator of the attack. During his interview, the owner admitted to hitting the cat repeatedly because the cat had meowed constantly for over half an hour.

The owner said he had “blackened out” and couldn’t remember the details of what had occurred but did remember that he put the cat in a plastic bag in the rubbish bin. The owner went on to say “It doesn’t bother me. I don’t care what I have done.” Later admitting that he had done this to another cat before and said, “I just won’t get another cat.”
This case was heard in the Ringwood Magistrate’s Court in February 2005 where the owner was found guilty of three charges, banned from owning any animal for five years, sentenced to six months prison and ordered to pay $894 in costs to the RSPCA.

Acknowledgments

The RSPCA’s Chief Inspector, Kevin Apostolides resigned at the end of June 2005 to take up new career opportunities. Kevin worked for the RSPCA for 23 years, firstly as an inspector and ultimately as Chief Inspector and during that time demonstrated his strong commitment to animal welfare. The RSPCA greatly appreciates his contribution and wishes him well for the future.

During 2004/05 the RSPCA has enjoyed the support and assistance of a number of organisations including Officers of Victoria Police, staff of the Department of Primary Industries, and Local Laws Officers and the RSPCA acknowledges their work. Members of the Victorian community should also be acknowledged for their ongoing concern for the welfare of animals.
Statewide Presence

The last year has been a busy one across the State as all our shelter operations were reviewed and improved. To ensure that all RSPCA shelters complied with the Code of Practice for the Management of Dogs and Cats in Shelters and Pounds, we conducted a series of audits and worked with shelter supervisors to achieve improved and consistent operations across the state. Staffing levels, operating hours and occupational health and safety requirements were all improved to provide a greater level of customer service and animal welfare. Staff training was also a key direction last year with all shelter supervisors regularly meeting to discuss issues and be informed of the key initiatives of the RSPCA.

All shelters are managed centrally ensuring consistency and a continual reviewing of our animal welfare practices. We have created a regional network of shelters that provides a more effective statewide presence and demonstrates a proactive response to animal welfare in partnership with local communities.

For this new direction to be successful, the following principles were adopted:

Regional Model of Operations

A critical element in the success of RSPCA Victoria, is the effectiveness of our regional presence.

The Branch Committee structure was implemented many years ago and was effective in establishing our presence throughout country Victoria. Our Committees worked hard and produced some excellent results. As trends changed and demands on our volunteers increased, we began to find that the formal committee structure began to appeal to smaller sections of the community. The requirements and expectations often involved more commitment than individuals were able to provide. The challenge is to build local support with a strong community connection to the broader work and aspirations of the RSPCA.
The new ‘Local Community Presence’ model that has been developed will allow those volunteers who are existing committee members as well as individuals not currently involved with the RSPCA, to have the opportunity to take on a leadership position in an area that most suits their availability and specific interests, or to volunteer to work with a new leader in their area. The new model was implemented on July 1st 2005.

Three new volunteer leadership positions will be established within regional districts that will be supported by State Office and other volunteers. One of the new volunteer leadership positions is ‘Animal Welfare Campaign Leader’. The RSPCA identified that the campaign messages are not getting out to many regional communities and this role fills that gap, by recruiting committed individuals with a passion for improving animal welfare knowledge at a local level and assisting to improve Animal Welfare conditions across Victoria.

Other volunteer leadership positions are the ‘Regional Fundraising Leader’ and ‘Regional Events Leader’ as well as our existing Op Shop Managers. The fundraising activities within the local region assist in providing services to those communities, which include the animal welfare shelters, inspectors and campaigns.

Our objective in implementing the new model is to deliver a consistent presence across the State and increase the participation of regional communities in improving animal welfare services and awareness across Victoria.

A regional approach with strong community support
Key metropolitan and rural regions were identified. Each of these regions will have a primary Animal Welfare Centre that delivers a full range of RSPCA services and support smaller pounds in the region. These centres showcase the RSPCA in Victoria offering a range of animal welfare services promoting animal adoption and providing outlets for RSPCA information. Some of the current shelters would become holding and transfer facilities where animals are only kept for 2-3 days before being sent to the regional Animal Welfare Centre. Greater website capability will enable positive identification of animals before owners travel any distance to reclaim them. The development of business plans and the establishment of statewide benchmarks will guide animal welfare operations at the Regional Shelters.

A strategic approach with local government
The RSPCA is actively pursuing more contractual work including the management of council pounds, ranger services and animal registration services. Existing local government pounds could feed into regional Animal Welfare Centres and the outcome for unclaimed animals would improve.

The RSPCA is also reasserting its role as the primary animal welfare body in Victoria, providing a greater range of advice, services and support to local government. We are meeting a strong community expectation that the RSPCA will have a visible presence in a community, commenting on local animal welfare issues, caring for animals, proactively responding to local issues and having inspectors available to investigate reports of cruelty to animals.

Continued development of shelter services
The RSPCA will continue to provide a broad range of services including care of strays, reuniting with owners, affordable desexing and microchipping programs, adoption, retail sales and welfare boarding. Longer term commercial boarding of dogs and cats is an area currently being reviewed. The development of the Animal Behavioural Training program at Burwood will also lead to elements of this being offered in regional shelters. A greater emphasis is being placed on preventing animals from being impounded by microchipping and desexing programs that are run, and funded, in conjunction with local veterinarians and councils.

Financial sustainability
Financial viability is dependent on regional support for programs and services and acquiring council animal pound or management contracts for several years. Additionally regional shelter income is generated from the sale of animals and retail product; animal boarding; corporate kennel or facility sponsorship, memorial walls and animal training programs. In kind services and products provided by the local community and businesses also assist in making shelters financially sustainable. And the tremendous work of volunteers in shelters and shops is vital to all RSPCA operations.
Million Paws Walk

More than 12,000 people attended the 10th RSPCA Million Paws Walk, which was held at 14 Victorian locations on Sunday 15th May 2005. The locations were Albert Park, Ballarat, Bendigo, Bairnsdale, Portland, Warragul, Mildura, Swan Hill, Peninsula, Geelong, Morwell, Sale, Wangaratta and Warrnambool.

Total funds raised in Victoria were $192,376.21.

The event was supported by our major national sponsor, Hills Science Diet and local supporting sponsors Money Managers, Aquamax and Parks Victoria. Our Regional Shelter Managers, volunteers, staff and the community all contribute to the success of the events.

All Creatures Day

The annual RSPCA All Creatures Day was held on Sunday 20th March 2005 and raised $39,018.

With an attendance of more than 6,000 people, the event showcased the services and work of RSPCA Victoria. We were especially grateful to the Casteron Kelpie association for its popular demonstrations, Tyrell’s wines and also to Suzie Wilks, Stan Longinidis and Peter Alexander for assisting in the judging of the pet dog competitions.

World Animal Day

World Animal Day occurs globally on 4th October each year. It is an opportunity to celebrate and recognise the contribution made to society by animals. The RSPCA in Victoria celebrated this event with our inaugural World Animal Day Gala evening at the Park Hyatt, raising $92,146 for our animal rescue and adoption services.

We also held a Children’s celebration day at Burwood. It attracted children and their parents to a fun-filled day of animal-related activities, including visits to the barn, behind-the-scenes tours of the shelter and clinic, talks by inspectors and wildlife carers, the opportunity to see sheep being shorn and a farrier at work.

Without the generous support of the sponsors of the events, the companies that provided auction items, our committed volunteers and the volunteer committee that organized the Gala evening, the event would not have succeeded.

Community Events

RSPCA holds an annual art exhibition and in 2006 the art show will celebrate its 25th year. RSPCA is also a partner at the Royal Melbourne Show where we have on stage demonstrations and support the promotion and running of a pet dog competition. In addition to these events we participate in many regional activities, which assist to communicate vital animal welfare messages and raise funds to support local animal welfare services.

Event Calendar for 2005/06

World Animal Day Children’s Celebration
October 1st 2005

World Animal Day Gala Ball
October 7th 2005

All Creatures Open Day
March 26th 2006

Million Paws Walk
May 21st 2006

Membership

In 2004/05 the RSPCA conducted surveys as part of our strategy to review our membership. Strategies will be implemented in 2005/06 once survey results are finalized, to provide opportunities for future growth.

Dramatic improvement in animal welfare will occur only with a unified and strong community voice. RSPCA members have an opportunity to actively participate in improving animal welfare standards and to assist the RSPCA to achieve its objectives.

Membership Statistics 2004/05

- Adult Voting Members: 2,238
- Paw Prints Junior Members: 2,098
- St Martins Club Members: 232

This club will be re-branded and launched again in 2005/06.
Workplace Giving Partners

Corporate Australia’s support for RSPCA has continued to increase throughout 2004/05, and this has proven to be a source of some important partnerships. Corporate partners can be involved with RSPCA in a variety of ways including Workplace Giving programs, corporate volunteering, hosting RSPCA Awareness Week in their office to promote the RSPCA, as well as conducting intra-office fundraising activities.

Recent new Workplace Giving supporters of RSPCA include:

ANZ, Mallesons Stephen Jaques, Sensis, Corrs Chambers Westgarth Lawyers, Goldman Sachs JB Were, Allianz Australia Ltd, BlueScope Steel and Optus.

Pro-active presentations to community-minded corporations over the coming year will help grow this program, while providing reports and presentations on the positive impact of current corporate partners support will help cement these relationships.

Local Government

The RSPCA manages local government pound contracts for five metropolitan councils and 10 regional Shire/councils. These contracts help to generate income for the RSPCA and importantly provide opportunities to educate local communities on responsible pet ownership, by offering discounted microchipping and affordable de-sexing schemes.

In 2005/06 we will be expanding our affordable de-sexing programs particularly in regional areas.

Media Relations

As a not for profit organisation the RSPCA has limited funds for paid promotional activities so we rely heavily on the support from media outlets to help inform and educate the community on vital animal welfare issues.

This year we aired two television commercials – Cat Cruelty and the Animal Walk awareness campaign. With the generous support of the TV Networks these community service announcements go free to air and provide valuable opportunities to communicate our key messages.

We have received excellent support throughout the year from Mitchells Media, the Herald Sun, local & regional newspapers, radio and television. We are especially grateful to our President, Dr Wirth, who is always willing to make time to provide animal welfare information to journalists.
RSPCA Victoria’s income generation activities are vital to ensure we cover essential costs in providing animal welfare services across the State. This year, through the generosity of our donors and supporters, our fundraising initiatives raised more than $6.6 million. We are working to ensure our income generation strategy not only maintains the good relationship we have with our loyal donors, but also reaches out to new supporters. It is crucial that we diversify our income sources to ensure a more sustainable funding base for the organisation.

Fundraising and Bequests

Fundraising appeals for 2004/05 were extremely successful in achieving the budgeted income thanks to exceptional support from our donors. Due to the unknown impacts of the Tsunami fundraising we cancelled our appeal scheduled for late January 2005 and still achieved our total appeals budget for the year. Among the highlights for the fundraising year was the success of our ‘Christmas campaign’, which highlighted the large volume of animals that our shelters care for over the summer months. This campaign achieved record fundraising results for the RSPCA.

The continued growth of our monthly donor program also contributed to the positive results for the year. This program is essential to provide regular planned income to support our animal welfare services.

Income from bequests this year was over $2 million. This funding significantly assists in providing services and initiatives to improve animal welfare. We gratefully acknowledge all of our bequestors and their families.

In 2004/05 income from bequests was significantly down on budget for the year. The difficulty of predicting the quantum of this income source each year, further emphasises the need to diversify our income sources so that we are not so heavily reliant on the generosity of individuals or estates from year to year.

Trusts and Foundations

The RSPCA regularly makes application to Trusts and Foundations seeking funding for projects incorporating our vital animal welfare work. Trusts and Foundations have strict criteria and guidelines that determine the suitability of applications. While funding available to the community through Trusts is quite significant, the number of suitable Trusts and Foundations that consider animal welfare projects is limited.

However RSPCA did receive generous funding and support from the following Trusts and Foundations in 2004/05:

- Mary Kibble Trust
  - $25,000 for our Quarantine and Sales Kennel resurfacing and redraining project

- ANZ Charitable Trust Australia
  - $19,955

- Hazel and Arthur Bruce Bequest
  - $43,000

Sponsorship

Hills Science Diet continued as the exclusive pet food sponsor for all RSPCA shelters and the major sponsorship of the Million Paws Walk. Money Managers and Aquamax were welcomed as new supporting sponsors of Million Paws Walk. We hope to further develop these relationships in 2005/06.

The public adopting pets, and our own four legged friends, enjoyed the re-developed canine exercise yard thanks to Credit Union Australia, who last year generously donated the funds for the update of this facility.
Retail

Services

Telesales

The telemarketing of RSPCA merchandise and raffle ticket sales provides another avenue for supporters to contribute to the organisation. Telemarketing services are run in-house which provides the key benefit of being able to have personalised contact with our donors and members. In an average month 30,000 supporters would be contacted.

This year, in conjunction with Tyrrell’s Wines, the RSPCA developed a wine club. Supporters have access to exclusive offers and fine wines and the organisation has gained another fundraising avenue without the risk of investing in further inventory.

From 2006 onwards, further RSPCA branded merchandise will be developed as our supporters have shown a preference for this product. Following the success of our RSPCA Dog Calendar and many requests from our supporters we will be also launching a Cat Calendar in 2006.

In 2004/05 over 55,000 orders were distributed to supporters, with an average sale of $50.00 per order.

Shops and Shelter Retail

At the start of 2004/05, RSPCA had 24 shops, predominantly selling second hand merchandise in regional Victoria. During the year three of the poorer performing stores were closed. The primary objective of our retail shops is to raise funds to support the local animal welfare activities and provide a presence in regional locations.

During 2004/05 the RSPCA has been developing its retail strategy with the key objective of increasing the income from this activity by revamping existing outlets, enhancing our shelter pet care ranges and increasing our retail presence in the community. 2005/06 will see the commencement of the implementation of this strategy.

Our inaugural World Animal Day Gala Evening brought many new supporters to the RSPCA including ANZ bank who generously sponsored the RSPCA Ambulances.

The RSPCA is especially grateful to Tyrrell’s Wines who not only support the development of our RSPCA Wine Club but also sponsor each of our events that require wine sponsorship. This allows the organisation to raise more funds at our events, which can be directed to animal welfare.

Kennel and Cattery sponsorship enabled individuals, businesses and bequest donors to directly contribute to the welfare of animals in the RSPCA’s care. This program has been reviewed and will be re-launched in 2005/06 with a focus on all creatures great and small.

In 2004/05 the sponsorship programs contributed more than $150,000 to animal welfare service costs.
Due to the generous support of the community, we are able to meet the increasing demands on our animal welfare services. We thank and acknowledge all those who have supported us by leaving a legacy in their will.
major sponsors

Tyrrell’s Wine
• Major sponsor for all RSPCA events

ANZ
• RSPCA Ambulance Sponsor
• Workplace Giving Partners

Credit Union Australia
• Sponsor of the Dog Exercise Yard

Novartis
• Provided veterinarian treatments for our shelter animals

Money Managers
• Sponsor of Million Paws Walk

sponsors

Hills Science Diet
• Millions Paws Walk
• Major supplier of food for our shelters

Aqua Max
• Sponsor of Million Paws Walk

RA Printing
• Sponsor of the Art Exhibition

Betta Electrical
• Sponsor of World Animal Day
Protectors

Protectors are not only major supporters but they show leadership in their giving which is appreciated and recognised by the RSPCA.

The Animal Welfare Foundation of Australia
Amcor Fibre Packaging
Andrew Kay Trust
Beatrice May Middlin Trust
Betty Amsden OAM
C A F Australia
Dame E Murdoch A C, D B E
Estate of Winston K Flowers
Estate Shirley Yvonne Crawford
Miss K Reid
Mr & Mrs A Herriman
Mr A D Martin
Mr J G Schollenberger
Drs A & C Whitehead
Mrs B A Kelly
Mrs I Bates
Mrs M Pauw
Mrs T C Orrell
Ms B H J McNicoll
Ms E A Corke
Ms S E Gabor
Ritchies Stores Pty Ltd
Snowy Nominees Pty Ltd
Things Seasonal
Miss S Burt

Companions

This group of donors are not only companions of all creatures but ensure that the values of the RSPCA are upheld.

Aviva Australia
Dr A G Firkin
Estate of John Frank Aiken
Fuji Xerox Australia
Lady Dawson
Melk Pty Ltd
Miss B E Hughes
Miss L Duncan
Mr & Mrs C R Ward Ambler
Mr & Mrs C S Wight
Mr & Mrs D Somers
Mr C H Whyte
Mr J P Salmon
Mr J Webb
Mr K MC D Martin
Mr P Halstead &
Ms R Hoffman
MRS B H Mckinnon
MRS B J Cooper
Mrs E B Downing
Mrs E Dunell M B E
MRS E Pikers
Mrs I Illidge
Mrs J F Smith
Mrs J R Peart
Mr & Mrs S Sedgman

Mrs M Johnson
Mrs M Ridsdale
Mrs M Wallace
Mrs S Neville
Mrs V M White
Mrs V Oberzig
Ms K Oxnam
Ms S Brookes
Ms U Cookson
Multi Verse Inc
State Trustees - Corporate

Friends

These donors want to help save creatures from harm, and this is what RSPCA is about. RSPCA values it’s friends and the vital contribution they make to animal welfare.

Cambrose Pty Ltd
Castle Corporate Services P/L
D Dennett / J Walters
Dr A D Moore
Jean Mary Greenlees Trust
Mallesons Stephen Jacques
Mr Samson & Mr O’Loughlin
Miss A L Albrecht
Miss E Turnbull
Miss L Riederer
Miss P M Holmes
Mr & Mrs R Kirby
Mr & Mrs W Edgar
Mr A Lang
Mr C Catlow
Mr C Hill
Mr D Smith
Mr G Boniface
Mr G V Weate
Mr I J Tyler
Mr J Pacher
Mr J Voldrich
Mr K Halla
Mr L F Dawes
Mr N Spitzer

Mr OR Ms D R Anderson
Mr P Martinez
Mr R T McDonald
Mrs A Baxter
Mrs D Bridges
Mrs E Paige
Mrs E Taylor
Mrs E White
Mrs J C Dahl sen
Mrs J Davies
Mrs J Pleydell
Mrs M Gardner
Mrs M Gilson
Mrs M Jones
Mrs M Matthes w
Mrs R O’Donnell
Mrs S Foote
Mrs S Gelman
Mrs V Waldron
Ms A Adams
Ms A Cimino
Ms E Neville
Ms J Heazlewood
Ms K Genssen
Ms L Missen
Ms M Cronin
Ms S Sullivan
Rotary Club of Toorak Inc
Superpartners
Telecoms Clarity Pty Ltd
This is the highest award given by RSPCA Victoria. State Council awards Honorary Life Membership, to those individuals who have made a significant contribution to RSPCA Victoria and Animal Welfare.
financial report
This has been a difficult year in financial terms, in spite of what appears to be a healthy final result. A number of factors have impacted on the bottom line. The largest negative impact resulted from the downturn in bequests; the most significant positive impact is the bringing to account of the Johnson Estate.

The results for Burwood only, indicate a surplus for the year of $11,468,749, and on a consolidated basis, $11,004,384. However, the recognition of $13,148,759 in value from the Johnson Estate offers some realistic perspective. A note to last year’s accounts made reference to “a large property bequest that RSPCA Victoria is expecting in the 2004-05 financial year…” While we had not yet negotiated the sale of this land at 30th June 2005, the accounts reflect an estimate of its net value as required by Australian Accounting Standards. Without this addition, the underlying result is a significant operating deficit for the year of $1.7million, a gap that was bridged by a grant from the Foundation. This poses a worrying trend in the short if not the longer term.

The downturn in other legacies (down approx $1.7 million since last year) is in fact a trend that has now continued for a year and a half. It is this shortfall which is almost entirely responsible for what would have been this year’s operating deficit. As members would be aware from previous reports, we do not believe it is sustainable for the Society to be forced to rely upon such a large unknown income source when framing expenditure budgets. We have been fortunate in being able to accumulate significant funds in the Foundation from past bequests over the last decade. However we may have to face a future where this type of revenue is not forthcoming on a regular basis, and begin to diversify our income streams to better insulate ourselves if this proves to be the case.

The outcome of the Johnson Estate is of course an ideal opportunity to undertake necessary capital works and to consider investing for the future. State Council will consider all options in the context of our strategic directions, taking into account required capital works and ongoing revenue and expenditure trends.

Other operations at Burwood had outcomes within expected parameters. Fundraising activity produced good results in a year in which there were events that could have caused supporters to channel funds elsewhere, such as the tsunami. It is also encouraging to see the ongoing support at a time when other extremist groups challenge and denigrate the Society and misrepresent its positions.

While the Inspectorate operated at further strength during the year compared to last year, the cost of prosecutions, which of course are only taken after careful consideration and advice, rose significantly as a result of a number of complex cases and appeals. The current system of awarding costs is not one favourable to the RSPCA. We receive no benefit at all from fines imposed on those proven guilty of cruelty; no benefit from community service sentences; and often have to bear our own costs as well as the defense costs of the accused, if an element of doubt is introduced.

The next two to three years will shape the long-term direction of the Society. As we re-build our physical infrastructure and plan for the future, we face some significant challenges. The newly implemented model for our Statewide Presence will begin to show results and, we hope, extend the RSPCA network throughout the State. We believe this will not only increase fundraising activities, but also increase awareness and membership – all of which contribute to our strength and viability. State Council, supported by highly qualified and dedicated staff, are well placed to meet these challenges.

J.T. Smith
Treasurer.
income and expenditure summary

Source of income 2004/05

- Bequests: 49%
- Animal Service Fees: 24%
- Branches: 24%
- Fundraising: 26%
- Grants: 6%
- Investments: 4%
- Other: 1%
- Telesales: 3%
- Education: 3%
- Bequests: 1%
- Grants: 6%
- Investments: 4%
- Other: 1%
- Telesales: 3%
- Education: 3%
- Bequests: 1%

Expenditure 2004/05

- Bequests: 1%
- Support Services: 12%
- Shelter: 17%
- Inspectorate: 9%
- Telesales: 15%
- Branches: 26%
- Fundraising: 3%
- Education: 3%
- Clinic: 14%
statement of financial performance for the year ended 30th June, 2005

<table>
<thead>
<tr>
<th>RSPCA (Vic) Inc.</th>
<th>RSPCA (Vic) Inc., Branches, Auxiliaries &amp; Foundation</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Note</td>
</tr>
<tr>
<td>Revenue from ordinary activities</td>
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</tr>
<tr>
<td>fundraising</td>
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</tr>
<tr>
<td>interest</td>
<td></td>
</tr>
<tr>
<td>dividends and franking credits</td>
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</tr>
<tr>
<td>proceeds on disposal of investments</td>
<td></td>
</tr>
<tr>
<td>distribution from RSPCA Foundation</td>
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</tr>
<tr>
<td>proceeds on disposal of non-current assets</td>
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</tr>
<tr>
<td>donations</td>
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</tr>
<tr>
<td>retail sales</td>
<td></td>
</tr>
<tr>
<td>fees for service – animals</td>
<td></td>
</tr>
<tr>
<td>legacies</td>
<td></td>
</tr>
<tr>
<td>legacy – property donation</td>
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</tr>
<tr>
<td>grants</td>
<td></td>
</tr>
<tr>
<td>subscriptions</td>
<td></td>
</tr>
<tr>
<td>other</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Administrative expenses</td>
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</tr>
<tr>
<td>Animal related expenses</td>
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</tr>
<tr>
<td>Borrowing cost expense</td>
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</tr>
<tr>
<td>interest paid</td>
<td></td>
</tr>
<tr>
<td>Depreciation expense</td>
<td></td>
</tr>
<tr>
<td>Employee expenses</td>
<td></td>
</tr>
<tr>
<td>Fundraising expenses</td>
<td></td>
</tr>
<tr>
<td>Cost of retail sales</td>
<td></td>
</tr>
<tr>
<td>Rental expense from operating leases</td>
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</tr>
<tr>
<td>Cost of investments disposed</td>
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</tr>
<tr>
<td>Other expenses from ordinary activities</td>
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</tr>
<tr>
<td>Net surplus (deficit) from ordinary activities</td>
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</tr>
<tr>
<td>Increase in Share Fluctuation Reserve</td>
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</tr>
<tr>
<td>Total of items recognised directly in equity</td>
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</tr>
<tr>
<td>TOTAL CHANGE IN EQUITY</td>
<td></td>
</tr>
</tbody>
</table>

The accompanying notes form part of these financial statements.
### Statement of Financial Position as at 30th June, 2005

<table>
<thead>
<tr>
<th></th>
<th>RSPCA (Vic) Inc.</th>
<th>RSPCA (Vic) Inc., Branches, Auxiliaries &amp; Foundation</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2005 $</td>
<td>2004 $</td>
</tr>
<tr>
<td><strong>Current Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash assets</td>
<td>3,250</td>
<td>663,903</td>
</tr>
<tr>
<td>Receivables</td>
<td>1,931,369</td>
<td>1,256,244</td>
</tr>
<tr>
<td>Inventories</td>
<td>375,893</td>
<td>291,452</td>
</tr>
<tr>
<td>Other</td>
<td>–</td>
<td>57,046</td>
</tr>
<tr>
<td><strong>Total Current Assets</strong></td>
<td>2,310,512</td>
<td>2,268,645</td>
</tr>
<tr>
<td><strong>Non-Current Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other financial assets</td>
<td>280,332</td>
<td>1,457,039</td>
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<tr>
<td>Land held for resale</td>
<td>15,645,087</td>
<td>–</td>
</tr>
<tr>
<td>Property, plant &amp; equipment</td>
<td>10,593,923</td>
<td>10,724,874</td>
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<tr>
<td><strong>Total Non-Current Assets</strong></td>
<td>26,519,342</td>
<td>12,181,913</td>
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<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td>28,829,854</td>
<td>14,450,558</td>
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<tr>
<td><strong>Current Liabilities</strong></td>
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<tr>
<td>Payables</td>
<td>2,714,433</td>
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<td>Interest bearing liabilities</td>
<td>861,534</td>
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<tr>
<td>Provisions</td>
<td>835,525</td>
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<tr>
<td><strong>Total Current Liabilities</strong></td>
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<td>1,499,871</td>
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<tr>
<td><strong>Non-Current Liabilities</strong></td>
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<td></td>
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<tr>
<td>Interest bearing liabilities</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Provisions</td>
<td>92,129</td>
<td>93,203</td>
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<tr>
<td><strong>Total Non-Current Liabilities</strong></td>
<td>92,129</td>
<td>93,203</td>
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<tr>
<td><strong>TOTAL LIABILITIES</strong></td>
<td>4,503,621</td>
<td>1,593,074</td>
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<tr>
<td><strong>NET ASSETS</strong></td>
<td>24,326,233</td>
<td>12,857,484</td>
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<tr>
<td><strong>Equity</strong></td>
<td></td>
<td></td>
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<tr>
<td>Accumulated surplus</td>
<td>21,695,262</td>
<td>10,241,912</td>
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<tr>
<td>Reserves</td>
<td>2,630,971</td>
<td>2,615,572</td>
</tr>
<tr>
<td><strong>TOTAL EQUITY</strong></td>
<td>24,326,233</td>
<td>12,857,484</td>
</tr>
</tbody>
</table>

The accompanying notes form part of these financial statements.
The accompanying notes form part of these financial statements.
# Statement of Income and Expenditure

**For the Year Ended 30th June 2005**

## Finance & Admin

<table>
<thead>
<tr>
<th></th>
<th>2005</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Donations</td>
<td>1,180</td>
<td>2,223</td>
</tr>
<tr>
<td>Fees for service-animals</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Retail Sales</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Fundraising-gross</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Grants</td>
<td>1,894,164</td>
<td>780</td>
</tr>
<tr>
<td>Investments</td>
<td>558,253</td>
<td>649,246</td>
</tr>
<tr>
<td>Legacies</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Subscriptions</td>
<td>275</td>
<td>54,291</td>
</tr>
<tr>
<td>Proceeds from disposal of non current assets and investments</td>
<td>23,000</td>
<td>89,769</td>
</tr>
<tr>
<td>Other</td>
<td>131,347</td>
<td>20,241</td>
</tr>
<tr>
<td>Total Income</td>
<td>2,608,219</td>
<td>816,550</td>
</tr>
</tbody>
</table>

## Corporate Affairs

<table>
<thead>
<tr>
<th></th>
<th>2005</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Donations</td>
<td>47,404</td>
<td>20,818</td>
</tr>
<tr>
<td>Fees for service-animals</td>
<td>3,251,129</td>
<td>2,948,896</td>
</tr>
<tr>
<td>Retail Sales</td>
<td>416,124</td>
<td>732,068</td>
</tr>
<tr>
<td>Fundraising-gross</td>
<td>5,215,250</td>
<td>5,004,461</td>
</tr>
<tr>
<td>Grants</td>
<td>1,894,164</td>
<td>1,284,708</td>
</tr>
<tr>
<td>Investments</td>
<td>558,253</td>
<td>649,246</td>
</tr>
<tr>
<td>Legacies</td>
<td>–</td>
<td>–</td>
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</tr>
<tr>
<td>Total Income</td>
<td>2,608,219</td>
<td>816,550</td>
</tr>
</tbody>
</table>

## Welfare Centre

<table>
<thead>
<tr>
<th></th>
<th>2005</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Donations</td>
<td>11,869</td>
<td>20,818</td>
</tr>
<tr>
<td>Fees for service-animals</td>
<td>3,251,129</td>
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<tr>
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<td>649,246</td>
</tr>
<tr>
<td>Legacies</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Subscriptions</td>
<td>275</td>
<td>54,291</td>
</tr>
<tr>
<td>Proceeds from disposal of non current assets and investments</td>
<td>23,000</td>
<td>89,769</td>
</tr>
<tr>
<td>Other</td>
<td>131,347</td>
<td>20,241</td>
</tr>
<tr>
<td>Total Income</td>
<td>2,608,219</td>
<td>816,550</td>
</tr>
</tbody>
</table>

## Fundraising & Marketing

<table>
<thead>
<tr>
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<th>2005</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Donations</td>
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<td>313,030</td>
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<tr>
<td>Fees for service-animals</td>
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<td>–</td>
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<tr>
<td>Retail Sales</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Fundraising-gross</td>
<td>–</td>
<td>–</td>
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<tr>
<td>Grants</td>
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<td>948,272</td>
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<td>Investments</td>
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<td>Legacies</td>
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<td>Subscriptions</td>
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</tr>
<tr>
<td>Proceeds from disposal of non current assets and investments</td>
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<td>150,000</td>
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<tr>
<td>Other</td>
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<td>797</td>
</tr>
<tr>
<td>Total Income</td>
<td>2,608,219</td>
<td>816,550</td>
</tr>
</tbody>
</table>

## Education

<table>
<thead>
<tr>
<th></th>
<th>2005</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Donations</td>
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<td>533,762</td>
</tr>
<tr>
<td>Fees for service-animals</td>
<td>3,251,129</td>
<td>2,948,896</td>
</tr>
<tr>
<td>Retail Sales</td>
<td>416,124</td>
<td>732,068</td>
</tr>
<tr>
<td>Fundraising-gross</td>
<td>5,215,250</td>
<td>5,004,461</td>
</tr>
<tr>
<td>Grants</td>
<td>1,837,126</td>
<td>1,725,326</td>
</tr>
<tr>
<td>Investments</td>
<td>609,811</td>
<td>693,889</td>
</tr>
<tr>
<td>Legacies</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Subscriptions</td>
<td>79,586</td>
<td>25,443</td>
</tr>
<tr>
<td>Proceeds from disposal of non current assets and investments</td>
<td>–</td>
<td>79,733</td>
</tr>
<tr>
<td>Other</td>
<td>17,091</td>
<td>18,116</td>
</tr>
<tr>
<td>Total Income</td>
<td>2,608,219</td>
<td>816,550</td>
</tr>
</tbody>
</table>

## RSPCA (Vic) Inc. Total

<table>
<thead>
<tr>
<th></th>
<th>2005</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Donations</td>
<td>1,047,290</td>
<td>948,272</td>
</tr>
<tr>
<td>Fees for service-animals</td>
<td>3,251,129</td>
<td>2,948,896</td>
</tr>
<tr>
<td>Retail Sales</td>
<td>416,124</td>
<td>732,068</td>
</tr>
<tr>
<td>Fundraising-gross</td>
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<td>–</td>
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</tr>
<tr>
<td>Total Income</td>
<td>2,608,219</td>
<td>816,550</td>
</tr>
</tbody>
</table>

## Branches, Auxiliaries & Foundation

<table>
<thead>
<tr>
<th></th>
<th>2005</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Donations</td>
<td>612,353</td>
<td>533,762</td>
</tr>
<tr>
<td>Fees for service-animals</td>
<td>3,251,129</td>
<td>2,948,896</td>
</tr>
<tr>
<td>Retail Sales</td>
<td>416,124</td>
<td>732,068</td>
</tr>
<tr>
<td>Fundraising-gross</td>
<td>5,215,250</td>
<td>5,004,461</td>
</tr>
<tr>
<td>Grants</td>
<td>1,837,126</td>
<td>1,725,326</td>
</tr>
<tr>
<td>Investments</td>
<td>609,811</td>
<td>693,889</td>
</tr>
<tr>
<td>Legacies</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Subscriptions</td>
<td>79,586</td>
<td>25,443</td>
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<td>–</td>
<td>79,733</td>
</tr>
<tr>
<td>Other</td>
<td>17,091</td>
<td>18,116</td>
</tr>
<tr>
<td>Total Income</td>
<td>2,608,219</td>
<td>816,550</td>
</tr>
</tbody>
</table>

## Fund consolidated

<table>
<thead>
<tr>
<th></th>
<th>2005</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Donations</td>
<td>1,047,290</td>
<td>948,272</td>
</tr>
<tr>
<td>Fees for service-animals</td>
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<td>2,948,896</td>
</tr>
<tr>
<td>Retail Sales</td>
<td>416,124</td>
<td>732,068</td>
</tr>
<tr>
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<td>5,215,250</td>
<td>5,004,461</td>
</tr>
<tr>
<td>Grants</td>
<td>1,837,126</td>
<td>1,725,326</td>
</tr>
<tr>
<td>Investments</td>
<td>609,811</td>
<td>693,889</td>
</tr>
<tr>
<td>Legacies</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Subscriptions</td>
<td>79,586</td>
<td>25,443</td>
</tr>
<tr>
<td>Proceeds from disposal of non current assets and investments</td>
<td>–</td>
<td>79,733</td>
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<tr>
<td>Other</td>
<td>17,091</td>
<td>18,116</td>
</tr>
<tr>
<td>Total Income</td>
<td>2,608,219</td>
<td>816,550</td>
</tr>
</tbody>
</table>

## Surplus/(Deficit)

<table>
<thead>
<tr>
<th></th>
<th>2005</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Surplus/(Deficit)</td>
<td>(256,284)</td>
<td>(1,604,055)</td>
</tr>
</tbody>
</table>

## Notes

- Administration expenses include salaries and wages, other staff costs, professional services, taxes, and other incidental expenses.
- Animal related expenses include veterinary services, animal shelters, and catteries.
- Finance charges include interest on borrowings, bank charges, and other finance costs.
- Depreciation includes the wear and tear of fixed assets.
- Cost of retail sales includes the cost of goods sold at retail.
- Fundraising expenses include expenses directly attributable to fundraising activities.
- Occupancy expenses include rent, rates, and other expenses associated with the use of rented premises.
- Promotion and advertising expenses include marketing and advertising costs.
- Salaries and on costs include salaries, wages, and other employee costs.
- Other expenses include general administrative and management expenses.
- Total Expenditure includes all expenses incurred during the year.
- Total Surplus/(Deficit) is the difference between Total Income and Total Expenditure.
notes to the financial statements for the year ended 30th June, 2005

1. Statement of significant accounting policies

The financial report is a general purpose report that has been prepared in accordance with Australian Accounting Standards, Urgent Issues Group Consensus Views and other authoritative pronouncements of the Australian Accounting Standards Board, and the requirements of the Associations Incorporation Act (Victoria). The financial report has also been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or current valuations of fixed assets and investments except where stated.

The accounting policies have been consistently applied. The following is a summary of significant accounting policies adopted by the economic entity in the preparation of the financial report.

(a) Principles of Consolidation

The consolidated accounts comprise the accounts of RSPCA (Victoria) Inc. and all of its controlled entities. A controlled entity is any entity controlled by RSPCA (Victoria) Inc. Control exists where RSPCA (Victoria) Inc. has the capacity to dominate the decision-making in relation to the financial and operating policies of another entity so that the other entity operates with RSPCA (Victoria) Inc. to achieve the objectives of RSPCA (Victoria) Inc.

A list of controlled entities is as follows:

- Ballarat Branch
- Bendigo Branch
- Castlemaine Auxiliary
- Central Gippsland Branch
- East Gippsland Auxiliary
- Geelong Branch
- Gippsland Branch
- Goulburn Valley Branch
- Peninsula Animal Aid Branch
- Portland Branch
- Sunraysia Branch
- Wangaratta Branch
- Western Districts Branch
- Wildlife Branch
- Wyndham Auxiliary

Where controlled entities have entered or left the RSPCA (Victoria) Inc. during the year, their operating results have been included from the date control was obtained or until the date control ceases.

All inter-entity balances and transactions between entities in the economic entity, including any unrealised profits or losses, have been eliminated on consolidation.

(b) Property, Plant and Equipment

Items of property, plant and equipment are carried at cost, less accumulated depreciation or at deemed cost. The carrying amount of plant and equipment is reviewed annually by the Society to ensure it is not in excess of the recoverable amount of those assets.

Freehold land is based on deemed cost, which was the carrying value of the asset at 1 July 2001.

Buildings, improvements, equipment and motor vehicles are depreciated on the straight-line and the diminishing value methods as appropriate so as to write off their value progressively over their estimated useful lives.

The depreciation rates used for each class of depreciable assets are:

<table>
<thead>
<tr>
<th>Class</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buildings</td>
<td>2.50 – 5.00</td>
</tr>
<tr>
<td>Improvements and equipment</td>
<td>10.00 – 35.00</td>
</tr>
<tr>
<td>Motor vehicles</td>
<td>20</td>
</tr>
</tbody>
</table>

Profits and losses on disposal of property, plant and equipment are taken into account in determining the result for the year.

(c) Investments and Recognition of Income from Investments

Shares in listed companies are valued at market value at 30 June 2005. Realised gains or losses are included in the operating surplus. Unrealised gains or losses have been transferred to the share fluctuation reserve. Dividends are brought to account as they are received. Shares are generally held for long term investment and are therefore classified as non-current assets

- Term Deposits
  - Term deposits are carried at cost. Interest is brought to account on an accruals basis.
- Unit Trusts
  - Unit trusts are valued at market value at 30 June 2005. Distributions are brought to account on an accrual basis. Fluctuations in the value of units are brought to account via the statement of financial performance.

(d) Employee Entitlements

Provision is made for the Society’s liability for employee entitlements arising from services rendered by employees to balance date. Employee entitlements expected to be settled within one year together with entitlements arising from wages and salaries and annual leave which will be settled after one year, have been measured at the amount expected to be paid when the liability is settled plus related oncosts. Liabilities for employee entitlements expected to be paid or settled later than one year are accrued in respect of all employees at amounts based on projected increases in wage and salary rates discounted at the present values of future amounts expected to be paid.

Contributions are made by the Society to employee superannuation funds, and are charged as expenses when incurred.

(e) Inventories

Inventories are valued at the lower of cost and net realisable value on a specific identification basis.

(f) Income Tax

No provision for Income Tax is required for the RSPCA (Victoria) Inc. as it is exempt under Section 50-5 of the Income Tax Assessment Act 1997.

(g) Legacies

Legacies are brought to account at the point at which RSPCA gains control over the receipt of benefits from the legacy, the receipt of that benefit is probable and the amount can be measured reliably.

(h) Lease Payments

Lease payments for operating leases where substantially all the risks and benefits remain with the lessor, are charged as expenses in the period in which they are incurred.

(I) Revenue

Revenue from the sale of goods is recognised when control has passed to the buyer.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers. Fundraising and cash donations are recognised as income when received. Non cash items are recognised at their market value when received.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets. Dividend revenue is recognised upon receipt.

All revenue is stated net of goods and services tax.
(j) Goods and Services Tax
Revenues, expenses and assets are recognised net of the amount of GST unless the amount included is not recoverable.

(k) Property held for resale
Property held for resale was acquired during the year as a result of a legacy, and is measured at fair value. The fair value was assessed on the basis of expected market value. Subsequent to balance date the Society entered into a Heads of Agreement for the sale of the property. The sale is conditional upon an environmental survey and full settlement of the property is not expected until 2007. Accordingly the property has been carried as a non-current asset. Expected cash flows have been discounted to present value. Liabilities for settlement costs have not been recorded against the property value and have instead been included as part of payables in the Statement of Financial Performance.

(l) Comparatives
Comparatives have been restated where applicable to allow comparison with current year categories.

<table>
<thead>
<tr>
<th></th>
<th>RSPCA (Vic) Inc., Branches, Auxiliaries &amp; Foundation</th>
<th>RSPCA (Vic) Inc.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2005 $</td>
<td>2004 $</td>
</tr>
<tr>
<td>2. Surplus from ordinary activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Significant item</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property legacy income</td>
<td>13,148,759</td>
<td>–</td>
</tr>
<tr>
<td>Operating revenue</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit on disposal of investments</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Expenses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation expense:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land, Buildings and Improvements</td>
<td>263,767</td>
<td>235,551</td>
</tr>
<tr>
<td>Plant &amp; Equipment</td>
<td>214,793</td>
<td>220,112</td>
</tr>
<tr>
<td>Motor Vehicles</td>
<td>15,879</td>
<td>48,731</td>
</tr>
<tr>
<td></td>
<td>494,439</td>
<td>504,394</td>
</tr>
<tr>
<td>Auditor’s Remuneration:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Audit services</td>
<td>35,000</td>
<td>33,500</td>
</tr>
<tr>
<td>Other services</td>
<td>6,500</td>
<td>–</td>
</tr>
<tr>
<td></td>
<td>41,500</td>
<td>33,500</td>
</tr>
<tr>
<td>Loss on disposal of property, plant &amp; equipment</td>
<td>8,913</td>
<td>1,203</td>
</tr>
<tr>
<td>Bad and Doubtful debt expense</td>
<td>389,337</td>
<td>98,280</td>
</tr>
</tbody>
</table>

2(a) During the period RSPCA settled a property estate. As a result of the settlement, it has been brought to account as revenue in the Statement of Financial Performance for the year ended 30 June 2005. Refer Note 1(k)

3. Accumulated surplus
Accumulated surplus at the beginning of the year | 10,241,912 | 10,274,059 | 22,301,730 | 21,835,409 |
Net surplus/(deficit) | 11,453,350 | (32,147) | 10,062,858 | 466,321 |
Retained surplus at the end of the year | 21,695,262 | 10,241,912 | 32,364,588 | 22,301,730 |

4. Cash assets
Cash on hand | 3,250 | 3,443 | 10,587 | 23,313 |
Cash at bank | – | 660,460 | 303,948 | 1,103,664 |
Monies on deposit | 3,250 | 663,903 | 314,535 | 1,126,978 |

5. Receivables
Trade and sundry debtors | 2,414,870 | 1,351,267 | 1,867,004 | 1,291,005 |
Less: provision for doubtful debts | (483,501) | (95,023) | (483,501) | (95,023) |
Total receivables | 1,931,369 | 1,256,244 | 1,383,503 | 1,195,982 |

6. Inventories
Goods for resale | 375,893 | 291,452 | 573,895 | 508,393 |

7. Other
Prepayments | – | 57,046 | – | 57,046 |

8. Other financial assets
Shares in listed companies – market value | 190,236 | 174,837 | 7,782,370 | 7,681,729 |
Term deposits | 90,096 | 1,282,202 | 2,061,748 | 3,206,592 |
Unit trusts | 150,663 | 137,665 | 150,663 | 137,665 |
Total other financial assets | 280,332 | 1,457,039 | 9,994,781 | 11,025,986 |

9. Property held for resale
Property – at fair value | 15,645,087 | – | 15,645,087 | – |
### 10. Property, plant and equipment

<table>
<thead>
<tr>
<th></th>
<th>RSPCA (Vic) Inc.</th>
<th>RSPCA (Vic) Inc., Branches, Auxiliaries &amp; Foundation</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2005</td>
<td>2004</td>
</tr>
<tr>
<td>Freehold land (at deemed cost)</td>
<td>2,725,339</td>
<td>2,725,339</td>
</tr>
<tr>
<td>Land, Buildings &amp; Improvements (at cost)</td>
<td>9,138,775</td>
<td>9,021,737</td>
</tr>
<tr>
<td>Less: accumulated depreciation</td>
<td>2,073,225</td>
<td>1,831,489</td>
</tr>
<tr>
<td></td>
<td>7,065,550</td>
<td>7,190,248</td>
</tr>
<tr>
<td>Plant and Equipment</td>
<td>2,333,776</td>
<td>2,110,243</td>
</tr>
<tr>
<td>Less: accumulated depreciation</td>
<td>1,598,837</td>
<td>1,401,833</td>
</tr>
<tr>
<td></td>
<td>734,939</td>
<td>708,410</td>
</tr>
<tr>
<td>Motor vehicles (at cost)</td>
<td>150,316</td>
<td>189,531</td>
</tr>
<tr>
<td>Less: accumulated depreciation</td>
<td>82,221</td>
<td>88,654</td>
</tr>
<tr>
<td></td>
<td>68,095</td>
<td>100,877</td>
</tr>
<tr>
<td>Total property, plant and equipment</td>
<td>10,593,923</td>
<td>10,724,874</td>
</tr>
</tbody>
</table>

#### (a) Movement in carrying amounts

<table>
<thead>
<tr>
<th></th>
<th>Freehold Land $</th>
<th>Land Buildings &amp; Improvements $</th>
<th>Plant &amp; Equipment $</th>
<th>Motor Vehicles $</th>
<th>Total $</th>
</tr>
</thead>
<tbody>
<tr>
<td>RSPCA (Vic) Inc.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance at the beginn</td>
<td>2,725,339</td>
<td>7,190,248</td>
<td>100,877</td>
<td>10,724,874</td>
<td></td>
</tr>
<tr>
<td>of the year</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Additions for the y</td>
<td>199,069</td>
<td>246,280</td>
<td>10,053</td>
<td>395,602</td>
<td></td>
</tr>
<tr>
<td>ear</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Disposals for the y</td>
<td>–</td>
<td>(4,958)</td>
<td>(26,956)</td>
<td>(31,914)</td>
<td></td>
</tr>
<tr>
<td>ear</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation expense</td>
<td>–</td>
<td>(263,767)</td>
<td>(15,879)</td>
<td>(494,439)</td>
<td></td>
</tr>
<tr>
<td>Carrying amount at t</td>
<td>2,725,339</td>
<td>7,065,550</td>
<td>734,939</td>
<td>68,095</td>
<td>10,593,923</td>
</tr>
<tr>
<td>o the end of the ye</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### 11. Payables

Sundry creditors and accruals | 2,714,433 | 797,750 | 2,820,523 | 1,050,138

### 12. Interest bearing liabilities

#### Current

<table>
<thead>
<tr>
<th></th>
<th>RSPCA (Vic) Inc.</th>
<th>RSPCA (Vic) Inc., Branches, Auxiliaries &amp; Foundation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overdraft</td>
<td>861,534</td>
<td>–</td>
</tr>
</tbody>
</table>

#### Non-Current

<table>
<thead>
<tr>
<th></th>
<th>RSPCA (Vic) Inc.</th>
<th>RSPCA (Vic) Inc., Branches, Auxiliaries &amp; Foundation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Term loans</td>
<td>–</td>
<td>38,825</td>
</tr>
</tbody>
</table>

The overdraft and term loans were secured by mortgages over the properties situated at Burwood East and Castlemaine.

Current
Provision for annual leave 501,539 459,887 615,155 564,668
Provision for long service leave 333,986 242,234 351,819 260,067

835,525 702,121 966,974 824,735

Non-Current
Provision for long service 92,129 93,203 92,129 93,202

Aggregate Employee Benefits 927,654 795,324 1,059,103 917,937

Number of employees at year end 204 197 269 257

14. Reserves

Asset Revaluation reserve 2,600,000 2,600,000 2,600,000 2,600,000
Share Fluctuation reserve 30,971 15,572 2,860,923 1,919,397

2,630,971 2,615,572 5,460,923 4,519,397

Movements during the year

Asset revaluation reserve – – – –

Share fluctuation reserve
– revaluation increment of shares held to bring to market value 15,399 – 941,526 886,541

15. Lease Commitments

Operating lease commitments, payable
– not later than one year 235,600 303,175 310,647 418,043
– later than one year but not later than 5 years 52,078 387,183 96,166 477,236
– later than 5 years – – – –

287,678 690,358 406,813 895,279

16. Right to set off
Funds held in general accounts with the National Australia Bank by branches of the RSPCA (Vic) Inc. may be used as a set off in order for the RSPCA (Vic) Inc. to meet its net overdraft obligations.

17. Related Party Transactions
Transactions entered into during the year with Councillors, their firms and associated entities are within normal customer relationships on terms and conditions no more favorable to those available to other members and customers including the payment of usual members subscriptions and receipt of normal benefits of membership.

Dr Michael Sheedy, a member of Council and President of the RSPCA Ballarat Branch, received veterinary fees under tendered contractual conditions between the Ballarat veterinary practice of which he is a partner and the Branch Shelter.

Dr Neville Japp, President of the RSPCA Sunraysia Branch, received veterinary fees under tendered contractual conditions between the Mildura veterinary practice of which he is a partner and the Branch Shelter.

18. Contingent Assets and Liabilities
At the date of the preparation of these accounts, the value of contested legacies or legacies in probate but potentially receivable by RSPCA after 30 June, 2005 is estimated at $1,571,380 (2004: $650,000).

During 2004-05 a judgement was made against the RSPCA in the Magistrate’s Court in relation to an Inspectorate prosecution for animal cruelty. The Magistrate awarded costs against the RSPCA. The defendant has brought a separate damages case against the RSPCA seeking $320,000. The RSPCA will contest this matter. An assessment cannot be made as to the likely cost (if any) of this judgement. Legal costs incurred by the Society are exposed as they are incurred. From time to time the Society is involved in legal action. There are no other matters presently in progress which are likely to result in material costs for the Society.

19. Events subsequent to balance date
Following a review of its Statewide Presence the RSPCA has adopted a local community model in which increased options and flexibility will replace local committees, to encourage broader participation and enhanced effectiveness.

Subsequent to balance date, the entity has entered a heads of agreement to sell the land classified as land held for resale. The sale is subject to an environmental survey from the intended purchaser.

20. Capital Commitment
The entity is committed to the contruction of a pound development in the Whittlesea council. The extent of the capital commitment is still being negotiated. The commitment is expected to be for a maximum of $500,000.

The entity has made a commitment to redevelop the East Burwood animal shelter environment at an estimated cost of $3-$4 million dollars. At the date of this report, no contracts had been entered into.

21. Society Details
The principal place of business of the Society is:

The Royal Society for the Prevention of Cruelty to Animals (Victoria) Inc.
3 Burwood Highway
Burwood East Victoria 3151
22. Cash Flow Information

(a) Reconciliation of Cash
For the purpose of the statement of cash flows, cash includes cash on hand and at bank. Cash at the end of the reporting period as shown in the statement of cash flows is reconciled to the related items in the financial statements as follows:

<table>
<thead>
<tr>
<th></th>
<th>2005</th>
<th>2004</th>
<th>2005</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash on hand</td>
<td>3,250</td>
<td>3,443</td>
<td>10,587</td>
<td>23,313</td>
</tr>
<tr>
<td>Bank Overdraft</td>
<td>(861,535)</td>
<td>–</td>
<td>(846,330)</td>
<td>–</td>
</tr>
<tr>
<td>Cash investments</td>
<td>90,095</td>
<td>1,282,203</td>
<td>2,061,749</td>
<td>3,206,593</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(768,190)</td>
<td>1,946,106</td>
<td>1,529,954</td>
<td>4,333,570</td>
</tr>
</tbody>
</table>

(b) Reconciliation of Net Cash provided by Operating Activities to Surplus from ordinary activities:

<table>
<thead>
<tr>
<th></th>
<th>2005</th>
<th>2004</th>
<th>2005</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Surplus/(Deficit) for year</td>
<td>11,453,350</td>
<td>(32,147)</td>
<td>10,062,858</td>
<td>466,321</td>
</tr>
<tr>
<td>Depreciation</td>
<td>494,439</td>
<td>506,394</td>
<td>751,637</td>
<td>698,856</td>
</tr>
<tr>
<td>Profit on sale of investments</td>
<td>–</td>
<td>–</td>
<td>(577,069)</td>
<td>–</td>
</tr>
<tr>
<td>Loss on sale of fixed assets</td>
<td>8,913</td>
<td>1,203</td>
<td>13,112</td>
<td>1,203</td>
</tr>
<tr>
<td>Movement in assets and liabilities:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>receivables</td>
<td>(675,126)</td>
<td>157,837</td>
<td>(187,521)</td>
<td>(427,000)</td>
</tr>
<tr>
<td>other</td>
<td>57,046</td>
<td>103,126</td>
<td>57,046</td>
<td>(57,045)</td>
</tr>
<tr>
<td>inventories</td>
<td>(84,442)</td>
<td>(57,046)</td>
<td>(65,502)</td>
<td>63,876</td>
</tr>
<tr>
<td>property held for resale</td>
<td>(15,645,087)</td>
<td>–</td>
<td>(15,645,087)</td>
<td>–</td>
</tr>
<tr>
<td>trade creditors</td>
<td>1,916,683</td>
<td>(45,626)</td>
<td>1,770,386</td>
<td>198,415</td>
</tr>
<tr>
<td>employee benefits</td>
<td>132,330</td>
<td>(114,620)</td>
<td>141,166</td>
<td>(155,848)</td>
</tr>
<tr>
<td>Net Cash Inflow from operating activities</td>
<td>(2,341,894)</td>
<td>517,121</td>
<td>(3,678,974)</td>
<td>788,778</td>
</tr>
</tbody>
</table>

23. Segment Reporting Note
The Society is concerned with the care and protection of animals within Victoria.

24. Adoption of International Financial Reporting Standards

Impacts of adopting Australian Equivalents to International Financial Reporting Standards
RSCPA will be required to prepare financial statements using Australian equivalents to International Financial Reporting Standards (A-IFRS) for the first time when preparing the statutory accounts for the full year ending 30 June 2006.

A-IFRS requires that entities reporting their financial statements for the first time under A-IFRS must also restate their comparatives using A-IFRS with the exception of the Australian equivalent to IAS 32 and IAS 39, being Financial Instruments: Disclosure and Presentation, and Financial Instruments: Recognition and Measurement respectively, where no restatement is required. This means that RSCPA will be required to restate comparatives to amounts reflecting the application of A-IFRS to financial statements dated 30 June 2005.

The transition to A-IFRS is being managed by the finance division of RSPCA. This team assumes all of the financial accounting and reporting responsibilities of RSPCA. The known or reliably estimable impacts on the financial report for the year ended 30 June 2005 had it been prepared using A-IFRS detailed below.

Although the impacts disclosed in this note are based on management’s best knowledge of expected standards and interpretations, and current facts and circumstances, these may change. For example, amended or additional standards or interpretations may be issued by the AASB and the IASB. Therefore, until RSPCA prepares its first full A-IFRS financial statements, the possibility cannot be excluded that the accompanying disclosures may have to be adjusted.

Held to maturity financial assets
RSCPA holds a number of term deposits. Under AASB 139 term deposits held by RSCPA will be classified as held to maturity assets. The impact of this classification is that the term deposits continue to be held at cost as per the current accounting policy. However, if the RSPCA cashes in any of the term deposits prior to their maturity date then the classification of any other term deposits held is changed. This change requires any other term deposits or held to maturity assets held by the RSPCA are classified as available for sale and must be valued at fair value. This would involve the RSPCA estimating the fair value of the term deposits at each year end.
25. Financial Instruments

(a) Terms

The Society's accounting policies, including the terms and conditions of each class of financial asset, financial liability and equity, both recognised and unrecognised at the balance date, are as follows:

(i) Financial assets

<table>
<thead>
<tr>
<th>Recognised Financial Instruments</th>
<th>Accounting Policies</th>
<th>Terms and Conditions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash on hand and at bank, monies on deposit and bank overdraft</td>
<td>Cash is recorded at its principal amount. Interest is raised as income or charged as an expense as it accrues.</td>
<td>Cash is on call. The interest raised or charged is at the bank’s current benchmark rate.</td>
</tr>
<tr>
<td>Trade and Sundry Receivables</td>
<td>Receivables are carried at nominal amounts less any provision for doubtful debts. A doubtful debts provision is recognised when collection of the full nominal amount is no longer probable.</td>
<td>Credit sales are on 30-day terms.</td>
</tr>
<tr>
<td>Listed shares</td>
<td>Listed shares are valued at market value. Dividend income is recognised when received.</td>
<td></td>
</tr>
<tr>
<td>Term deposits and unit trust investments</td>
<td>Term deposits and unit trust investments are stated at the lower of cost and net realisable value. Interest is recognised as income when earned.</td>
<td>Term deposits will mature between 1 and 12 months. Unit trust investments are on call. The interest raised is at the financial institutions' current benchmark rates.</td>
</tr>
</tbody>
</table>

(ii) Financial liabilities

<table>
<thead>
<tr>
<th>Recognised Financial Instruments</th>
<th>Accounting Policies</th>
<th>Terms and Conditions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sundry creditors and accruals</td>
<td>Sundry creditors and accruals are recognised for amounts to be paid in the future for goods and services received.</td>
<td>Trade liabilities are normally settled on 30-day terms.</td>
</tr>
<tr>
<td>Fully drawn advances and term loans</td>
<td>All loans are carried at the principal amount. Interest is charged as an expense as it accrues.</td>
<td>Interest is charged at the financial institutions' floating rate. Details of the security held are set out in loan note 11.</td>
</tr>
</tbody>
</table>
25. Financial Instruments

<table>
<thead>
<tr>
<th>Floating Interest Rate</th>
<th>Fixed interest rate maturing in:</th>
<th>Non interest Bearing</th>
<th>Weighted avg interest rate</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1 year or less</td>
<td>1 to 5 years</td>
<td>More than 5 years</td>
</tr>
<tr>
<td></td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Financial Assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Cash at bank</td>
<td>303,948</td>
<td>1,103,664</td>
<td>–</td>
</tr>
<tr>
<td>Trade and sundry debtors</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Listed shares</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Term deposits</td>
<td>2,061,748</td>
<td>3,206,592</td>
<td>–</td>
</tr>
<tr>
<td>Unit trusts</td>
<td>150,663</td>
<td>137,665</td>
<td>–</td>
</tr>
<tr>
<td>Total Financial Assets</td>
<td>2,516,359</td>
<td>4,447,921</td>
<td>–</td>
</tr>
</tbody>
</table>

Financial Liabilities

|                        | Sundry creditors and accruals | – | – | – | – | – | – | 2,820,523 | 1,050,137 | 2,820,523 | 1,050,137 | – | – |
| Term loans             | – | – | – | – | 38,825 | 43,149 | – | – | 38,825 | 43,149 | 8.75 | 8.75 |
| Total Financial Liabilities | – | – | – | – | 38,825 | 43,149 | – | – | 2,820,523 | 1,050,137 | 2,859,348 | 1,093,286 | – | – |
In the opinion of the Councillors

a) The accounts of the Society are drawn up so as to give a true and fair view of the results of the Society for the year ended 30th June, 2005 and the state of affairs of the Society as at 30th June, 2005.

b) At the date of this statement, there are reasonable grounds to believe that the Society will be able to pay its debts as and when they fall due; and

c) The attached accounts of the Society have been made out in accordance with applicable Accounting Standards.

For and on behalf of the State Council and in accordance with a resolution of the Councillors.

Signed 29th August, 2005.

H. J. Wirth  J. T. Smith
President  Treasurer
INDEPENDENT AUDIT REPORT TO THE MEMBERS OF
THE ROYAL SOCIETY FOR THE PREVENTION OF
CRUELTY TO ANIMALS (VICTORIA) INCORPORATED ("RSPCA")

Scope
We have audited the financial report of the RSPCA for the financial year ended 30 June 2005 as set out on pages 42 to 53. The financial report includes the consolidated financial statements of the consolidated entity comprising the Society and the entities it controlled at the year's end or from time to time during the financial year. The Society’s councillors are responsible for the financial report. We have conducted an independent audit of this financial report in order to express an opinion on it to the members of the Society.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards, the Associations Incorporation Act 1981 and other mandatory professional reporting requirements in Australia so as to present a view which is consistent with our understanding of the Society and the consolidated entity’s financial position, and performance as represented by the results of their operations and their cash flows.

Independence
In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

The audit opinion expressed in this report has been formed on the above basis.

Qualification
Fundraising revenue is a significant source of revenue for the RSPCA. The RSPCA has determined that it is impracticable to establish financial control over the collection of fundraising income in all cases prior to entry into its financial records. Accordingly, as the evidence available to us regarding revenue from this source was limited, our audit procedures with respect to fundraising revenue were restricted to the amounts recorded in the financial records. We therefore are unable to express an opinion whether fundraising revenue is complete.

Audit Opinion
In our opinion, except for the matter referred to in the preceding paragraph, the financial report of the RSPCA presents a true and fair view of the Society and consolidated entity’s financial position as at 30 June 2005 and of their performance for the year ended on that date; and complies with Accounting Standards in Australia, the Associations Incorporation Act 1981 and other mandatory professional reporting requirements in Australia.

PKF
Chartered Accountants

J Pasias
Partner

5 September 2005
Melbourne

A Victorian Partnership
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Bairnsdale
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Phone: 5334 2075

Bendigo
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Phone: 5441 2209

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Phone: 5472 5277

Echuca
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Pearcedale 3912
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Phone: 5143 2255

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Warrnambool
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Designed by Plutonium
www.plutonium.com.au
Printed by DPA
www.dpa.com.au
Photography (Pages 1,2,8,10,13,31,33,36) courtesy of James Walshe Photography