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 fund the vital animal welfare services provided. RSPCA Victorian State office is located at Burwood East.

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 a state and federal government level through lobbying from the RSPCA.

RSPCA Victoria has a strong commitment to enhance the five freedoms for animals. The organisation operates eleven 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 veterinary clinics, which provide care for our shelter animals and vet services to 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.
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

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

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
Overview

The one hundred and thirty-fifth year of continued activity by RSPCA Victoria to protect the community’s animals from cruelty and exploitation proved to be another very busy and hectic year. The actual 135th anniversary of the foundation of the Society was celebrated with great pride through the release of the long awaited commissioned project *For All Creatures: A History of RSPCA Victoria.*

The history puts into perspective all of the issues contained in the accumulated Society records since 1871 and explains why the RSPCA is one of the top four revered charities in Australia. It also captures the oral history of recent important contributors to the development of the Society before it was lost. More particularly, the history answers the question “have Victorian animals been demonstrably better off through the establishment of the RSPCA?”

Last year saw the release of the Australian Animal Welfare Strategy. It is a unique and most ambitious project. Adopted as Australian government policy, the key to its ultimate success as a vehicle for promoting change and the harmonisation of animal welfare standards throughout Australia lies in how the Strategy is embraced and implemented. Despite the view of sceptics this is already occurring. The Strategy has received great support from governments and non-government agencies, with all proposed animal welfare decisions now being commonly declared “AAWS compatible” before adoption.

Vital political support for the work of the RSPCA in recent years has strengthened. The view of the Society is continually requested by the Australian and Victorian governments and NGOs and this has led to changes to Statute law, Regulations and various Codes of Practice.

The Society remains committed to achieving incremental progress in animal welfare law and this has been quite noticeable in the past year. This primary objective of the RSPCA to have humans grant rights to animals via the legislative process is the very basis of the RSPCA Animals Charter.

One of the positive results of the involvement of the RSPCA as a major contributor to the development of government policy is that the twenty year debate to differentiate the philosophies between the animal welfare and animal rights movements seems to have concluded. The major farm animal organisations, animal users and government have now accepted that the age-old RSPCA philosophy that humans may use animals for any purpose provided such use is justified and humane remains the only philosophy worthy of support as it properly reflects current Australian aspirations and expectations for the welfare of animals.

If there is any lingering doubt as to how the community views the role of the RSPCA as the leading agency in the quest for the welfare of all animals this should have been dispelled by the invitation to me to address the National Press Club on the subject. It is quite amazing how many Australians saw the live telecast and how positively they reacted to the messages delivered.

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 of the community for the welfare of Animals.

During the year Ms Betty Amsden retired and was replaced by the Hon John Phillips.

I sincerely thank all of 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, which includes many volunteers. Again, I congratulate the CEO and her team on what has been achieved over the past year in routine operations, advocacy and governance. Of particular importance has been the careful management of the Martha Johnson estate which will result in the redevelopment of the animal holding facilities at the Animal Welfare Centre at East Burwood, and new shelters at Whittlesea and Portland.
Government Relations

The Victorian Minister for Primary Industries, Bob Cameron, remains accessible and always gives RSPCA submissions careful consideration. Amendments during the year to the Prevention of Cruelty to Animals Act and the Domestic Animals Act were welcomed. The Animal Welfare Advisory Committee continues to work effectively, although the RSPCA believes that the representation on the committee needs review.

The RSPCA remains concerned that the welfare of wildlife is not handled either properly or effectively in Victoria. Hopefully the government, by embracing the principles of the AAWS, will overcome this area of serious neglect.

Despite the clear message from recent polls that the community regards animal welfare as a serious issue, the RSPCA remains disappointed that not all political parties have responded to this concern by releasing well considered policies for the welfare of animals.

RSPCA Australia

Nationally, RSPCA Australia represents the RSPCA movement to the Australian government, national animal-based organisations and internationally via the World Society for the Protection of Animals. The work-load, particularly concerning farm animal welfare and implementation of the AAWS, is immense requiring a review of staffing at the national administration in Canberra.

The National Council continues work to adopt the recommendations of the 2005 independent review.

The appointment of a national Chief Executive Officer has yet to be finalised.

WSPA

I have concluded my two-year term as president of the WSPA but will continue to serve the Society as the immediate-past president. I was gratified by the huge development of the organisation achieved during my presidency. There are now 700 member Societies of WSPA representing some 140 countries of the world. New regional offices in Bangkok and Beijing underline just how seriously WSPA regards the need for animal welfare education in Asia. With this development has come increased international recognition.

The campaign to have the United Nations adopt a Declaration for the Welfare of Animals is now well on track. The campaign to end the long distance transportation of animals for slaughter will be launched in 2007.

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 have been maintained let alone developed.
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)
Commenced State Council March 1969
Vice-President 1971
President since 1972
11 meetings 2005-06
Attended 10
Apology 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.
Commenced State Council 20 October 1992
11 meetings 2005-06
Attended 9
Apology 0
Leave of Absence 1

James Smith
B. Comm FCA
Treasurer, RSPCA Victoria.
Practicing Chartered Accountant and business advisor.
Director, RSPCA (VIC) Foundation Pty Ltd.
Commenced State Council 17 April 1984
11 meetings 2005-06
Attended 9
Apology 0
Leave of Absence 2

Barbara Horn
Vice President, RSPCA Victoria
Published author.
Lifelong commitment to animal welfare.
Former ABC Radio presenter.
Director, RSPCA (VIC) Foundation Pty Ltd.
Commenced State Council 19 May 1986
11 meetings 2005-06
Attended 9
Apology 2

Dr Carole Webb
BVSc (Hons), MACUSC (Feline Medicine)
Practitioner, Feline Medicine.
Executive Director, Cat Protection Society.
11 meetings 2005-06
Attended 10
Apology 1

Dr Michael Sheedy
BVSc
Private Veterinary Practitioner, 30 years experience in Wildlife Veterinarian Care.
Past President, Australian Veterinary Association Victoria.
Commenced State Council 18 May 1993
11 meetings 2005-06
Attended 11
Apology 0

Robert Carrail OAM
B.Ag.Sc, Dip.Ag.Extrn., FIAAST
Agricultural Scientist, experienced in farm animal production.
Board Member, Greening Australia (VIC).
Commenced State Council 15 March 1987
11 meetings 2005-06
Attended 10
Apology 1

Dr Onn Ben-David
BVSc
Vice-President, RSPCA Victoria.
Private Veterinary Practitioner.
11 meetings 2005-06
Attended 11
Apology 0
Leave of Absence 2

Lorraine Bates
Business experience in Tourism and Customer Service.
Inaugural Member of St Martins Club (now Champion Circle).
11 meetings 2005-06
Attended 9
Apology 0
Leave of Absence 2

Senior Sergeant Peter Given
Associate Diploma Police Studies.
Police Representative, RSPCA Council
11 meetings 2005-06
Attended 9
Apology 2

Shirley Westerberg
Member of Baw Baw Shire Council
Tourism Advisory Board
RSPCA Regional Leader – Gippsland
11 meetings 2005-06
Attended 9
Apology 0
Leave of Absence 2

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 Hon John D Phillips
LLB (Hons)
Retired Supreme Court Judge
4 meetings 2006
Attended 4; Apology 0

New Councillor

General Information

During the year Betty Amsden OAM retired as a State Councillor. Prior to being elected as a Councillor she had spent many years on the committee of Peninsula Animal Aid. Betty made a significant contribution to the RSPCA including leading our capital appeal for the Animal Welfare Centre, being Chair of the Marketing Committee and supporting a variety of fundraising initiatives. We would like to thank Betty for her contributions to the RSPCA and for her ongoing commitment to the Amsden leadership and management scholarship program.
RSPCA Councillors (left to right) Peter Given, Dr Hugh Wirth, Dr Michael Sheedy, Dr Orn Ben-David, James Smith, Barbara Horn, Shirley Westerberg, Professor Virginia Studdert, Robert Carraill, Lorraine Bates, Dr Carole Webb, The Honorable John Phillips.
Delivering on our Strategic Directions

In 2005/06 the organisation worked hard to ensure that we used our time and stretched resources to further our key strategic directions. While all of our work is important, we do need to focus on those activities, which can have maximum impact in the short term, and strengthen the base for the future.

Prevention is Better than Cure

We implemented a number of important changes during the year. Most significant was the change to our model for service delivery in regional Victoria. Some shelters were closed with local governments taking back management of their pounds, and other new facilities were in progress.

We have now developed our thinking and planning to the extent that we know it is not viable to build and/or operate shelters in areas where we do not have the local government pound contract. But this has also allowed us to further develop an alternative model for those areas.

Shelters deal with the end products of cruelty and irresponsible pet ownership. In areas where we do not operate a shelter, the focus of our efforts has now shifted, and we are devoting increasing time and effort to addressing the causes of animal welfare issues through education and campaigns, subsidised microchipping and desexing schemes for cats and dogs.

The new Statewide model, which replaced the previous Branch Committee structure, has positioned us well to implement this fresh approach. The number of volunteers is up and continues to increase.

With coordination and direction from our head office in Burwood East, we have been able to deliver much stronger and more consistent messages and have an even greater impact.

Improved Welfare Results

Our strong community presence, advocacy and education programs seem to be having the desired effects with reclaim and adoption rates for stray dogs increasing and euthanasia rates decreasing. Across the State, 43% of all dogs entering our shelters were reclaimed (up from 40% last year) and 29% were adopted (increased from 27%). Euthanasia rates for dogs dropped from nearly 29% last year to 25% this year. We are making progress. Yet again, though, the statistics for cats are disheartening. While these numbers have also improved, the magnitude of the problem remains.

Of the 15,800 cats entering our shelters, only 4.5% were reclaimed, 16% (up from 34%) were adopted and a massive 52% were euthanased (down from 54%). We have wholeheartedly supported the Cat Crisis Coalition, and very actively campaigned for compulsory desexing.

Educating the Community

The numbers of participants in our school education programs have been steadily increasing. This past year we hopefully influenced over 21,000 young Victorians (up 17% on last year) to treat animals humanely and become responsible pet owners. And we expanded our programs into a new and significant area, which deals with the connection between human abuse and animal cruelty. The new program which has been trialled at our Peninsula shelter, aims at reducing the cycle of cruelty for children who suffer family violence, who abuse animals and go on to commit violence against people in later life.
Building for the Future

And we began our most significant, building-for-the-future project – the Burwood site redevelopment. The key elements of this project, most of which will be completed in 2006/07, will include state of the art kennels, a new adoption centre, and our walking track (already completed).

We continued to look for better, more efficient ways to run the organisation – in some areas we’ve succeeded, in others there is still more work to be done. We maintained our commitment to develop our staff and expanded our work with the help of 1350 volunteers across the State.

We were also fortunate to have the services of a number of new corporate partners who contributed skills and expertise. We are grateful to all our volunteers and to the Victorian community for supporting us and believing in the importance of our work.

Behind the Scenes Advocacy

2005/06 was a “crowded” year in terms of our active participation on animal welfare committees and compiling a number of submissions to all levels of government. This forms part of the critical behind the scenes advocacy work of the organisation.

Some of this work included a submission to the Federal government on the Model Code of Practice for the Welfare of Animals, the development of a draft Memorandum of Understanding (MOU) with the Victoria Police to increase public awareness of the nexus between animal cruelty and human violence, participation on the POCTAA committee, the Animal Welfare Science Centre Advisory Committee, the Shelter and Pound Code of Practice Review Working Party, the Dairy Welfare Management Group, AWAC and the 6 AWAC Working Groups, and the Victorian Jumps Racing Review Panel to name but a few.
Influencing governments to improve the legislative framework, enforcement and funding for animal welfare programs

- Successfully lobbying of some local councils to introduce compulsory cat desexing
- Continued involvement with the Cat Crisis Coalition to lobby State Government for compulsory desexing of cats
- Lobbying government to ban duck shooting via a public campaign

- Strong voice on AWAC and represented on all seven (7) AWAC working groups
- Successful lobbying of the State government for the introduction of compulsory microchipping
- Contributed to development of national RSPCA animal welfare policies
- Submissions to Racing Victoria regarding the terms of reference for the Jumps Racing Review Panel
- Submissions to the Victorian Government in support of the Glue Traps Regulatory Impact Statement for the prohibition of Glue Traps
- Development of MOU with Victoria Police, part of which is to increase public awareness of the nexus between animal cruelty and human violence.
### Influencing Public Opinion

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

- Campaign to encourage people to 'Vote with their feet' and not attend rodeos
- Promotion of national campaign ‘Fair Go for Farm Animals’
- Influencing the Ballarat council to close Learmonth puppy farm
- Supported national campaign to stop the importation of Thai elephants to Australian zoos
- Increased student participation in our education programs by 17%
- Led a national education project to produce materials for Australia-wide distribution
- ‘Breaking the Cycle of Cruelty’ Program for children at risk at RSPCA Peninsula
- Hosted a Scientific seminar “Production Animal Welfare in the New Millennium: Ethical, Economic and Political Considerations”

### Enhancing the 5 Freedoms for Animals

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

- Approval of final plans and start of demolition of old facilities to upgrade the animal shelter facilities to enhance the environment for animals in our care
- Capital improvements to some regional shelters and commencement of new regional shelters
- Opening of new dog walking track at Burwood East allowing the dogs time away from the stressful shelter environment
- Introduction of Companion Animal Loss (Grief) Support Group
- Partnership with RACV and Healesville Sanctuary to introduce a hotline for wildlife injured on our roads
- Animal behaviour training programs developed primarily for shelter dogs to improve adoption rates
- Satellite positions opened to assist regional and metropolitan Inspectors, target animal cruelty ‘hot spots’
- Active participation on 19 Animal Ethics Committees in Victoria
- Dog behavioural pilot program assessing different approaches to temperament testing
- Regional website adoption pages developed and added to RSPCA website.

### Community Presence

Project an engaging professional image to a broad audience.

- All fundraising, campaigning, financial management, information dissemination, shelter management and maintenance now integrated into statewide operations model
- Recruitment of Volunteer leaders to enhance community presence and participation in regional areas
- Record attendance & fundraising results from our Million Paws Walk.
- Charity partner for the Bib Stillwell BMW International Golf Cup event
- Growth of corporate volunteering engagement program
- Discounted desexing and microchipping campaigns in conjunction with local government contracts
- Increased number of presentations to local community groups and corporate partners
- Enhanced development of member communications – newsletter, annual report
- Community Service Announcements (CSA) aired by television stations throughout Victoria, profiling key animal welfare issues.

### Income Generation

Increase and diversify the income stream.

- Established pro-bono partnership with M&C Saatchi to increase income generation through our appeals
- Launch of ‘Ribbon of Life’ gift program and All Creatures Sponsorship
- Implementation of our regional retail strategy to diversify our income sources
- Secured long-term sponsorship arrangements for all events
- Further development of our Workplace giving programs
- Increased income generated and participation from all RSPCA events
- Increased government funding of the Inspectorate by $100,000
- Re-branding the previous St Martins donor club to Champion Circle
- Secured grants to support our animal welfare programs including horse care seminar
- Secured new local government animal management contracts
- Undertook donor acquisition activity to grow donor database
- Launched new strategic approach for bequests promotion and management.

### Organisational Effectiveness

Build a low cost organisation that achieves outcomes.

- Implementation of the strategy for enhanced statewide presence
- Introduction of online donation service
- Worked with Dept of Education to develop work experience programs
- Development and implementation of Corporate Governance Charter with State Council
- Improved OHS systems have resulted in workplace injuries dramatically reduced and Workcover premiums being reduced 26%
- Launch of Amsden Leadership and Management scholarship
- Implementation of a Financial Strategy budget framework to ensure long term viability
- Winner of the Australian HR Change management award
- Finalist in EEO business award, GivingWell Sustainability award for Best Practice Not For Profit, and Australian Direct marketing awards for campaign effectiveness.
The Year in Review

2005/06 saw the culmination of a substantial corporate governance review by the State Council of the RSPCA, taking it to the forefront of not-for-profit organisations. To achieve best practice animal welfare outcomes, the State Council focused its attention on ensuring that it had the best structural basis for meeting the many challenges the RSPCA faces. It looked at its decision-making, construction, performance monitoring and compliance activities.

An integral part of this work was the finalisation of the organisation’s Corporate Governance Charter. The Charter confirms that it is Council’s role to govern the organisation, not manage it. It is the job of the CEO and senior management to manage the organisation in accordance with the direction of the Council. The Council is responsible for, and has the authority to determine, all matters relating to strategy formulation, the setting and amendment of policies. This occurs through the review of draft policies by Council Committees and Council consideration and endorsement. Council is required to do all things that may be necessary in order to carry out the objectives of the organisation.

The Charter outlines the role of Council and the key roles of the Chairman and Chief Executive Officer. It addresses improvements to Council processes, details key functions and sets in place a process for continuous improvement. As a result of working through these issues together, Council members now have a much clearer understanding of their role and what their focus should be. This process has, in turn, assisted in the establishment of a cohesive body and improved teamwork.

Development of State Council

Council undertook its first skills audit and used the results of this to assist in establishing a succession and recruitment strategy for Council members. The development of a position description for the role of Council Member has also been approved and the first development workshop was held in this period.

A Conflict of Interest Register has been established to ensure transparent governance. Council members are required to identify any potential conflicts and to address these by means of the processes set out in the Charter. This includes the declaration by Councillors of any potential conflicts when joining Council, or as they arise from time to time in consideration of Council business.

Risk Management

A Risk Management Framework for the organisation was also developed and approved. The framework recognises that in achieving the RSPCA’s vision it is important that the organisation and its staff are encouraged to approach their work and the challenges that arise, with creativity and a desire for innovation. At the same time, it recognises the need to be prudent in protecting the RSPCA’s interests and maintaining the trust of supporters and the community. The Risk Management Framework attempts to balance these factors. Risk management guidelines are now in development and these will be implemented across the organisation in the coming year.

corporate governance
Statewide Presence

As foreshadowed in the previous annual report, the RSPCA moved to a new model of statewide presence from 1 July 2005. This followed a lengthy review of the sustainability of branch committees. The review process took place over 18 months and involved extensive consultation with committee members. It was recognised that it was becoming increasingly difficult to recruit new committee members to be actively involved and the branch structure itself was inflexible, requiring a formal committee and a minimum number of members. The branch structure also posed some organisational risks in terms of governance, legal issues and the need for consistency of approach.

Twelve months on, we have seen some outstanding benefits. The new model has provided more flexible leadership opportunities to existing members, expanded local participation and extended the RSPCA’s reach into new regional areas.

The new model has improved communication between the State office and regional volunteers, assisted the RSPCA to deliver its key animal welfare messages consistently across the State and greatly increased compliance with legislation, codes and the Fundraising Appeals Act.

Our future challenge will be to continue to build local support with a strong community connection to the broader work and aspirations of the RSPCA.
The 2005/06 year saw the RSPCA as a national finalist in the 2005 Business Achievement Awards for Leading Organisation for the Advancement of Women. We were also proud recipients of a national award for Best Change Management, for delivering a number of positive organisational changes. These awards recognise the improvements we have made to our policies and processes that will continue to deliver significant positive outcomes.

Occupational Health and Safety

2005/06 has been another significant year in consistently improving on our OH&S Management System. The OH&S committee developed and we have implemented a Safe Driving Policy to reduce the risk related to the long distances some staff travel in carrying out their day to day roles.

The shelter safety representatives have worked closely with the Shelter Manager and the manufacturers of the new kennels to be installed as part of our Burwood site redevelopment. Our intent is to ensure that we not only have state of the art facilities for the animals but we also, where possible, eliminate all potential operational risks in the design.

The safety representatives’ input into maintaining safe operations whilst the redevelopment is underway, has also been invaluable.

RSPCA Peninsula now has a safety committee on site. Trained safety representatives are members of this group and have conducted a number of risk assessments on the site facilities. These were all actioned in the appropriate timeframe to reduce risk of injury or incident to staff and visitors.

The continuous improvement of our OH&S management systems and the commitment of all staff have also had an impact on our Workcover premium. The 2005/06 year saw a further reduction of our premium by $34,000.

Physical Infrastructure

During the year the Inspectorate at Burwood East moved into their new facilities. The Inspectors were working in office accommodation that didn’t meet our OH&S standards. They now occupy the refitted Marcus Martin Hall, which in recent years was rarely used. Having our inspectors in this area along with three meeting rooms for use by all staff, is proving to be a much more efficient and effective use of the space.

The RSPCA Peninsula site has seen some major improvements over the past year. A site master plan is currently being developed. However this year we have concentrated on raising the standard of the site infrastructure to improve operational outcomes. The OH&S committee identified several risks on the site including security issues, manual handling and slip and trip hazards.

All these risks have been eliminated and the site is vastly improved. Information technology on the site has also improved. The telephone system has been upgraded to increase the number of phone lines into the site, making for ease of access for our customers. Staff now have ergonomic workstations and computers where required and they are linked to the operating systems at Burwood East, allowing for connectivity between the sites.

IT Strategy

We continued to implement our agreed plan for upgrading our Information Technology systems, with the implementation of the new business system, Sage, completed for finance and inventory control. The business analysis phase, in preparation for implementing our chosen integrated database system, Shelter Mate, has been completed in the Shelter with ongoing work in the Clinic, Fundraising, Events, and Inspectorate planned for completion during 2006/07.

13 new PCs were built in-house for the Peninsula site and the new telecommunications system installed – to move us closer to Statewide connectivity.

And a long overdue project – online donations – is now up and running.

Budget Framework/Strategy

In preparation for the development of the 2006/07 budget, a financial strategy/budget framework was developed and adopted by State Council to ensure that our operational budget addressed not only our strategic directions but also the issue of our ongoing financial sustainability. The completion of business plans across the organisation also ensured that our limited funds will be directed to delivering our agreed animal welfare priorities.
Organisational Policies

Over the course of the past year we continued to develop and review the policies, which guide the organisation. During the year we implemented policies on RSPCA participation on Animal Ethics Committees, management of production animals via the Shelter, and a number of animal welfare policies for use in our shelters and clinics. We drafted policies for the attention of the Minister for Primary Industries (e.g. policy for the keeping of guard dogs), developed a risk management framework for use throughout the organisation, and updated internal policies to ensure that we manage our staff and volunteers in a professional and ethical manner.

Enterprise Agreement 2006

The RSPCA successfully negotiated a new enterprise agreement during a time of some uncertainty for staff about the impact of the Workchoices legislation. In order to allay these concerns we proposed negotiating our enterprise agreement before the full implementation of the new industrial relations system.

The RSPCA’s position and message were very clear and consistent throughout the negotiations. The organisation could not commit to a pay increase greater than 2%, unless there was a reduction in our costs. Whilst we have achieved greater efficiencies in our operations, staff understand that these savings are for improved animal welfare services and not to be absorbed by wage increases.

We continue to maintain other entitlements, particularly our staff development programs, that provide good outcomes for staff and increase the effectiveness of the organisation.
The focus for the 2005/06 year has been the continuing development and upskilling of our staff so that we can effectively identify and contribute to improved animal welfare outcomes.

The skills gaps addressed this year were in customer service and finance, potentially areas of significant impact. Staff from the finance team participated in a nationally accredited finance course and staff from Peninsula and Burwood participated in a nationally accredited Customer Service training course. Funding for these training courses was sourced from the federal government under the new apprenticeship scheme.

The 2005/06 year also saw the first group of ten line managers complete a Diploma of Frontline Management through Swinburne University. We were able to fund this training from the surplus funds generated from the federal government funding.

In summary, media training was provided to all the regional shelter supervisors, 21 line managers participated in Frontline Management training, 31 staff successfully completed a national accredited customer contact course, 6 staff successfully completed a nationally accredited finance course and 9 staff participated in an accredited 5 day safety representative course.

Amsden Leadership and Management Scholarship

Through the generosity of one of our benefactors the RSPCA was able to offer the Amsden Leadership and Management Scholarship to current and potential leaders at the RSPCA. This scholarship was initiated in recognition of the skills required to ensure staff at the RSPCA are able to continue to provide enhanced advocacy, policy development, education, and animal welfare services as well as our ongoing enforcement of legislation and advocating for change.

The 2006 recipient of this scholarship was Andrew Foran, RSPCA Victoria’s Shelter Manager. Andrew’s role at the RSPCA has grown significantly since he commenced here in 2002, including taking up line management responsibility for all the regional shelters. His development has provided him with the tools and strategies to become an even more effective and productive leader.

Volunteers

The total number of volunteers in Victoria grew in 2005/06 to just over 1340. To improve the effectiveness of our volunteer programs work has occurred in all areas to ensure improved induction, preliminary training and supervision systems are in place to better prepare volunteers to perform their roles. As a result, the retention rate of volunteers has improved by 15 percent.

Regional voluntarism saw marginal growth as the RSPCA adjusted to its Statewide presence model. Funding was awarded through the Victorian Volunteer Small Grants scheme to assist with recruitment and promotion of regional voluntarism. Regional leaders have been established in Werribee, Horsham, Shepparton, Ballarat, Geelong, Swan Hill, Bendigo and Moe. Further recruitment needs to be done to strengthen local volunteer participation in RSPCA projects.

Over 250 corporate volunteers participated in the RSPCA Corporate Volunteer Program 2005/06. Additional partners such as Ernst and Young, Ford Finance, HSBC, Coles Myer and Melbourne Cares Group have established volunteering relationships giving the RSPCA broader reach to service its corporate volunteer requirements.

Work Experience Programs

In 2005/06 more that 220 Work Experience students were involved in our programs at Burwood East and our regional shelters. A full review and restructure of the work experience program was conducted between September 2005 and January 2006 in order to consolidate the RSPCA Work Experience Program as a best practice model in the animal welfare industry. This involved working with the Victorian Department of Education and Training to ensure program content catered for industry and student needs in animal handling activities whilst maintaining a comprehensive risk management, selection and performance appraisal framework. The RSPCA views its work experience program as an investment in future leaders in animal welfare.
Left to right: **Ray Lord** – Media Officer, **Merewyn Smith** – Fundraising Manager, **Jo Lindley** – Executive Manager Animal Welfare, **Maria Mercurio** – Chief Executive Officer, **Dominic Pangrazio** – Volunteer Resources Manager, **Stuart Edwards** – Customer Service Manager, **Jenny Davis** – Executive Manager Marketing & Development, **Jim Wilson** – Executive Manager Education, **Katrina Bahen** – Human Resources Manager, **Peter Blanker** – Manager Information Services, **Andrew Foran** – Manager Animal Shelters, **Mani Arachchi** – Accounting Services Manager, **Jo Benvenuti** – Executive Manager Corporate Affairs, **Alan Symott** – Local Government Services Manager, **George Nicholson** – Maintenance Manager, **Chris Thurgood** – Chief Veterinarian, **Greg Boland** – Manager Inspectorate Services, **Brooke Keast** – Events & Communications Manager, **Fiona Hunt** – Animal Welfare Policy Officer
To achieve sustainable improvement in animal welfare it is vital that RSPCA raise the knowledge and skills of the community in the care and treatment of animals and raise public support for animal welfare. A broad range of tools have been developed and implemented to ensure that our animal welfare message is communicated to the community at large. The RSPCA website, our newsletter, media campaigns and community education programs are among just some of the activities that help us to achieve this objective.

**Vote with your feet – Stamp out Rodeos**

RSPCA is opposed to rodeo events since they serve no useful purpose for the animal, have the potential for cruelty and subject animals to great stress - all in the name of public entertainment. RSPCA Victoria stepped up its campaign this year to have rodeos banned.

We advertised in regional and metropolitan newspapers when rodeo events where being conducted to raise awareness of the animal welfare issues associated with this so called entertainment.

The advertisements encouraged people to ‘vote with their feet’ and boycott these events. From known attendance figures, we believe our campaign has begun to bite.

In 2006/07 the campaign will continue and will be further expanded to increase the overall impact.
Accreditation Programs

The RSPCA believes that farm animals must be treated in a way which meets their physical, physiological and psychological needs. Farm animals must not only be provided with appropriate food, shelter and veterinary care, they must have the freedom to express normal behaviours and be kept in an environment which avoids suffering. The RSPCA therefore opposes many common practices in farming and animal husbandry because it believes that such practices do not meet the animals' needs.

RSPCA accreditation programs - barn laid eggs and Otway Pork - attract some criticism from animal rights groups who believe that all humans should be vegan and animals should not be used for any purpose. In the absence of legislation banning practices which the RSPCA finds unacceptable, the RSPCA believes that it is vital that consumers are made aware of such practices and most importantly, are provided with welfare-friendly alternatives.

Creating a demand for welfare-friendly products provides an incentive to producers to adopt humane farming practices.

Importation of Thai Elephants

RSPCA Australia, along with the International Fund for Animal Welfare and the Humane Society International, opposed the plan to import elephants from Thailand into Australian zoos. We don't believe elephants should be kept in zoos at all. Zoos do some good work in education and conservation, but while some animals can thrive in an enriched captive environment, elephants in zoos suffer from a range of health problems, including serious and painful joint disorders as well as obesity and diabetes. Many of these result from lack of movement. Zoos can't possibly provide the space these large, nomadic animals need.

Enlightened zoos around the world such as Detroit Zoo and Edinburgh Zoo are closing their elephant exhibits recognising they cannot meet the needs of these complex animals.

RSPCA Victoria supported the campaign opposing the importation of the elephants from Thailand and encouraged our members to write to the Federal Minister and the Zoo's to support the campaign.

Education programs

The RSPCA education programs have encouraged an understanding of the importance of treating animals as sentient beings, the significance of the Five Freedoms, the importance of animal welfare in our society and the fact that animals do matter to all of us. Over the past year our education programs continued to expand in Victoria, throughout Australia and New Zealand.

Student numbers with whom we directly interacted, rose to over 21,000, 17% higher than the previous year and the fourth straight year of increased numbers. While the programs in the Education Centre provided rich and rewarding experiences, education services were not restricted to the metropolitan area. Education programs occurred in all corners of the state from Wodonga in the north, the Mornington Peninsula in the south, Lakes Entrance in the east, Portland in the west and many places in between.

The national RSPCA Education Project was completed with the production of materials for use throughout Australia. An information-packed CD-ROM was produced and 13,500 have been distributed to schools, community groups and information seekers throughout the country.

Strong ties were forged with the New Zealand SPCA where we assisted with speaking engagements, staff training and production of education resources. An important, new, pilot project commenced at our Peninsula Shelter. It aims at reducing the cycle of cruelty for children who suffer family violence, who abuse animals and go on to commit violence against people in later life. This animal assisted therapy program provided outstanding results in improving levels of empathy, self-respect and kindness towards animals. The program received funding from the Federal Government that will allow it to continue until the end of 2006.

All school programs were reviewed to ensure their relevance to new statewide curriculum directions. The growing status of our Education Service was acknowledged by tertiary institutions sending student teachers to us as part of their teaching rounds. The RSPCA was invited to provide a representative on the new Victorian Schools Animal Ethics Committee, to participate in Education Week and received further funding from the State Government for our secondary school programs.

The successful School Holiday Programs expanded to our Peninsula Shelter. Community education programs that focus on the welfare of dogs and horses continued throughout the year.

The RSPCA's educational efforts continued to help generate and sustain public opinion for responsible attitudes to animals.
Animal Welfare Campaigns

Compulsory Microchipping

After many years of lobbying by the RSPCA for the permanent identification of dogs and cats, the Victorian Government passed new laws in Parliament on September 8, 2005 to make microchipping of domestic cats and dogs compulsory from May 2007 onwards.

Pet owners will face a fine of up to $500 if found with an animal that has not been microchipped.

Pet shops, breeders, pounds and shelters will have to microchip cats and dogs before selling them.

Compulsory microchipping will mean that if a pet becomes separated from its owner and is taken to a pound or shelter or a local Vet, its owner can be quickly contacted. This will improve the reclaim rate of animals that are in shelters and in turn reduce the euthanasia rate for animals that are unable to find a new home.

Duck Shooting. It’s just not sport.

The RSPCA has continued the campaign to have duck shooting banned in Victoria. Duck shooting is not humane. Thousands of ducks receive horrific injuries every year during the hunting season and hundreds of thousands are killed. RSPCA opposes the recreational hunting of ducks because of the high level of cruelty involved. The RSPCA has distributed media kits, posters and postcards to encourage community support to ban the sport. We have received over 20,000 responses from the public in support of this campaign, which we have in turn forwarded to the Minister for the Environment, the Hon John Thwaites.

Duck hunting is banned in public areas in ACT, NSW, WA and SA. The RSPCA will continue to lobby the Victorian government to follow the lead of other States in banning duck hunting.

Fair Go for Fair Animals

The RSPCA believes that wherever animals are used by humans, they must be treated humanely, compassionately and with consideration. The term ‘fair go’ emphasises that the RSPCA does not oppose the farming of animals. We just think they should be given a fair go.

A ‘Fair Go for Farm Animals’ means the RSPCA believes that as long as farm animals are in our care, we have a responsibility to provide for (at least) their basic needs, in accordance with the RSPCA’s Five Freedoms.

The campaign has concentrated on the animal welfare issues associated with battery cage systems, sow stalls and the live export trade. The community has supported the campaign and helped the RSPCA raise awareness of these animal welfare issues by choosing ‘welfare-friendly’ products (such as RSPCA accredited pork and eggs), by signing the petitions, sending e-cards and writing to the State and Federal Ministers expressing opposition to cruelty in farming production systems.

Following the launch over 15,000 campaign supporters have signed our petitions.

Animal Cruelty and Human Violence

RSPCA Victoria has been involved in animal cruelty cases where offenders have either a prior history of violence or have escalated their behaviour towards others after a history of animal abuse.

The RSPCA is currently investigating the development of a program to provide education and support services to professionals dealing with human welfare issues that also involve companion animals.

This project includes research of similar programs currently operating overseas that involve animal welfare organisations and law enforcement agencies. We are also analysing research on the links in violent behaviour conducted both overseas and now being carried out in Australia.

A possible starting point for the program could include the RSPCA providing the recruits at the Victoria Police Academy with training regarding the relationship between domestic violence and animal abuse. This training, combined with the development of a formal reporting process and regular communication regarding emerging issues, strategic preventative planning and continuous improvement, would provide a strong platform for the future.

Legislation Improvements

The Victorian Government passed new laws to make microchipping of domestic cats and dogs compulsory from May 2007 onwards. Other proposed changes to the Act included the compulsory desexing of dangerous and restricted breed dogs, such as pit bulls.

New changes to the Victorian Prevention of Cruelty to Animals Regulations require that a rodeo permit, or a rodeo school permit, can only be issued to an accredited stock contractor.
Key changes to the Domestic (Feral & Nuisance) Animals legislation include:

- Licensing of microchip registries, which maintain the records linking the microchip to the owner and setting up standards for their operation. This will result in better communications between registries, easier identification of animal owners and ensure that data is not lost even if a registry closes.
- Regulation of who can implant microchips to ensure it is done by competent, trained persons. This will ensure implantation is done correctly and data quickly reaches the registries.
- Require compulsory microchipping of all dogs and cats sold by domestic animal businesses.
- Setting standards for technology to ensure that microchips implanted will be detected when scanned at pounds/shelters. Scanners used must be capable of detecting and decoding all approved microchips.

Victorian Animal Welfare Committees

As part of our commitment to gain animal welfare legislative improvements, in 2005/06 RSPCA Victoria participated in numerous committees that reviewed legislation, codes of practice and made recommendations on improvements. These committees were:

- POCTAA Committee
- Animal Welfare Science Centre Advisory Committee
- BAW Restricted Breed Panel Membership
- Australian Meat Industry Council Welfare Quality Assurance for Processing Reference Group
- Dairy Welfare Management Group
- Victoria Jumps Racing Review Panel
- Animal Welfare Advisory Committee (AWAC)

Shelter & Pound Code of Practice Review Working Group
- Monash University Animal Welfare Committee
- Cat Crisis Coalition
- 6 AWAC Working Groups
- Live weight Selling of Cattle Working Group
- Memorandum of Understanding with DPI Committee
- Melbourne Grey-headed Flying Fox Working Group
- 25 Category C members on 23 Animal Ethics Committees across Victoria
- Reference group for Welfare Standards for Transporters of Livestock
- Animal Welfare Science Centre Dog Behavioural Project Managing Group

Campaigns For 2006/07

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

Key campaigns for 2006/07 will include:

- Fair Go for Farm Animals - Sow stalls, battery hens and live exports.
- Animal Transportation
- Banning of Duck shooting
- Compulsory Cat Desexing
- Regulation/improvement in Bobby Calf trade
- Accreditation programs for production systems
Burwood East Site Development

In 2006 the first phase of the long awaited rebuilding of our animal welfare facilities at Burwood East has commenced. Early preparation work has been completed to ensure that we can still perform shelter operations whilst the redevelopment is underway. The design of the facilities ensures best practice operationally and also exceeds code guidelines.

Our 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
- Improved facilities for the animals in our care. They will be housed in buildings that are temperature controlled and fully enclosed.

In planning for the site development, strategies have been developed to ensure the welfare of animals during construction. To help achieve this we constructed a walking track on the perimeter of the main paddock. This provides important time away from the shelter environment and one on one interaction with our staff and volunteers. This track also supports our behavioural training programs.

We were able to fund this construction through a very generous grant of $20,000 from Perpetual Trustees via the John & Thirza Daley Charitable Trust.

Other enrichment programs will be implemented to reduce the negative impacts on shelter animals including stress and noise reduction programs for dogs and cats and wildlife management strategies.

Regional Development

The 2005/2006-year finally saw the commencement of the new Portland Shelter. This Shelter is the first of the new relocatable regional facility designed and built specifically for RSPCA Victoria to ensure we can achieve a high standard shelter that is both financially sustainable and will meet our animal welfare needs into the future. The relocatable building is now complete and the site establishment works have commenced. Completion is anticipated by October, 2006.

The RSPCA had also planned to use this design for the proposed shelter at Moe. However due to Latrobe City Council’s decision not to award the local pound service contracts to the RSPCA, the project became unviable and will not proceed. It is very disappointing for the local community and the many volunteers who had raised funds for the animal shelter in their community.
Future Development

In 2007 the RSPCA will also open a shelter in the Whittlesea region. Our new facility, to handle only dogs, will be built alongside the new headquarters of the Cat Protection Society as part of a newly established animal welfare precinct.

Master planning for the RSPCA shelters at Ballarat and Bendigo will be finalised in 2006/07. Both are key locations for the RSPCA and we need to ensure we have the infrastructure to effectively manage animal welfare into the future in these regions.

Master planning will also occur for RSPCA Peninsula in 2007. This site currently manages a range of services including shelter operations, veterinary clinic, boarding and a pet cemetery.

Left: Site preparation works at Burwood East.
Below Left: Faoy of the newly constructed Portland Shelter
Below Right: Regional shelter model (artist impression)
Animal Welfare Shelters

The 2005/2006 financial year saw a great deal of change within the structure and direction of the shelters at RSPCA Victoria. The Sunraysia (Mildura) and East Gippsland pounds changed hands from the RSPCA to the local government authority and a competing bidder respectively.

The changeover gave the RSPCA food for thought not only about our long-term strategies of shelter management across the state, but the sense behind a not for profit subsidizing activities which local governments are obliged by law to provide. The loss of both contracts gave a clear indication of where the RSPCA’s believes it’s position on this matter sits.

The loss of two contracts also led to a small drop in the number of admissions across the state. Where previously there had been either a small or a steady increase, the total admissions of dogs, cats and other animals, particularly wildlife, reduced in number.

However, a closer examination revealed that there is still much to learn about responsible pet ownership and animal management in an urban environment when only 714 cats out of 15783 admitted across the state were reclaimed.

The figures aren’t necessarily a reflection on poor ownership of lost or injured cats, but perhaps highlights society’s poor management techniques in reducing the number of unwanted litters of kittens and management of semi-owned cats within our neighbourhoods.

Having the necessary skills and tools to manage increasing costs and expectations in shelters has been one of the main focuses this year. The drive to continue to develop staff to ensure they are equipped to face shelter life in the new millennium continues with training and development opportunities a clear priority.

The regional shelter supervisors became the third group of RSPCA staff to embark on Front Line Management training. This training provides them with the opportunity to develop leadership and communication skills in a practical learning environment and to put that learning into practice with ‘real time’ projects designed to improve aspects of the operations of each shelter. Projects include Environmental Enrichment, Welfare Boarding and Wildlife Management and Rehabilitation.

Shelter Statistics

It’s pleasing to note that at the Burwood shelter, there has been an increasing number of impounded dogs reclaimed, due to increasing animal registrations and microchipping which enables quick identification of owners. Correspondingly, euthanasia rates showed a steady decline to just under 19% in 05/06. Unfortunately the same is not true for cats with little change for the last four years.

At the regional shelters, there has also been an increased level of reclaimed dogs, due again to better identification so that euthanasia rates are decreased.

Improving Adoption Rates

The RSPCA is involved in many programs that we hope will help to reduce the number of unwanted animals arriving at our shelters such as desexing programs, microchipping and awareness campaigns.

Our key objective for the animals that do come into our care is to either have them reclaimed or rehomed. This year we have introduced several initiatives to improve the adoption rates in our shelters. At Burwood East, Twilight Adoptions were introduced to allow people to have extended hours to view our animals for adoptions.

We surveyed more than 100 people in the first two weeks of the trial and received very positive feedback. Families and professionals who could normally only attend at weekends enjoyed being able to come during the week and have the opportunity to talk with our Adoption Officers about finding a new pet.

Adoption rates were assisted at our Regional shelters in Ballarat, Bendigo, Castlemaine, Sale, Wangaratta and Warrnambool by having specific adoption pages on our website for their shelters. Each of these pages received more than 5,000 hits per month. Ballarat and Bendigo shelters are in excess of 15,000 hits each month.
### Burwood Shelter

<table>
<thead>
<tr>
<th>Category</th>
<th>2002/2003</th>
<th>% of Total</th>
<th>2003/2004</th>
<th>% of Total</th>
<th>2004/2005</th>
<th>% of Total</th>
<th>2005/2006</th>
<th>% of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dogs Admitted</td>
<td>6820</td>
<td>41.8</td>
<td>6205</td>
<td>42.6</td>
<td>2363</td>
<td>45.9</td>
<td>3066</td>
<td>48.2</td>
</tr>
<tr>
<td>Reclaimed</td>
<td>2849</td>
<td>23.0</td>
<td>1426</td>
<td>23.0</td>
<td>989</td>
<td>19.2</td>
<td>1203</td>
<td>18.9</td>
</tr>
<tr>
<td>Adopted</td>
<td>1566</td>
<td>45.5</td>
<td>2190</td>
<td>37.5</td>
<td>1690</td>
<td>32.7</td>
<td>2225</td>
<td>38.9</td>
</tr>
<tr>
<td>Cats Admitted</td>
<td>5131</td>
<td>5841</td>
<td>5175</td>
<td>5718</td>
<td>5378</td>
<td>41.8</td>
<td>4668</td>
<td>35.9</td>
</tr>
<tr>
<td>Reclaimed</td>
<td>242</td>
<td>4.7</td>
<td>1357</td>
<td>5.6</td>
<td>327</td>
<td>3.9</td>
<td>1261</td>
<td>4.1</td>
</tr>
<tr>
<td>Adopted</td>
<td>2328</td>
<td>45.5</td>
<td>2521</td>
<td>43.2</td>
<td>2545</td>
<td>49.2</td>
<td>2681</td>
<td>46.9</td>
</tr>
<tr>
<td>Euthansed</td>
<td>1893</td>
<td>37.0</td>
<td>1910</td>
<td>35.7</td>
<td>1932</td>
<td>37.9</td>
<td>2225</td>
<td>38.9</td>
</tr>
<tr>
<td>Other Admissions</td>
<td>5373</td>
<td>5841</td>
<td>5175</td>
<td>5718</td>
<td>5378</td>
<td>41.8</td>
<td>4668</td>
<td>35.9</td>
</tr>
<tr>
<td>Possums</td>
<td>2150</td>
<td>40.0</td>
<td>1715</td>
<td>36.7</td>
<td>1347</td>
<td>33.3</td>
<td>1227</td>
<td>34.0</td>
</tr>
<tr>
<td>Birds</td>
<td>2011</td>
<td>37.4</td>
<td>1745</td>
<td>37.4</td>
<td>1484</td>
<td>36.7</td>
<td>1424</td>
<td>39.4</td>
</tr>
<tr>
<td>Rabbits</td>
<td>442</td>
<td>8.2</td>
<td>460</td>
<td>9.9</td>
<td>369</td>
<td>9.1</td>
<td>336</td>
<td>9.3</td>
</tr>
<tr>
<td>Guinea Pigs</td>
<td>114</td>
<td>2.1</td>
<td>83</td>
<td>1.8</td>
<td>151</td>
<td>3.7</td>
<td>137</td>
<td>3.8</td>
</tr>
<tr>
<td>Other Wildlife</td>
<td>288</td>
<td>5.4</td>
<td>309</td>
<td>6.6</td>
<td>272</td>
<td>6.7</td>
<td>154</td>
<td>4.3</td>
</tr>
<tr>
<td>Other Non Domestic</td>
<td>334</td>
<td>6.2</td>
<td>469</td>
<td>10.0</td>
<td>421</td>
<td>10.4</td>
<td>333</td>
<td>9.2</td>
</tr>
<tr>
<td>Total</td>
<td>17306</td>
<td>16714</td>
<td>14363</td>
<td>15693</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Regional Shelters

<table>
<thead>
<tr>
<th>Category</th>
<th>2002/2003</th>
<th>% of Total</th>
<th>2003/2004</th>
<th>% of Total</th>
<th>2004/2005</th>
<th>% of Total</th>
<th>2005/2006</th>
<th>% of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dogs Admitted</td>
<td>11457</td>
<td>35.9</td>
<td>10102</td>
<td>35.9</td>
<td>11362</td>
<td>37.9</td>
<td>9747</td>
<td>30.1</td>
</tr>
<tr>
<td>Reclaimed</td>
<td>4111</td>
<td>40.0</td>
<td>3932</td>
<td>38.9</td>
<td>4304</td>
<td>39.2</td>
<td>3925</td>
<td>39.2</td>
</tr>
<tr>
<td>Adopted</td>
<td>3094</td>
<td>27.0</td>
<td>2738</td>
<td>27.1</td>
<td>2998</td>
<td>26.4</td>
<td>2643</td>
<td>26.4</td>
</tr>
<tr>
<td>Euthansed</td>
<td>3907</td>
<td>34.1</td>
<td>3429</td>
<td>33.9</td>
<td>3728</td>
<td>32.8</td>
<td>2819</td>
<td>28.8</td>
</tr>
<tr>
<td>Cats Admitted</td>
<td>8330</td>
<td>49.4</td>
<td>9482</td>
<td>51.5</td>
<td>11236</td>
<td>50.6</td>
<td>10055</td>
<td>50.1</td>
</tr>
<tr>
<td>Reclaimed</td>
<td>344</td>
<td>4.1</td>
<td>312</td>
<td>3.3</td>
<td>445</td>
<td>4.0</td>
<td>478</td>
<td>4.7</td>
</tr>
<tr>
<td>Adopted</td>
<td>2477</td>
<td>29.7</td>
<td>2330</td>
<td>24.6</td>
<td>2975</td>
<td>26.5</td>
<td>2964</td>
<td>29.4</td>
</tr>
<tr>
<td>Euthansed</td>
<td>5509</td>
<td>66.1</td>
<td>6789</td>
<td>71.6</td>
<td>7243</td>
<td>64.5</td>
<td>5991</td>
<td>59.5</td>
</tr>
<tr>
<td>Other Admissions</td>
<td>548</td>
<td>850</td>
<td>1109</td>
<td>922</td>
<td>68</td>
<td>6.1</td>
<td>70</td>
<td>7.6</td>
</tr>
<tr>
<td>Possums</td>
<td>68</td>
<td>6.1</td>
<td>61</td>
<td>6.7</td>
<td>69</td>
<td>7.1</td>
<td>68</td>
<td>7.6</td>
</tr>
<tr>
<td>Birds</td>
<td>401</td>
<td>36.2</td>
<td>361</td>
<td>39.2</td>
<td>361</td>
<td>39.2</td>
<td>361</td>
<td>39.2</td>
</tr>
<tr>
<td>Rabbits</td>
<td>196</td>
<td>17.7</td>
<td>189</td>
<td>18.9</td>
<td>189</td>
<td>18.9</td>
<td>189</td>
<td>18.9</td>
</tr>
<tr>
<td>Guinea Pigs</td>
<td>132</td>
<td>11.9</td>
<td>124</td>
<td>13.4</td>
<td>124</td>
<td>13.4</td>
<td>124</td>
<td>13.4</td>
</tr>
<tr>
<td>Other Wildlife</td>
<td>301</td>
<td>54.9</td>
<td>307</td>
<td>54.9</td>
<td>64</td>
<td>5.8</td>
<td>72</td>
<td>7.8</td>
</tr>
<tr>
<td>Other Non Domestic</td>
<td>247</td>
<td>45.1</td>
<td>543</td>
<td>63.9</td>
<td>88</td>
<td>7.9</td>
<td>109</td>
<td>11.8</td>
</tr>
<tr>
<td>Total</td>
<td>20335</td>
<td>20434</td>
<td>23707</td>
<td>20734</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>All Shelters</td>
<td>37641</td>
<td>37148</td>
<td>38070</td>
<td>36427</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Veterinary Care

The RSPCA is a significant consumer of veterinary services, particularly in the operation of its shelters and in support of the Inspectorate.

To provide veterinary services in a cost-effective manner, two veterinary clinics operate in conjunction with our shelters at Burwood East and Peninsula. In the last year, there has been an integration of these clinics, with movement of staff between the sites and a review of processes to ensure that ‘best practice’ occurs at both sites. This change has resulted in significant benefits at both Peninsula and Burwood East.

Full commercial clinic services are available to the public and any profit derived is used to support our animal welfare services. The activity levels in our private clinics have increased during the past year, indicating, hopefully, the community’s acknowledgment of the high quality of services provided and the important contribution their support gives to animal welfare.

This year, a cost analysis for the work of the Burwood East clinic was undertaken which resulted in a comprehensive understanding of all costs incurred in our work, which will ensure that we deliver cost effective services. The regional veterinary contracts have increased in number and worked well in providing consistent veterinary service, in both cost and standard, to the regional shelters.

The clinics at both Burwood East and Peninsula have conducted discounted desexing schemes for cats. This has occurred in October and March and has increased the number of cat desexings by several hundred which we hope will also dramatically decrease the number of stray and abandoned cats in the community.

Novartis has supplied pharmaceuticals to all RSPCA shelters across Victoria for the treatment of internal and external parasites in cats and dogs, resulting in significant savings in operational costs of the shelters.

Clinic Statistics – Burwood

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Adult Desexing</td>
<td>1,810</td>
<td>1,610</td>
<td>1,692</td>
</tr>
<tr>
<td>Immature Desexing</td>
<td>2,353</td>
<td>2,677</td>
<td>2,591</td>
</tr>
<tr>
<td>Surgical Procedures</td>
<td>2,035</td>
<td>1,638</td>
<td>1,444</td>
</tr>
<tr>
<td>Consultations</td>
<td>1,059</td>
<td>1,091</td>
<td>1,231</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Adult Desexing</td>
<td>573</td>
<td>528</td>
<td>512</td>
</tr>
<tr>
<td>Immature Desexings</td>
<td>971</td>
<td>814</td>
<td>779</td>
</tr>
<tr>
<td>Surgery</td>
<td>2,253</td>
<td>2,610</td>
<td>2,583</td>
</tr>
<tr>
<td>Consultations</td>
<td>14,275</td>
<td>13,857</td>
<td>13,138</td>
</tr>
</tbody>
</table>

Clinic Statistics – Peninsula 2005/06

<table>
<thead>
<tr>
<th>Shelter Desexings</th>
<th>2,165</th>
</tr>
</thead>
<tbody>
<tr>
<td>Private Desexings</td>
<td>978</td>
</tr>
<tr>
<td>Shelter Surgery</td>
<td>30</td>
</tr>
<tr>
<td>Private Surgery</td>
<td>126</td>
</tr>
<tr>
<td>Shelter Consultations</td>
<td>262</td>
</tr>
<tr>
<td>Private Consultations</td>
<td>5,131</td>
</tr>
</tbody>
</table>

Working with the Community

RSPCA Veterinarians and vet nurses have been conducting monthly clinic seminars over the course of the past year. The focus has been on both health and animal welfare considerations for our pets, and they have been highly successful and well attended. The seminars cover specific topics such as arthritis, separation anxiety, obesity and behavioural problems and have been promoted through our monthly e-mail newsletter.

The customer service team manage approximately 25,000 calls every month regarding clinic services, lost and found animals, inspectorate services, and general enquiries. In addition to this, thousands of people are assisted each week at the customer service counters to surrender, reclaim or purchase animals and to have their animal seen by the veterinary staff.

enhancing the five freedoms for animals
To meet the increasing need of our customers and clients, the telephone infrastructure has been re-engineered and the Customer Service team also facilitate the Adopt-a-pet website, the Companion Animal Loss Support Group and the RACV Wildlife Connect Service.

Working with Local Government

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

From the Burwood East shelter we manage the pound services for five metropolitan Melbourne councils. We also provide full Animal Management for three councils and maintain after-hours services for contained or injured animals for six councils.

We are pleased to work with the Cities of Monash, Glen Eira, Port Phillip, Whitehorse, Hobsons Bay and Whittlesea. The RSPCA Peninsula shelter looks after operations of the pound management agreements with the City of Casey and the Mornington Shire Council. Other shelters where we are contracted to provide pound management services are located at Portland, Warrnambool, Ballarat, Castlemaine, Bendigo, Echuca and Wangaratta. The Sale shelter operates for surrendered animals only.

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

An Affordable Desexing Scheme was introduced last year to assist regional councils to reduce the number of animals coming into our shelters.
In 2005/06 the RSPCA Inspectorate investigated 9,714 cruelty cases, prosecuted 23 cases and rescued 1,000 animals across Victoria. 14 Inspectors each investigate approximately 700 complaints annually.

To ensure the best animal welfare outcomes the Inspectorate has over the past year continued to improve relationships with other animal welfare service providers, such as local government agencies and Victoria Police. Having a good resource network enables the Inspectorate to refer cases in the event that one of our Inspectors cannot attend or where a case is more appropriately handled by another agency.

During 2005/06 the Inspectorate also developed professional relationships with the Victorian Institute of Forensic Medicine and the Victoria Police Forensic Services Department. These associations have not only aided the Inspectorate in developing forensic evidence skills when dealing with complex complaint investigations, but have assisted in seeking expert scientific data. The RSPCA anticipates that in the future successful prosecutions will more and more depend on the presentation of expert and forensic evidence.

The RSPCA previously worked to develop an effective Memorandum of Understanding (MoU) with the Department of Primary Industries (DPI), and has this year gained the agreement to develop an MoU with Victoria Police.

This is now in development and will outline the roles of both organisations in relation to referral and investigation protocols and joint initiatives, including training. The RSPCA was pleased that Christine Nixon, Victoria Police Chief Commissioner, recently publicly expressed her wish that Victoria Police work more closely with the RSPCA, given the growing acceptance of the nexus between animal cruelty and human and family violence.

Animal Welfare Legal Framework

RSPCA animal welfare policies both reflect and lead community expectations regarding the treatment of animals; however, legislation often fails to provide the same level of protection. In particular, commercial enterprises operate under Codes of Practice. A Code of Practice is not legally enforceable and sets only very minimum welfare standards. An Inspector may not approve of an animal’s welfare situation, yet the owner or business may be complying with the relevant Code of Practice and not be in breach of the Prevention of Cruelty to Animals Act. In this instance the Inspector cannot prosecute but can only provide information and advice.

RSPCA Inspectorate powers are authorised only under the Act. These powers include the power to enter property and provide feed and water to an animal, but not to remove the animal. The Act gives Inspectors the ability to apply to a Magistrate for the issue of a warrant to seize an animal that may, for example, need veterinary treatment. Once the treatment is given and the animal recovered, the Act requires the Inspector to return the animal to its owner.

The State Ombudsman also has oversight of the RSPCA Inspectorate through its power to investigate any complaints made by the public.

The RSPCA Inspectorate and Victoria Police both benefit from each other’s input and expertise, particularly when dealing with family violence where animal cruelty is also involved, or where there are multiple crimes or organised criminal activity, such as cock or dog fighting.
Investigation
Case Management

A Case Management system has been developed and implemented to ensure that cases are handled efficiently, consistently and according to an approved process. 2005/06 also saw one of the Inspectors take on the role of ‘Prosecutions Coordinator’ to assist the Inspectorate with the development of prosecution briefs, provide training and advice and issue summonses for court.

In addition, a prosecution panel was established to review all prosecution briefs where breaches of the Prevention of Cruelty to Animals Act 1986 have occurred. The panel is internal but can call on external advice where appropriate. The panel determines the most appropriate course of action based on the available evidence and circumstances of the case. A number of factors are taken into consideration in the review, the prime one being the best outcome for the prevention of cruelty to animals.
Rescues/Routine Inspections

The number of cases classified as rescues declined in 2005/06. The RSPCA introduced a new strategy of providing improved telephone information to callers, to aid them in assisting animals on their properties, particularly birds caught in chimneys or walls, for example. This has successfully reduced the number of rescues the Inspectors need to attend. In 2005/06 the number of cases classified as routine inspections declined. DPI officers can attend commercial premises, e.g. piggeries, battery-hen farms, abattoirs and sales yards without the permission of the owners. However, RSPCA Inspectors can only conduct a routine inspection where permission from the owner is provided to enter and inspect the premises. Permission is not required if a direct cruelty complaint has been received by the RSPCA regarding a commercial premises. Therefore priority is given to complaint investigations of commercial premises rather than routine inspections.

Inspection of commercial premises is therefore still occurring, but as part of a complaint investigation. Therefore these cases are classified as "complaints". Routine inspections of commercial premises are resource intensive, requiring the attendance of a number of Inspectors and often several visits.

By way of example, in 2005/06 a number of complaints were received regarding animal welfare concerns at the Ballarat Saleyards. The allegations included that animals were being transported when they were in an unfit condition to move, and that stock injured while being unloaded were not attended to in a timely manner. At the request of the RSPCA, DPI organised a meeting with all stakeholders to discuss these issues. Responsibility for each of the processes, including prior to pick-up on the farms, transport to the saleyards, selling, attending to injured stock, transportation post sales and delivery, was considered.

DPI has committed to managing this issue across Victoria and the RSPCA will continue to work with them to ensure the relevant Codes of Practice are adhered to and appropriate welfare management processes are met. Cases will be prosecuted where appropriate.

Cruelty Complaints

Cruelty complaints for 2005/06 remained at the same high level as 2004/05, which had seen a 17% increase over the year previous to that. While the beginning of the financial year held promise that the drought had ended, by early 2006 it had become evident that the drought was continuing to negatively impact many regional areas. The continued lack of pasture contributed to an increase in horse welfare complaints. Common scenarios encountered by Inspectors included horses being neglected in paddocks, lack of feed and lack of veterinary care.

<table>
<thead>
<tr>
<th>Rescues</th>
<th>2004/05</th>
<th>2005/06</th>
</tr>
</thead>
<tbody>
<tr>
<td>Birds/Emus/Ostriches</td>
<td>483</td>
<td>352</td>
</tr>
<tr>
<td>Cats</td>
<td>213</td>
<td>142</td>
</tr>
<tr>
<td>Dogs</td>
<td>141</td>
<td>76</td>
</tr>
<tr>
<td>Domestic Pets Other</td>
<td>6</td>
<td>4</td>
</tr>
<tr>
<td>Foxes</td>
<td>19</td>
<td>19</td>
</tr>
<tr>
<td>Goats</td>
<td>17</td>
<td>13</td>
</tr>
<tr>
<td>Horses</td>
<td>54</td>
<td>47</td>
</tr>
<tr>
<td>Kangaroos/Wallabies</td>
<td>51</td>
<td>38</td>
</tr>
<tr>
<td>Koalas</td>
<td>5</td>
<td>1</td>
</tr>
<tr>
<td>Livestock</td>
<td>97</td>
<td>89</td>
</tr>
<tr>
<td>Native wildlife</td>
<td>6</td>
<td>4</td>
</tr>
<tr>
<td>Pigs</td>
<td>171</td>
<td>117</td>
</tr>
<tr>
<td>Poultry</td>
<td>51</td>
<td>43</td>
</tr>
<tr>
<td>Poultry farms</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>Riding Schools</td>
<td>7</td>
<td>3</td>
</tr>
<tr>
<td>Rodeos</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Salaryards</td>
<td>5</td>
<td>3</td>
</tr>
<tr>
<td>Zoos/Wildlife Parks</td>
<td>7</td>
<td>0</td>
</tr>
<tr>
<td>Various</td>
<td>36</td>
<td>39</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1373</strong></td>
<td><strong>1000</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Inspections</th>
<th>2004/05</th>
<th>2005/06</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agistment</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Animals In Entertainment</td>
<td>6</td>
<td>3</td>
</tr>
<tr>
<td>Aquariums/Avaries</td>
<td>4</td>
<td>0</td>
</tr>
<tr>
<td>Deer farms</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Dog Parlours</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Feedlots</td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td>Kennels/Catteries</td>
<td>9</td>
<td>3</td>
</tr>
<tr>
<td>Markets</td>
<td>5</td>
<td>3</td>
</tr>
<tr>
<td>Pet shops</td>
<td>42</td>
<td>16</td>
</tr>
<tr>
<td>Piggeries</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Poultry farms</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>Riding Schools</td>
<td>7</td>
<td>3</td>
</tr>
<tr>
<td>Rodeos</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Salaryards</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>Zoos/Wildlife Parks</td>
<td>7</td>
<td>0</td>
</tr>
<tr>
<td>Various</td>
<td>30</td>
<td>10</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>104</strong></td>
<td><strong>49</strong></td>
</tr>
</tbody>
</table>
In some cases, horses had been left without water and at one property near central Victoria the RSPCA arranged for a water carrier to provide emergency water to a number of horses. In response to this crisis the Inspectorate distributed information on horse welfare and management to regional media outlets to target horse owners, in an effort to prevent further animal cruelty.

The following points outline the most common complaints received by the Inspectorate according to animal type:

- **Dogs:** lack of food, water, shelter, tethering problems and untreated injuries;
- **Horses:** lack of hoof care, underweight, lack of feed, shelter and veterinary care;
- **Livestock:** neglected cattle, lack of feed and water, sheep with excessive wool;
- **Cats:** abandoned, poor condition and lack of veterinary care;
- **Poultry and Birds:** poor husbandry, overcrowding, under size cages.

54% of all the complaints received across Victoria occurred in the metropolitan and outer metropolitan area compared with 46% of complaints in regional Victoria. Cruelty investigations in regional areas often require Inspectors to travel long distances and cases involving horses and livestock are usually more labour intensive, due to the larger numbers of animals and complex animal handling issues. Locating owners is also more difficult in country areas, which can be very time consuming.

Complaints regarding cruelty to cats were significantly higher in 2005/06 and this could be attributed to increased public awareness due to media coverage of cat cruelty cases and prosecutions.

**Prosecutions**

The RSPCA prosecuted 23 cases in 2005/06. The Inspectorate has also conducted a number of complex case investigations regarding livestock, which have involved long investigation periods, greater resource allocation and expert forensic and scientific evidence. A number of these cases are proceeding to prosecution.

The RSPCA was successful in 23 out of 23 cases heard in this period, with a total of 40 charges being laid. As of July 1st 2006 we have 73 charges pending in relation to cruelty issues, with summons issued and awaiting court mention dates.

The Inspectors are utilising ‘Notices to Comply’ in a greater number of cases and this has been found to be a useful compliance strategy. Another successful strategy has been the issuing of a formal warning. However, in instances where there is no compliance or the seriousness of the situation is such that a prosecution in the first instance is necessary, the RSPCA will continue to take persons before the judicial system.
Community Events

In 2005/06 the RSPCA made presentations to hundreds of community groups, corporate partners and participated in many regional and local community events. We conducted presentations each day at the Royal Melbourne Show and the Melbourne Pet and Animal Expo. These events provide the opportunity to inform the public about the work of the RSPCA, improve animal welfare knowledge and provide funds to support our animal welfare services.

The RSPCA has been active this year in working with many local councils and communities to promote microchipping events and desexing schemes. Regional affordable desexing schemes have been promoted in Bairnsdale, Castlemaine, Colac, Lakes Entrance, Orbost, Mildura and Warrnambool. The Mildura region benefited with over 400 cats and dogs being desexed this year as part of these RSPCA programs.

In metropolitan areas the RSPCA worked with Monash, Glen Eira, Port Phillip and Hobson Bay City councils to promote microchipping events. More that 600 pets were microchipped at these events.

In 2006/07 we will be continuing to support these local community events and expand our affordable desexing schemes. This is a key strategy to help manage the number of stray and unwanted animals coming into our shelters.

Million Paws Walk

On Sunday 21st May 2006 more than 16,000 people across Victoria participated in the 11th annual RSPCA Million Paws Walk. The Million Paws Walk is an event which is much-loved by the Victorian community and an important fundraiser for the RSPCA. Funds raised through entry fees and the sale of merchandise help assist the RSPCA to operate its animal shelters, support its Inspectorate services and provide community education on animal welfare issues.

Locations for walks included Albert Park, Geelong, Wangaratta, Shepparton, Bairnsdale, Ballarat, Bendigo, Warragul, Mornington Peninsula, Portland, Sale, Swan Hill and Warrnambool.

Total funds generated: $218,968.49

We are generously supported by our national sponsor Hill’s Science Diet, and our Victorian sponsors TressCox Lawyers, Money Managers and Parks Victoria. The success of the event was due to the participation of our regional organisers, volunteers, staff and most importantly, the Victorian community.

World Animal Day

World Animal Day is an international celebration of animals and the contribution they make to our lives. To celebrate the RSPCA hosted its 2nd annual gala ball at the Park Hyatt on 7th October raising $119,513.00 for animal welfare and adoption services.

We gratefully accepted auction item donations from many companies and our organising committee was paramount in ensuring the success of the evening.

A Children’s celebration was also held on 1st October at Burwood East. This day encompassed a range of education based children’s activities and demonstrations focused on animal welfare. Record crowds of 1,800 attended.

Once again Bib Stillwell BMW stepped up to sponsor the World Animal Day events with supporting sponsors TressCox lawyers and Credit Union Australia.

All Creatures Day

RSPCA All Creatures Day was held on Sunday 26th March and was attended by almost 8,000 people.

This is an annual event, a day where the RSPCA showcases its services and facilities and invites the community to enjoy the festivities.

Activities and highlights included the reptile, rat and ferret displays, behind the scenes tours of the shelter and clinic, the Casterton Kelpie Association and the pet dog competitions. And for the second year, Bib Stillwell BMW were our sponsors of the day.

Total funds generated: $56,920.67

A Children’s celebration was also held on 1st October at Burwood East. This day encompassed a range of education based children’s activities and demonstrations focused on animal welfare. Record crowds of 1,800 attended.

Once again Bib Stillwell BMW stepped up to sponsor the World Animal Day events with supporting sponsors TressCox lawyers and Credit Union Australia.
Corporate Engagement Programs

Corporate support for RSPCA has grown quite significantly during the past year and has continued to be a source of strong partnerships between RSPCA and the community. Corporate supporters can partner with RSPCA through workplace giving programs, workplace fundraising activities, sponsorship as well as corporate volunteering. These forms of engagement are amongst some of the most cost-effective avenues of income generation for RSPCA. Regular reports are provided to corporate supporters highlighting the positive impact of their support, which contributes to further nurturing these valuable relationships.

Just some of the Workplace giving partners whose support over the past year has been invaluable include:

- AGL
- ANZ
- Aviva Australia
- IAG
- BlueScope Steel
- One Steel
- Ernst & Young
- Orica
- Fairfax
- Sensis
- Goldman Sachs JBWere
- Mallesons Stephen Jacques

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 networks to help inform and educate the community on vital animal welfare issues.

This year we aired two television commercials – 135th Birthday celebration and the ‘unwanted animals’ awareness campaign.

With the generous support of the television networks these community service announcements go free to air and provide valuable opportunities to communicate RSPCA key animal welfare messages.

We have received excellent support throughout the year from Mitchell Media, Herald Sun & Sunday Herald Sun, Leader, Fairfax & regional newspapers, radio and television.

Event Calendar for 2006/07

World Animal Day Gala Ball
September 29th, 2006

Santa Paws
December 8th – 10th, 2006

All Creatures Open Day
March 18th 2007

Million Paws Walk
May 20th 2007

Membership

In 2005/06 there has been a focus on evaluation and communication with existing members to develop strategies for future membership growth. Targeted membership drives will occur in 2006/07. RSPCA adult membership provides a strong and united voice for the need to improve animal welfare.

Membership Statistics 2005/06

- Adult Voting Members: 2,252
- Champion Circle Members: 221
- Paw Prints Junior Members: 1,775

In 2005/06 there has been a focus on evaluation and communication with existing members to develop strategies for future membership growth. Targeted membership drives will occur in 2006/07. RSPCA adult membership provides a strong and united voice for the need to improve animal welfare.
As a not for profit organisation that receives less than 2% government funding our income generation activities are vital to ensure we can meet the costs of providing animal welfare services across the State. We are grateful to our donors for their ongoing support and commitment.

**Fundraising and Bequests**

Income generation activities that experienced growth this year included our monthly donor program, grants from trusts and foundations, All Creatures Sponsorship and Workplace giving. Significant income generating activity for the year centred around our four Appeal mailings. With pro-bono support from advertising agency M&C Saatchi, our Appeals have been boosted with a fresh new creative direction. This support comes in conjunction with pro-bono support from other suppliers including Gas Inc, Solomon Partnership, MMR and Blue Skies Unlimited, who have all contributed to the success in this area.

Income from bequests this year exceeded $5 million and was more than 35% above budget. This year a new strategic approach was adopted for bequests which has produced positive results in the initial stages. This new approach utilises more efficient and effective ways of developing and maintaining relationships with bequestors. Further investment and development in this area will help to secure income to support our animal welfare work well into the future.

**Developments and Initiatives**

During the year, we launched a new fundraising program, the Ribbon of Life gift program. From its launch in October 2005 this program has been a success, by providing an avenue for people to donate to RSPCA in lieu of giving a gift for birthdays, Christmas, or other special occasions.

Communication strategies and activities have been implemented for the first time this year to suitably recognise and acknowledge our major donors and to nurture these valuable relationships in an ongoing way. In addition, an overall communication activity plan has been developed to ensure strategic planning of all activities to supporters. Simultaneously, communication plans and materials have been developed to:

- support regional fundraising activities,
- nurture and grow the monthly donor program,
- nurture and grow relationships with foster carers,
- provide up-to-date reports to workplace giving supporters,
- raise awareness and support within the broader community for the work of the RSPCA.

Plans for the year ahead include the implementation of a new donor database that will facilitate better management of donor relationships, increased acquisition activity to grow the supporter base, further development of online payment functionality, and development of a new campaign supporter fundraising program to target a new donor segment.

**Major Donor Program – Champion Circle**

Champion Circle was launched as the new branding for our major donor program, formerly called the St Martin’s Club. This revived program offers increased involvement options for members and has established a good base from which to grow the membership. Throughout the year the financial support of Champion Circle members has been vital in funding the Animal Behavioural Centre, which facilitates better animal welfare practices in the community by pro-actively and re-actively addressing animal behavioural issues. Members have also attended Champion Circle lunches, participated as a group in RSPCA events, lent their voice to our animal welfare campaigns, in addition to acting in various volunteering roles across the state.

**Sponsorship and Corporate Support**

In 2005/06 we again increased the income generated through sponsorship from both corporates and individuals. All Creatures Sponsorship was launched to replace the previous Kennel Sponsorship, with this new program extending sponsorship opportunities to include a broader range of animals that RSPCA cares for throughout Victoria. AquaMax partnered with RSPCA this year as the inaugural major Dog Adoption sponsor through this program, while many other corporates and individuals joined as sponsors at other levels.

Ritchies supermarkets and their loyal customers have again demonstrated their commitment to RSPCA. In the 13 year period in excess of $800,000 has been raised to support our work across the state. ANZ continued as sponsor of our Animal Ambulances, for the second consecutive year. This ongoing support has enabled us to operate this vital mobile service throughout metropolitan Melbourne that rescues and cares for animals.
Hills Science Diet was again on board as the exclusive pet food sponsor for all RSPCA shelters and the major sponsorship of the Million Paws Walk. Tyrrell’s Wines have continued to support the development of our RSPCA Wine Club and provide much needed wine sponsorship for our key events.

Retail Services

The RSPCA retail activities, including telemarketing, raffles, regional shops and shelter retail operations, generate funds to support our animal welfare services and provide a vital income generation channel that is not reliant on donations or bequests.

Telemarketing services have continued to be managed in-house which provides the key benefit of being able to have personalised contact with a great many of our donors and members. In 2005-06 the focus has been on improving the net funds generated and a 23% increase has been achieved through improved processes and efficiencies.

In 2005/06 we had 20 stores predominantly located in regional Victoria. These stores are managed by local volunteers and generate more than one million dollars in revenue to support the local animal welfare activities and provide a presence in regional locations.

The implementation of our new statewide strategy on July 1st 2005 provided the opportunity for an increased focus on improving consistency in the way our regional shops were managed.

Trusts & Foundations

Trust and Foundations have also proved a significant source of income this year, which is notable given that many Trust funds exclude animal welfare in their selection criteria. Of special note is the Animal Welfare Foundation of Australia which has maintained its ongoing commitment and support for our Education activities over a number of years. This Foundation’s contributions have been critical in enabling us to drive our key strategic initiative of influencing public opinion.

We also received support from the following Trusts:

Equity Trustees - Hazel and Arthur Bruce
- $27,000 funding Discounted pet neutering scheme
- $8,000 funding Training course for new horse owners

State Trustees - Jean White Memorial Trust Fund
- $7,000 funding Dog rehabilitation program

ANZ - Mary Kibble Trust
- $4,500 funding our Animal behavioural centre
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.

Bequests

Ada Myee Dutton McLean
Alfred O Jones
Alice Guilford
Alice N Jennings
Allisonbuilt
Allison Winnfield
Alison Mary Cann
Alta M Passmore
Atma I E Powell
Alma Maria Ward
Amelia Eliza Holland
Amy Maria Imes
Anastatia Coleman
Andrew A R Bowman
Anna Recchia
Augustus W Fay
Benjamin Barnes
Beryl Kuhl
Brian F Mulvany
Bruce A de Rouffignac
Catherine E Mathieson
Cecilie Ann Sloane
Charlotte Jane Barrow
Constance Mary Bevan
Cynthia J M Gilbert
Dawn Leonie Hibbert
Decima Yvonne McColl
Diane Jackman
Donald E Gibson
Donald S Ferguson
Dorothea T Forrester
Dorothy Ada Agger
Dorothy A Wedlick
Dorothy Gladys Woodhall
Dorothy Jean Stalstein
Dorothy F Buchanan
Dulcie Mary Watson
Edward K Williams
Elsie May Atherton
Elizabeth A Peacop
Elizabeth C Crawford
Elizabeth Irwin
Elizabeth J Boquest
Elizabeth Kerr
Elsbeth Jean Dyke
Ernest W Fish
Estate Joyce J Forde
Ethel Louise Yong Beitham
Euphemia A Goddard
Evelyn J Cheary
Frances Elizabeth Hotchin
Geoffrey Ian Berry
Gilbert John Sones
Gladyne M Roberts
Gladyne D Marshall
Grace E M Bremner
Gwendoline Madge Black
Harold Aubrey Miller
Heather Mckellar
Hedwig Masur
Helmuth E D Gruber
Irene Pryor
Iris Mary McLeod
Jack Jesco
Jannette H C Brier
Jean M Webb
Jennie Broad
Joan M Watts
Joan Liddell Miller
John Sylvester Murphy
Joseph Norman Mason
Josie Margaret Patterson
Joyce Mena Metcalfe
June Ennor
Kathleen A Jordon
Kathleen N Brier
Kevin S Cowell
Leanne S Hill
Leslie L Bailey
Leslie M Smallie
Lewis David Posner
Lloyd Cleland Reynolds
Lorraine B Pattison
M Early Anderson
M Montgomery Anderson
Marcia H De La Rue
Margaret Elizabeth Plunkett
Margaret Louise O’Brien
Margaret S Anderson
Margery A Percival
Maria J C Wittebrood
Marjorie Y Chandler
Mary E Lloyd
Mary Evans
Mary Eveline McIntyre
Mary Evelyn Lebow
Mary Kathleen Read
Mary Theresa Bergin
Mavis Audrey Parry
Mavis Matthew
Mavis Thompson
Monica Genevieve Mudden
Muriel Jessie Parney
Norma E Larsen
Norman Charles Raff
Norman Leslie Costar
Olwyn M Davies
Oswald Charles Heame
Odette E Tobin
Pauline Elizabeth Barrow
Pauline Ruth Beec
Peart Gordon
Phyllis S Glare
Robert B S Edwards
Roma Melie Glover
Ronald H Reynolds
Rosemary M H Mailer
Shirley G Cocking
Thelma E Cocking
Simon Joshua Leach
Thelma M Bradbury
Thekla E Kirchner
Thekla Bauer
Vera A Fowler
Victoria Mary McDonald
Violet L Zeitler
Wilfriede Jensen

Trusts

Andrew Kay Trust
Arthur Edwin and Anne Edith Barry
Baker Foundation
Beatrice May Middlin Trust
Donald Dennett and James Walter
Dorothy Love Fund
Estate Of M W Mary Gray Trust
Jean Mary Genterles Trust
John Frank Aikin
John Murphy Charitable Trust
Jodie Patterson Trust
Keila Hinde Trust
Keith and Sylvia McClure Trust
Kenneth and Waverly Harris Trust
Lola Poynton Memorial Fund
Sarah J Logue Memorial Fund
William Arthur Shipperlee
### Major Sponsors

<table>
<thead>
<tr>
<th>Sponsor</th>
<th>Contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hill’s</td>
<td>National sponsor of Millions Paws Walk, Major sponsor of food for RSPCA shelters</td>
</tr>
<tr>
<td>ANZ</td>
<td>Major sponsor for all RSPCA events</td>
</tr>
<tr>
<td>Bib Stillwell BMW</td>
<td>RSPCA Ambulance Sponsor and Workplace Giving Partners</td>
</tr>
<tr>
<td>TressCox</td>
<td>Sponsor of World Animal Day and RSPCA Open Day</td>
</tr>
<tr>
<td>Credit Union Australia</td>
<td>Sponsor of World Animal Day</td>
</tr>
<tr>
<td>AquaMAX</td>
<td>Sponsor of Million Paws Walk</td>
</tr>
<tr>
<td>Water Heaters</td>
<td>RSPCA Burwood East Dog Adoption</td>
</tr>
<tr>
<td></td>
<td>Provided veterinarian treatments for our shelter animals</td>
</tr>
</tbody>
</table>
Protectors
Protectors are major supporters who also show leadership in their giving which is valued and appreciated by RSPCA.

The Animal Welfare Foundation of Australia
Ritchies Stores Pty Ltd
Estate of F A Anderson
Mrs A Donges
Estate of Mrs T Silver
Mr K Greenfield
Sensis Pty Ltd
Dame Elisabeth Murdoch AC, DBE
B M Middlin Trust
Mrs G E Taws
Miss K Reid
Estate of K St Clair Nanson
Fuji Xerox Australia
Mrs B Kelly
Estate of K Minde
Ms P Johnston
Ms V Newman
The A E Holland Trust
Things Seasonal

Companions
Companions are major supporters of all creatures great and small who also ensure the values of RSPCA are upheld.

Mrs E Downing
Estate of Mr J Aiken
Mrs B H McKinnon
Mrs J F Smith
Mr J G Schollenberger
Melk Pty Ltd
Mrs V Oberzly
Mr and Mrs S J Sedgman
Dr L Duncan

Friends
Friends are valued supporters of RSPCA whose contribution to animal welfare is considered vital.

Frederick Inman Trusts
Mrs W Baring
Mrs C Park
Gardi Services Pty Ltd
Miss P M Holmes
Ms R Szulewicz
Mr and Mrs J Year
Mrs D Bridges
Mrs M Hauptmann
Mrs G McKenzie
Interact Australia Vic
Mrs R Howard
Miss A Cobb
Mr S Martinez
Mr and Mrs Craig Hill
Mr F Van Straten OAM
Ms M Mercurio
Donation Home Loans Pty Ltd
Miss C M Gray
Mr S J Walmsley

Miss B Hughes
Mrs N Rivett
Mr R E Staudwick
Mr J G Prior
The Zimmerman Family Foundation
Miss T J Barradell
Mr K Halla
Mr N Spitzer
Ms J Healewoood
Ms A Cimino
Miss L Riederer
Ms B A Cameron
Mr W A Waller
Dr M Okealins
Mr C Lunn
Mrs S Neville
Ms E White
Leslie & Helen Back Trust
Ms S Gregoy
Ms E Neville
Mrs M Gardner
Miss I Illidge
Suncorp Pty Ltd
J Elliston Trust
Mr L Roberts
Gentle Dental
John Murphy Charitable Trust
<table>
<thead>
<tr>
<th>Honorary Life Members</th>
</tr>
</thead>
<tbody>
<tr>
<td>Miss Betty Amsden OAM</td>
</tr>
<tr>
<td>Mr Peter Barber</td>
</tr>
<tr>
<td>Miss Laurie Batiste</td>
</tr>
<tr>
<td>Dr Robert Begg</td>
</tr>
<tr>
<td>Dr Onn Ben-David</td>
</tr>
<tr>
<td>Mrs Norma Bremerton</td>
</tr>
<tr>
<td>(deceased)</td>
</tr>
<tr>
<td>Mr Peter Barber</td>
</tr>
<tr>
<td>Mrs H Bartholomew</td>
</tr>
<tr>
<td>(deceased)</td>
</tr>
<tr>
<td>Mr Peter Barber</td>
</tr>
<tr>
<td>Mrs Karen Cosgriff</td>
</tr>
<tr>
<td>Mrs Janice Crowley</td>
</tr>
<tr>
<td>Mr Peter Brown</td>
</tr>
<tr>
<td>Mrs Jan Buchter</td>
</tr>
<tr>
<td>Mrs Erica Cairns</td>
</tr>
<tr>
<td>Prof Ivan Caple</td>
</tr>
<tr>
<td>Mr Robert Carrall</td>
</tr>
<tr>
<td>Mrs Karen Cosgriff</td>
</tr>
<tr>
<td>Mrs Janice Crowley</td>
</tr>
<tr>
<td>Mr Rod Curtis</td>
</tr>
<tr>
<td>Miss Barbara Dart</td>
</tr>
<tr>
<td>Mr Peter Dunk</td>
</tr>
<tr>
<td>Mr David Elsum AM</td>
</tr>
<tr>
<td>Sir Sgt Peter Giver</td>
</tr>
<tr>
<td>Mrs Nerida Gray</td>
</tr>
<tr>
<td>Mr A C Hall</td>
</tr>
<tr>
<td>Miss Denise Hallett</td>
</tr>
<tr>
<td>(deceased)</td>
</tr>
<tr>
<td>Mrs Barbara Halse</td>
</tr>
<tr>
<td>The Hon Sir Rupert Hamer AL (deceased)</td>
</tr>
<tr>
<td>The Hon Sir Rupert Hamer AL (deceased)</td>
</tr>
<tr>
<td>The Hon Sir Rupert Hamer AL (deceased)</td>
</tr>
<tr>
<td>The Hon Sir Rupert Hamer AL (deceased)</td>
</tr>
<tr>
<td>The Hon Sir Rupert Hamer AL (deceased)</td>
</tr>
<tr>
<td>The Hon Sir Rupert Hamer AL (deceased)</td>
</tr>
<tr>
<td>The Hon Sir Rupert Hamer AL (deceased)</td>
</tr>
<tr>
<td>The Hon Sir Rupert Hamer AL (deceased)</td>
</tr>
<tr>
<td>The Hon Sir Rupert Hamer AL (deceased)</td>
</tr>
<tr>
<td>The Hon Sir Rupert Hamer AL (deceased)</td>
</tr>
<tr>
<td>The Hon Sir Rupert Hamer AL (deceased)</td>
</tr>
<tr>
<td>The Hon Sir Rupert Hamer AL (deceased)</td>
</tr>
<tr>
<td>The Hon Sir Rupert Hamer AL (deceased)</td>
</tr>
<tr>
<td>The Hon Sir Rupert Hamer AL (deceased)</td>
</tr>
<tr>
<td>The Hon Sir Rupert Hamer AL (deceased)</td>
</tr>
<tr>
<td>The Hon Sir Rupert Hamer AL (deceased)</td>
</tr>
<tr>
<td>The Hon Sir Rupert Hamer AL (deceased)</td>
</tr>
<tr>
<td>The Hon Sir Rupert Hamer AL (deceased)</td>
</tr>
<tr>
<td>The Hon Sir Rupert Hamer AL (deceased)</td>
</tr>
<tr>
<td>The Hon Sir Rupert Hamer AL (deceased)</td>
</tr>
<tr>
<td>The Hon Sir Rupert Hamer AL (deceased)</td>
</tr>
<tr>
<td>The Hon Sir Rupert Hamer AL (deceased)</td>
</tr>
<tr>
<td>The Hon Sir Rupert Hamer AL (deceased)</td>
</tr>
<tr>
<td>The Hon Sir Rupert Hamer AL (deceased)</td>
</tr>
<tr>
<td>The Hon Sir Rupert Hamer AL (deceased)</td>
</tr>
<tr>
<td>The Hon Sir Rupert Hamer AL (deceased)</td>
</tr>
<tr>
<td>The Hon Sir Rupert Hamer AL (deceased)</td>
</tr>
<tr>
<td>The Hon Sir Rupert Hamer AL (deceased)</td>
</tr>
<tr>
<td>The Hon Sir Rupert Hamer AL (deceased)</td>
</tr>
<tr>
<td>The Hon Sir Rupert Hamer AL (deceased)</td>
</tr>
<tr>
<td>The Hon Sir Rupert Hamer AL (deceased)</td>
</tr>
<tr>
<td>The Hon Sir Rupert Hamer AL (deceased)</td>
</tr>
<tr>
<td>The Hon Sir Rupert Hamer AL (deceased)</td>
</tr>
<tr>
<td>The Hon Sir Rupert Hamer AL (deceased)</td>
</tr>
<tr>
<td>The Hon Sir Rupert Hamer AL (deceased)</td>
</tr>
<tr>
<td>The Hon Sir Rupert Hamer AL (deceased)</td>
</tr>
<tr>
<td>The Hon Sir Rupert Hamer AL (deceased)</td>
</tr>
<tr>
<td>The Hon Sir Rupert Hamer AL (deceased)</td>
</tr>
<tr>
<td>The Hon Sir Rupert Hamer AL (deceased)</td>
</tr>
<tr>
<td>The Hon Sir Rupert Hamer AL (deceased)</td>
</tr>
<tr>
<td>The Hon Sir Rupert Hamer AL (deceased)</td>
</tr>
<tr>
<td>The Hon Sir Rupert Hamer AL (deceased)</td>
</tr>
<tr>
<td>The Hon Sir Rupert Hamer AL (deceased)</td>
</tr>
<tr>
<td>The Hon Sir Rupert Hamer AL (deceased)</td>
</tr>
<tr>
<td>The Hon Sir Rupert Hamer AL (deceased)</td>
</tr>
<tr>
<td>The Hon Sir Rupert Hamer AL (deceased)</td>
</tr>
<tr>
<td>The Hon Sir Rupert Hamer AL (deceased)</td>
</tr>
<tr>
<td>The Hon Sir Rupert Hamer AL (deceased)</td>
</tr>
<tr>
<td>The Hon Sir Rupert Hamer AL (deceased)</td>
</tr>
<tr>
<td>The Hon Sir Rupert Hamer AL (deceased)</td>
</tr>
<tr>
<td>The Hon Sir Rupert Hamer AL (deceased)</td>
</tr>
</tbody>
</table>
treasurer’s report 2005/06

The year has yet again been challenging from a financial perspective. The deficit (excluding Foundation) for the financial year was $5.1m, 2005 surplus $11.0m. (Included in the overall result is the finalization of booking the Johnson Estate sale, which has resulted in a one-off adjustment of - $2.9m.) The deficit before this one-off item was $2.2m (2005 deficit $2.1m), and this is an improvement on our initial expectations, which in turn had been based upon lowered anticipation of legacy income. The Johnson Estate adjustment reflects the crystallisation of the sale in this financial year at $10.2m net value compared to the recognition of $13.1m in net value from the estate in last year’s accounts. The estimated net value in the 2004/2005 financial year reflected the market expectation at that time as required by Australian Accounting Standards. A change in market sentiment due to rising interest rates, the then over supply of land for subdivision and there being one only buyer resulted in the shortfall to last year’s estimate.

The outcome of the sale of the Johnson Estate has facilitated the detailed planning and subsequent scheduled new Shelter and Adoption Centres at Burwood, Portland and Whittlesea. Phase 1 of the Burwood facilities redevelopment has commenced post balance sheet date and Portland is almost complete.

The formation of budgets dependent on legacies is problematic. We know that legacies tend to average over a period of time, however, with the exception of the Johnson Estate, there had been a downward trend in the period immediately prior to the 2005/06 financial year. In fact, legacies and bequests exceeded expectations, and although reluctantly, we can hope that this will again be the case in 2006/07.

During the year, the Inspectorate was successful in establishing a number of legal precedents, to achieve better animal welfare outcomes. Despite a decline in the number of cases proceeding to prosecution, many cases handled continued to be complex in nature. It remains difficult on a yearly basis to forecast the probable costs of such prosecutions.

At the commencement of the financial year, the organisation changed from a branch committee model to a local community presence strategy. This strategy has provided the opportunity for more people to be active in their local areas in a more targeted and flexible way without the need for a formal committee structure.

In regional Victoria there are now ten committed individuals who have assumed Volunteer leadership roles in fundraising and events. In the past year, our events and fundraising activities in regional Victoria have increased and record results were achieved for Million Paws Walk across the state.

Fundraising programs are now being coordinated statewide, while funds raised locally continue to support the local shelters, Inspectorate and educational services.

J.T. Smith
Treasurer.
During the year, the Inspectorate was successful in establishing a number of legal precedents, to achieve better animal welfare outcomes. Despite a decline in the number of cases proceeding to prosecution, many cases handled continued to be complex in nature. It remains difficult on a yearly basis to forecast the probable costs of such prosecutions.

At the commencement of the financial year, the organisation changed from a branch committee model to a local community presence strategy. This strategy has provided the opportunity for more people to be active in their local areas in a more targeted and flexible way without the need for a formal committee structure.

In regional Victoria there are now ten committed individuals who have assumed Volunteer leadership roles in fundraising and events. In the past year, our events and fundraising activities in regional Victoria have increased and record results were achieved for Million Paws Walk across the state.

Fundraising programs are now being coordinated statewide, while funds raised locally continue to support the local shelters, Inspectorate and educational services.

J.T. Smith
Treasurer.
income statement for the year ended 30 june 2006

<table>
<thead>
<tr>
<th>Income</th>
<th>2006</th>
<th>2005</th>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fundraising</td>
<td>6,628,690</td>
<td>6,607,962</td>
<td>6,628,690</td>
<td>6,607,962</td>
</tr>
<tr>
<td>Interest</td>
<td>111,728</td>
<td>94,727</td>
<td>111,728</td>
<td>94,727</td>
</tr>
<tr>
<td>Dividends and franking credits</td>
<td>–</td>
<td>8,314</td>
<td>–</td>
<td>492,784</td>
</tr>
<tr>
<td>Net gains on trading portfolio</td>
<td>–</td>
<td>15,399</td>
<td>–</td>
<td>1,383,222</td>
</tr>
<tr>
<td>Distribution from RSPCA Foundation</td>
<td>650,203</td>
<td>531,530</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Grant from RSPCA Foundation</td>
<td>624,813</td>
<td>1,894,164</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Profit on disposal of non-current assets</td>
<td>28,863</td>
<td>23,000</td>
<td>28,863</td>
<td>23,000</td>
</tr>
<tr>
<td>Donations</td>
<td>599,787</td>
<td>1,346,319</td>
<td>599,787</td>
<td>1,364,641</td>
</tr>
<tr>
<td>Retail sales</td>
<td>281,771</td>
<td>416,124</td>
<td>281,771</td>
<td>416,124</td>
</tr>
<tr>
<td>Fees for service – animals</td>
<td>6,498,425</td>
<td>5,088,255</td>
<td>6,498,425</td>
<td>5,088,255</td>
</tr>
<tr>
<td>Legacies</td>
<td>4,941,158</td>
<td>3,128,760</td>
<td>5,336,607</td>
<td>3,479,433</td>
</tr>
<tr>
<td>Legacy – property donation</td>
<td>3</td>
<td>–</td>
<td>13,148,759</td>
<td>–</td>
</tr>
<tr>
<td>Government grants</td>
<td>355,554</td>
<td>258,170</td>
<td>355,554</td>
<td>258,170</td>
</tr>
<tr>
<td>Subscriptions</td>
<td>69,647</td>
<td>81,516</td>
<td>69,647</td>
<td>81,516</td>
</tr>
<tr>
<td>Other</td>
<td>317,158</td>
<td>285,654</td>
<td>317,158</td>
<td>285,654</td>
</tr>
<tr>
<td><strong>Total Income</strong></td>
<td>21,107,797</td>
<td>32,928,653</td>
<td>22,104,236</td>
<td>32,893,842</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenditure</th>
<th>2006</th>
<th>2005</th>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administrative expenses</td>
<td>(2,671,605)</td>
<td>(1,822,932)</td>
<td>(2,671,605)</td>
<td>(1,822,932)</td>
</tr>
<tr>
<td>Animal related expenses</td>
<td>(2,609,679)</td>
<td>(2,694,054)</td>
<td>(2,609,679)</td>
<td>(2,694,054)</td>
</tr>
<tr>
<td>Borrowing cost expense – interest paid</td>
<td>(119,123)</td>
<td>(194,726)</td>
<td>(119,123)</td>
<td>(194,726)</td>
</tr>
<tr>
<td>Depreciation expense</td>
<td>(559,125)</td>
<td>(751,637)</td>
<td>(559,125)</td>
<td>(751,637)</td>
</tr>
<tr>
<td>Employee expenses</td>
<td>(11,958,735)</td>
<td>(10,860,685)</td>
<td>(11,958,735)</td>
<td>(10,860,685)</td>
</tr>
<tr>
<td>Fundraising expenses</td>
<td>(2,162,742)</td>
<td>(2,775,933)</td>
<td>(2,162,742)</td>
<td>(2,775,933)</td>
</tr>
<tr>
<td>IT upgrade expenses</td>
<td>(409,000)</td>
<td>–</td>
<td>(409,000)</td>
<td>–</td>
</tr>
<tr>
<td>Loss on disposal of property</td>
<td>(2,853,669)</td>
<td>–</td>
<td>(2,853,669)</td>
<td>–</td>
</tr>
<tr>
<td>Cost of retail sales</td>
<td>(237,428)</td>
<td>(334,352)</td>
<td>(237,428)</td>
<td>(334,352)</td>
</tr>
<tr>
<td>Motor vehicle expense</td>
<td>(716,353)</td>
<td>(644,871)</td>
<td>(716,353)</td>
<td>(644,871)</td>
</tr>
<tr>
<td>Occupancy expense</td>
<td>(934,383)</td>
<td>(739,509)</td>
<td>(934,383)</td>
<td>(739,509)</td>
</tr>
<tr>
<td>Other expenses</td>
<td>(942,673)</td>
<td>(1,070,759)</td>
<td>(982,587)</td>
<td>(1,070,759)</td>
</tr>
<tr>
<td><strong>Total Expenditure</strong></td>
<td>26,174,515</td>
<td>21,889,458</td>
<td>26,214,429</td>
<td>21,889,458</td>
</tr>
<tr>
<td><strong>Net surplus/(deficit)</strong></td>
<td>(5,066,718)</td>
<td>11,039,195</td>
<td>(4,110,193)</td>
<td>11,004,384</td>
</tr>
</tbody>
</table>

The accompanying notes form part of these financial statements.
balance sheet as at 30 June 2006

statement of changes in equity for the year ended 30 June 2006

The accompanying notes form part of these financial statements.
cash flow statement
for the year ended
30 June 2006

<table>
<thead>
<tr>
<th>Note</th>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td></td>
<td>$</td>
<td>$</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Finance &amp; Admin</strong></td>
<td>$1,180</td>
<td>$47,404</td>
<td>$12,031</td>
<td>$11,869</td>
<td>$416,807</td>
<td>$374,484</td>
<td>$170,949</td>
<td>$612,353</td>
<td>$299,029</td>
<td>$1,346,319</td>
<td>$18,322</td>
<td>$599,787</td>
<td>$1,364,641</td>
<td></td>
</tr>
<tr>
<td><strong>Corporate Affairs</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$6,498,425</td>
<td>$3,291,129</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$1,837,126</td>
<td>$6,498,425</td>
<td>$5,088,255</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Animal Welfare</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$281,771</td>
<td>$416,124</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$281,771</td>
<td>$416,124</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Fundraising &amp; Marketing</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$6,628,690</td>
<td>$5,215,250</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$1,392,712</td>
<td>$6,628,690</td>
<td>$6,607,962</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Retail sales</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Grants</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Investments</strong></td>
<td>-</td>
<td>-</td>
<td>$300,000</td>
<td>$200,000</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Legacies</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Incorporations</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Subscriptions</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Proceeds from disposal of non current assets</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Other</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Consolidation elimination</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

### Total Income

|                        | $1,591,900 | $2,623,618 | $328,643 | $259,911 | $6,879,851 | $3,679,263 | $12,056,302 | $21,447,466 | $251,101 | $629,444 | $4,288,950 | $21,107,797 | $32,928,652 | $2,271,455 | $2,390,884 | $22,104,236 | $32,893,842 |

## Expenditure

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Education</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Branches and Auxiliary</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>RSPCA (Vic) Inc. Total</strong></td>
<td>$2,674,028</td>
<td>$2,410,885</td>
<td>$3,869,846</td>
<td>$3,857,414</td>
<td>$4,593,746</td>
<td>$3,258,336</td>
<td>$4,455,045</td>
<td>$16,889,450</td>
<td>$384,343</td>
<td>$74,066</td>
<td>$429,555</td>
<td>$5,066,718</td>
<td>$11,039,194</td>
<td>$95,525</td>
</tr>
</tbody>
</table>

### Consolidation elimination

|                        | (1,275,016) | (2,425,694) | - | - | - | - | - | - | - | - | - | - | - | - |

### Total Expenditure

|                        | $2,674,028 | $2,410,885 | $3,869,846 | $3,857,414 | $4,593,746 | $3,258,336 | $4,455,045 | $16,889,450 | $384,343 | $74,066 | $429,555 | $5,066,718 | $11,039,194 | $95,525 | $34,810 | $4,110,193 | $11,004,384 |

### Profit/(Loss)

|                        | $2,674,028 | $2,410,885 | $3,869,846 | $3,857,414 | $4,593,746 | $3,258,336 | $4,455,045 | $16,889,450 | $384,343 | $74,066 | $429,555 | $5,066,718 | $11,039,194 | $95,525 | $34,810 | $4,110,193 | $11,004,384 |

## Statement of Income and Expenditure for the Year Ended 30 June 2006

- **Profit/(Loss)**
- **Consolidation elimination**
- **Total Expenditure**
- **Total Income**

- **Income**
  - Donations
  - Fees for service-animals
  - Retail sales
  - Fundraising-gross
  - Grants
  - Investments
  - Legacies
  - Subscriptions
  - Proceeds from disposal of non current assets
  - Other

- **Expenditure**
  - Administration
  - Animal related
  - Finance charges
  - Depreciation
  - Loss on disposal of property (Note 3)
  - IT Upgrade
  - Retail sales
  - Fundraising
  - Motor Vehicle
  - Occupancy
  - Promotion and advertising
  - Salaries and on costs
  - Other

- **Consolidation elimination**

The statements are presented in accordance with Australian Accounting Standards.
notes to and forming part of the financial statements for the year ended 30 June 2006

1. Introduction
Royal Society for the Prevention of Cruelty to Animals (Victoria) Inc (RSPCA) is an incorporated Association incorporated in Victoria. The operations and principal activities of RSPCA comprise the care and protection of animals within Victoria. The consolidated financial statements include the financial statements of the subsidiary RSPCA (Vic) Foundation. The financial statements are presented in Australian dollars. The registered office and principal place of business is 3 Burwood Highway, Burwood East, Victoria.

The financial report was authorised for issue by the Councillors of RSPCA on the date shown on the Statement by Councillors attached to the financial statements.

This is the first Australian equivalent to International Financial Reporting Standards financial report presented by RSPCA. Reconciliations of the impact of the transition from Australian Accounting Standards to Australian equivalents to International Financial Reporting Standards are provided at Note 22.

2. Accounting Policies
(a) Overall Policy
The financial report is a general purpose financial report that has been prepared in accordance with all Accounting Standards and other mandatory professional reporting requirements in Australia.

The financial report has been prepared on an accruals basis using the historical cost method, and except where stated does not take into account current valuations of non-current assets.

Financial Report Complies with AIFRS
Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (IFRS).

The Society is considered to be a not for profit entity and has prepared the financial statements in accordance with the requirements regarding Not for Profit entities as contained in Australian Accounting Standards.

New accounting standards and interpretations which have been issued but are not yet effective have not been applied and are not expected to have any impact on the financial reporting of the RSPCA in future.

(b) Significant Judgements and Key Assumptions
Judgements made in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements concern depreciation rates. These are renewed annually by the Councillors to ensure that assets are being appropriately depreciated.

No key assumptions have been made concerning the future and there are no other key sources of estimation uncertainty at the balance date that the Councillors consider have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(c) Financial Assets and Financial Liabilities
Financial assets and financial liabilities are recognised on the balance sheet when the RSPCA becomes party to the contractual provisions of the financial instrument.

A financial asset is derecognised when the contractual rights to the cash flows from the financial assets expire or are transferred and no longer controlled by the RSPCA.

A financial liability is removed from the balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

(d) Consolidation
The consolidated financial statements are those of the consolidated entity, comprising RSPCA Victoria and its 100% owned controlled entity, RSPCA (Vic) Foundation Pty Ltd.

The effects of all transactions between entities in the economic entity have been eliminated in full and the consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.

(e) Revenue Recognition
Revenue from the sale of goods is recognised when control has passed to the purchaser. Revenue from the rendering of a service is recognised upon delivery of the service to the customer.

Revenue from government grants is recognised when control of monies is attained and the amount of revenue can be measured reliably.

Dividend revenue and distributions are recognised when the right to receive payment is established.

Interest revenue is recognised using the effective interest method.

Dividends, legacies and bequests are recognised upon receipt or upon unconditional entitlement.

(f) Donations of Goods in Kind
Material donations of goods in kind are recognised as income at the net fair value of the underlying asset.

(g) Impairment
At each reporting date the RSPCA reviews the carrying amounts of assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss if any. The recoverable amount is assessed as the higher of fair value less costs to sell or the assets value in use being the depreciated replacement cost.

(h) Income Tax
The Society is exempt from income tax under Section 50-5 of the Income Tax Assessment Act 1997.

(i) GST
Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST included is not recoverable from the Australian Tax Office.

(j) Cash and Cash Equivalents
Cash and cash equivalents include cash on hand, deposits held-at-call with banks and other short-term highly liquid investments.

(k) Receivables
Receivables represent the principal amounts due at balance date plus accrued interest and less, where applicable, provision for doubtful accounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable.

(l) Inventory
Inventory is valued at the lower of cost and net realisable value. Cost is assigned on a specific identification basis.

**(m) Property, Plant and Equipment**

Property, Plant and Equipment are stated at cost or deemed a cost. Items of property, plant and equipment, other than freehold land are depreciated over their estimated useful lives to their estimated residual values on either a straight line basis or a diminishing value basis as appropriate so as to write off their value progressively over their estimated useful lives commencing from the time the asset is held ready for use.

The following depreciation rates are in use:

- Buildings: 2.5% to 5%
- Improvements and Equipment: 10% to 35%
- Motor Vehicles: 20%

**(n) Property Held for Resale**

During the 30 June 2005 financial year a legacy in the form of a real estate property was recognised for the first time, and was measured at fair value. Subsequent to 30 June 2005 but prior to the time of signing the 2005 financial report the Society entered into a Heads of Agreement for the sale of the property. This Heads of Agreement was used to determine the fair value. Expected proceeds were discounted to their net present value. Liabilities for settlement costs were not recorded against the property value and were instead included as part of payables in the Balance Sheet at 30 June 2005.

As disclosed in the 30 June 2005 report, the sale was conditional upon an environmental survey. The results of this survey were received in the current financial year and as a result of this survey and further negotiation during the current year a final contract of sale was signed but at a lower value than in the initial heads of agreement. The resultant adjustment has been recognised as an expense in the Income Statement in the current year.

**(o) Investments**

The Investments in listed company shares and unit trusts are designated as being held at fair value through profit or loss being a portfolio with a history of regular trading and profit taking. Fair values are determined by reference to published price quotations in an active market. Term deposits are carried at amortised cost.

**(p) Payables**

Payables represent the fair value of the consideration to be paid in future for goods and services received, whether or not billed to the consolidated entity, plus where applicable, any accrued interest.

**(q) Short-term Employee Benefits**

Short term employee benefits are employee benefits (other than termination benefits) which fall due wholly within 12 months after the end of the period in which employee services are rendered. They comprise wages, salaries, social security obligations and short-term compensation absences payable within 12 months and non-mandatory benefits such as medical care, housing, car, and service goods.

The undiscounted amount of short-term employee benefits expected to be paid is recognised as an expense.

**(r) Other Long-term Employee Benefits**

Other long-term employee benefits include long-service leave payable 12 months or more after the end of the period in which employee services are rendered.

**(s) Borrowing Costs**

Borrowing costs are recognised as an expense in the period in which they are incurred except borrowing costs that are directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period to get ready for its intended use or sale. In this case the borrowing costs are capitalised as part of the cost of such a qualifying asset.

Borrowing costs capitalised during the year amounted to $62,577 (2005 $Nil).

The amount of borrowing costs relating to funds borrowed generally and used for the acquisition of qualifying assets has been determined by applying a capitalisation rate of 6.17% to the expenditures on those assets.

The capitalisation rate comprises the weighted average of borrowing costs incurred during the period.

### (t) Comparatives

Comparative figures have been reclassified so as to be consistent with the figures presented in the current year. Australian equivalents of International Financial Reporting Standards have been applied to all current and comparative figures consistently.

<table>
<thead>
<tr>
<th></th>
<th>RSPCA (Vic) Inc.</th>
<th>RSPCA (Vic) Inc. &amp; Foundation</th>
</tr>
</thead>
<tbody>
<tr>
<td>3. Revenue</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2006</td>
<td>2005</td>
</tr>
<tr>
<td><strong>Significant Item</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property legacy income</td>
<td>–</td>
<td>13,148,759</td>
</tr>
<tr>
<td>Loss on disposal of property</td>
<td>(2,853,669)</td>
<td>–</td>
</tr>
<tr>
<td><strong>Operating Activities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation Expense:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Buildings and improvements</td>
<td>226,728</td>
<td>416,617</td>
</tr>
<tr>
<td>Plant and equipment</td>
<td>301,688</td>
<td>300,613</td>
</tr>
<tr>
<td>Motor vehicles</td>
<td>30,709</td>
<td>34,407</td>
</tr>
<tr>
<td></td>
<td>559,125</td>
<td>751,637</td>
</tr>
<tr>
<td>Auditor's Remuneration:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Audit services</td>
<td>37,500</td>
<td>35,000</td>
</tr>
<tr>
<td>Other services</td>
<td>35,539</td>
<td>6,500</td>
</tr>
<tr>
<td></td>
<td>73,039</td>
<td>41,500</td>
</tr>
<tr>
<td>Defined contribution fund superannuation contribution</td>
<td>879,408</td>
<td>694,203</td>
</tr>
<tr>
<td>Loss on disposal of property, plant and equipment</td>
<td>–</td>
<td>8,913</td>
</tr>
<tr>
<td>Operating lease expense</td>
<td>680,482</td>
<td>1,294,759</td>
</tr>
<tr>
<td>Bad and Doubtful debt expense</td>
<td>59,348</td>
<td>389,337</td>
</tr>
<tr>
<td><strong>4. Cash and Cash Equivalents</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash on hand</td>
<td>12,258</td>
<td>10,587</td>
</tr>
<tr>
<td>Cash at bank</td>
<td>919,391</td>
<td>292,627</td>
</tr>
<tr>
<td></td>
<td>931,649</td>
<td>303,214</td>
</tr>
</tbody>
</table>
notes to and forming part of the financial statements for the year ended 30 June 2006 continued

<table>
<thead>
<tr>
<th>RSPCA (Vic) Inc.</th>
<th>RSPCA (Vic) Inc. &amp; Foundation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>5. Trade and Other Receivables</strong></td>
<td><strong>5. Trade and Other Receivables</strong></td>
</tr>
<tr>
<td><strong>Current</strong></td>
<td><strong>Current</strong></td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>1,932,517</td>
</tr>
<tr>
<td>Less: provision for doubtful debts</td>
<td>(542,163)</td>
</tr>
<tr>
<td>Receivable on property sale</td>
<td>1,390,354</td>
</tr>
<tr>
<td>Other debtors</td>
<td>1,750,000</td>
</tr>
<tr>
<td></td>
<td>3,140,348</td>
</tr>
<tr>
<td><strong>Non-Current</strong></td>
<td><strong>Non-Current</strong></td>
</tr>
<tr>
<td>Deferred receivable on property sale</td>
<td>8,791,418</td>
</tr>
<tr>
<td><strong>6. Inventories</strong></td>
<td><strong>6. Inventories</strong></td>
</tr>
<tr>
<td>Goods for resale – at cost</td>
<td>474,555</td>
</tr>
<tr>
<td>Fair value through profit and loss</td>
<td></td>
</tr>
<tr>
<td>- Shares in listed companies</td>
<td>298,768</td>
</tr>
<tr>
<td>- Unit trusts</td>
<td>–</td>
</tr>
<tr>
<td>Held to Maturity</td>
<td></td>
</tr>
<tr>
<td>- Term deposits</td>
<td>2,972,341</td>
</tr>
<tr>
<td></td>
<td>3,271,109</td>
</tr>
<tr>
<td><strong>8. Land Held for Resale</strong></td>
<td><strong>8. Land Held for Resale</strong></td>
</tr>
<tr>
<td>Land – at fair value</td>
<td>–</td>
</tr>
</tbody>
</table>

The property bequeathed to the Association in 2005 has been sold. Refer Note 2(n) for further information.

<table>
<thead>
<tr>
<th>RSPCA (Vic) Inc.</th>
<th>RSPCA (Vic) Inc. &amp; Foundation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Freehold land</td>
<td>2,880,235</td>
</tr>
<tr>
<td>Land, buildings and improvements</td>
<td>12,789,320</td>
</tr>
<tr>
<td>Less: Accumulated depreciation</td>
<td>(2,885,360)</td>
</tr>
<tr>
<td></td>
<td>9,903,960</td>
</tr>
<tr>
<td>Plant and equipment</td>
<td>3,885,196</td>
</tr>
<tr>
<td>Less: Accumulated depreciation</td>
<td>(2,629,577)</td>
</tr>
<tr>
<td></td>
<td>1,255,619</td>
</tr>
<tr>
<td>Motor vehicles</td>
<td>347,537</td>
</tr>
<tr>
<td>Less: Accumulated depreciation</td>
<td>(227,353)</td>
</tr>
<tr>
<td></td>
<td>120,184</td>
</tr>
<tr>
<td>Buildings under construction</td>
<td>1,633,593</td>
</tr>
<tr>
<td>Total property, plant and equipment</td>
<td>15,793,591</td>
</tr>
</tbody>
</table>

The property bequeathed to the Association in 2005 has been sold. Refer Note 2(n) for further information.
9. Property, Plant and Equipment continued

(a) Movement in Carrying Amounts

<table>
<thead>
<tr>
<th>RSPCA (Vic) Inc.</th>
<th>RSPCA (Vic) Inc. &amp; Foundation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at the beginning of the year</td>
<td>2,880,235 10,090,056 1,552,513 155,687 2,880,235 10,090,056 1,552,513 155,687</td>
</tr>
<tr>
<td>Additions for the year</td>
<td>– 40,632 8,983 26,819 1,633,593 1,710,027</td>
</tr>
<tr>
<td>Disposals for the year</td>
<td>– – (4,189) (31,613) – (35,802)</td>
</tr>
<tr>
<td>Depreciation expense</td>
<td>– (226,728) (301,688) (30,709) – (559,125)</td>
</tr>
<tr>
<td>Carrying amount at the end of the year</td>
<td>2,880,235 9,903,960 1,255,619 120,184 1,633,593 15,793,591</td>
</tr>
</tbody>
</table>

The Society's land and improvements at the RSPCA headquarters at Burwood East have been independently valued as at 30 November 2005 on the basis of current market value at $15,600,000 by Charter Kock Cramer.

10. Trade And Other Payables

<table>
<thead>
<tr>
<th>RSPCA (Vic) Inc.</th>
<th>RSPCA (Vic) Inc. &amp; Foundation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sundry creditors and accruals</td>
<td>1,512,552 2,838,591 1,523,931 2,820,523</td>
</tr>
<tr>
<td>Due to RSPCA (Vic) Foundation</td>
<td>544,481 119,584 – –</td>
</tr>
<tr>
<td></td>
<td>2,057,033 2,958,175 1,523,931 2,820,523</td>
</tr>
</tbody>
</table>

11. Financial Liabilities

Current

<table>
<thead>
<tr>
<th>RSPCA (Vic) Inc.</th>
<th>RSPCA (Vic) Inc. &amp; Foundation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overdraft</td>
<td>1,357,031 846,330 1,357,031 846,330</td>
</tr>
</tbody>
</table>

Non-Current

| Bank bill facility | 2,510,093 38,825 2,510,093 38,825 |
| Term loans | – 38,825 – 38,825 |
| | 2,510,093 38,825 2,510,093 38,825 |

The bank facilities are secured by a first registered mortgage over 3 Burwood Highway, Burwood.


Current

<table>
<thead>
<tr>
<th>RSPCA (Vic) Inc.</th>
<th>RSPCA (Vic) Inc. &amp; Foundation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provision for annual leave</td>
<td>765,007 615,155 765,007 615,155</td>
</tr>
<tr>
<td>Provision for long service leave</td>
<td>430,456 351,819 430,456 351,819</td>
</tr>
<tr>
<td></td>
<td>1,195,463 966,974 1,195,463 966,974</td>
</tr>
</tbody>
</table>

Non-Current

| Provision for long service | 181,586 92,129 181,586 92,129 |
| Aggregate Employee Benefits | 1,377,049 1,059,103 1,377,049 1,059,103 |
| Number of employees at year end | 237 269 237 269 |

13. Lease Commitments

Operating lease commitments, payable:

<table>
<thead>
<tr>
<th>RSPCA (Vic) Inc.</th>
<th>RSPCA (Vic) Inc. &amp; Foundation</th>
</tr>
</thead>
<tbody>
<tr>
<td>– not later than one year</td>
<td>565,990 310,647 565,990 310,647</td>
</tr>
<tr>
<td>– later than one year but not later than 5 years</td>
<td>261,121 96,166 261,121 96,166</td>
</tr>
<tr>
<td>– later than 5 years</td>
<td>– – – –</td>
</tr>
<tr>
<td></td>
<td>827,111 406,813 827,111 406,813</td>
</tr>
</tbody>
</table>

The operating leases are in respect of retail shops and motor vehicles.

14. Right to Set Off

Funds held in general accounts with the National Australia Bank by regions 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.

15. 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 favourable 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 received veterinary fees under tendered contractual conditions between the Ballarat veterinary practice of which he is a partner and the Regional Shelter.

Key Management Personnel Compensation

The aggregate compensation of the key management personnel is set out below. The personnel are the same for both the consolidated entity and RSPCA (Vic) Inc.

<table>
<thead>
<tr>
<th>RSPCA (Vic) Inc.</th>
<th>RSPCA (Vic) Inc. &amp; Foundation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short-term employee benefits</td>
<td>688,204 756,556</td>
</tr>
<tr>
<td>Post-employment benefits</td>
<td>96,593 91,488</td>
</tr>
<tr>
<td></td>
<td>784,797 848,024</td>
</tr>
</tbody>
</table>
16. 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 2006 is estimated at $6,637,350 (2005: $1,571,380).
The following legal actions are currently unresolved:

(a) Akers v RSPCA
The Society successfully prosecuted Mr Bruce Akers in the Magistrate’s Court and Mr Akers has appealed that decision. The appeal matter was listed in the County Court of Victorian on Monday 19 June 2006. Part way through proceedings Her Honour disqualified herself and adjourned the proceedings. The matter will now be heard on 12 February 2007. The Society believes it has a strong case and will vigorously defend its position.

Costs for running this defence could be as high as $70,000 to $140,000 if the Society loses the case.

(b) Holdsworth v RSPCA
The Society prosecuted Mr Holdsworth and the matter was heard in the Ballarat Magistrate’s Court between 6-17 June 2005. The charges against Mr Holdsworth were dismissed and costs awarded against the Society. Mr Holdsworth has approached the Society for costs of $100,000. The Society’s lawyers have responded that these costs are unreasonable. $50,000 was accrued for corporate affairs legal and the Society’s lawyers confirm that this figure is more than likely about the amount it will have to pay. Negotiations are on-going.

In addition Mr Holdsworth lodged a civil appeal against the Society in 2004 and this has not been proceeded with. The Society’s insurers have agreed to underwrite this action under the Society’s professional liability insurance.

17. Events Subsequent to Balance Date
Other than the capital commitments disclosed in note 18 no events requiring disclosure have occurred subsequent to 30 June 2006.

18. Capital Commitments at Balance Date
Since 30 June 2006 the Society has entered into a contract to redevelop the East Burwood animal shelter environment. The contracted sum for the redevelopment is $4,918,000.

The Society is concerned with the care and protection of animals within Victoria.

20. Segment Reporting Note
The Society is concerned with the care and protection of animals within Victoria.
21. Financial Instruments

Price Risk and Credit Risk Exposures

The Committee has delegated the investment of certain assets of the consolidated entity to an investment committee which closely manages the investment portfolio according to the Committee’s investment policy. The consolidated entity does not engage in transactions which are speculative in nature.

Interest Rate Risk Exposure

Exposures to interest rate risks on financial assets and liabilities are summarised as follows:

<table>
<thead>
<tr>
<th>2006</th>
<th>Non Interest Bearing</th>
<th>1 Year or Less</th>
<th>1 – 5 Years</th>
<th>More Than 5 Years</th>
<th>Floating Interest Rate</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Financial Assets:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and Cash Equivalents</td>
<td>12,258</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>923,146</td>
<td>935,404</td>
</tr>
<tr>
<td>Trade and Other Receivables</td>
<td>1,538,189</td>
<td>1,750,000</td>
<td>8,791,418</td>
<td>–</td>
<td>12,079,607</td>
<td></td>
</tr>
<tr>
<td>Investments</td>
<td>8,227,924</td>
<td>2,972,341</td>
<td>–</td>
<td>–</td>
<td>11,200,265</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>9,778,371</td>
<td>4,722,341</td>
<td>8,791,418</td>
<td>–</td>
<td>923,146</td>
<td>24,215,276</td>
</tr>
<tr>
<td>Weighted average interest rate</td>
<td>6.4%</td>
<td>8.5%</td>
<td>–</td>
<td>–</td>
<td>0.7%</td>
<td></td>
</tr>
<tr>
<td>Financial Liabilities:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and Other Payables</td>
<td>1,523,931</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>1,523,931</td>
<td></td>
</tr>
<tr>
<td>Interest Bearing Liability</td>
<td>–</td>
<td>–</td>
<td>2,510,093</td>
<td>–</td>
<td>1,357,031</td>
<td>3,867,124</td>
</tr>
<tr>
<td>Total</td>
<td>1,523,931</td>
<td>–</td>
<td>2,510,093</td>
<td>–</td>
<td>1,357,031</td>
<td>5,391,055</td>
</tr>
<tr>
<td>Weighted average interest rate</td>
<td>6.17%</td>
<td>11.85%</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td></td>
</tr>
</tbody>
</table>

Net financial assets 8,254,440 4,722,341 6,281,325 – (433,885) 18,824,221

2005

Financial Assets: |                      |                |             |                   |                        |       |
| Cash and Cash Equivalents | 10,587 | –              | –           | –                 | 303,948               | 314,535 |
| Trade and Other Receivables | 1,383,503 | –              | –           | –                 | 1,383,503              |       |
| Investments | – | 2,601,748 | – | – | 2,061,748 | |
| Total          | 1,396,090 | 2,061,748 | – | – | 303,948 | 3,759,786 |
| Weighted average interest rate | 5.0% | 4.0% | – | – | – | |
| Financial Liabilities: |                      |                |             |                   |                        |       |
| Trade and Other Payables | 2,820,523 | –              | –           | –                 | 2,820,523              |       |
| Interest Bearing Liability | – | 38,825 | – | – | 846,330 | 885,155 |
| Total          | 2,820,523 | 38,825 | – | – | 846,330 | 3,705,678 |
| Weighted average interest rate | 8.75% | 4.0% | – | – | – | |

Net financial assets (1,426,433) 2,022,923 – – (542,382) 54,108

Credit Risk Exposure

The maximum credit risk exposure of financial assets is represented by the carrying amounts of assets recognised in the Balance Sheet net of any provision for losses.

Net Fair Values

The carrying value of all financial assets and liabilities at 30 June as recognised in the balance date approximates their fair values.

22. Impact of Adopting Australian Equivalents to International Financial Reporting Standards

The following reconciliations explain how the transition from previous Australian Accounting Standards (“Previous GAAP”) to Australian equivalents to International Financial Reporting Standards (AIFRS) affected reported financial position and financial performance. There has been no material impact on the disclosures of cash flows.

CONSOLIDATED ENTITY Reconciliation of Equity at 30 June 2005

<table>
<thead>
<tr>
<th></th>
<th>Previous GAAP</th>
<th>Effect of Transition</th>
<th>A-IFRS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>TOTAL MEMBERS’ FUNDS</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retained Profits</td>
<td>32,364,588</td>
<td>5,460,923</td>
<td>37,825,511</td>
</tr>
<tr>
<td>Reserves</td>
<td>5,460,923</td>
<td>(5,460,923)</td>
<td>–</td>
</tr>
<tr>
<td>TOTAL MEMBERS’ FUNDS</td>
<td>37,825,511</td>
<td>–</td>
<td>37,825,511</td>
</tr>
<tr>
<td>TOTAL ASSETS</td>
<td>42,590,292</td>
<td>–</td>
<td>42,590,292</td>
</tr>
<tr>
<td>CURRENT LIABILITIES</td>
<td>2,820,523</td>
<td>2,820,523</td>
<td>–</td>
</tr>
<tr>
<td>Trade and Other Payables</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Provisions</td>
<td>966,974</td>
<td>966,974</td>
<td>–</td>
</tr>
<tr>
<td>Interest Bearing Liabilities</td>
<td>846,330</td>
<td>846,330</td>
<td>–</td>
</tr>
<tr>
<td>TOTAL CURRENT LIABILITIES</td>
<td>4,633,827</td>
<td>4,633,827</td>
<td>–</td>
</tr>
<tr>
<td>TOTAL CURRENT LIABILITIES</td>
<td>4,633,827</td>
<td>4,633,827</td>
<td>–</td>
</tr>
<tr>
<td>TOTAL LIABILITIES</td>
<td>4,764,781</td>
<td>4,764,781</td>
<td>–</td>
</tr>
<tr>
<td>NET ASSETS</td>
<td>37,825,511</td>
<td>–</td>
<td>37,825,511</td>
</tr>
<tr>
<td>MEMBERS’ FUNDS</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
22. Impact of Adopting Australian Equivalents to International Financial Reporting Standards *continued*

### CONSOLIDATED ENTITY

Reconciliation of Equity at 1 July 2006

<table>
<thead>
<tr>
<th>Notes</th>
<th>Previous GAAP</th>
<th>Effect of Transition</th>
<th>A-IFRS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td><strong>CURRENT ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and Cash equivalents</td>
<td>1,126,978</td>
<td>1,126,978</td>
<td>1,126,978</td>
</tr>
<tr>
<td>Trade and Other Receivables</td>
<td>1,195,982</td>
<td>1,195,982</td>
<td>1,195,982</td>
</tr>
<tr>
<td>Inventories</td>
<td>508,393</td>
<td>508,393</td>
<td>508,393</td>
</tr>
<tr>
<td>Financial Assets</td>
<td>11,025,986</td>
<td>11,025,986</td>
<td>11,025,986</td>
</tr>
<tr>
<td>Other</td>
<td>57,046</td>
<td>57,046</td>
<td>57,046</td>
</tr>
<tr>
<td><strong>TOTAL CURRENT ASSETS</strong></td>
<td>2,888,399</td>
<td>11,025,986</td>
<td>13,914,385</td>
</tr>
<tr>
<td><strong>NON-CURRENT ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property, Plant and Equipment</td>
<td>14,917,966</td>
<td>14,917,966</td>
<td>14,917,966</td>
</tr>
<tr>
<td>Financial Assets</td>
<td>11,025,986</td>
<td>11,025,986</td>
<td>11,025,986</td>
</tr>
<tr>
<td><strong>TOTAL NON-CURRENT ASSETS</strong></td>
<td>25,943,952</td>
<td>(11,025,986)</td>
<td>14,917,966</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td>28,832,351</td>
<td>28,832,351</td>
<td>28,832,351</td>
</tr>
<tr>
<td><strong>CURRENT LIABILITIES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and Other Payables</td>
<td>1,050,137</td>
<td>1,050,137</td>
<td>1,050,137</td>
</tr>
<tr>
<td>Provisions</td>
<td>824,735</td>
<td>824,735</td>
<td>824,735</td>
</tr>
<tr>
<td><strong>TOTAL CURRENT LIABILITIES</strong></td>
<td>1,874,872</td>
<td>1,874,872</td>
<td>1,874,872</td>
</tr>
<tr>
<td><strong>NON-CURRENT LIABILITIES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Provisions</td>
<td>93,203</td>
<td>93,203</td>
<td>93,203</td>
</tr>
<tr>
<td>Interest Bearing Liabilities</td>
<td>43,149</td>
<td>43,149</td>
<td>43,149</td>
</tr>
<tr>
<td><strong>TOTAL NON-CURRENT LIABILITIES</strong></td>
<td>136,352</td>
<td>136,352</td>
<td>136,352</td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES</strong></td>
<td>2,011,224</td>
<td>2,011,224</td>
<td>2,011,224</td>
</tr>
<tr>
<td><strong>NET ASSETS</strong></td>
<td>26,821,127</td>
<td>26,821,127</td>
<td>26,821,127</td>
</tr>
</tbody>
</table>

### CONSOLIDATED ENTITY

Reconciliation of Surplus for the Year Ended 30 June 2005

<table>
<thead>
<tr>
<th>Notes</th>
<th>Previous GAAP</th>
<th>Effect of Transition</th>
<th>A-IFRS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td><strong>Revenues</strong></td>
<td>33,412,536</td>
<td>(518,694)</td>
<td>32,893,842</td>
</tr>
<tr>
<td><strong>Expenses</strong></td>
<td>(21,889,458)</td>
<td>-</td>
<td>(21,889,458)</td>
</tr>
<tr>
<td><strong>Carrying value of Investments Disposed of</strong></td>
<td>(1,460,220)</td>
<td>1,460,220</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net Surplus</strong></td>
<td>10,062,858</td>
<td>941,526</td>
<td>11,004,384</td>
</tr>
<tr>
<td><strong>Total Changes in Equity</strong></td>
<td>10,062,858</td>
<td>941,526</td>
<td>11,004,384</td>
</tr>
</tbody>
</table>
## 22. Impact of Adopting Australian Equivalents to International Financial Reporting Standards continued

### PARENT ENTITY

Reconciliation of Surplus for the Year Ended 30 June 2006

<table>
<thead>
<tr>
<th>Notes</th>
<th>Previous GAAP</th>
<th>Effect of Transition</th>
<th>A-IFRS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>16, 17</td>
<td>32,928,653</td>
<td>–</td>
</tr>
<tr>
<td>Expenses</td>
<td></td>
<td>(21,889,458)</td>
<td>–</td>
</tr>
<tr>
<td>Carrying Value of Investments Disposed of</td>
<td></td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Net Surplus</td>
<td>11,309,195</td>
<td>–</td>
<td>11,039,195</td>
</tr>
<tr>
<td>Total Changes in Equity</td>
<td>11,039,195</td>
<td>–</td>
<td>11,039,195</td>
</tr>
</tbody>
</table>
NOTES TO THE RECONCILIATION

1. Investments
On the introduction of A-IFRS it was determined that the Society’s investment portfolio be designated as held for trading. Movements in the fair value of such investments are brought to account through the profit and loss. Accordingly the portfolio has been reclassified as a current asset and in future all market movements in the Society’s investment portfolio will be recorded in the income statement.

2. Transfer of Reserves to Retained Profits
The reserves consist of:

(a) an asset revaluation reserve of $2,600,000. This reserve arose on the revaluation of land which the Society has elected to classify under A-IFRS being held at deemed cost. This reserve is therefore no longer appropriate and has been transferred to retained profits.

(b) a Share Fluctuation Reserve of $1,919,397 at 1 July 2004 and $2,860,923 at 30 June 2005. Previously the Society marked its investment portfolio to market value on the balance sheet with the revaluation being transferred to the Share Fluctuation Reserve.

On the introduction of A-IFRS it was determined that the Society’s investment portfolio be designated as held for trading. Movements in the fair value of such investments are brought to account through the profit and loss. Accordingly in future all market movements in the Society’s investment portfolio will be recorded in the income statement. The Share Fluctuation Reserve is no longer required and its balance has been transferred to Retained Profits.

3. Net Fair Value Changes in the Carrying Amounts of Investments
The Society has elected to treat its investment portfolio as being valued at fair value through the income statement. In the past unrealised gains have been recorded directly in a Share Fluctuation Reserve. This change in policy has resulted in an increase in parent entity revenue of $15,399 and consolidated revenue of $941,526 in the 30 June 2005 financial year.

4. Proceeds on Disposal of Non Current Assets
In accordance with the definition of revenue under A-IFRS proceeds on disposal are no longer recorded as revenue, rather profits are recorded as revenue and losses as expenses. This change in disclosure has reduced revenue in the 30 June 2005 comparative by $2,037,288 and reduced recorded expenditure by $1,460,380, being the book value of the investments disposed of.
22. Impact of Adopting Australian Equivalents to International Financial Reporting Standards

NOTES TO THE RECONCILIATION

1. Investments

On the introduction of A-IFRS it was determined that the Society's investment portfolio be designated as held for trading. Movements in the fair value of such investments are brought to account through the profit and loss. Accordingly the portfolio has been reclassified as a current asset and in future all market movements in the Society's investment portfolio will be recorded in the income statement.

2. Transfer of Reserves to Retained Profits

The reserves consist of:

(a) an asset revaluation reserve of $2,600,000. This reserve arose on the revaluation of land which the Society has elected to classify under A-IFRS being held at deemed cost. This reserve is therefore no longer appropriate and has been transferred to retained profits.

(b) a Share Fluctuation Reserve of $1,919,397 at 1 July 2004 and $2,860,923 at 30 June 2005. Previously the Society marked its investment portfolio to market value on the balance sheet with the revaluation being transferred to the Share Fluctuation Reserve.

On the introduction of A-IFRS it was determined that the Society's investment portfolio be designated as held for trading. Movements in the fair value of such investments are brought to account through the profit and loss. Accordingly in future all market movements in the Society's investment portfolio will be recorded in the income statement. The Share Fluctuation Reserve is no longer required and its balance has been transferred to Retained Profits.

Net Fair Value Changes in the Carrying Amounts of Investments

The Society has elected to treat its investment portfolio as being valued at fair value through the income statement. In the past unrealised gains have been recorded directly in a Share Fluctuation Reserve. This change in policy has resulted in an increase in parent entity revenue of $15,399 and consolidated revenue of $941,526 in the 30 June 2005 financial year.

Proceeds on Disposal of Non Current Assets

In accordance with the definition of revenue under A-IFRS proceeds on disposal are no longer recorded as revenue, rather profits are recorded as revenue and losses as expenses. This change in disclosure has reduced revenue in the 30 June 2005 comparative by $2,037,288 and reduced recorded expenditure by $1,460,380, being the book value of the investments disposed of.

statement by councillors

In the opinion of the Councillors of Royal Society For The Prevention Of Cruelty To Animals (Victoria) Inc:

(a) The accompanying financial statements and notes are in accordance with the Associations Incorporation Act 1981, comply with accounting standards and give a true and fair view of the entity's financial position as at 30 June 2006 and of its performance for the year ended on that date; and

(b) at the date of this declaration, there are reasonable grounds to believe that the Society will be able to pay its debts as and when they become due and payable.

On behalf of the Councillors

H. J. Wirth

J.T.Smith

27th September 2006
Melbourne
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 2006. The financial report comprises the Income Statement, Balance Sheet, Cash Flow Statement, Statement of Changes in Equity, the statement by Councillors, and the Notes to and Forming Part of the Financial Statements. 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 2006 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.

25 September 2006
Melbourne

A Vincent
Partner
Regional Shelters:

Ballarat
PO Box 445, Ballarat 3353
Phone: 5334 2075

Bendigo
PO Box 233, Bendigo 3554
Phone: 5441 2209

Castlemaine
PO Box 701, Castlemaine 3450
Phone: 5472 5277

Echuca
PO Box 1170, Echuca 3564
Phone: 0418 307 889

Epping
O’Hearns Rd, Epping 3076
Phone: 9408 7356

Peninsula
1030 Robinsons Road, Pearcedale 3912
Phone: 5976 6706

Portland
PO Box 878, Portland 3305
Phone: 5523 4690

Sale
PO Box 23, Sale 3850
Phone: 5143 2255

Wanganatta
1 Connell Street, Wanganalla 3677
Phone: 5722 2874

Warrnambool
23 Braithwaite Street
Warrnambool 3280
Phone: 5561 2591

Designed by Plutonium
www.plutonium.com.au
Printed by DPA
www.dpa.com.au
Photography (Cover, Pages 3,10,18,19,35) courtesy of Barrie Seed
Photography (Pages 1,2,7,8,9,10,13,15,17,23,27,29,30,32,33,39) courtesy of James Walshe Photography