

# *Annual Report*

2017-18







# Contents

<b>INTRODUCTION</b> – About us	2
Our guiding principles	4
Chair and CEO's report	6
<b>OPERATIONAL REVIEW</b> - Year in review	8
Finance	9
Major projects and planning	11
Sustainable future	13
Conservation	14
Visitor attraction and experience	20
Visitor attractions	20
Education and interpretation	22
Community connections	24
Organisation	26
Our team and volunteers	26
Governance and compliance	28
Governance	28
Compliance	31
<b>FINANCIAL STATEMENTS</b>	35
Appendices	78
Disclosure index	79
Publications	80
Thank you	81

ISSN 2201-2842

This report is available at [www.penguins.org.au](http://www.penguins.org.au)

Printed on environmentally sustainable stock.

© State of Victoria, Phillip Island Nature Parks 2018. This publication is copyright.

No part may be reproduced by any process except in accordance with the provisions of the *Copyright Act 1968*.



# Our business

*Phillip Island Nature Parks (the Nature Parks) is a unique conservation organisation that operates complementary ecotourism experiences on Phillip Island.*

We acknowledge that the Crown Land we are privileged to manage forms part of the traditional lands of the Bunurong people and that the Land, Waters and Sea are of spiritual, cultural and economic importance to Aboriginal and Torres Strait Islander Peoples. We are an organisation committed to recognition and reconciliation.

**Since the Nature Parks was created by the State Government in 1996, Phillip Island's wildlife and environment have flourished. The Summerland Peninsula is restored, securing habitat for little penguins and creating a majestic canvas for a truly world class visitor experience.**

We manage an important iconic attraction for Victoria and Australia. The visitor experience across our Island home offers unique opportunities to interact with nature and wildlife. This includes five main visitor attractions: the world-famous Penguin Parade, Koala Conservation Centre, Churchill Island Heritage Farm, EcoBoat Tours to Seal Rocks and the Antarctic Journey at the Nobbies Centre. Each attraction offers memorable experiences that bring our visitors closer to the natural and cultural environment and Phillip Island's unique wildlife.

Our model of funding conservation through quality tourism and education experiences enables us to invest in programs to ensure Phillip Island's landscape, habitats and wildlife are protected for future generations.

Our environmental programs on Phillip Island and beyond are research led and our education programs are developed to echo the key messages for environmental change. Our little penguin, seabird and seal research programs continue to provide a model of conservation excellence and contribute to our understanding of key global issues such as climate change impacts and marine food security.

The management of feral animals and invasive plants on Phillip Island continues to be a major focus. Declaring Phillip Island fox-free in 2017 was monumental. We can now look towards a future where native wildlife and threatened species can once again live in balance within the island's ecosystem.

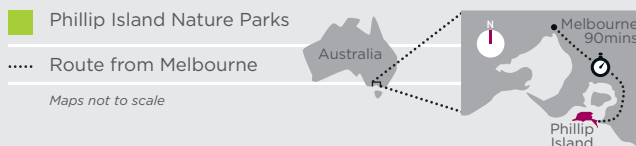
We work in partnership with Government and Non-Government Organisations and our local community to assist in the delivery of key local and state initiatives. These visitor economy and conservation strategies continue to influence our planning and on-ground programs.

We are on the brink of a new era, with the completion of the Penguin Parade visitor centre anticipated for the end of 2019. This major \$58.2M development funded by the State Government (\$48.2M) and the Nature Parks (\$10M) will set a new benchmark for memorable visitor experiences that inspire conservation action.

We are proud to be Phillip Island's largest employer. Our diverse team is dedicated to the Nature Parks' success and we are committed to working with our partners, community and volunteers to make the future of wildlife and nature conservation on Phillip Island a better one for all.

# Our location

## PHILLIP ISLAND NATURE PARKS



For a more detailed map refer to map LEGL./10-005 via our website [www.penguins.org.au](http://www.penguins.org.au)



### PHILLIP ISLAND NATURE PARKS 2017-2018

1.17 million visitors to paid attractions

#### PENGUIN PARADE

Wild penguin viewing at sunset.

**740,899 visitors**



#### ANTARCTIC JOURNEY

Immersive exhibition and boardwalks.

**83,267 visitors**



#### ECOBOAT ADVENTURES

High-speed tours to Seal Rocks colony.

**10,265 visitors**



#### KOALA RESERVE

Close koala viewing in natural habitat.

**191,124 visitors**



#### CHURCHILL ISLAND

Heritage-listed working farm and events.

**143,818 visitors**



#### PARKS AND RESERVES

Over 1,805 hectares of Crown Land for the conservation of areas of natural interest or beauty or of scientific, historic or archaeological interest.



## *Our purpose*

### **THIS IS WHY WE ARE HERE:**

To protect nature for wildlife and inspire people to act.

## *Our vision*

### **THIS IS WHAT WE WANT TO BE:**

A place where conservation and ecotourism excellence inspire people to actively protect the environment.

## OUR GUIDING PRINCIPLES

*These are the choices we make:*

Our organisation is underpinned by three principles which are all integral to our success and guide our decision making:

1. Nature conservation is paramount.
2. Visitor experiences should be authentic and inspire action.
3. Financial sustainability is key to our continued success.

## OUR KEY ASPIRATIONS

- Phillip Island is a safe haven for the protection of native threatened species.
- We are leaders in research and make a significant contribution to the global protection of penguins and seabirds.
- Visitors to all sites are inspired to act for conservation.
- Our ecotourism experiences are world leading and Phillip Island is a premier ecotourism destination.
- We are committed to sustainable initiatives to become carbon, water and waste neutral.
- Reconciliation with Aboriginal and Torres Strait Islander Peoples is embedded in our values and daily action.
- Our volunteer program includes a diverse range of opportunities and is central to our visitor experience.

## OUR PROGRAMS

### *Conservation Excellence*

We support the conservation of native wildlife and healthy ecosystems by demonstrating best practice on Phillip Island and sharing our knowledge globally.

### *Extraordinary Visitor Experiences*

All attractions and natural assets tell a story that increases the conservation knowledge of our visitors and inspires action.

### *Community Partnerships*

Our success starts with our local community. We build upon our strong relationships through genuine engagement and proactive communications.

### *Sustainable Future*

Our conservation values are reflected in all aspects of our operations as we strive for financial and environmental sustainability.

### *Agile Organisation, Inspired People*

We harness the passion and values of our team to deliver extraordinary outcomes. Our organisation is resilient and agile in responding to challenges and meeting best practice.

# Chair and CEO's report

This was a year of conservation milestones, setting exciting future directions and focussing on continued success for our community, team, environment and wildlife.

**The Nature Parks is a diverse organisation and measures success in many ways. This year we are pleased to report that our quality visitor experiences continued to provide the income to support our commitment to protect and enhance Phillip Island's environment and wildlife. We had an operating surplus ('net result from transactions') of \$1.8M driven by both strong visitor numbers at key sites and sound financial practices. This is after investing \$4.1M into conservation, research and education activities.**

We continued the development of a modern, environmental visitor centre at the Penguin Parade which is the most significant infrastructure project in the Nature Parks' history. It will provide major benefits to our visitors and the Victorian Visitor Economy. We celebrated the completion of the design process by Terroir Architects and the appointment of Kane Constructions as the principal contractor with the turning of the first sod in April. We are pleased that the project remains on track and on budget.

Strong visitor numbers were maintained with an overall total of 1.57M visitors. Of these, 1,169,373 attended our paid attractions, consistent with the number of ticketed visitors in 2016-17. We experienced an increase in demand for premium experiences, demonstrating visitors' desire to engage more deeply.

We continued working towards a refreshed visitor experience focus with the development of our first Interpretation Strategy. This will benefit both visitors and the community as we move into the strategy's implementation phase, and will educate visitors on the important cultural and environmental stories that make Phillip Island such a significant place. In August we launched a new volunteer program to better support our existing volunteers and grow opportunities in both conservation and visitor experience roles. This program will also be key to implementing our Interpretation Strategy.

This year we focussed on developing our shared future strategic vision. Through a series of robust discussions and

workshops with the Board, staff, stakeholders and community, we developed the Nature Parks' Strategic Plan 2018-2023. The plan details actions to achieve our long term vision of a place where conservation and ecotourism excellence inspire people to actively protect the environment.

In our desire to champion real change for the planet, work commenced on a 30-year Conservation Plan through stakeholder workshops led by Greening Australia. Once complete, this visionary document will be complemented by the development of the Nature Parks' five-year Conservation Action Plan.

In August 2017 Phillip Island was declared a fox-free island, which was the culmination of 12 years of intensive fox eradication work. We thank the Ian Potter Foundation and the Penguin Foundation for their generosity in supporting this project. We also thank the local community, as we could never have reached this tremendous milestone without their support. With the fox-free environment now established, we are able to pursue significant initiatives in the conservation of threatened species for Victoria. The first of these endeavours was the release of 67 eastern barred bandicoots onto the Summerland Peninsula in October 2017, the next step towards establishing Victoria's only wild population of this critically endangered species. Work also commenced on our first Threatened Species Plan to detail the roadmap to reintroduction of identified threatened animal and plant species. We supported efforts to strengthen feral cat control on Nature Parks land to protect biodiversity and wildlife.

We have significantly strengthened our commitment to the recognition of Phillip Island's Traditional Custodians and Aboriginal and Torres Strait Islander Community. We joined with key organisations to work together for meaningful change, commenced development of our third Reconciliation Action Plan, held our first Board meeting on Country and celebrated Sorry Day, National Reconciliation Week and NAIDOC Week. We thank our local Community for their continued involvement and the Traditional Custodians of the land we are privileged to care for.





## WE ARE ALSO PROUD TO REPORT CONTINUED SUCCESS ACROSS THE ORGANISATION:

- **NEW PARTNERSHIPS.** This year Delaware North joined the Nature Parks' team to operate Food and Beverage services at each of our venues. Delaware North's focus on food quality and developing a strong partnership impressed the Nature Parks in a competitive tender process that saw the organisation establish a ten year operating agreement. We look forward to growing the partnership in the coming years and working together to create an exceptional food and beverage experience for our visitors.
- **POSITIVE PENGUIN NUMBERS.** The average number of penguins crossing the beach at the Penguin Parade continues to exceed the long term average. A recent census has again recorded a small growth in the population estimate on the Summerland Peninsula which now exceeds 32,000 individuals.
- **WILDLIFE PROTECTION.** The hooded plover is listed as a vulnerable bird in Victoria and this was our 26<sup>th</sup> year of monitoring this species. We celebrated another successful breeding season with 12 chicks fledged.
- **HABITAT MANAGEMENT.** Enhancement and planning for key habitats were a major focus this year, supported by 44,000 plants put in across Nature Parks sites. Rehabilitation of the new Penguin Parade car park included 4,341 native plants and placement of 40 additional penguin boxes creating home and habitat for little penguins.
- **INSPIRED STAFF TEAM.** We continued to be Phillip Island's largest employer with 212 employees working in unique and diverse environments. We are pleased to report that we successfully renegotiated our Enterprise Agreement, which received the endorsement of the Fair Work Commission to commence on 1 July 2018. We are indebted to our volunteers who contributed more than 15,000 hours across the Nature Parks. We remained proud to be a White Ribbon Accredited Workplace and to lead by example to raise awareness of this vital issue in our community.
- **CONNECTED COMMUNITY.** Phillip Island has a passionate and dedicated community and we thank all the local organisations and individuals that we work closely with to achieve positive outcomes for our community. More than 2,600 Bass Coast residents enjoyed the Nature Parks' eighth annual Community Open Day and Phillip Island National Surfing Reserve volunteers hosted their fifth annual community surfing team challenge.
- **CLOSE COLLABORATIONS.** We thank our actively engaged Community and Environment Advisory Committee, Reconciliation Advisory Committee, key government agencies, local traders and many other local organisations. We are pleased to have maintained an MOU with Bass Coast Shire Council and have entered into a renewed MOU with the Department of Environment, Land, Water and Planning (DELWP) and appreciate their ongoing partnerships in many activities.

We sincerely thank all committee members for their valuable contributions and Board members for their counsel, time, expertise and dedication.

The Nature Parks bid farewell to Board Chair, Jeff Floyd in March and thanked him for the key role he played in many of our organisation's successes over the past eight years. The Board nominated Kevin Love as Acting Chair and we thank him for his work in that role until the end of the Board term on 30 June 2018.

We also farewelled long-time Board Member Stephen Davie and acknowledged his time and contribution to the Nature Parks, commencing as a staff member in 1974 and including four Board terms. We look forward to welcoming three new Board Members in Michaela Salvato, David Cochrane and Jane Foley, who will collectively bring additional financial, tourism, environment management and not-for profit sector expertise to the organisation's governance.

This year's outstanding achievements would not have been possible without the passion, dedication and support of the staff and volunteers who bring together their diverse backgrounds 'to protect nature for wildlife and inspire people to act'.

**Liz Stinson**  
Board Chair

**Catherine Basterfield**  
CEO

*Report of  
operations*  
*Our year in review*



# Financial review

We strive to achieve quality ecotourism experiences that contribute to environmental excellence and acknowledge that each outcome is dependent on the success of the other.

As a not-for-profit organisation, the Nature Parks relies on the success of its tourism attractions to deliver ongoing funding for important social, conservation, research and education outcomes.

## SUMMARY OF FINANCIAL RESULTS

Our tourism operations experienced another strong year with visitor numbers exceeding one million tickets sold. The Penguin Parade, Churchill Island, Antarctic Journey and EcoBoat Adventures all had visitation consistent with the prior year, with the Koala Conservation Centre the only attraction recording a slight decrease.

Overall, ticketed visits remained consistent with the past year despite the logistical challenges faced with the new Penguin Parade development. The Penguin Parade continued to remain the backbone of our operations with a slight increase in admission revenue primarily driven by increases in the Penguins Plus and Underground Viewing experiences.

Revenue growth from admissions was largely driven through a growth in yield which is evident in the demand for premium products. Revenue from retail operations experienced a slight decrease but remains a critical part of the organisation's funding model. Growth in admission income, combined with ongoing cost control measures, delivered an operating surplus ('net result from transactions') of \$1.7M. This result included significant additional asset depreciation. The Nature Parks revised the estimated useful life of each asset impacted by the development of the new Penguin Parade visitor centre, expected to open in late 2019. This revision accelerated the depreciation on impacted assets and resulted in an additional \$1.7M of depreciation.

The Nature Parks considers operating surplus ('net result from transactions') to be the appropriate measure of financial performance that can be directly attributable to operations. This measure excludes the effects of asset revaluations which are outside of our control.

Our operating surplus ('net result from transactions') excluding this accelerated depreciation, was \$3.4M, \$1.0M lower than the previous year. Total income has reduced in 2017-18 due to the outsourcing of the Food and Beverage operations to Delaware North. However, the net profit to the organisation from the Food and Beverage operations remained consistent with last year under this new arrangement.

Expenses from transactions remained consistent with 2016-17, and included vital ongoing parkwide maintenance and honouring our commitment to delivering conservation excellence.

We have increased our strong cash position with net cash from operations delivering \$6.2M and \$26.5M contributed from the Victorian Government towards the new Penguin Parade visitor centre. We continue to plan for the future, setting aside funds for future possible defined benefit superannuation fund shortfalls and the Nature Parks' funding commitments for the new Penguin Parade visitor centre, with the majority of the cash outlay for this project expected to occur in 2018-19.

## TOURISM OPERATIONS

Visitor attractions admissions revenue was up by 3% on the previous year with 1,422 additional visitors attending the Nature Parks' ticketed attractions.

## RETAIL OUTLETS

The Nature Parks provides retail outlets in each of its visitor attractions. These outlets capitalise on the visitor numbers to each site and achieved a solid profit contribution for the organisation. The Nature Parks has observed a slight fall in customer demand for retail purchases forming part of their visitor experience, which is evidenced by a slight decrease in retail revenue. Retail initiatives continue to focus on the introduction of new product lines that are more closely aligned with our growing international visitor markets and ethical environmental practices.

## FOOD AND BEVERAGE SERVICES

We formed a partnership with Delaware North to operate our café outlets at all sites. This has allowed us to focus on achieving our core purpose of conservation. In 2017-18 this has resulted in a decrease in revenue, however, the profit from our agreement with Delaware North has met expectations and has provided a consistent profit to the former in-house operations.

## CONSERVATION, RESEARCH AND EDUCATION PROGRAMS

During the year we invested \$4.1M into conservation, research and education activities, partially funded by \$0.3M in grants from government bodies and other organisations.

## SIGNIFICANT CHANGES IN FINANCIAL POSITION

The Nature Parks received a \$26.5M capital contribution from the Victorian Government in the form of cash during the year. This was the second payment of a total \$48.2M contribution towards the new Penguin Parade visitor centre, to be paid over three years. The Nature Parks is also contributing \$10M towards this project. As a result of this project, we recorded an additional \$1.7M of accelerated depreciation to account for the existing assets impacted by the new building. There were no other significant changes in the Nature Parks' financial position compared to the previous year.

## TOWARDS 2018-19

- We will continue our focus on enhancing the experience for our visitors, through the redevelopment of the Penguin Parade visitor centre along with growing visitation at all venues.
- We will move our administration office from the current location to create maximum little penguin habitat on the Summerland Peninsula.
- We will continue to ensure that sound financial practices, efficient operations and strong cash flow controls are in place, so that we can provide a maximum return from our ecotourism and environmental programs.

## COMPREHENSIVE OPERATING STATEMENT

For the financial year ended 30 June 2018

	NOTES	2018	2017
<b>CONTINUING OPERATIONS</b>		\$	\$
<b>INCOME FROM TRANSACTIONS</b>			
Admissions	2.1.1	19,568,887	19,022,491
Sale of goods	2.1.1	5,676,547	10,764,386
Other income	2.1.2	3,394,880	1,367,312
<b>Total income from transactions</b>		28,640,314	31,154,189
<b>EXPENSES FROM TRANSACTIONS</b>			
Employee expenses	3.1	(13,253,784)	(13,082,262)
Cost of sales	3.2	(2,322,317)	(4,124,714)
Depreciation and amortisation	4.1	(4,508,991)	(4,345,276)
Other operating expenses	3.3	(6,889,705)	(6,892,565)
<b>Total expenses from transactions</b>		(26,974,797)	(28,444,817)
<b>Net result from transactions (net operating balance)</b>		1,665,517	2,709,372
<b>OTHER ECONOMIC FLOWS INCLUDED IN NET RESULT</b>			
Net gain on non financial assets		141,337	24,162
<b>Total other economic flows included in net result</b>		<b>141,337</b>	<b>24,162</b>
<b>Net result from continuing operations</b>			
<b>Net result</b>		<b>1,806,854</b>	<b>2,733,534</b>
<b>OTHER ECONOMIC FLOWS – OTHER COMPREHENSIVE INCOME:</b>			
<b>ITEMS THAT WILL NOT BE RECLASSIFIED TO NET RESULT</b>			
Changes in physical asset revaluation surplus	8.2	6,473,030	-
<b>Total other economic flows – other comprehensive income</b>		<b>6,473,030</b>	<b>-</b>
<b>Comprehensive result</b>		<b>8,279,884</b>	<b>2,733,534</b>

The accompanying notes form part of these financial statements.

# Major projects and planning

## SIGNIFICANT PROJECTS AND VISIONARY PLANNING ARE SETTING EXCITING FUTURE DIRECTIONS FOR THE NATURE PARKS

Major projects focussed on the continued delivery of the Penguin Parade Visitor Centre Development. This significant infrastructure investment is set to deliver major tourism, environmental and economic benefits for Phillip Island and Victoria.

As our Strategic Plan 2012-2017 neared completion, we commenced the preparation of our next plan along with major strategic documents to shape our future vision in conjunction with key stakeholders and community.

KEY GOAL	MEASURE	RESULT
Penguin Parade Visitor Centre Development project	Complete detailed design	Complete ○○●
	Appoint principal builder	Complete ○○●
	Commence construction	Complete ○○●
Planning for the Nature Parks' future with stakeholders and community	Acquit Strategic Plan 2012-2017	Complete ○○●
	Develop Strategic Plan 2018-2023	Complete ○○●
	Develop major planning documents: Reconciliation Action Plan 2019-2022, 30-year Conservation Plan and Threatened Species Plan	In progress ○●○

## MAJOR PROJECTS

### Penguin Parade Visitor Centre Development project

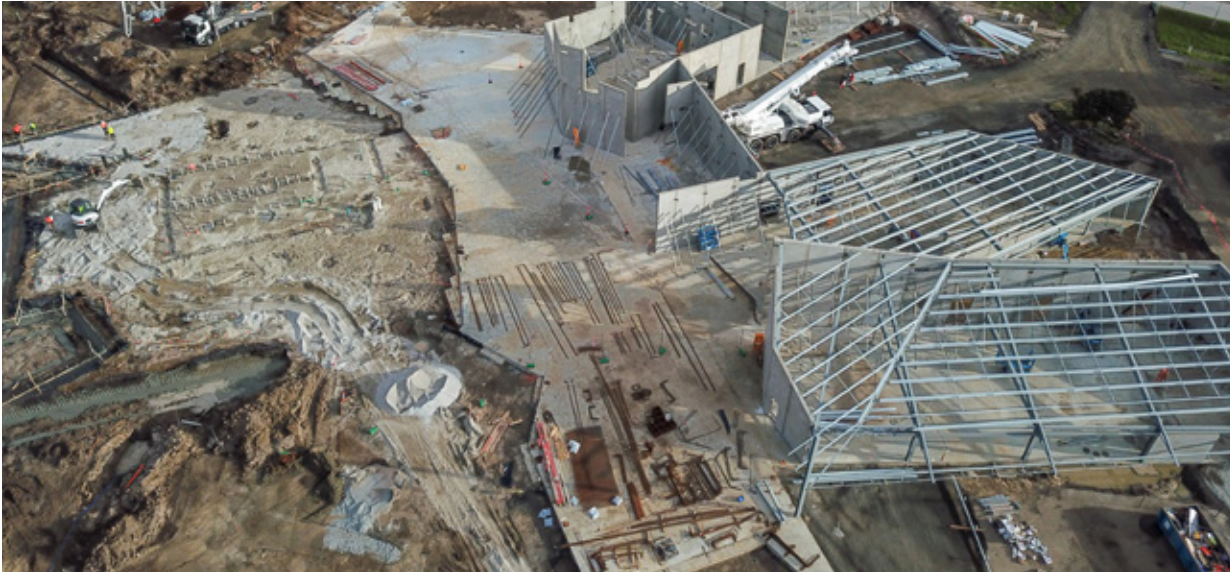
In April 2016, the State Government announced funding of \$48.2M towards a \$58.2M project to develop a new visitor facility at the Penguin Parade with the Nature Parks committing to funding the remaining \$10M. This very substantial investment will significantly improve the visitor experience and contribute to the Nature Parks' vision for the Summerland Peninsula including the reclamation of 6.7 hectares of habitat for penguins and wildlife.

- Detailed design was completed in September 2017 and went to tender with Kane Constructions being appointed as principal builders.
- Stage One of construction began in January 2018 and included the creation of a new visitor car park to enable the building footprint to be prepared on the existing car park. This involved significant environmental works under strict supervision to ensure the ongoing protection of little penguins. Stage One was successfully completed in May.
- Stage Two, the construction of the new visitor centre building, commenced in April with The Hon. Jaala Pulford MLC, Minister for Agriculture, Minister for Regional Development performing a ceremonial sod-turning.
- Stage Three will involve the demolition of the existing building and is expected to start in late 2019 or early 2020.
- The new building is anticipated to open in late 2019.

## ONGOING PROJECTS

- The Master Plan to redevelop Scenic Estate on the north-eastern shore of Phillip Island neared completion. This project led by Bass Coast Shire Council, involved a new network of walking tracks, boardwalks, viewing platforms and seating and is now a significant community asset.
- Through funding assistance from the Living Heritage Grants program, restoration works in the heritage precinct at Churchill Island were completed in early 2018.
- A 32-hectare parcel of farmland adjacent to the Summerland Peninsula was purchased in late 2017 with the objective of securing it for future strategic conservation purposes. This land will provide a crucial environmental buffer to the peninsula and create opportunities for habitat restoration.

*As the Penguin Parade Visitor Centre Development project entered its second year, it gained momentum on the ground with significant milestones reached. Despite major construction works, we were proud to have maintained a continuity of service with minimal impact to visitors.*



Bird's eye view of works at the Penguin Parade Visitor Centre Development Project. Stage One of construction began in January 2018.

## PLANNING

### *Strategic Plan 2018-2023*

The Nature Parks' Strategic Plan 2012-2017 delivered significant achievements for our organisation across a range of areas. With the plan reaching the end of its lifespan, the Board and leadership team met to draft their future vision. Ideas from this session were workshopped with staff, stakeholders and community to prepare a Draft Strategic Plan 2018-2023.

- The Draft was presented at an Open Community Forum and to our Community and Environment Advisory, Reconciliation Advisory and Scientific Research Advisory Committees.
- An open submission process was invited with a total of 37 submissions received from 31 individuals and groups. Overall, there was support and endorsement for the Draft Plan and the new directions it demonstrated.
- The Strategic Plan 2018-2023 sets new directions for the Nature Parks' through seven Key Aspirations delivered through five program areas with goals and measurable targets.

### *Conservation vision*

The acquittal of our Environment Plan 2012-17 was completed and revealed many highlights and rewards for Phillip Island's environment including the continued restoration and rehabilitation of the Summerland Peninsula, significant progress in weed control and revegetation and the ongoing protection of seals, penguins and vulnerable species such as hooded plovers.

In April, work commenced on a new 30-year Conservation Plan through stakeholder workshops led by Greening Australia. This visionary document will inform and complement the Nature Parks' five-year Conservation Action Plan and Threatened Species Plan, both currently in development.

### *Visitor experience*

An increased focus on visitor experience drove the development of the Nature Parks' first parkwide Interpretation Strategy. The high-level strategy was completed in April and details key messages and visitor experiences for each of the Nature Parks' attractions and reserves.

### *Reconciliation with Aboriginal and Torres Strait Islander Peoples*

The Nature Parks' current Reconciliation Action Plan 2015-2018 finishes in December 2018 and work towards our third plan commenced in April with a workshop attended by Board, staff and members of the Aboriginal and Torres Strait Islander Community. A second workshop was held in June to inform a first draft of this important document that demonstrates our organisation's commitment to reconciliation.

## TOWARDS 2018-19

The coming year is set to be one of the most significant in the Nature Parks' history. Nearing completion of the Penguin Parade visitor centre will be complemented by the adoption of key planning documents to set new and exciting directions for the Nature Parks including:

- The launch of our Strategic Plan 2018-2023 outlining new directions for conservation, visitor experience and our commitment to environmental sustainability and reconciliation with Aboriginal and Torres Strait Islander Peoples.
- The launch and implementation of key conservation plans including the 30-year Conservation Plan, five-year Conservation Action Plan and Threatened Species Plan.

# Sustainable future

As an organisation committed to conservation, the Nature Parks is dedicated to the protection and enhancement of Phillip Island’s natural environment, and to making a positive impact by improving our environmental sustainability performance and minimising the environmental footprint of our business operations.

KEY GOAL	MEASURE	RESULT
Integrate environmental sustainability principles into our organisation	Implement a solar energy system at the Nobbies Centre	Achieved ○○●
	Reduce carbon emissions across the Nature Parks by 10%	Not achieved ●○○
	Ensure sustainability messages from the Antarctic Journey at the Nobbies Centre are replicated in the retail and food and beverage offering	In progress ○●○

## CARBON REPORTING AND REDUCTION TARGETS

We continually strive to minimise our impact on the environment by reducing emissions through efficiency programs and renewable energy. In 2017-18 the Nature Parks increased overall emissions by 0.6% due to ineffective solar performance.

*The Nature Parks also measures carbon sequestration through tree planting activities. The estimated carbon to be sequestered at plant maturity through planting in 2017-18 is 7,712 tonnes of CO<sup>2</sup> which is approximately three times Nature Parks emissions for 2017-18.*

## SOLAR ENERGY TO REDUCE ELECTRICITY USAGE

- The Nobbies Centre’s second photovoltaic (PV) system was installed in August 2017 and has a capacity of 54 kw/hours. This investment saw a 16% reduction in electricity consumption for this site and once in operation for a full year should account for approximately 20% of electricity generation.
- The carbon reduction target of 10% was reliant on the organisation getting the full performance from existing solar installations at the Koala Conservation Centre and on the volunteer accommodation facility. Unfortunately, both of these systems were offline for a good portion of the financial year, with the volunteer accommodation building moving location and the Koala Conservation Centre solar experiencing some technical challenges. As a result, the loss in electricity generation offset gains made at the Nobbies Centre. Both systems are anticipated to be operational from December 2018.

## SUSTAINABILITY COMMITTEE

The Sustainability Committee met across the year. This dedicated committee is responsible for promoting sustainable practices and implementing environmentally sustainable initiatives across the organisation.

## TOWARDS 2018-19

With the launch of our Strategic Plan 2018-2023, a new Sustainability Strategy will be developed to provide a framework to ensure that our organisation, team and visitors work together to make a difference.

Key actions will include:

- Implementing a five-bin waste system including food waste.
- Reducing halogen and sodium vapour lighting through the use of LED lighting throughout the new Penguin Parade visitor centre and parking areas.
- Reinstating the PV system on the volunteer house.
- Developing clear sustainability criteria to guide the provision of our retail products.

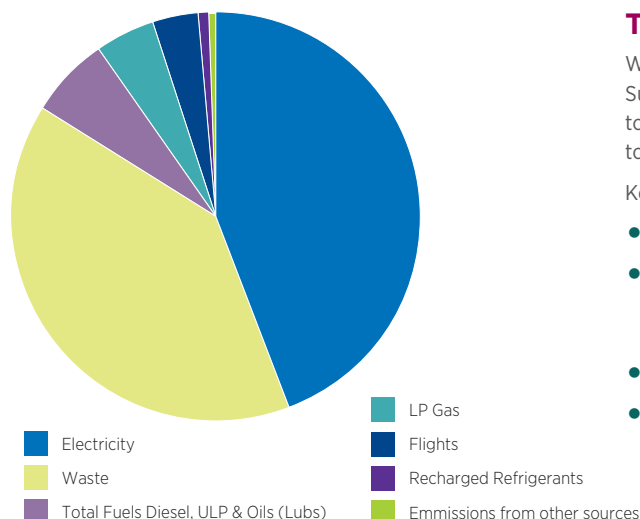


Fig 1: Our Carbon Footprint 2017-18. We are continually striving towards reducing our carbon footprint.

# Conservation

Our award-winning, research-led conservation programs involve working with the community and partners to sustain and improve the environmental, social, landscape and cultural values across Phillip Island for future generations.

KEY GOAL	MEASURE	RESULT
Strengthen the protection of natural assets	Develop a Threatened Species Plan for the Nature Parks	In progress ○ ● ○
	Introduce eastern-barred bandicoots to Summerland Peninsula	Complete ○ ○ ●
	Continue weed control efforts on Summerland Peninsula	Complete ○ ○ ●
Facilitate cooperative approaches to islandwide environmental management	Manage the former Rhyll Transfer Station site in accordance with the current plan.	Complete ○ ○ ●
	Complete island-wide fauna survey, to assist in development of appropriate animal management strategies across Phillip Island	In progress ○ ● ○
Conduct high standard research of relevance to wildlife management on Phillip Island	Continue cat management and research projects	Complete ○ ○ ●
	Continue population monitoring, threat abatement programs, emergency and marine spatial planning for penguins and seals	Complete ○ ○ ●
Raise the capacity and profile of research	Continue to publish research and management papers in peer-reviewed journals, co-supervise students from Australia and overseas and attract grants from philanthropic organisations	Complete ○ ○ ●

## CONSERVATION HIGHLIGHTS

### Future planning

This year saw the completion of our five year Environment Plan 2012-17 and the development of an exciting 30 Year Conservation Strategy to set our future vision.

### Threatened species planning

- We commenced development of a Threatened Species Plan with a working group made up of key stakeholders. The main focus is to re-introduce at least two threatened animal species to Phillip Island over the next five years. The project commits to working closely with Traditional Custodians and agricultural land holders to identify the most appropriate animal for re-introduction.
- A shortlist of ten possible threatened Victorian animal species for potential translocation to Phillip Island was developed including: bush stone curlew, eastern quoll, growling grass frog, king quail, lace monitor, long-nosed potoroo, masked owl, southern bettong, swamp antechinus and the swamp skink.
- The group evaluated the ten possible species based on six key objectives that consider a range of aspects including minimising the impact on community health and economies, existing native species and vegetation, and maximising contribution to Cultural Ecology Management and tourism opportunities.

## Saving eastern barred bandicoots

Between October and December, 67 critically endangered eastern barred bandicoots were released on the Summerland Peninsula. The population is establishing well with subsequent checks revealing excellent body condition, high survival rates, successful breeding and evidence of population expansion. The Churchill Island population established in 2015 continues to flourish, having grown from 20 to at least 120 animals.

We acknowledge the Eastern Barred Bandicoot Recovery Team comprising: Conservation Volunteers Australia, Department of Environment, Land, Water and Planning (DELWP), Mt Rothwell Biodiversity Interpretation Centre, National Trust of Australia, Parks Victoria, Phillip Island Nature Parks, the University of Melbourne, Tiverton Property Partnering and Zoos Victoria.





Fledged per pair ———  
Target fledged per pair ———  
Linear (fledged per pair) ———

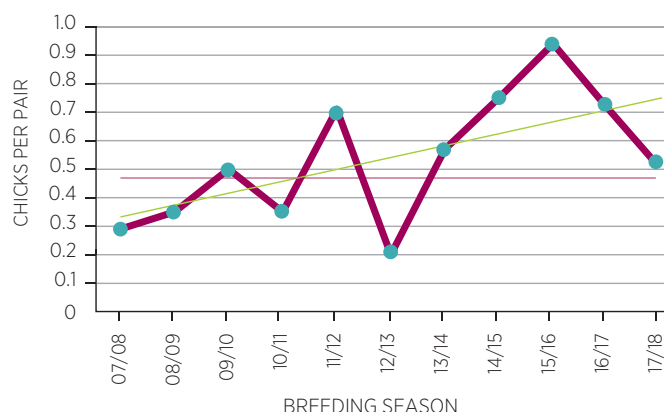


Fig 2: Hooded plover chicks fledged 2007-2018.

### Hooded plovers

Our 26<sup>th</sup> year of hooded plover monitoring resulted in another successful breeding season. We thank Hooded Plover Watch volunteers for contributing over 400 hours to the program.

- A total of 23 pairs laid 41 nests. This is the largest number of pairs attempting to breed ever recorded.
- A final 18 of the 41 nests hatched (43.9%) producing 44 chicks with 12 surviving to fledge (27.3%). This is the third best fledging result on record.

## PROTECTING NATURAL ASSETS

### Weed control for habitat protection and improvement

- Habitat improvement and protection of endangered flora continued through targeted follow-up works.
- Environment rangers spent 1,891 hours managing weeds with help from Newhaven College, volunteers, work experience students and Green Corp. In addition, contractors contributed over 1,000 hours with particular emphasis on Cape Woolamai where a range of techniques was used to control woody weeds including Ecoblade, spot spraying and hand removal.
- We focused on the removal of smothering grasses with the potential to degrade habitat across coastal areas.
- Green Army spent 646 hours on weed management projects.
- Works also focused on following up on new and emerging weeds e.g. Chilean needle grass, sicilian sea lavender, serrated tussock and yellow horned poppy.
- A cloud-based weed application was developed and trialed to enable rangers to spatially record and monitor weed management.

*A total of 23 hooded plover pairs laid 41 nests. This is the largest number of pairs attempting to breed ever recorded.*

### Habitat enhancement

- Enhancement and planning for key habitats was a major focus with over 44,100 tube stock grown and planted at sites across the Nature Parks.
- Management of the Barb Martin Bush Bank native plant nursery successfully transitioned to the Nature Parks.
- Planting at the new Penguin Parade car park commenced with 4,341 native plants and 40 penguin boxes put in to improve penguin habitat.



## Protecting Phillip Island's special wildlife

### KOALA CONSERVATION

There were 24 koalas in the Koala Conservation Centre this year.

- Work continued on the management of trees in woodland areas to ensure public safety.
- An external review of captive koala management was completed and a roll out of recommendations began.
- There were 12 koala sightings reported across Phillip Island with two koalas killed by cars.
- It is estimated that there are less than 30 koalas remaining in the wild on Phillip Island.

### WILDLIFE RESCUE AND REHABILITATION

The Nature Parks operates a Wildlife Clinic for little penguins and other native local wildlife along with a wildlife rescue and advice service during office hours. We maintained our partnership with Wildlife Victoria who coordinated after-hours wildlife rescues on Phillip Island.

During the past year, the Wildlife Clinic team:

- Cared for 92 penguins (132 in 2016-17).
- Cared for 303 other native animals from 57 different species (314 in 2016-17).
- Responded to over 915 calls (875 in 2016-17) to attend wildlife rescues and provide advice.
- Continued a study on the survival and dispersal/preferred habitat for hand-raised ringtail and brushtail possum joeys. The study was approved for a further three years.

### SHEARWATER MONITORING AND RESCUE

Monitoring of short tailed shearwater colony attendance, breeding success and fledgling condition at nest boxes indicated that 2018 was an excellent breeding season with high numbers of chicks of good weights reaching fledging.

- During the annual Short-tailed Shearwater Rescue Program we rescued 1,085 fledging birds (534 in 2017) that had been attracted by lights and landed on roads across Phillip Island and San Remo. These birds were relocated to safer take off areas.
- Over 230 staff hours (200 in 2017) assisted by volunteers were devoted to the program with positive community feedback.
- Lights on the Phillip Island bridge were turned off in two intervals to cover the peak fledging times with the support of SPAusNet.
- VicRoads sponsored a large banner at the San Remo bridge to alert drivers and also made a video for their Facebook page - Saving Shearwater birds in Phillip Island, 2018.
- Interpretive brochures and beach signage increased community awareness and support.

### Bush fire planning and management

The Nature Parks plays an important role in fire management and planning for the Crown Land under its control. We work in partnership with the CFA, Bass Coast Shire Council and Department of Environment, Land, Water and Planning (DELWP) to achieve joint solutions.

A highlight was a joint CFA and Nature Parks fuel reduction burn at Oswin Roberts Reserve. Two years of planning and preparation culminated in a 3.5 hectare burn at the southern end of the reserve. Four CFA tankers and crews assisted ten Nature Parks rangers to execute this strategic fuel reduction burn designed to aid suppression of any future bushfire in this area.

Other achievements included:

- Training an extra two staff in bushfire suppression.
- Development of our annual Fire Operations Plan.
- Fire break maintenance and hazard reduction adjacent to residential areas.

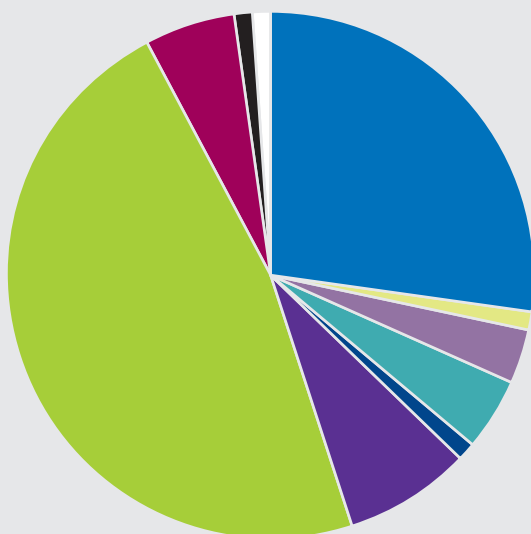


Fig 3: Reasons recorded for little penguin care 2017-18.



## WORLD CLASS RESEARCH

During the year the research team:

- Received over \$350,000 in grant funding
- Produced 13 publications in peer-reviewed journals (Refer Appendix 2 on page 80).
- Continued work on the development of magnetic particle technology with partners at Victoria University.
- Gave more than 40 presentations at Australian and international forums.
- Achieved widespread media coverage and participated in 40 interviews and articles.
- Co-supervised five honours theses, one Masters and nine PhD students as well as completions of two PhDs at University of NSW and Victoria University, one Masters and four honours theses.
- Maintained a large network of international collaborations.

## Protecting little penguins

Research at the Summerland Peninsula penguin colony has been carried out since 1968 making it Australia's longest-running intensive study of a breeding seabird. We also have over 20 years of penguin data on diet, GPS location, food webs, adult biomass, chick growth and weights. This now provides invaluable sources of information on the effects of climate change, food availability, predation and human-based threats.

In 2017-18, the average daily number of penguins crossing the beach at the Penguin Parade was 940. This is the ninth year in a row that the number has been above the long-term average (636).

Penguins had a normal breeding season, with an average number of 1.1 chicks per pair (this is one of the measures of penguin breeding success), close to the long-term average of 1.01 chicks per pair.

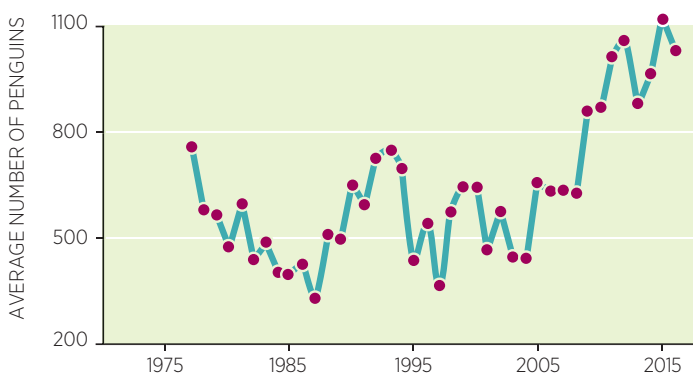


Fig 4: Average number of penguins crossing the beach 1977-2018

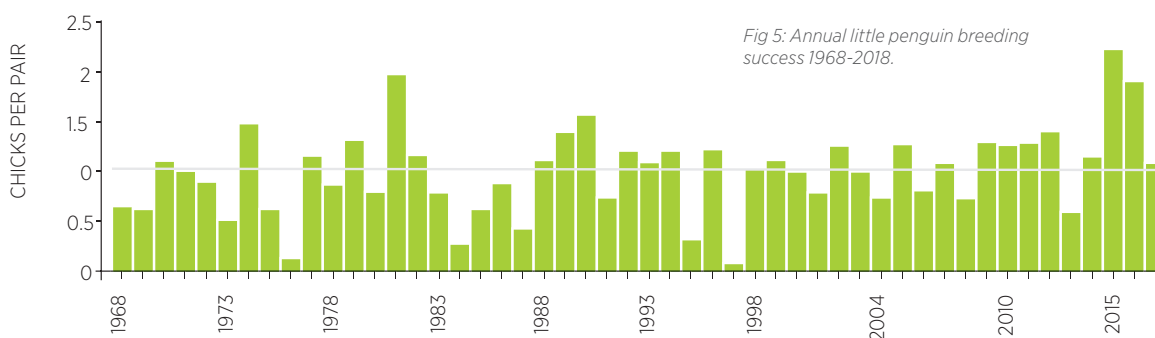


Fig 5: Annual little penguin breeding success 1968-2018.

### *International excellence in research*

*The little penguin is the second most studied species of penguins (after the king penguin). This is due largely to the sheer volume of research conducted by the Nature Parks. The high research output by our team is boosted by intensive international collaboration with scientists from all continents. This year, the Nature Parks contributed and co-authored two high profile papers in Science and Nature Climate Changes. Collaborating with over 100 scientists worldwide, the Nature Parks is proud to be part of the solution to global conservation problems.*



### *Magnetic particle research*

The advances made with magnetic cleaning technology to clean oiled wildlife centred around broadening its application such as use in harsher environments and on a wider range of animals. We consulted with oiled wildlife responders in California and Maryland and demonstrated the technique on birds, mammals, turtles and reptiles. We also presented the technique at an international conference in Baltimore.

### *Little penguin feeding hotspots*

Penguins spend 80% of their lives at sea. An important future challenge for little penguin conservation is to address marine risks including shipping, fishing and rapid climatic changes. Our collaborative research, funded by the Australian Research Council, is revealing penguin feeding hotspots and environmental stressors affecting their foraging success. This will allow us to identify critical marine areas that will ensure future penguin food security.

### *2016 IUCN Red List assessment update for little penguins*

The Steering Committee of the IUCN Penguin Study Group met this year to compile and rank the top three actions and priorities for conservation and research on penguins globally. While penguins live in diverse habitats with different pressures around the globe, all penguin species share their primary action needs; actions that are now IUCN global priorities on penguins.

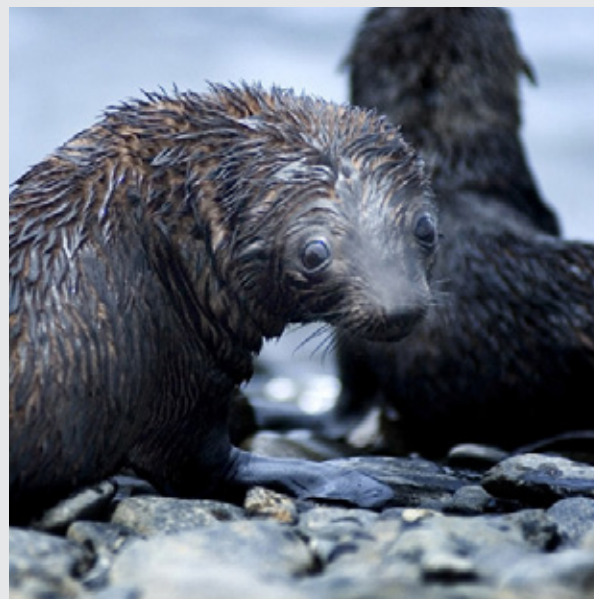
Little penguin populations are in better shape than any other temperate species. However, the decline in populations in some Australian states and New Zealand, combined with the increasing effects of climate change, is concerning. Success stories result from colonies that have conservation plans and actions, making Phillip Island's population a perfect example, where most of the threats on land have been monitored and dealt with over the years.

### Effects of artificial lights on penguins and shearwaters

Phillip Island is home to one of the world's largest colonies of little penguins where artificial illumination has been used for nightly viewing for decades. Results of recent studies have led to conservation measures such as adopting dim and wildlife-friendly lighting for penguins and reducing light pollution to mitigate light-induced mortality of shearwaters across Phillip Island in collaboration with Bass Coast Shire Council and VicRoads.

### Australian and long-nosed fur seals

- The third, five-yearly census, of Australian fur seals across Victoria was performed in January 2018. Australian fur seal pup numbers have decreased to 10,761 live pups compared to the peak of 17,136 pups in 2007. Long-nosed fur seal pup numbers remain low at a minimum of 280 pups.
- From July 2017 to June 2018 we identified 25 individual Australian fur seals entangled in marine debris on Seal Rocks, 10 of these were captured and released. We demonstrated that Remote Piloted Aircraft (RPA) surveys can detect up to six times more seals entangled in marine debris than counts on site and that we have been underestimating the scale of the problem.
- We launched an online citizen science portal called SealSpotter in May. To date, 392 people from 21 countries have participated in counting over 280,000 seals from 42,357 images to assist in calculating an average number of seals per image. The portal is also used to mentor young women in science as part of the regional Science Technology Engineering and Maths (STEM) Sisters program.



The third, five-yearly census, of Australian fur seals across Victoria was performed in January 2018.

### TOWARDS 2018-19

The coming year will set significant future directions for conservation including:

- Completing our 30 Year Conservation Strategy and five-year Conservation Action Plan.
- Launching the Threatened Species Plan and finalising a detailed plan for the re-introduction of one species.
- Enhancing community partnerships including promoting living with wildlife.
- Further developing magnetic particle cleaning technology and its benefits for wildlife.

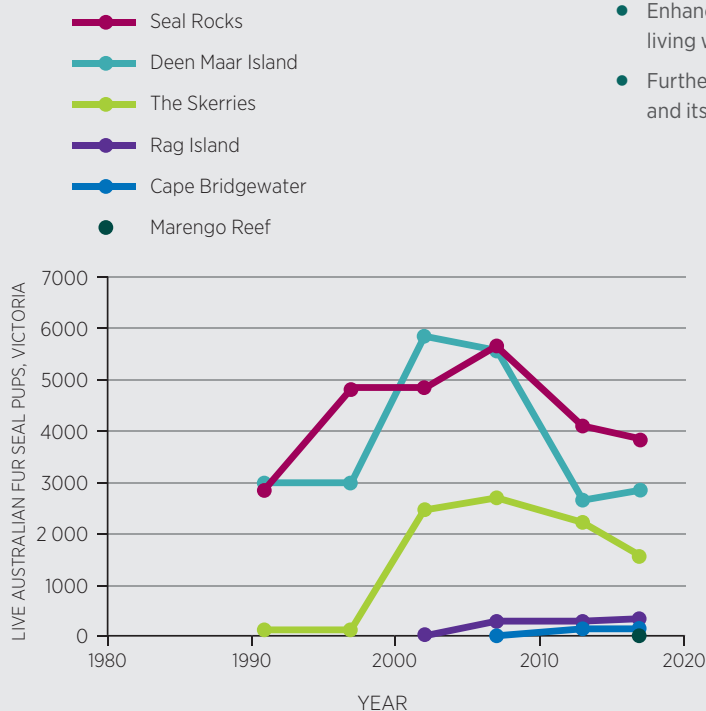


Fig 6: Australian fur seal pup census by Victorian colony.

# Visitor attractions

Providing quality, memorable opportunities for visitors to experience Phillip Island's special places and wildlife in its natural habitat is central to our goals.

## ANOTHER YEAR OF STRONG VISITOR NUMBERS

Visitation	2017-2018	2016-2017
Penguin Parade	740,899	730,888
Churchill Island	143,818	141,628
Koala Conservation Centre	191,124	207,526
Antarctic Journey	83,267	78,977
EcoBoat Tours	10,265	8,936
<b>Total paid visitation</b>	<b>1,169,373</b>	<b>1,167,955</b>

*We welcomed a total of 1,169,373 paying visitors across all attractions, slightly exceeding budget.*

*The overall increase is mainly attributed to the increase of international and Meetings, Incentives, Conferences and Exhibition (MICE) markets, as well as the Antarctic Journey and EcoBoat Tours.*

*Overall, there were in excess of 1.5M visitors to Nature Parks venues. This includes visitors to the Nobbies Centre which is a free entry venue.*

## VISITATION ACROSS THE NATURE PARKS

### Penguin Parade

The Penguin Parade was the source of an increase in revenue resulting from a modest growth in visitors, which were primarily from the Meetings, Incentives, Conferences and Exhibition (MICE) market. An increase in the number of visitors experiencing premium experiences also resulted in revenue growth.

International visitation remained a significant portion of the Nature Parks' customer base and we continued to see an increase in visitors from China. This was offset by slightly lower visitation in a number of other international markets.

### Churchill Island

Churchill Island visitation increased slightly with major events for domestic visitors and MICE visitors helping to balance the decline from South East Asia.

KEY GOAL	MEASURE	RESULT
Increase visitor numbers and yield	Achieve admission revenue of \$19,027,062 or greater	Achieved ○○●
	Achieve visitor numbers across all paid attraction sites of 1,158,021	Achieved ○○●
	Achieve Penguin Parade admissions yield of \$21.58	Achieved ○○●
Optimise our visitor markets	Develop major domestic marketing campaign	Not achieved ●○○○
	Develop and implement Digital Marketing Plan	In progress ○●○○
Improve identity, communications and partnerships	Commence new branding implementation	Achieved ○○●
	Develop positive partnership with Delaware North and finalise transition processes	Achieved ○○●

### Koala Conservation Centre

There was an 8% decrease in visitors to the Koala Conservation Centre. This was largely due to a decrease in international visitors driven by a rise in the number of competing koala experiences in Victoria and Australia.

### Antarctic Journey

The Antarctic Journey at the Nobbies Centre experienced a 5% increase. This can be attributed to increased promotional activities and events held during domestic school holiday periods.

### EcoBoat Tours

The EcoBoat demonstrated a 15% growth due to increased promotional activities, reduced number of weather cancellations and running of extra tours during peak periods.

### Parkwide

We sold a total of 112,031 Multi Parks Passes representing a 7% increase from the previous year. These passes incorporate discounted entry into any combination of our five main visitor attractions and extend visitor stay.

### Nature Parks in the news

A key part of our marketing strategy is to raise awareness of the Nature Parks in the wider community. To support this, we achieved impressive editorial media coverage translating to a value of \$30M in equivalent advertising expenditure, and an effective circulation reach of 500 million people.

## OPTIMISE OUR VISITOR MARKETS

### *Develop domestic marketing campaigns*

Our key focus is to increase domestic visitation and length of stay on Phillip Island. Domestic marketing activities included:

- Promoting the 4 and 5 Parks Pass as the preferred ticket type to increase awareness, length of stay on Phillip Island and visitor yield. The 4 Parks Pass sales reached 25,038 tickets compared to 19,170 in 2016-17 and 5 Parks Pass sales reached 1,419 tickets compared to 620 in the previous year. We maintained sales of our 3 Parks Pass with 72,006 sold.
- Continuing the rollout of our promotional calendar in partnership with Royal Automobile Club of Victoria (RACV) and featuring member benefits.
- Hosting family events at Churchill Island such as a Kids Festival and new family events at the Antarctic Journey.
- Leveraging off major events in Melbourne such as Moomba Festival, Royal Melbourne Show, Big Freeze, Melbourne Garden and Flower Show as well as regional shows.
- Building and enhancing relationships and collaborating with local accommodation providers, Bass Coast Shire Visitor Information Centre and Federation Square.
- Working with Destination Phillip Island on destination campaigns and events.
- The planned implementation of a major domestic marketing campaign has been deferred until the opening of the Penguin Parade visitor centre.

### *Digital marketing*

Our focus towards digital marketing continued to drive [www.penguins.org.au](http://www.penguins.org.au). Online booking sales increased to 30% of transactions. We also completed the development of our island wide conservation and interpretation App: Phillip Island Park Ranger.

We partnered with NewsXtend (NewsCorp) to develop an integrated digital campaign to increase awareness of Phillip Island as a nature based destination for the Melbourne market and to increase multi-pass sales. The campaign included Google Adwords, retargeting, display targeting and social media and reached over five million people for the campaign duration.

### *International market snapshot*

#### CHINA

We reached a milestone in Chinese visitors to the Penguin Parade welcoming over 214,000 visitors from China through the year.

- We extended our marketing activities and distribution to second and third tier cities. Marketing activities now cover Shanghai, Beijing and Guangzhou as well as Chengdu, Shenzhen, Chongqing, Nanjing, Tianjin and Hangzhou.
- We continued to implement our three-year China strategy.
- We continued development of our Chinese website and social media channels.



Visitation was largely driven by the Meetings, Incentives, Conferences and Exhibition (MICE) market.

#### INDIA

We undertook the following activities in this emerging market:

- Appointed a new in-market representation agency.
- Extended distribution and marketing activities to cover all market segments and demographics including groups, free independent travellers, visiting friends and relatives, education and incentive market visitors.

### *Meetings, Incentives, Conferences and Exhibition (MICE) market*

- We hosted over 12,000 high yield MICE visitors including one of the largest incentive groups to visit Victoria in recent years. The Cathay Life group yielded 2,500 visitors over five days.

#### NEW BRANDING

We were delighted to launch the Nature Parks' new branding including:

- The masterbrand Phillip Island Nature Parks: There is no substitute for real experience.
- Experience branding for each visitor location with welcoming illustrations.

We plan to roll out the new branding over the next 12-18 months starting with corporate communications, retail and marketing collateral followed by updated signage across all sites.

#### TOWARDS 2018-19

The next year will be an exciting one for tourism experiences at the Nature Parks. We will:

- Maintain our commitment to our key markets.
- Continue to roll out the new branding.
- Maximise funding through sponsorships and grants.
- Attract and leverage domestic and international events.
- Plan the launch of the Penguin Parade Visitor Centre.

# Education and interpretation

Interpretation brings the Nature Parks to life for visitors. Our education programs inspire students and visitors to discover Phillip Island's wildlife and environment and take action for its conservation through a range of dynamic programs.

KEY GOAL	MEASURE	RESULT
Develop high quality talks and tours	Deliver curriculum linked experiences	Achieved ○ ○ ●
	Implement new international tours	Achieved ○ ○ ●
	Implement two new EcoBoat tours	Achieved ○ ○ ●
Maximise funding and strategic partnerships	Maintain and seek further opportunities	Achieved ○ ○ ●
	Strengthen existing partnerships	Achieved ○ ○ ●
Complete parkwide Interpretation Strategy	Complete and commence implementation through applying key themes	Achieved ○ ○ ●
Implement major behavioural change campaign	Continue to work with Zoos Victoria to support campaign	Achieved ○ ○ ●
Strengthen community relationships	Provide extensive opportunities for community to engage in conservation	Achieved ○ ○ ●
Improve Penguin Parade visitor experience	Develop key messaging and new experiences	Achieved ○ ○ ●
	Collect feedback to evaluate success	Achieved ○ ○ ●
Assist media and marketing groups	Provide tours for guests	Achieved ○ ○ ●

## DELIVERING MEMORABLE VISITOR EXPERIENCES

- A total of 37,265 school students visited the Nature Parks representing a 3.21% increase on 2016-2017. A total of 21,415 students visited the Penguin Parade and 4,694 visited the Antarctic Journey at the Nobbies.
- We delivered face-to-face educational experiences to 20,424 students including 1,230 international students.
- A total of 4,276 students participated in incursion programs where our teachers visit their classrooms. This is a 126.97% increase on last year.
- Rangers provided high-quality visitor experiences at the Penguin Parade viewing areas with 15,654 visitors enjoying personalised tours.

### Campaigns with impact

*In 2017, the Nature Parks partnered with Zoos Victoria to launch the When Balloons Fly, Seabirds Die community conservation program to raise awareness of the impacts balloons can have on wildlife and empower Victorians to use bubbles instead of balloons at all outdoor events.*

*To date 130,085 people and 180 organisations have committed to blow bubbles not balloons.*



We delivered face-to-face educational experiences to 20,424 students.



## NEW ECOTOURISM EXPERIENCES

Two new tours were created for international students. Phillip Island Wildlife Warriors and Penguin Research Assistant enable students to develop a greater understanding of the natural environment through immersive and conservation-in-action based experiences such as building little penguin homes.

## PARTNERSHIPS AND PROJECTS

- The award winning Coastal Ambassadors Program was delivered to Year 5/6 students from 23 schools and to 10 schools through the Year 9 Senior Program. This was the final year of this successful program which was supported by the Victorian State Government – Department of Education and Training - Strategic Partnerships for 2018-2020. Planning for delivery of an exciting new program commenced with implementation expected in August 2018.
- Support from ExxonMobil ensured the continuation of the Chirpy Chicks incursion program. Education rangers visited 27 Victorian schools to present sessions to 3,676 Prep -Year 2 students.
- Andrews Foundation funding allowed us to successfully develop and implement a Marine Debris education program for Year 3-4 students at local schools.
- This year Nature Parks launched a marine debris beach cleaning and monitoring project across 10 Phillip Island beaches. With 35 dedicated volunteers undertaking monthly clean-ups, we gained data about the quantity, type and source of debris. Results will be shared with industry, government and key stakeholders.
- The Thinking Systematically program aims to build Science, Technology, Engineering and Mathematics (STEM) skills in young learners using hands on, real-world situations. With support from the Disney Foundation, we hosted 402 students from 8 schools on a day excursion to Phillip Island.

## COMMUNITY AND TEAM ENGAGEMENT

- Free holiday activities held in September and January provided community engagement through guided ranger walks, art workshops and more.
- We supported 22 students through our week-long work experience program.
- We supported the Biyadin Festival. Over 1,000 people attended this unique cultural event that uses the arts to contribute to Aboriginal and Torres Strait Islander cultural regeneration and language revival and celebrates the return of the Biyadin (short-tailed shearwaters).
- We provided Science Week activities at the Antarctic Journey and a two-day Teacher Expo to help us to build relationships with teachers and schools through professional development.

## TOWARDS 2018-19

In the coming year we will continue to focus on the development and delivery of new, high quality experiences that meet our conservation objectives. A key focus will be the roll out of the Interpretation Strategy and campaigns to inspire conservation action. We will also:

- Assist and support volunteer programs and community engagement.
- Continue to develop partnerships and seek new partners.
- Maximise funding to support our educational programs.



*The Thinking Systematically program aims to build Science, Technology, Engineering and Mathematics (STEM) skills in young learners using hands on, real-world situations.*

# Community connections

Our local community plays a vital role in supporting the Nature Parks and we are committed to ongoing consultation and involvement.

We aim to deepen engagement with our region and community, seeking to achieve trust through increased communication and transparency.

KEY GOAL	MEASURE	RESULT
Increase the frequency and depth of communication with the local community	Publish key Annual Report outcomes in local newspapers each financial year	Achieved ○○●
	Continue to conduct Community Advisory and Environment Committee meetings	Achieved ○○●
	Manage the National Surfing Reserve Committee	Achieved ○○●
Increase community participation, visitation and involvement	Hold the eighth Community Open Day	Achieved ○○●
Strengthen connections with the Aboriginal and Torres Strait Islander Community	Implement actions from our Reconciliation Action Plan (RAP) 2015-18 and commence development of our next RAP	In progress ○●○

## CELEBRATING CONNECTIONS

We thank our vibrant and committed community for their ongoing involvement, notably through participating in Advisory Committees, supporting new and ongoing initiatives and strategic planning. During the year, we invited community input for the development of our next Strategic Plan 2018-2023. All sessions were well attended and provided valuable insight into these important programs.



## INFORMING OUR COMMUNITY

The Nature Parks continued to further community relations through facilitating events and programs and providing information sessions and opportunities for involvement in the implementation of the Nature Parks' major planning documents.

*A Community News section to inform the community is maintained within the Nature Parks website [www.penguins.org.au](http://www.penguins.org.au)*

## COMMUNITY OPEN DAY

This one-day community event is held annually on the first Sunday in March and invites the community to discover or re-discover the Nature Parks.

Our eighth annual Open Day was again a success with over 2,600 locals enjoying the activities and free entry to Nature Parks attractions. The event program was developed and implemented by a working group consisting of Nature Parks and local community group representatives and showcased our venues, programs and key environmental messages.

## PHILLIP ISLAND NATIONAL SURFING RESERVE

This year marked five years since Victoria's first and only National Surfing Reserve was formally declared in March 2013. The Reserve is made up of four sites along Phillip Island's coast including Cape Woolamai, Smiths Beach, Summerland and Cat Bay and is overseen by a community working group supported by the Nature Parks and Bass Coast Shire Council and including representatives from Phillip Island Boardriders Club, Woolamai Beach Surf Life Saving Club and the surfing community. The group met regularly throughout the year to continue to promote the Reserve, surfing culture and environmental protection on Phillip Island under the themes of: Share, respect, preserve.

### Achievements included:

- Running a successful Surfing Tag Team Challenge event in April at Summerland Beach.
- Distributing a brochure about the Reserve and how to care for the areas within it.
- Featuring on the back of Phillip Island Official Visitor Guide.
- Maintaining a surfing history archive with the Phillip Island and District Historical Society.
- Continuing a joint project with Nature Parks rangers to remove marram grass and restore the dune systems at Cape Woolamai.

*More information can be found at [www.surfingreserves.org](http://www.surfingreserves.org) and the Reserve's Facebook page.*

*We joined with Bass Coast Shire Council, Westernport Water, Bass Coast South Gippsland Reconciliation Group, Bunurong Land Council and Community to host our first joint event program for National Reconciliation Week.*

## COMMUNITY INCLUSIVENESS AND SUPPORT

### Reconciliation

The Nature Parks acknowledges the Traditional Custodians, Elders past, present and future, the Ancestors and their spirits of the land on which we live, work and learn. We also pay our respects to our Aboriginal and Torres Strait Islander staff, visitors and wider Community.

The Reconciliation Advisory Committee continued to report directly to the Board and commenced development of the Nature Parks' third Reconciliation Action Plan with national body Reconciliation Australia. Workshops with the Board and staff were held to develop actions and measurable targets around the themes of strong relationships, fostering mutual respect and exploring and providing opportunities for Aboriginal and Torres Strait Islander Peoples. The draft plan will be submitted for endorsement by Reconciliation Australia in July 2018.

#### Key reconciliation achievements include:

- Expanding relationships and opportunities with Traditional Custodians, Aboriginal and Torres Strait Islander Community members and key reconciliation organisations.
- Joining with Bass Coast Shire Council, Westernport Water, Bass Coast South Gippsland Reconciliation Group, Bunurong Land Council and Community to host our first joint event program including National Sorry Day, National Reconciliation Week and NAIDOC Week.
- Supporting the annual Biyadin (Shearwater) Festival.
- Maintaining Respect Our Culture Certification through Ecotourism Australia.
- Holding our first Board meeting on Country in April.
- Inviting input into incorporating Traditional Ecological Knowledge into programs.

Our RAP 2015-18 is available at [www.penguins.org.au/about/corporate-affairs/publications/reconciliation-action-plan/](http://www.penguins.org.au/about/corporate-affairs/publications/reconciliation-action-plan/)

### Community support

The Nature Parks continued to support community events and organisations including Bass Coast Business Awards, Phillip Island Pro World Surf League event, Cowes Classic, Phillip Island Plastic Bag Free, White Ribbon, World Ranger Day, Barb Martin Bush Bank, Biyadin Festival, Friends of Churchill Island Society, Destination Phillip Island Regional Tourism Board and Bass Coast Shire Council.

*Our eighth annual Open Day was again a success with over 2,600 locals enjoying the activities and free entry to Nature Parks attractions.*

### Cultural diversity

Over 58% of Nature Parks visitors are from overseas and we cater for these groups through staff training and tailored publications, programs, iPhone apps, QR codes and audio information in over six languages. Our signage uses international symbols and we acknowledge cultural celebrations and beliefs such as Chinese New Year and various religious observances. We are an equal opportunity employer.

## TOWARDS 2018-19

We will continue our commitment to deepening our connection with our community through:

- Engaging in innovative and inclusive communications and consultation regarding the development of new plans and initiatives for the future of the Nature Parks.
- Utilising new technology to connect with the local community to deliver on our clear conservation, ecotourism and reconciliation objectives.
- Implementing our commitment to recognition of Aboriginal and Torres Strait Islander Peoples through partnerships and protocols and our next Reconciliation Action Plan.
- Continuing to support Phillip Island National Surfing Reserve activities.
- Hosting our ninth Community Open Day on Sunday 3 March 2019.



# Our team and volunteers

Our future vision will be delivered through valuing our employees, developing skills and supporting their health and wellbeing.

The Nature Parks is Phillip Island's largest employer. Our diverse team is made up of members working in conservation, education, visitor services, marketing, retail, administration and facilities management.

Our structures and processes support our team and underpin activities to prepare us for the future while creating a positive culture to reflect our values.

KEY GOAL	MEASURE	RESULT
Plan our workforce	Maintain Management Succession Plans for each department	Achieved ○○●
	Implement a Learning and Development Strategy for individuals identified as appropriate successors for management positions	Achieved ○○●
	Prepare Learning and Development Plan 2017-2019 catering for identified needs and budget considerations	In progress ○●○
	Implement new organisation structure	Achieved ○○●
Build a strong organisational culture	Conduct at least 20 proactive safety audits across the Nature Parks with at least 10 high-risk activities	Achieved ○○●
	Fully implement the Transforming our Organisation program to assist with change management across organisation	Achieved ○○●
	Implement Human Resource Information System (HRIS) to support effective management of employees and the associated human resources activities	In progress ○●○
	Develop a Volunteer Program that continues to work with the local community and increases volunteer positions in assisting to deliver quality visitor experiences across our sites.	Achieved ○○●

## WORKFORCE PLANNING

### Management succession plans

We have mapped the future of our organisation through implementing succession plans for key positions and critical roles. These are supporting the development of employees, building on potential and offering opportunities for learning.

### Learning and development

Developing our people focuses on building capacity across all areas of the organisation to support growth. This year we undertook programs to increase cultural intelligence in our employees and support their interactions with other employees, stakeholders and visitors. Leadership and team development was also an area of focus in supporting change and a range of Occupational Health and Safety programs were undertaken.

### Organisation structure

We implemented our new structure which is designed to align with core business activities and future growth. This year, there were further reviews at the departmental level to target a specific changing focus in the areas of Visitor Experience and Conservation.

Supporting employees through these reviews continued through our change program which aims to develop resilience and increase capability.

## STRONG CULTURE

### Our values

We continue to support our culture and enhance communication through our values. Our Visions and Values Committee further undertook an evaluation in conjunction with employees which demonstrated the positive relationships and communication within our team while influencing future enhancement.

### Volunteers

We were delighted to launch our new Volunteer Program in August 2017 with its implementation already demonstrating positive changes for many of our volunteers.

- Over the year 13,481 volunteer hours were recorded representing an increase on the previous year's total of 11,887 hours.
- This contribution was from individuals within our organisation along with community groups including Surf Beach Sunderland Bay Coast Action Group, Friends of the Koalas, Friends of Churchill Island Society and Penguin Study Group.
- An additional contribution of 1,668 work experience/ internship hours and 900 corporate/groups volunteering hours was also recorded. Activities undertaken consisted of habitat restoration, monitoring wildlife populations, wildlife rescue and rehabilitation, visitor services and more.

## WORKFORCE DATA

### Nature Parks' workforce profile

Staff	2017-18	2016-17	2015-16
Executive roles	6	6	6
Senior managers	4	4	4
Supervisors	23	23	20
Administration	22	20	15
*Commercial	99	142	136
Field	58	58	55
<b>Total</b>	<b>212 (162 FTE)</b>	<b>262</b>	<b>236</b>
Male	79	92	82
Female	133	170	154
Self-described	0	0	0

\*NOTE: Figures for 2017-18 reduced due to outsourcing of food and beverage services.

- This year we celebrated National Volunteer Week with presentations and a lunch at Rhyll Hall. Long-term volunteers who have contributed up to 40 years of service were recognised at the event.

*A recent volunteer survey showed 88% of volunteers are very satisfied or extremely satisfied with their volunteer experience under the new Volunteer Program.*

A list of our wonderful volunteer groups and supporters can be found on the inside back cover of this report.

## OCCUPATIONAL HEALTH AND SAFETY

Communication and implementation of our Safety Management System continues to be a focus of the Occupational Health and Safety (OH&S) team within our organisation. Further development of safe work practices and procedures to support staff, contractors and volunteers has been undertaken throughout the year.

The OH&S Committee met monthly to provide guidance and support to work groups to ensure that key safety messages and understandings are communicated and staff are provided with consultation opportunities. The Emergency Planning Committee worked to develop a new Emergency Response Plan with supporting procedures and response guides.

### Managing risks

Priority has been placed on controlling organisation risks through policy, procedure, process and risk assessment reviews. Engagement and consultation with employees to identify and review risks provides a base for the development of appropriate and supportive processes and implementation of safe work practices.

## Safety Management System

Processes and strategies defined within the Safety Management System continue to be reviewed and improved. This includes better reporting and analysing of incidents and hazards, identifying trends and implementing controls to reduce recurrence.

### Incident Management

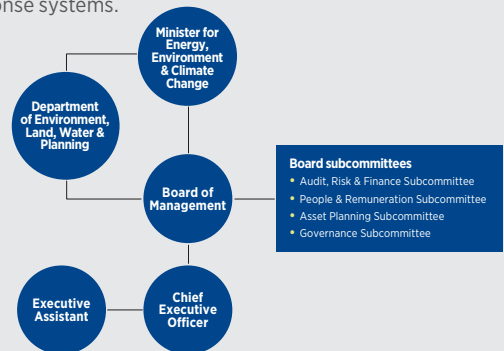
During 2017-18 there was a continued rise in the reporting of incidents as seen in the previous year. A 78% increase in reports of incidents as near misses contributed to the 5.8% decrease of incidents resulting in injuries. This demonstrates increased staff awareness and participation in our systems including reporting of incidents regardless of injury or damage occurring. This allows for better risk management and process development to continue driving the Safety Management System.

### Injury Management

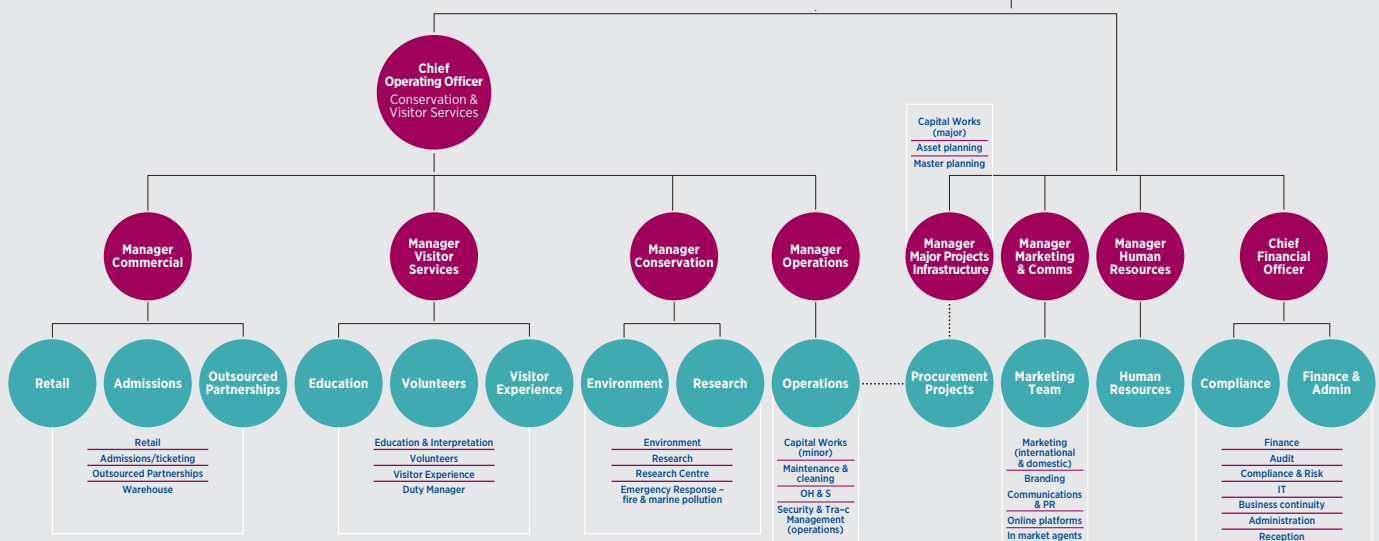
There were four staff who were supported through work related injuries or illnesses which is a decrease from six in 2016-17. We also focused on non-work related injury management in an effort to improve long term injury reduction.

## TOWARDS 2018-19

- Our priorities will be aimed at supporting employees through change as we undergo relocations from the Penguin Parade site and changes in the way we work within a variety of facilities.
- Our new corporate branding will be delivered through a uniform designed to align with our organisation branding and reflect the breadth of our organisation.
- We will continue to develop our OH&S and Emergency Response systems.



## ORGANISATIONAL CHART 2017-18



# Governance

Phillip Island Nature Park Board of Management Inc. (known as Phillip Island Nature Parks) was created by the State Government in 1996 and is the only 'Nature Park' in Victoria. The term means that all conservation areas are managed under the *Crown Land (Reserves) Act 1978*.

The Nature Parks is governed by a Board of Management established under the *Crown Land (Reserves) Act 1978*. The responsible Minister for the period from 1 July 2017 to 30 June 2018 was the Hon Lily D'Ambrosio MP, Minister for Energy, Environment and Climate Change.

## OUR BOARD

### *Objectives, functions, powers and duties*

Board members are appointed by the Responsible Minister under the *Crown Land (Reserves) Act 1978* Section 15 Powers of Committees of Management (1). 'A Committee of Management of any land appointed under Section 14-(a) shall manage, improve, maintain and control the land for the purposes for which it is reserved.'

### *Board member attendance*

Our Board met eight times during the year to provide governance and strategic direction.

Jeff Floyd - Chair	5 / 5 *retired March 2018.
Kevin Love - Acting Chair	8 / 8
Andrew Paxton	8 / 8
Dr Danielle Auldish	8 / 8
Kay Spierings	8 / 8
Liz Stinson	8 / 8
Shelley Lavender	8 / 8
Stephen Davie	8 / 8

**Jeff Floyd (Chair 1 July 2017 - March 2018)** is the CEO of Strategic Advisory and Facilitation Services Pty Ltd, a management, governance and risk consulting business. He is an Adjunct Professor at Victoria University and has had a distinguished career as a CEO and Board Director in both the public and private sectors; including extensive experience in environmental management and tourism. As the former CEO of Parks Victoria, Tourism Victoria and AAA Tourism, Jeff understands the critical need to pursue tourism growth within a framework of environmental excellence and community consultation. Board Member from 21 July 2010. Chair from September 2012. Retired 2 March 2018.

**Kevin Love (Acting Chair April - June 2018)** operates his own advisory business, specialising in project management, policy advice and governance. For over 20 years Kevin worked at the Department of Agriculture in regional Victoria, including 12 years at Leongatha. He also worked with the Department of Premier and Cabinet as the executive with principal responsibility for advising Premiers Kennett and Bracks on policies, programs and major projects related to resources and infrastructure.

In late 2002 he moved to the Department of Sustainability and Environment as Deputy Secretary, and led significant institutional and organisational reform, had responsibility for the State's public land estate and assets and established himself as a national leader in natural resource and marine and coastal management policy. Board Member from 9 August 2013. Acting Chair from April 2018.

**Liz Stinson (Chair July 2018 - current)** brings to her role on the Board many years of experience at operational and management levels in teaching, community services and environmental education in Canada and Australia, and more recently in international business development in Australian universities, including Deakin and La Trobe. Liz holds postgraduate qualifications in zoology, educational management and leadership and business administration and is a Graduate Member of the Australian Institute of Company Directors (GAICD). In addition to her responsibilities with the Phillip Island Nature Parks Board, Liz's other board commitments include her local branch of the Bendigo Community Bank and Community Housing (Victoria) Ltd. Board Member from 5 September 2015.

**Andrew Paxton** brings extensive experience and qualifications in Landscape Architecture, Business and Organisational Leadership. His MBA thesis explored the application of triple bottom line principles to park management. Andrew is the General Manager, Planning & Development at Cardinia Shire Council. His previous roles in design, capital works and sustainability included Chief Ranger and Business Manager at Parks Victoria and management roles in local government. Board Member from 5 September 2012.

**Dr Danielle Auldish** brings experience in project management, science and governance. After PhD science studies in New Zealand she was the CEO of a Gippsland not-for-profit dairy organisation for over a decade and developed projects that had national success. Her time with an agricultural consultancy group focused on assignments for water catchment authorities, local governments and primary producers as well as drafting practice planning notes for the state government. Danielle currently lectures to science students at Federation University and is the executive officer for the national professional organisation for ruminant nutritionists. Board Member from 5 September 2015.

**Kay Spierings** is an experienced company director with extensive business management and corporate administration experience, specifically in the areas of strategy, national competition policy, organisational governance, policy formulation, financial management and administration. Kay is a primary producer with a keen interest in natural resource management, environment and sustainable agriculture. Kay is a Certified Practising Accountant (CPA) and Graduate of the Australian Institute of Company Directors (GAICD). Board Member from 5 September 2015.

**Shelley Lavender** brings strong ecotourism credentials and over 20 years' experience working in not-for-profit companies at both Board and CEO level. These include current directorship of Ecotourism Australia, past employment as CEO in the education and tourism sectors and directorship of a large credit union. Consequently, she has a strong grasp of both operational and governance issues in the sector. Shelley now works as a Lead Auditor of tourism operators which have Ecotourism certification. This gives her a unique perspective of the challenges facing the industry and an understanding of the need to balance tourism growth with environmental and community issues. Board Member from 5 September 2015.

**Stephen Davie** is a practising Chartered Accountant on Phillip Island and has extensive governance, community leadership and commercial tourism experience. He is also currently an Executive Board member of the Phillip Island RSL. He has previously been involved in establishing the Cowes Coast Action Group and was Treasurer of Phillip Island Tourism and Business Association for over 10 years. He has expertise in fostering collaborative community relationships that contribute to a sustainable environment. Board member from 5 September 2012. Retired 30 June 2018.

### *Board subcommittees*

The Nature Parks' committees and members listed below provided advice to the Board throughout the reporting period.

#### **AUDIT, RISK AND FINANCE SUBCOMMITTEE**

This subcommittee was established in accordance with the *Financial Management Act 1994* to fulfil its governance and oversight responsibilities in relation to financial reporting, internal control systems, processes for legal and regulatory compliance, internal and external audit functions and risk management systems. The subcommittee fulfilled its role this year through oversight of internal and external audits and further development of the Nature Parks' risk management and compliance systems.

- Kay Spierings (Chair)
- Stephen Davie
- Liz Stinson
- Andrew Paxton
- Helen Adair (Independent member)

#### **PEOPLE AND RESOURCES SUBCOMMITTEE**

Monitors, advises and makes recommendations to the Board in regard to recruitment and retention, remuneration, performance management, succession planning policies and procedures for the CEO. It also advises on strategic workforce planning and monitors organisational culture. The subcommittee fulfilled this role this year through review of key policies and monitoring our organisational structure.

- Liz Stinson (Chair)
- Kay Spierings
- Andrew Paxton
- Shelley Lavender

#### **GOVERNANCE SUBCOMMITTEE**

Provides advice regarding the effective governance of the organisation through overseeing and monitoring the Nature Parks' key governance frameworks and Charters. It develops the program for Board performance and reviews the effectiveness of reporting. This year the subcommittee achieved this aim across a variety of areas by reviewing key policy changes in an evolving compliance environment.

- Shelley Lavender (Chair)
- Dr Danielle Auldust
- Kevin Love
- Jeff Floyd (Retired 2 March 2018)

#### **ASSET PLANNING SUBCOMMITTEE**

Provides recommendations to the Board regarding key decision making and assists Management with risks and technical expertise on strategic projects and asset management. The subcommittee fulfilled this role during the year on a variety of projects including the Penguin Parade Visitor Centre Redevelopment.

- Kevin Love (Chair)
- Liz Stinson
- Dr Danielle Auldust
- Kay Spierings
- Andrew Paxton



Visitors enjoying the magnificent boardwalk at the Nobbies.

### Advisory committees

The Nature Parks has established a number of committees to provide a channel for communication with key stakeholders and our community.

#### COMMUNITY AND ENVIRONMENT ADVISORY COMMITTEES

Includes members with interest or expertise from community and environment organisations, key stakeholders, volunteers and the local community. It acts in a consultative capacity to enable a two-way flow of information between the community, stakeholders and the Board to keep the Board informed on community issues and inform the community as to the thinking and direction of the Board.

This group formerly consisted of a Community Advisory Committee and an Environment Advisory Committee. These two groups combined meetings during the current period to broaden the scope of information shared.

The committee fulfilled its role this year in major planning processes as the Strategic Plan 2018-2023 and the Penguin Parade Visitor Centre Redevelopment Project. The committee is Chaired by Stephen Davie (Board - retired 30 June 2018) and Shelley Lavender (Board)

#### RECONCILIATION ADVISORY COMMITTEE

This Advisory Committee was established to further the Nature Parks' commitment to reconciliation through the implementation of our Reconciliation Action Plan 2015-18 (RAP) and to develop our organisation's next RAP 2019-2022. It also aims to provide a forum to discuss and act on wider issues affecting the Aboriginal and Torres Strait Islander Community. The committee fulfilled its function this year through implementing RAP actions, holding events to further reconciliation across the Nature Parks' community and working on the development of protocols and our organisation's next Reconciliation Action Plan. The Committee is Chaired by Stephen Davie (Board) (Retired 30 June 2018.)

#### SCIENTIFIC AND RESEARCH ADVISORY COMMITTEE

This Advisory Committee advises the Board on all aspects of scientific research and research-led management into the Nature Parks' key species and ecosystems and brings issues to the attention of the Board on which the members have expertise. The committee fulfilled its function this year by advising staff and assisting in the preparation of the draft 30-Year Conservation Strategy, planning for the Threatened Species Plan and implementation of the Nature Parks' Annual Research Plan. The Committee is Chaired by Dr Danielle Auld (Board) from 1 January 2018 and Liz Stinson (Board) from 30 June 2017 to 31 December 2017.

#### ANIMAL ETHICS COMMITTEE

This statutory committee is required to be convened by the Nature Parks to oversee the conduct of activities with regards to the care and use of animals for scientific purposes and provides oversight of animal welfare in the Nature Parks. The committee fulfilled its function this year through overseeing the Nature Parks' wildlife research program, activities in the wildlife clinic and husbandry of the koala population at the Koala Centre to ensure that the current Australian Code for the Care and Use of Animals for Scientific Purposes (8th Edition 2013), the Victorian Prevention of Cruelty to Animals Act 1986 and the Victorian Prevention of Cruelty to Animals Act 2008 were maintained.

- Dr Jennifer Hibble (Chair)
- Clare Davis
- Dr Kath Handasyde
- William Naughtin

*A list of Community and Environment Advisory Committee members and meeting minutes can be found at: [www.penguins.org.au/about/local-community/community-committees](http://www.penguins.org.au/about/local-community/community-committees)*



*Walking track amongst the mangroves at Rhyll Inlet.*



# Compliance

## ATTESTATION FOR FINANCIAL MANAGEMENT COMPLIANCE WITH MINISTERIAL STANDING DIRECTION 5.1.4

I Liz Stinson, on behalf of the Responsible Body, certify that Phillip Island Nature Parks Board of Management Inc. has complied with the applicable Standing Directions of the Minister for Finance under the *Financial Management Act 1994* and Instructions.



Liz Stinson, Chair  
Phillip Island Nature Park Board of Management Inc.  
30 August 2018

## EMPLOYMENT AND CONDUCT PRINCIPLES

- Nature Parks staff are employed under the Phillip Island Nature Parks Agreement 2017-2021 and the applicable union is the Australian Services Union.
- Nature Parks staff work in accordance with the Nature Parks Code of Conduct and employment policies that include recruitment, equal opportunity, anti-discrimination anti-harassment and bullying, gifts benefits and hospitality, social media, conflict of interest and occupational health and safety.
- Building capacity of our workforce is augmented by our recruitment frameworks and learning and development strategy enabling us to continue to grow within the changing environment into the future.

## LOCAL JOBS FIRST – VICTORIAN INDUSTRY PARTICIPATION POLICY ACT 2003

- The Local Jobs First - *Victorian Industry Participation Policy Act 2003* (VIPP) requires public bodies and Departments to report on the implementation of the Act. Departments and public bodies are required to apply Local Jobs First – VIPP in all tenders over \$3M in metropolitan Melbourne and \$1M in regional Victoria.
- In 2017-18, the Phillip Island Nature Park approved one VIPP Strategic Project (Principal Contractor for the Penguin Parade Visitor Centre Development Project), with a total contract value over \$45 million. For this VIPP Strategic Project, the Industry Capability Network (ICN) worked with the Nature Parks and builders to set a minimum local content requirement that the project must meet, ensuring local spending means local jobs. The local content (Australian and New Zealand value added activity) estimate for this project has been set at 89%. Local content reporting is undertaken by the builder on a quarterly basis with the final acquittal completed at the end of the project.

## GOVERNMENT ADVERTISING EXPENSES

Government policy requires disclosure of all government advertising expenditure with a total media buy of \$100,000 or greater (exclusive of GST).

No government advertising expenditure with a total buy of \$100,000 was incurred by the Nature Parks during the reporting period.

## INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) EXPENDITURE

For the 2017-18 reporting period, the Nature Parks had a total ICT expenditure of \$1,187,482 with details shown below.

### All operational ICT expenditure

Business As Usual (BAU) ICT expenditure	ICT expenditure related to projects to create or enhance ICT capabilities		
	Non Business As Usual (non BAU) ICT expenditure	Operational expenditure	Capital expenditure
(Total)	(Total = Operational expenditure and capital expenditure)		
<b>1,099,112</b>	<b>88,370</b>	<b>1,027,651</b>	<b>159,831</b>

- ICT expenditure refers to the Nature Parks' costs in providing business enabling ICT services. It comprises Business As Usual (BAU) ICT expenditure and Non Business As Usual (Non BAU) ICT expenditure.
- Non BAU ICT expenditure relates to extending or enhancing the Nature Parks' current ICT capabilities.
- BAU ICT expenditure is all remaining ICT expenditure which primarily relates to ongoing activities to operate and maintain the current ICT capability.

## MAJOR CONTRACTS

During the year ended 30 June 2018 the Nature Parks entered into one contract greater than \$10 million in value. The contractor is Kane Constructions and the purpose of the contract is for the building of the new Penguin Parade visitor centre.

## FREEDOM OF INFORMATION ACT 1982

The *Freedom of Information Act 1982* allows the public a right of access to Nature Parks documents. The Nature Parks makes public information about our operations available by creating a general right of access to the information in a document or electronic form. For the 12 months ending 30 June 2018, the Nature Parks did not receive any requests for access under the *Freedom of Information Act*.

### *Making a request*

Access to documents may be obtained through written request to the Freedom of Information officer, as detailed in s17 of the *Freedom of Information Act 1982*. In summary, the requirements for making a request are:

- It should be in writing;
- It should identify as clearly as possible which document is being requested; and
- It should be accompanied by the appropriate application fee (the fee may be waived in certain circumstances). The applicable fee from 1 July 2018 is \$28.90.

Written requests, as detailed in Section 17 of the Freedom of Information Act, should be forwarded, with the prescribed fee, to:

Freedom of Information Officer  
Phillip Island Nature Parks  
PO Box 97 Cowes Victoria 3922.

- A written response will be sent to the applicant in accordance with the Act.
- Requests can also be lodged online at [www.foi.vic.gov.au](http://www.foi.vic.gov.au)
- Access charges may also apply once documents have been processed and a decision on access is made; for example photocopying and search and retrieval charges. Further information regarding Freedom of Information can be found at [www.foi.vic.gov.au](http://www.foi.vic.gov.au)

### **BUILDING ACT 1993**

The Nature Parks complies with building management provisions of the *Building Act 1993*. Management ensures that all works requiring building approval have certified plans, works in progress inspected and occupancy permits issued by independent building surveyors engaged on a local job-by-job basis. The Nature Parks requires all building practitioners engaged on building works to be registered and to maintain this registration throughout the course of the works.

The Nature Parks carries out detailed building condition audits for all major infrastructure and prioritises maintenance in line with the audit recommendations. A maintenance reporting system is also in place to identify and address any urgent or ad-hoc maintenance issues. Maintenance jobs are prioritised wherever safety implications are identified. The Nature Parks recently completed its annual Essential Safety Measures report in accordance with the Building Regulations 2006 and was compliant in all areas.

In 2017-18 there were six major works projects undertaken by the Nature Parks greater than \$50 000:

- Solar installation at Nobbies Centre.
- Bathroom facility upgrade and car park redevelopment at Anzacs Beach.
- Bathroom facility upgrade at Flynn's Reef.
- New farm shed at Churchill Island.
- Extension of Shearing Shed at Churchill Island.
- Restoration work of buildings in the historic precinct at Churchill Island.

### **COMPETITIVE NEUTRALITY POLICY**

- Competitive neutrality requires government businesses to ensure where services compete, or potentially compete with the private sector, any advantage arising solely from their government ownership be removed if it is not in the public interest. Government businesses are required to cost and price these services as if they were privately owned. Competitive neutrality policy supports fair competition between public and private businesses and provides government businesses with a tool to enhance decisions on resource allocation. This policy does not override other policy objectives of government and focuses on efficiency in the provision of service.
- Phillip Island Nature Parks took on management of the Barb Martin Bushbank in February 2018. This activity will be impacted by the competitive neutrality policy and a review has been undertaken to ensure the Nature Parks' continued compliance.

### **COMPLIANCE WITH THE PROTECTED DISCLOSURE ACT 2012**

- The *Protected Disclosure Act 2012* encourages and assists people in making disclosures of improper conduct by public officers and public bodies. The Act aims to ensure openness and accountability by encouraging people to make disclosures and protecting them when they do.
- The Nature Parks does not tolerate improper conduct by employees, nor the taking of reprisals against those who come forward to disclose such conduct.
- We are committed to ensuring transparency and accountability in our administrative and management practices and support the making of disclosures that reveal corrupt conduct, conduct involving a substantial mismanagement of public resources, or conduct involving a substantial risk to public health and safety or the environment.
- The Nature Parks will take all reasonable steps to protect people who make such disclosures from any detrimental action in reprisal for making the disclosure. It will also afford natural justice to the person who is the subject of the disclosure to the extent it is legally possible.

#### *What is a protected disclosure?*

- A protected disclosure is a complaint of corrupt or improper conduct by a public officer or a public body.
- Phillip Island Nature Parks is a public body for the purposes of the Act.

#### *What is improper or corrupt conduct?*

Improper or corrupt conduct involves substantial:

- mismanagement of public resources
- risk to public health or safety or the environment corruption.

The conduct must be criminal in nature or a matter for which an officer could be dismissed.

### *How do I make a Protected Disclosure?*

You can make a protected disclosure about Phillip Island Nature Parks or its board members, officers or employees by contacting IBAC on the contact details provided below.

Please note that Phillip Island Nature Parks is not able to receive protected disclosures.

### *How can I access Phillip Island Nature Parks' procedures for the protection of persons from detrimental action?*

Phillip Island Nature Parks has established procedures for the protection of persons from detrimental action in reprisal for making a protected disclosure about Phillip Island Nature Parks or its employees. You can access the Nature Parks' procedures at [www.penguins.org.au](http://www.penguins.org.au) ([www.penguins.org.au/assets/About/PDF-Policies/Protected-Disclosures-Policy-POL-HR-019.pdf](http://www.penguins.org.au/assets/About/PDF-Policies/Protected-Disclosures-Policy-POL-HR-019.pdf))

### *Contacts*

#### **Independent Broad-Based Anti-Corruption Commission (IBAC) Victoria**

**Address:** Level 1, North Tower, 459 Collins Street, Melbourne Victoria 3000.

**Mail:** IBAC, GPO Box 24234, Melbourne Victoria 3001  
Internet: [www.ibac.vic.gov.au](http://www.ibac.vic.gov.au)

**Phone:** 1300 735 135

**Email:** See the website above for the secure email disclosure process, which also provides for anonymous disclosures.

### *Reporting procedures*

Disclosures of improper conduct or detrimental action by the Nature Parks or any of its employees and/or officers may be made directly to the Independent Broad-based Anti-corruption Commission (IBAC) using the contact details provided below:

#### **Independent Broad-based Anti-corruption Commission (IBAC) Victoria**

**Address:** Level 1, North Tower, 459 Collins Street, Melbourne Victoria 3001. [www.ibac.vic.gov.au](http://www.ibac.vic.gov.au)

**Email:** [see the website above for the secure email disclosure process, which also provides for anonymous disclosures]

### *Further information*

The Protected Disclosure Policy and Procedures, which outline the system for reporting disclosures of improper conduct or detrimental action by the Department or any of its employees and/or officers, is available on the Nature Parks' website [www.penguins.org.au](http://www.penguins.org.au)

## **COMPLIANCE WITH THE DISABILITY ACT 2006**

The *Disability Act 2006* requires Phillip Island Nature Parks to prepare a disability action plan and report on its implementation in their annual report. Phillip Island Nature Parks' is currently scoping out the preparation of its disability action plan. In the reporting period Phillip Island Nature Parks finalised its Strategic Plan 2018-2023 which lists a key measurable as: Disability access review conducted across all sites.

- In 2017-18, compliance with the Act was incorporated into all planning including the new Penguin Parade visitor centre project areas of access, parking, building and visitor experience.
- Two bathroom facilities within the Nature Parks were replaced and made accessible.

## **DATAVIC ACCESS POLICY**

Consistent with the DataVic Access Policy issued by the Victorian Government in 2012, the information included in this Annual Report will be available at: [www.data.vic.gov.au](http://www.data.vic.gov.au) in electronic readable format along with [www.penguins.org.au](http://www.penguins.org.au)

## **PUBLIC ADMINISTRATION ACT 2004**

The Nature Parks adheres to the merit and equity principles of the *Public Administration Act 2004* to ensure recruitment decisions are based on merit, that employees are treated fairly and reasonably, that equal employment opportunities are provided and that procedures are in place to deal with disputes.

To ensure employees were aware of their responsibilities, the following policies and procedures have been adopted by the Nature Parks and are available to staff:

- Code of Conduct and Conflict of Interest Policy.
- Equal Employment Opportunity, Anti-Discrimination, Anti-Harassment and Bullying Policy.
- Protected Disclosures Policy.
- Gifts, Benefits and Hospitality Policy.
- Issues Resolution Chart.
- Performance Appraisal and Development Policy, Recruitment Policy and Social Media Policy.
- Training Behaviours Protocol.

## **HUMAN RIGHTS**

The Nature Parks is committed to upholding the principles of human rights as established by the United Nations. This applies to our dealings with our visitors, employees and providers. Human rights are rights inherent to all human beings, whatever their nationality, place of residence, sex, national or ethnic origin, colour, religion, language or any other status.

## DETAILS OF CONSULTANCIES - \$10 000 OR GREATER

In 2017-18, there were nine consultancies where the total fees payable to the consultants were \$10 000 or greater. The total expenditure incurred during 2017-18 in relation to these consultancies is \$246,337 (excluding GST). Details of individual consultancies are outlined below:

Consultant	Purpose of consultancy	Expenditure 2017-18 (excl. GST)
Blacksheep Statagic Group	Masterbrand review	15,000
First Retail Group Ltd	China market retail strategy	19,960
Brett Cheatley Consulting	Visitor analysis and planning	20,500
Hubb Consultants Aust Pty Ltd	Office design	23,063
Taylor & Cullity Lethlean	Churchill Island concept and design	23,900
Kirkham-Smith Consultants	Oil spill exercise	30,222
Creative Hat Interpretation	Interpretation strategy	30,500
Greening Australia Vic. Inc.	Conservation Plan development	33,862
Alluvium Consulting Aust Pty Ltd	Hydrological Survey	49,330

## DETAILS OF CONSULTANCIES - LESS THAN \$10 000

In 2017-18, there were nine consultancies engaged during the year, where the total fees payable to the individual consultancies was less than \$10 000. The total expenditure incurred during 2017-18 in relation to these consultancies was \$52,937 (excl. GST).

## SUBSEQUENT EVENTS

There were no events occurring after balance date which may significantly affect Phillip Island Nature Parks' operations in subsequent reporting periods.'

## CAPITAL PROJECTS

- Current information on new and existing capital projects for the Nature Parks and the broader Victorian public sector, is contained in most recent Budget Paper No. 4 State Capital Program (BP4) available on the Department of Treasury and Finance's website at this link: <https://www.budget.vic.gov.au/budget-papers>. There were no Capital Projects with a Total Estimated Investment of \$10M completed during the year.

## ADDITIONAL INFORMATION

### Available on request

In compliance with the requirements of the Standing Directions of the Minister for Finance, details in respect of the items listed below have been retained by Phillip Island Nature Parks and are available (in full) on request, subject to the provisions of the *Freedom of Information Act 1982*:

- details of publications produced by the Nature Parks about itself.
- details of any major external reviews carried out on the Nature Parks.
- details of major research and development activities undertaken by the Nature Parks.
- details of major promotional, public relations and marketing.
- details of changes in prices, fees, charges, rates and levies charged.

The information is available on request from [info@penguins.org.au](mailto:info@penguins.org.au)

### Included in annual report

Details in respect of the following items have been included in Phillip Island Nature Parks' annual report, on the pages indicated below:

- assessments and measures undertaken to improve the occupational health and safety of employees (on page 27)
- a statement on industrial relations within Phillip Island Nature Parks (on page 31)
- a list of Phillip Island Nature Parks' major committees, the purposes of each committee, and the extent to which the purposes have been achieved (on page 29-30)
- a statement of completion of declarations of pecuniary interests by relevant officers (on page 70).

Information that is not applicable to Phillip Island Nature Parks

The following information is not relevant to Phillip Island Nature Parks for the reasons set out below:

- a declaration of shares held by senior officers (No shares have ever been issued in Phillip Island Nature Parks)
- details of overseas visits undertaken (on page 20-21).

# *Financial review*



# Phillip Island Nature Parks - Financial Statements

The Phillip Island Nature Parks Board of Management (the Nature Parks) has presented its audited general purpose financial statements for the financial year ended 30 June 2018 in the following structure to provide users with the information about the Nature Parks' stewardship of resources entrusted to it.

<b>Financial statements</b>	Comprehensive operating statement	40		
	Balance sheet	41		
	Cash flow statement	42		
	Statement of changes in equity	43		
<b>Notes to the financial statements</b>	<b>1. ABOUT THIS REPORT</b>	<b>44</b>		
	The basis on which the financial statements have been prepared and compliance with reporting regulations			
	<b>2. FUNDING DELIVERY OF OUR SERVICES</b>	<b>45</b>		
	Revenue recognised from taxes, grants, sales of goods and services and other sources			
	2.1	Income from transactions	45	
	<b>3. THE COST OF DELIVERING SERVICES</b>	<b>46</b>		
	Operating expenses of the Nature Parks			
	3.1	Employee benefits	46	
	3.2	Cost of sales	50	
	3.3	Other Operating expenses	50	
	<b>4. KEY ASSETS AVAILABLE TO SUPPORT OUTPUT DELIVERY</b>	<b>51</b>		
Land, property, investment properties, biological assets, intangible assets, investments accounted for using the equity method, investments and other financial assets, and acquisition and disposal of entities				
4.1	Total property, plant and equipment	51		
4.2	Intangible assets	55		
	<b>5. OTHER ASSETS AND LIABILITIES</b>	<b>56</b>		
Working capital balances, and other key assets and liabilities				
5.1	Receivables	56		
5.2	Payables	57		
5.3	Inventories	58		
5.4	Other non-financial assets	59		
	<b>6. FINANCING OUR OPERATIONS</b>	<b>59</b>		
Borrowings, cash flow information, leases and assets pledged as security				
6.1	Cash flow information and balances	59		
6.2	Commitments for expenditure	60		
	<b>7. RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS</b>	<b>61</b>		
Financial risk management, contingent assets and liabilities as well as fair value determination				
7.1	Financial instruments specific disclosures	61		
7.2	Contingent assets and contingent liabilities	65		
7.3	Fair value determination	65		
	<b>8. OTHER DISCLOSURES</b>	<b>70</b>		
8.1	Ex gratia expenses	70		
8.2	Reserves	70		
8.3	Responsible persons	70		
8.4	Remuneration of executives	71		
8.5	Related parties	72		
8.6	Remuneration of auditors	73		
8.7	Subsequent events	73		
8.8	Other accounting policies	73		
8.9	Australian Accounting Standards issued that are not yet effective	74		
8.10	Glossary of technical terms	75		

## DECLARATION IN THE FINANCIAL STATEMENTS

The attached financial statements for Phillip Island Nature Parks have been prepared in accordance with Direction 5.2 of the Standing Directions of the Minister for Finance under the *Financial Management Act 1994*, applicable Financial Reporting Directions, Australian Accounting Standards including interpretations, and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2018 and financial position of the Nature Parks at 30 June 2018.

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

We authorise the attached financial statements for issue on 30 August 2018.

On behalf of the Phillip Island Nature Parks Board of Management Inc.:



**Catherine Basterfield**

Chief Executive Officer (Accountable Officer)  
Phillip Island  
30 August 2018



**Rebecca Bond**

Chief Financial Officer (Chief Finance and Accountable Officer)  
Phillip Island  
30 August 2018



**Liz Stinson**

Chair  
Phillip Island Nature Park Board of Management Inc.  
Phillip Island  
30 August 2018

## Independent Auditor's Report

### To the Board of the Phillip Island Nature Parks

---

<b>Opinion</b>	<p>I have audited the financial report of the Phillip Island Nature Parks (the Nature Parks) which comprises the:</p> <ul style="list-style-type: none"><li>• balance sheet as at 30 June 2018</li><li>• comprehensive operating statement for the year then ended</li><li>• statement of changes in equity for the year then ended</li><li>• cash flow statement for the year then ended</li><li>• notes to the financial statements, including significant accounting policies</li><li>• declaration in the financial statements.</li></ul> <p>In my opinion, the financial report presents fairly, in all material respects, the financial position of the Nature Parks as at 30 June 2018 and its financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards.</p>
<b>Basis for Opinion</b>	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the Nature Parks in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
<b>Board's responsibilities for the financial report</b>	<p>The Board of the Nature Parks is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Financial Management Act 1994</i>, and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Board is responsible for assessing the Nature Parks' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

---



**Auditor's  
responsibilities  
for the audit  
of the financial  
report**

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

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

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Nature Parks' internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- conclude on the appropriateness of the Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Nature Parks' ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Nature Parks to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

MELBOURNE  
5 September 2018



Paul Martin  
*as delegate for the Auditor-General of Victoria*

## COMPREHENSIVE OPERATING STATEMENT

For the financial year ended 30 June 2018

	NOTES	2018	2017
<b>Continuing operations</b>		\$	\$
<b>Income from transactions</b>			
Admissions	2.1.1	19,568,887	19,022,491
Sale of goods	2.1.1	5,676,547	10,764,386
Other income	2.1.2	3,394,880	1,367,312
<b>Total income from transactions</b>		28,640,314	31,154,189
<b>Expenses from transactions</b>			
Employee expenses	3.1	(13,253,784)	(13,082,262)
Cost of sales	3.2	(2,322,317)	(4,124,714)
Depreciation and amortisation	4.1.1	(4,508,991)	(4,345,276)
Other operating expenses	3.3	(6,889,705)	(6,892,565)
<b>Total expenses from transactions</b>		(26,974,797)	(28,444,817)
<b>Net result from transactions (net operating balance)</b>		1,665,517	2,709,372
<b>Other economic flows included in net result</b>			
Net gain on non financial assets		141,337	24,162
<b>Total other economic flows included in net result</b>		<b>141,337</b>	<b>24,162</b>
<b>Net result from continuing operations</b>			
<b>Net result</b>		<b>1,806,854</b>	<b>2,733,534</b>
<b>Other economic flows – other comprehensive income:</b>			
<b>Items that will not be reclassified to net result</b>			
Changes in physical asset revaluation surplus	8.2	<b>6,473,030</b>	-
<b>Total other economic flows – other comprehensive income</b>		<b>6,473,030</b>	-
<b>Comprehensive result</b>		<b>8,279,884</b>	<b>2,733,534</b>

The accompanying notes form part of these financial statements.

## BALANCE SHEET

As at 30 June 2018

	NOTES	2018	2017
<b>Assets</b>		\$	\$
<b>Financial assets</b>			
Cash and deposits	6.1	42,020,203	19,102,254
Receivables	5.1	1,131,756	970,174
Investments and other financial assets	7.1.1	250,000	250,000
<b>Total financial assets</b>		<b>43,401,959</b>	<b>20,322,428</b>
<b>Non financial assets</b>			
Inventories	5.3	768,306	819,473
Property, plant and equipment	4.1,7.3	100,941,895	88,531,119
Intangibles	4.2	1,232,232	1,660,278
Other non financial assets	5.4	107,510	226,281
<b>Total non financial assets</b>		<b>103,049,943</b>	<b>91,237,151</b>
<b>Total assets</b>		<b>146,451,902</b>	<b>111,559,579</b>
<b>Liabilities</b>			
Payables	5.2	1,924,072	1,841,293
Employee related provisions	3.1.1	2,349,617	2,347,957
<b>Total liabilities</b>		<b>4,273,689</b>	<b>4,189,250</b>
<b>Net assets</b>		<b>142,178,213</b>	<b>107,370,329</b>
<b>Equity</b>			
Accumulated surplus		21,652,976	19,846,122
Physical asset revaluation surplus	8.2	59,896,604	53,423,574
Contributed capital	8.8	60,628,633	34,100,633
<b>Net worth</b>		<b>142,178,213</b>	<b>107,370,329</b>

The accompanying notes form part of these financial statements.

## CASH FLOW STATEMENT

For the financial year ended 30 June 2018

	NOTES	2018	2017
<b>Cash flows from operating activities</b>		\$	\$
Receipts from customers and other entities		31,124,160	33,910,786
Interest received		565,471	257,436
Payments to suppliers and other expenses		(11,062,588)	(11,671,582)
Payments to employees		(13,064,280)	(13,088,602)
Goods and services tax paid to the ATO		(1,295,460)	(2,033,817)
<b>Net cash flows from operating activities</b>	6.1.1	<b>6,267,303</b>	<b>7,374,221</b>
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment		(10,049,869)	(2,045,255)
Payments for intangibles		(33,615)	(72,453)
Proceeds from property, plant and equipment		206,130	43,637
<b>Net cash flows used in investing activities</b>		<b>(9,877,354)</b>	<b>(2,074,071)</b>
<b>Cash flows from financing activities</b>			
Transfer from term deposit greater than 3 months		-	1,750,000
Owner Contribution by State Government		26,528,000	4,341,000
<b>Net cash flows from financing activities</b>		<b>26,528,000</b>	<b>6,091,000</b>
<b>Net increase in cash and cash equivalents</b>		<b>22,917,949</b>	<b>11,391,150</b>
Cash and cash equivalents at beginning of financial year		19,102,254	7,711,104
<b>Cash and cash equivalents at end of financial year</b>	6.1	<b>42,020,203</b>	<b>19,102,254</b>

The accompanying notes form part of these financial statements.

## STATEMENT OF CHANGES IN EQUITY

For the financial year ended 30 June 2018

	NOTES	PHYSICAL ASSET REVALUATION SURPLUS	ACCUMULATED SURPLUS	CONTRIBUTIONS BY OWNER	TOTAL
<b>Balance at 1 July 2016</b>		53,423,574	17,112,588	29,759,633	100,295,795
Net result from continuing operations		-	2,733,534	-	2,733,534
Other comprehensive income for the year		-	-	-	-
Capital contributions by State		-	-	4,341,000	4,341,000
<b>Balance at 30 June 2017</b>		<b>53,423,574</b>	<b>19,846,122</b>	<b>34,100,633</b>	<b>107,370,329</b>
Net result from continuing operations		-	1,806,854	-	1,806,854
Other comprehensive income for the year		6,473,030	-	-	6,473,030
Capital contributions by State		-	-	26,528,000	26,528,000
<b>Balance at 30 June 2018</b>		<b>59,896,604</b>	<b>21,652,976</b>	<b>60,628,633</b>	<b>142,178,213</b>

*The accompanying notes form part of these financial statements.*

## 1. ABOUT THIS REPORT

The financial statements cover the Nature Parks as an individual reporting entity.

The Nature Parks is a government entity of the State of Victoria, established by government gazette under the *Crown Lands (Reserves) Act 1978*.

Its principal address is:  
Phillip Island Nature Parks  
1019 Ventnor Road  
Summerlands VIC 3922

A description of the nature of the Nature Parks operations and its principal activities is included in the report of operations on page 8, which does not form a part of these financial statements.

### BASIS OF PREPARATION

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

The accrual basis of accounting has been applied in preparing these financial statements, whereby assets, liabilities, equity, income and expenses are recognised in the reporting period to which they relate, regardless of when cash is received or paid.

Consistent with the requirements of AASB 1004 *Contributions*, contributions by owners (that is, contributed capital and its repayment) are treated as equity transactions and, therefore, do not form part of the income and expenses of the Nature Parks.

Additions to net assets which have been designated as contributions by owners are recognised as contributed capital. Other transfers that are in the nature of contributions to or distributions by owners have also been designated as contributions by owners.

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

Revisions to accounting estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision. Judgements and assumptions made by management in applying AAS that have significant effects on the financial statements and estimates relate to:

- the fair value of land, buildings, infrastructure, plant and equipment (refer note 7.3)
- estimation of useful life (refer note 4.1)
- impairment of assets (refer note 4.1)
- employee provisions (refer note 3.1.1); and
- accrued expenses (refer note 5.2).

### COMPLIANCE INFORMATION

These general purpose financial statements have been prepared in accordance with the *Financial Management Act 1994* (FMA) and applicable Australian Accounting Standards (AASs) which include Interpretations, issued by the Australian Accounting Standards Board (AASB).

Accounting policies selected and applied in these financial statements ensure that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

## 2. FUNDING DELIVERY OF OUR SERVICES

### Introduction

The Phillip Island Nature Parks' (the Nature Parks) overall objective is to conserve and enhance the Nature Parks' environment for current and future generations, whilst achieving a balanced environmental, economic and social outcome.

To enable the Nature Parks to fulfil its objective and provide outputs, the Nature Parks operates five main visitor attractions for which it receives revenue from admissions and commercial sales.

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

Where applicable, amounts disclosed as income are net of returns, allowances, duties and taxes.

### 2.1 INCOME FROM TRANSACTIONS

#### 2.1.1 Supply of services and sale of goods

	2018	2017
	\$	\$
Supply of services – Admissions	19,568,887	19,022,491
Sale of goods – Retail and souvenirs	5,676,547	5,759,808
Sale of goods – Food and beverage	-	5,004,578
<b>Total supply of services and sale of goods</b>	<b>25,245,434</b>	<b>29,786,877</b>

Income from the **supply of services** is recognised by reference to the stage of completion of the services being performed. The income is recognised when:

- the amount of the income, stage of completion and transaction costs incurred can be reliably measured; and
- it is probable that the economic benefits associated with the transaction will flow to the Nature Parks.

Income from the **sale of goods** is recognised when:

- the Nature Parks no longer has any of the significant risks and rewards of ownership of the goods transferred to the buyer;
- the Nature Parks no longer has continuing managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold;
- the amount of income, and the costs incurred or to be incurred in respect of the transactions, can be reliably measured; and
- it is probable that the economic benefits associated with the transaction will flow to the Nature Parks.

## 2. FUNDING DELIVERY OF OUR SERVICES (CONTINUED)

### 2.1.2 Other income

	2018	2017
	\$	\$
Grants from Government	234,692	163,802
Other grants, donations and sponsorship	498,292	568,021
Interest	565,471	257,436
Education tours and school camps	184,185	188,482
Rental income	548,279	53,792
Operating license cost recovery	1,047,003	-
Proceeds from insurance claims	287,827	-
Miscellaneous income	29,131	135,779
<b>Total other income</b>	<b>3,394,880</b>	<b>1,367,312</b>

**Grant income** arises from transactions in which a party provides goods or assets (or extinguishes a liability) to the Nature Parks without receiving approximately equal value in return. While grants may result in the provision of some goods or services to the transferring party, they do not provide a claim to receive benefits directly of approximately equal value (and are termed 'non-reciprocal' transfers). Receipt and sacrifice of approximately equal value may occur, but only by coincidence. For non-reciprocal grants, the Nature Parks recognises revenue when the grant is receivable or received. The Nature Parks recognises income from reciprocal grants when it has satisfied its performance obligations under the terms of the grant. Cash received from the grantor is recognised as a liability on the balance sheet until the agreement conditions has been satisfied.

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

Donations and sponsorship income is recognised in the period received, except where monies are received to fund projects either for contracted periods of time or specific projects irrespective of the period of time required to complete those projects.

**Interest income** includes interest received on cash at bank and bank term deposits. Interest income is recognised using the effective interest method, which allocates the interest over the relevant period.

**Rental income** from leasing of land and facilities is recognised on a straight-line basis over the term of the agreement.

**Operating license cost recovery** represents reimbursement of costs incurred by the Nature Parks during the transition to the food and beverage rental agreement.

## 3. THE COST OF DELIVERING SERVICES

### Introduction

This section provides an account of the expenses incurred by the Nature Parks in delivering services and outputs. In Section 2, the funds that enable the provision of services were disclosed and in this note the cost associated with provision of services are recorded.

### 3.1. EMPLOYEE BENEFITS IN THE COMPREHENSIVE OPERATING STATEMENT

	2018	2017
	\$	\$
Salaries and wages	10,554,037	10,237,878
Payroll tax and workcover	603,303	780,258
Superannuation	1,069,153	1,052,177
Movement in annual leave and long service leave provision	1,027,291	1,011,949
<b>Total employee expenses</b>	<b>13,253,784</b>	<b>13,082,262</b>



### 3. THE COST OF DELIVERING SERVICES (CONTINUED)

#### 3.1 EMPLOYEE BENEFITS IN THE COMPREHENSIVE OPERATING STATEMENT (CONTINUED)

Employee expenses include all costs related to employment including wages and salaries, fringe benefits tax, leave entitlements, termination payments and WorkCover premiums.

The amount recognised in the comprehensive operating statement in relation to superannuation is employer contributions for members of both defined benefit and defined contribution superannuation plans that are paid or payable during the reporting period. The Nature Parks does not recognise any defined benefit liabilities because it has no legal or constructive obligation to pay future benefits relating to its employees.

##### 3.1.1 Employee benefits in the balance sheet

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

	2018	2017
	\$	\$
<b>Current provisions</b>		
<i>Annual leave</i>		
Unconditional and expected to settle within 12 months	579,650	601,184
<i>Long service leave</i>		
Unconditional and expected to settle within 12 months	127,165	114,010
Unconditional and expected to settle after 12 months	605,421	628,638
<i>Provisions for on costs</i>		
Unconditional and expected to settle within 12 months	114,091	123,557
Unconditional and expected to settle after 12 months	100,805	112,449
<i>Accrued wages</i>	582,233	500,988
<b>Total current provisions for employee benefits</b>	<b>2,109,365</b>	<b>2,080,826</b>
<b>Non current provisions</b>		
Employee benefits	205,959	226,598
On-costs	34,293	40,533
<b>Total non current provisions for employee benefits</b>	<b>240,252</b>	<b>267,131</b>
<b>Total provisions for employee benefits</b>	<b>2,349,617</b>	<b>2,347,957</b>

##### Reconciliation of movement in on-costs provision

	2018
	\$
<b>Opening balance</b>	276,539
Additional provisions recognised	109,670
Reduction arising from payments	(137,020)
<b>Closing balance</b>	<b>249,189</b>
Current	214,896
Non current	34,293

### 3. THE COST OF DELIVERING SERVICES (CONTINUED)

#### 3.1.1 Employee benefits in the balance sheet (continued)

**Wages and salaries, annual leave** and sick leave: Liabilities for wages and salaries (including non-monetary benefits, annual leave and on-costs) are recognised as part of the employee benefit provision as current liabilities, because the Nature Parks does not have an unconditional right to defer settlements of these liabilities.

The liability for salaries and wages is recognised in the balance sheet at remuneration rates which are current at the reporting date. As the Nature Parks expects the liabilities to be wholly settled within 12 months of reporting date, they are measured at undiscounted amounts.

The annual leave liability is classified as a current liability and measured at the undiscounted amount expected to be paid, as the Nature Parks does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

No provision has been made for sick leave as all sick leave is non-vesting and it is not considered probable that the average sick leave taken in the future will be greater than the benefits accrued in the future. As sick leave is non-vesting, an expense is recognised in the Comprehensive Operating Statement as it is taken.

Employment on-costs such as payroll tax, workers compensation and superannuation are not employee benefits. They are disclosed separately as a component of the provision for employee benefits when the employment to which they relate has occurred.

**Unconditional LSL** (representing 7 or more years of continuous service) is disclosed as a current liability; even where the Nature Parks does not expect to settle the liability within 12 months because it will not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months.

The components of this current LSL liability are measured at:

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

**Conditional LSL** (representing less than 7 years continuous service) is disclosed as a non-current liability.

There is an unconditional right to defer the settlement of the entitlement until the employee has completed the requisite years of service. This non-current LSL is measured at present value.

#### 3.1.2 Superannuation contributions

Employees of the Nature Parks are entitled to receive superannuation benefits and the Nature Parks contributes to both defined benefit and defined contribution plans. The defined benefit plan(s) provides benefits based on years of service and final average salary.

	Rate		Paid contribution for the year		Contribution outstanding at year end	
	2018	2017	2018	2017	2018	2017
	%	%	\$	\$	\$	\$
Accumulated Funds (Vision)	9.50	9.50	484,813	465,117	-	45,867
Accumulated Funds (Other)	9.50	9.50	566,920	558,106	-	48,452
Defined Benefits Fund (Vision)	9.50	9.50	30,497	45,287	-	-
<b>Total</b>			<b>1,082,230</b>	<b>1,068,510</b>	<b>-</b>	<b>94,319</b>

#### Accumulation

Contributions to the accumulation plans are expensed as the contributions are paid or become payable.

#### Defined Benefit

The Nature Parks does not use defined benefit accounting because sufficient information is not available. There is no proportional split of the defined benefit liabilities, assets or costs between the participating employers as the defined benefit obligation is a floating obligation between the participating employers and the only time that the aggregate obligation is allocated to specific employers is when a call is made. As a result, the level of participation of Nature Parks in the Fund cannot be measured as a percentage compared with other participating employers. Therefore, the Fund Actuary is unable to allocate benefit liabilities, assets and costs between employers for the purposes of AASB 119.

### 3. THE COST OF DELIVERING SERVICES (CONTINUED)

#### 3.1.2 Superannuation contributions (continued)

##### FUNDING ARRANGEMENTS

On the basis of the results of the 2017 interim actuarial investigation conducted by the Fund Actuary, the Nature Parks makes employer contributions to the Defined Benefit category of the Fund at rates determined by the Trustee on the advice of the Fund Actuary. In addition, the Nature Parks reimburses the Fund to cover the excess of the benefits paid as a consequence of retrenchment above the funded resignation or retirement benefit.

As at 30 June 2017, an interim actuarial investigation was held as the Fund provides lifetime pensions in the Defined Benefit category. The vested benefit index (VBI) was 102.0%. To determine the VBI, the Fund Actuary used the following long-term assumptions:

- Net investment returns 7.0% pa
- Salary information 4.25% pa
- Price inflation (CPI) 2.5% pa.

Vision Super has advised that the estimated VBI at 30 June 2018 was 106.0%.

Because the VBI was above 100%, the 2017 interim actuarial investigation determined the Defined Benefit category was in a satisfactory financial position and that no change was necessary to the Defined Benefit category's funding arrangements from prior years.

##### THE 2017 INTERIM ACTUARIAL INVESTIGATION SURPLUS AMOUNTS

The Fund's interim actuarial investigation as at 30 June 2017 identified the following in the Defined Benefit category of which the Nature Parks is a contributing employer:

- A VBI surplus of \$40.3 million; and
- A total service liability surplus of \$156 million.

The VBI surplus means that the market value of the fund's assets supporting the defined benefit obligations exceed the vested benefits that the defined benefit members would have been entitled to if they had all exited on 30 June 2017.

The total service liability surplus means that the current value of the assets in the Fund's Defined Benefit category plus expected future contributions exceeds the value of expected future benefits and expenses.

The Nature Parks was notified of the 30 June 2017 VBI during August 2017.

##### THE 2018 FULL TRIENNIAL ACTUARIAL INVESTIGATION

A full actuarial investigation is being conducted for the Fund's position as at 30 June 2018. It is anticipated that this actuarial investigation will be completed in December 2018.

##### Funding calls

If the Defined Benefit category is in an unsatisfactory financial position at an actuarial investigation or the Defined Benefit category's VBI is below its shortfall limit at any time other than the date of the actuarial investigation, the Defined Benefit category has a shortfall for the purposes of SPS 160 and the Fund is required to put a plan in place so that the shortfall is fully funded within three years of the shortfall occurring. The Fund monitors its VBI on a quarterly basis and the Fund has set its shortfall limit at 97%.

In the event that the Fund Actuary determines that there is a shortfall based on the above requirement, the Fund's participating employers (including the Nature Parks) are required to make an employer contribution to cover the shortfall.

Using the agreed methodology, the shortfall amount is apportioned between the participating employers based on the pre-1 July 1993 and post-30 June 1993 service liabilities of the Fund's Defined Benefit category, together with the employer's payroll at 30 June 1993 and at the date the shortfall has been calculated.

Due to the nature of the contractual obligations between the participating employers and the Fund, and that the Fund includes lifetime pensioners and their reversionary beneficiaries; it is unlikely that the Fund will be wound up.

If there is a surplus in the Fund, the surplus cannot be returned to the participating employers.

In the event that a participating employer is wound-up, the defined benefit obligations of that employer will be transferred to that employer's successor.

### 3. THE COST OF DELIVERING SERVICES (CONTINUED)

#### 3.2 COST OF SALES

	2018	2017
	\$	\$
Cost of sales – Retail and souvenirs	2,322,317	2,342,064
Cost of sales – Food and beverage	-	1,782,650
<b>Total cost of sales</b>	<b>2,322,317</b>	<b>4,124,714</b>

Cost of sales: when inventories are sold, the carrying amounts of those inventories are recognised as an expense in the period in which the related income is recognised.

#### 3.3 OTHER OPERATING EXPENSES

	2018	2017
	\$	\$
Advertising	566,877	373,534
Bank charges	219,825	239,769
Consultants and other advice	419,849	489,023
Contractors	1,883,133	1,905,690
Doubtful debts	14,581	1,218
Fringe benefits tax	69,456	85,376
Impairment of non-current asset	-	86,457
Insurance (excluding motor vehicles)	107,817	106,302
Legal expenses	127,478	196,287
Materials and supplies	795,939	825,137
Motor vehicle expenses	165,784	164,828
Memberships, licences and commissions	720,908	700,306
Repairs and maintenance	378,178	192,055
Utilities	314,451	359,302
Training	146,049	175,414
Telephone and internet	141,067	152,794
Travel and accommodation	187,181	212,781
Miscellaneous expense	631,132	626,292
<b>Total other operating expenses</b>	<b>6,889,705</b>	<b>6,892,565</b>

Other operating expenses generally represent the day to day running costs incurred in normal operations. It also includes bad debt expense from transactions that are mutually agreed.

Supplies and services are recognised as an expense in the reporting period in which they are incurred.

## 4. KEY ASSETS AVAILABLE TO SUPPORT OUTPUT DELIVERY

### Introduction

The Nature Parks controls infrastructure and other assets that are utilised in fulfilling its objectives and conducting its activities. They represent the resources that have been entrusted to the Nature Parks to be utilised for delivery of those outputs.

### 4.1 TOTAL PROPERTY, PLANT AND EQUIPMENT

	Gross carrying amount	Accumulated depreciation	Net carrying amount
	2018	2018	2018
	\$	\$	\$
Land at fair value	61,145,165	-	61,145,165
Buildings at fair value	29,256,281	(4,572,590)	24,683,691
Boardwalks at fair value	2,063,844	(335,404)	1,728,440
Car parks at fair value	3,991,191	(1,327,054)	2,664,137
Motor vehicles at fair value	1,465,516	(892,174)	573,342
Furniture and fittings at fair value	1,939,332	(1,676,673)	262,659
Plant and equipment at fair value	3,807,695	(2,693,275)	1,114,420
Computer hardware at fair value	1,148,117	(1,052,447)	95,670
Work in progress at cost	8,674,371	-	8,674,371
<b>Net carrying amount</b>	<b>113,491,511</b>	<b>(12,549,617)</b>	<b>100,941,895</b>

	Gross carrying amount	Accumulated depreciation	Net carrying amount
	2017	2017	2017
	\$	\$	\$
Land at fair value	52,829,000	-	52,829,000
Buildings at fair value	28,825,511	(2,223,133)	26,602,378
Boardwalks at fair value	2,048,113	(168,245)	1,879,868
Car parks at fair value	3,945,545	(622,968)	3,322,577
Motor vehicles at fair value	1,449,270	(872,771)	576,499
Furniture and fittings at fair value	2,111,395	(1,670,910)	440,485
Plant and equipment at fair value	3,625,055	(2,416,484)	1,208,571
Computer hardware at fair value	1,077,519	(975,198)	102,321
Work in progress at cost	1,569,420	-	1,569,420
<b>Net carrying amount</b>	<b>97,480,828</b>	<b>(8,949,709)</b>	<b>88,531,119</b>

Note: All property, plant and equipment is classified as Public, Safety and Environment based on the purpose for which the assets are used.

**Initial recognition:** Items of property, plant and equipment are measured initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment.

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

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

**Revaluation of infrastructure, property, plant and equipment:** Revaluations are conducted in accordance with FRD 103F. Scheduled revaluation is undertaken every five years with an annual assessment of fair value to determine if it is materially different to the carrying value. If the difference to carrying value is greater than 10 per cent, a management revaluation is undertaken while a movement greater than 40 per cent will normally involve an Approved Valuer (usually the Valuer General of Victoria) to perform detailed assessment of the fair value. If the movement in fair value

## 4. KEY ASSETS AVAILABLE TO SUPPORT OUTPUT DELIVERY (CONTINUED)

### 4.1 TOTAL PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

since the last revaluation is less than or equal to 10 per cent, then no change is made to carrying amounts.

Revaluation increments are credited directly to equity in the asset revaluation reserve surplus/(deficit), except that, to the extent that an increment reverses a revaluation decrement in respect of that class of asset previously recognised as an expense in determining the net result, the increment is recognised as revenue in determining the net result.

Revaluation decrements are recognised immediately as an expense in the net result, except that, to the extent that a credit balance exists in the asset revaluation reserve in respect of the same class of assets, they are debited to the asset revaluation reserve.

Revaluation increases and revaluation decreases relating to individual assets within a class of infrastructure, property, plant and equipment are offset against one another within that class but are not offset in respect of assets in different classes.

Revaluation reserves are not transferred to accumulated surplus/(deficit) on derecognition of the relevant asset.

#### Specialised land and specialised buildings

The market approach is used for specialised land, although is adjusted for the community service obligation (CSO) to reflect the specialised nature of the land being valued.

The CSO adjustment is a reflection of the valuer's assessment of the impact of restrictions associated with an asset to the extent that is also equally applicable to market participants.

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

#### Car parks and boardwalks

Car parks and boardwalks are valued using the depreciated replacement cost method. This cost generally represents the replacement cost of the building/component after applying depreciation rates on a useful life basis.

#### Plant and equipment, furniture and fittings, computer hardware and vehicles

Plant and equipment, furniture and fittings, computer hardware and vehicles are valued using the depreciated replacement cost method. This cost represents the replacement cost of the plant and equipment, furniture and fitting and vehicles after applying depreciation rates on a useful life basis. Replacement costs relate to costs to replace the current service capacity of the asset. As depreciation adjustments are considered as significant, unobservable inputs in nature, these assets are classified as Level 3 fair value measurements.

#### 4.1.1 Depreciation, amortisation and impairment

##### Charge for the period

	2018	2017
	\$	\$
<b>Depreciation</b>		
Buildings	2,353,105	2,159,585
Boardwalks	167,159	162,847
Car parks	704,086	639,180
Motor vehicles	223,944	211,471
Furniture and fittings	189,424	251,916
Plant and equipment	276,794	299,967
Computer hardware	78,063	113,195
<b>Total depreciation</b>	<b>3,992,575</b>	<b>3,838,161</b>
<b>Amortisation</b>		
Software	516,416	495,655
Other non-current financial assets	-	11,460
<b>Total amortisation</b>	<b>516,416</b>	<b>507,115</b>
<b>Total depreciation and amortisation</b>	<b>4,508,991</b>	<b>4,345,276</b>

All infrastructure assets, buildings, plant and equipment and other non-financial physical assets that have finite useful lives, are depreciated. The exception to this rule is land.

## 4. KEY ASSETS AVAILABLE TO SUPPORT OUTPUT DELIVERY (CONTINUED)

### 4.1.1 Depreciation and impairment (continued)

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

ASSET	USEFUL LIFE
	years
Buildings	3 to 40
Boardwalks	3 to 10
Car parks	3 to 20
Motor vehicles	5
Furniture, fittings and equipment	3 to 5
Computer hardware and software	3 to 5

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

**Indefinite life assets:** Land, which is considered to have an indefinite life, is not depreciated. Depreciation is not recognised in respect of these assets because their service potential has not, in any material sense, been consumed during the reporting period.

#### Impairment

Non-financial assets, including items of property, plant and equipment, are tested for impairment whenever there is an indication that the asset may be impaired.

The assets concerned are tested as to whether their carrying value exceeds their recoverable amount. Where an asset's carrying value exceeds its recoverable amount, the difference is written off as an 'other economic flow', except to the extent that it can be debited to an asset revaluation surplus amount applicable to that class of asset.

If there is an indication that there has been a reversal in impairment, the carrying amount shall be increased to its recoverable amount. However this reversal should not increase the asset's carrying amount above what would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years.

The recoverable amount for most assets is measured at the higher of depreciated replacement cost and fair value less costs to sell. Recoverable amount for assets held primarily to generate net cash inflows is measured at the higher of the present value of future cash flows expected to be obtained from the asset and fair value less costs to sell.

## 4. KEY ASSETS AVAILABLE TO SUPPORT OUTPUT DELIVERY (CONTINUED)

### 4.1.2 Reconciliation of movements in carrying amount of property, plant and equipment

	Crown land	Buildings	Boardwalks	Car parks	Motor vehicles	Furniture & fittings	Plant & equipment	Computer hardware	Work in progress	Total property, plant & equipment
<b>Non-current</b>	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>2018</b>										
Carrying amount as at 1 July 2017	52,829,000	26,602,378	1,879,868	3,322,577	576,499	440,485	1,208,571	102,321	1,569,420	<b>88,531,119</b>
Additions	1,791,783	345,020	15,731	43,453	285,532	4,058	138,165	58,487	7,367,640	<b>10,049,869</b>
Transfer in/(out)	-	140,750	-	2,193	-	7,540	44,478	12,973	(262,689)	<b>(54,755)</b>
Disposals	-	-	-	-	(64,745)	-	-	(48)	-	<b>(64,793)</b>
Revaluation	6,524,382	(51,352)	-	-	-	-	-	-	-	<b>6,473,030</b>
Depreciation and amortisation expense	-	(2,353,105)	(167,159)	(704,086)	(223,944)	(189,424)	(276,794)	(78,063)	-	<b>(3,992,575)</b>
<b>Carrying amount as at 30 June 2018</b>	<b>61,145,165</b>	<b>24,683,691</b>	<b>1,728,440</b>	<b>2,664,137</b>	<b>573,342</b>	<b>262,659</b>	<b>1,114,420</b>	<b>95,670</b>	<b>8,674,371</b>	<b>100,941,895</b>

Note:

Fair value assessments have been performed for all classes of assets in the purpose group and the decision was made that movements were not material (less than or equal to 10 per cent) for a full revaluation. The next scheduled full revaluation for this purpose group will be conducted in 2021.

	Crown land	Buildings	Boardwalks	Car parks	Motor vehicles	Furniture & fittings	Plant & equipment	Computer hardware	Work in progress	Total property, plant & equipment
<b>Non-current</b>	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>2017</b>										
Carrying amount as at 1 July 2016	52,829,000	28,750,433	1,901,578	3,961,757	606,097	658,037	1,373,285	179,507	170,263	<b>90,429,957</b>
Additions	-	11,530	69,943	-	201,167	34,364	135,253	36,190	1,556,808	<b>2,045,255</b>
Transfer in/(out)	-	-	71,194	-	-	-	-	-	(71,194)	<b>-</b>
Disposals	-	-	-	-	(19,294)	-	-	(181)	-	<b>(19,475)</b>
Impairments	-	-	-	-	-	-	-	-	(86,457)	<b>(86,457)</b>
Depreciation and amortisation expense	-	(2,159,585)	(162,847)	(639,180)	(211,471)	(251,916)	(299,967)	(113,195)	-	<b>(3,838,161)</b>
<b>Carrying amount as at 30 June 2017</b>	<b>52,829,000</b>	<b>26,602,378</b>	<b>1,879,868</b>	<b>3,322,577</b>	<b>576,499</b>	<b>440,485</b>	<b>1,208,571</b>	<b>102,321</b>	<b>1,569,420</b>	<b>88,531,119</b>



## 4. KEY ASSETS AVAILABLE TO SUPPORT OUTPUT DELIVERY (CONTINUED)

### 4.2 INTANGIBLE ASSETS

	2018	2017
<b>Non-current</b>	\$	\$
Software at cost	3,444,193	3,355,822
Less accumulated amortisation	(2,211,961)	(1,695,544)
<b>Net book value at end of financial year</b>	<b>1,232,232</b>	<b>1,660,278</b>

	2018	2017
<b>Non-current</b>	\$	\$
Opening balance	1,660,278	2,083,480
Additions	33,615	72,453
Transfer in	54,755	-
Less amortisation	(516,416)	(495,655)
<b>Net book value at end of financial year</b>	<b>1,232,232</b>	<b>1,660,278</b>

#### INITIAL RECOGNITION

**Purchased intangible assets** are initially recognised at cost. When the recognition criteria in AASB 138 *Intangible Assets* is met, internally generated intangible assets are recognised at cost. Subsequently, intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses. Depreciation and amortisation begins when the asset is available for use, that is, when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

#### Subsequent measurement

Intangible produced assets with finite useful lives, are amortised as an 'expense from transactions' on a straight line basis over their useful lives. Produced intangible assets have useful lives of between 3 and 5 years.

Intangible non-produced assets with finite lives are amortised as an 'other economic flow' on a straight line basis over their useful lives. The amortisation period is 3 to 5 years.

#### Impairment of intangible assets

Intangible assets with finite useful lives are tested for impairment whenever an indication of impairment is identified.

## 5. OTHER ASSETS AND LIABILITIES

This section sets out those assets and liabilities that arose from the Nature Parks controlled operations.

### 5.1 RECEIVABLES

	2018	2017
<b>Contractual</b>	\$	\$
Sale of goods and services	836,905	974,898
Provision for doubtful contractual receivables	(36,394)	(26,622)
Accrued interest income	8,418	7,244
Other receivables	232,096	14,654
<b>Total contractual receivables</b>	<b>1,041,025</b>	<b>970,174</b>
<b>Statutory</b>		
GST credit recoverable	90,731	-
<b>Total statutory receivables</b>	<b>90,731</b>	<b>-</b>
<b>Total receivables</b>	<b>1,131,756</b>	<b>970,174</b>
<b>Represented by</b>		
Current receivables	1,131,756	970,174

**Contractual receivables** are classified as financial instruments and categorised as 'loans and receivables'.

They are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial measurement they are measured at amortised cost using the effective interest method, less any impairment.

**Statutory receivables** do not arise from contracts and are recognised and measured similarly to contractual receivables (except for impairment), but are not classified as financial instruments.

#### Movement in the provision for doubtful debts

	2018	2017
	\$	\$
<b>Balance at beginning of the year</b>	<b>(26,622)</b>	<b>(25,804)</b>
Amounts written off during the year	4,809	400
Increase in provision recognised in profit or loss	(14,581)	(1,218)
<b>Balance at end of the year</b>	<b>(36,394)</b>	<b>(26,622)</b>

**Doubtful debts:** Receivables are assessed for bad and doubtful debts on a regular basis. A provision for doubtful debts is recognised when there is objective evidence that the debts may not be collected and bad debts are written off when identified.

A provision is made for estimated irrecoverable amounts from the sale of goods when there is objective evidence that an individual receivable is impaired. The increase in the provision for the year is recognised in the net result.

Bad debts considered as written off by mutual consent are classified as a transaction expense. Bad debts not written off, but included in the provision for doubtful debts, are classified as other economic flows in the net result.

## 5. OTHER ASSETS AND LIABILITIES (CONTINUED)

### 5.1 RECEIVABLES (CONTINUED)

#### Ageing analysis of contractual receivables

	Carrying amount	Not past due and not impaired	Past due but not impaired			
			Less than 1 month	1-3 months	3 months - 1 year	
	\$	\$	\$	\$	\$	\$
<b>2018</b>						
Sale of goods and services	836,905	618,211	189,953	15,824	12,917	-
Accrued investment income	8,418	8,418	-	-	-	-
Other receivables	232,096	232,096	-	-	-	-
<b>Total</b>	<b>1,077,419</b>	<b>858,725</b>	<b>189,953</b>	<b>15,824</b>	<b>12,917</b>	<b>-</b>
<b>2017</b>						
Sale of goods and services	974,898	722,723	225,311	26,481	383	-
Accrued investment income	7,244	7,244	-	-	-	-
Other receivables	14,654	14,654	-	-	-	-
<b>Total</b>	<b>996,796</b>	<b>744,621</b>	<b>225,311</b>	<b>26,481</b>	<b>383</b>	<b>-</b>

### 5.2 PAYABLES

	2018	2017
	\$	\$
<b>Contractual</b>		
Supplies and services	1,185,142	1,146,133
Accrued expenses	718,050	470,352
<b>Total contractual payables</b>	<b>1,903,192</b>	<b>1,616,485</b>
<b>Statutory</b>		
FBT payable	20,880	20,880
GST payable	-	109,609
Superannuation payable	-	94,319
<b>Total statutory payables</b>	<b>20,880</b>	<b>224,808</b>
<b>Total payables</b>	<b>1,924,072</b>	<b>1,841,293</b>
<b>Represented by:</b>		
Current payables	1,924,072	1,841,293

Payables consist of:

- **contractual payables**, classified as financial instruments and measured at amortised cost. Accounts payable represent liabilities for goods and services provided to the Nature Parks prior to the end of the financial year that are unpaid; and
- **statutory payables**, that are recognised and measured similarly to contractual payables, but are not classified as financial instruments and not included in the category of financial liabilities at amortised cost, because they do not arise from contracts.

## 5. OTHER ASSETS AND LIABILITIES (CONTINUED)

### 5.2 PAYABLES (CONTINUED)

Payables for supplies and services have an average credit period of 30 days.

The following table discloses the maturity of contractual financial liabilities:

	Carrying amount	Nominal amount	Less than 1 month	Maturity dates		
				1-3 months	3 months - 1 year	1-5 years
<b>2018</b>	\$	\$	\$	\$	\$	\$
Payables	1,903,192	1,903,192	1,885,482	14,853	2,857	-
<b>Total payables</b>	<b>1,903,192</b>	<b>1,903,192</b>	<b>1,885,482</b>	<b>14,853</b>	<b>2,857</b>	<b>-</b>
<b>2017</b>						
Payables	1,616,485	1,616,485	1,584,488	20,723	11,274	-
<b>Total payables</b>	<b>1,616,485</b>	<b>1,616,485</b>	<b>1,584,488</b>	<b>20,723</b>	<b>11,274</b>	<b>-</b>

### 5.3 INVENTORIES

	2018	2017
	\$	\$
<b>Current inventories</b>		
<b>Inventories held for sale at cost</b>		
Penguin Parade	486,373	520,584
Koala Conservation Centre	78,893	73,043
Nobbies	143,869	152,901
Churchill Island	87,985	102,781
<b>Total current inventories</b>	<b>797,120</b>	<b>849,309</b>
Less provision for inventory obsolescence	(28,814)	(29,836)
<b>Total inventories</b>	<b>768,306</b>	<b>819,473</b>

Inventory is measured at the lower of cost and net realisable value. Cost has been assigned to inventory on a first in first out basis.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expense. Obsolete and slow moving stocks are provided for, to ensure the inventories are recorded at net realisable value where such value is below cost.

The amount of any write down of inventories to net realisable value and all losses of inventories shall be recognised as an expense in the period the write down or loss occurs.

#### Movement in the provision for inventory obsolescence

	2018	2017
	\$	\$
<b>Balance at beginning of the year</b>	<b>(26,622)</b>	<b>(25,619)</b>
Increase in provision recognised in profit or loss	(2,192)	(4,217)
<b>Balance at end of the year</b>	<b>(28,814)</b>	<b>(29,836)</b>

## 5. OTHER ASSETS AND LIABILITIES (CONTINUED)

### 5.4 OTHER NON-FINANCIAL ASSETS

	2018	2017
	\$	\$
<b>Current other assets</b>		
Prepayments	107,510	226,281
<b>Total current other assets</b>	<b>107,510</b>	<b>226,281</b>
<b>Total other non-financial assets</b>	<b>107,510</b>	<b>226,281</b>

Other non-financial assets include prepayments, which represents payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term expending beyond that period.

## 6. HOW WE FINANCED OUR OPERATIONS

This section provides information on the sources of finance utilised by the Nature Parks during its operations.

### 6.1 CASH FLOW INFORMATION AND BALANCES

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

	2018	2017
	\$	\$
Cash on hand	45,000	45,002
Cash at bank – trading account	12,141,553	8,287,432
Cash at bank – major project	27,189,587	8,130,370
Cash at bank – term deposit less than 3 months maturity	1,750,000	1,750,000
Cash at bank – defined benefits contingency fund	894,063	889,450
<b>Balance as per cash flow statement</b>	<b>42,020,203</b>	<b>19,102,254</b>

## 6. HOW WE FINANCE OUR OPERATIONS (CONTINUED)

### 6.1 CASH FLOW INFORMATION AND BALANCES (CONTINUED)

#### 6.1.1 Reconciliation of net result for the period to cash flow from operating activities

	2018	2017
	\$	\$
<b>Net result for the period</b>	<b>1,806,854</b>	<b>2,733,534</b>
<b>Non cash movements</b>		
Gain on sale or disposal of non current assets	(141,337)	(24,162)
Depreciation and amortisation of non current assets	4,508,991	4,345,276
Impairment of non current assets	-	86,457
<b>Movements in assets and liabilities</b>		
(Increase)/decrease in receivables & other current assets	(42,811)	11,107
Decrease in inventories	51,167	21,974
Increase in payables	82,779	181,977
Increase in employee provisions	1,660	18,058
<b>Net cash flows from operating activities</b>	<b>6,267,303</b>	<b>7,374,221</b>

### 6.2 COMMITMENTS FOR EXPENDITURE

Commitments for future capital commitments arising from contracts are recorded below at their nominal value and inclusive of GST. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised in the balance sheet.

In May 2016 it was announced in the 2016-17 state capital Program (Budget Paper No 4) that the Nature Parks will receive funding for a major capital project. As a condition of this funding, the Nature Parks will contribute a further \$5,000,000 to the project within the next 12 months.

#### 6.2.1 Total commitments payable

Nominal amounts 2018	Less than 1 year	1 – 5 years	5+ years	Total
	\$	\$	\$	\$
Capital expenditure commitments payable	40,649,793	7,758,448	-	48,408,241
<b>Total commitments (inclusive of GST)</b>	<b>40,649,793</b>	<b>7,758,448</b>	<b>-</b>	<b>48,408,241</b>
Less GST recoverable				(4,400,749)
<b>Total commitments (exclusive of GST)</b>				<b>44,007,492</b>
<b>2017</b>				
Capital expenditure commitments payable	233,973	3,284,101	-	3,518,074
<b>Total commitments (inclusive of GST)</b>	<b>233,973</b>	<b>3,284,101</b>	<b>-</b>	<b>3,518,074</b>
Less GST recoverable				(319,825)
<b>Total commitments (exclusive of GST)</b>				<b>3,198,249</b>

## 7. RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS

### *Introduction*

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

### 7.1 FINANCIAL INSTRUMENTS SPECIFIC DISCLOSURES

#### *Introduction*

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

#### *Categories of financial instruments*

**Loans and receivables and cash** are financial instrument assets with fixed and determinable payments that are not quoted on an active market. These assets and liabilities are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial measurement, loans and receivables are measured at amortised cost using the effective interest method (and for assets, less any impairment). The Nature Parks recognises the following assets in this category:

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

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

- payables (excluding statutory payables)
- deposits held and advance received.

## 7. RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS (CONTINUED)

### 7.1 FINANCIAL INSTRUMENTS SPECIFIC DISCLOSURES (CONTINUED)

#### 7.1.1 Financial instruments: Categorisation

2018	Cash and cash equivalents	Loans and receivables	Investments	Financial liabilities measured at amortised costs	Total
	\$	\$	\$	\$	\$
<b>Contractual financial assets</b>					
Cash and deposits	42,020,203	-	-	-	42,020,203
Receivables	-	1,041,026	-	-	1,041,026
Term deposits	-	-	250,000	-	250,000
<b>Total contractual financial assets</b>	<b>42,020,203</b>	<b>1,041,026</b>	<b>250,000</b>	<b>-</b>	<b>43,311,229</b>
<b>Contractual financial liabilities</b>					
Payables	-	-	-	1,903,192	1,903,192
<b>Total contractual financial liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,903,192</b>	<b>1,903,192</b>

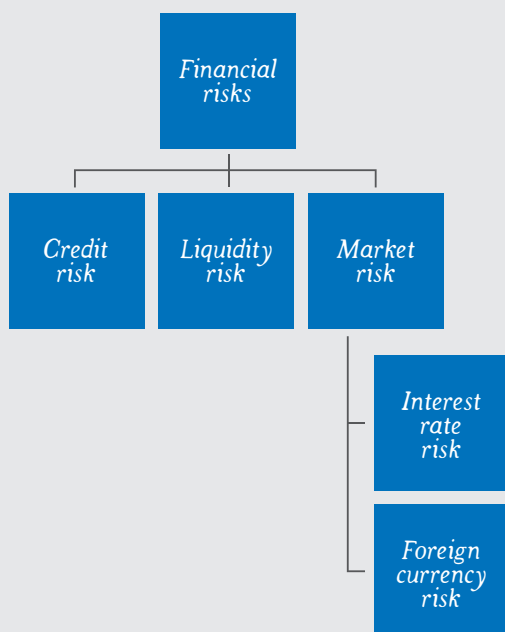
2017	Cash and cash equivalents	Loans and receivables	Investments	Financial liabilities measured at amortised costs	Total
	\$	\$	\$	\$	\$
<b>Contractual financial assets</b>					
Cash and deposits	19,102,254	-	-	-	19,102,254
Receivables	-	970,174	-	-	970,174
Term deposits	-	-	250,000	-	250,000
<b>Total contractual financial assets</b>	<b>19,102,254</b>	<b>970,174</b>	<b>250,000</b>	<b>-</b>	<b>20,322,428</b>
<b>Contractual financial liabilities</b>					
Payables	-	-	-	1,616,485	1,616,485
<b>Total contractual financial liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,616,485</b>	<b>1,616,485</b>



## 7. RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS (CONTINUED)

### 7.1 FINANCIAL INSTRUMENTS SPECIFIC DISCLOSURES (CONTINUED)

#### 7.1.2 Financial risk management objectives and policies



As a whole, the Nature Parks' financial risk management program seeks to manage these risks and the associated volatility of its financial performance. Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised, with respect to each class of financial asset, financial liability below.

The main purpose in holding financial instruments is to prudentially manage the Nature Parks' financial risks within the government policy parameters.

The Nature Parks main financial risks include credit risk, liquidity risk, interest rate risk and foreign currency risk. At this stage, it has no exposure to equity price risk. The Nature Parks' manages these financial risks in accordance with its financial risk management policy.

#### *Financial risk: Credit risk*

Credit risk refers to the possibility that a borrower will default in its financial obligations as and when they fall due.

The Nature Parks' exposure to credit risk arises from the potential default of a counter party on their contractual obligations resulting in financial loss to the Nature Parks. Maximum exposure to credit risk is the carrying amount of financial assets.

Credit risk associated with the Nature Parks' financial assets is minimal as the risk is spread across a large number of small debtors. In addition, each debtor must undergo a credit checking process before credit is provided and the outstanding balance is reviewed on a regular basis.

In addition the Nature Parks does not engage in hedging for its contractual financial assets and mainly obtains contractual financial assets that on fixed interest, except for cash and deposits, which are mainly cash at bank.

Provision of impairment for contractual financial assets is recognised when there is objective evidence that the Nature Parks will be unable to collect a receivable. Objective evidence includes financial difficulties of the debtor, default payment and changes in credit ratings.

There are no financial assets that have had their terms renegotiated so as to prevent them from being past due or impaired, and they are stated at the carrying amounts as indicated.

There has been no material change to the Nature Parks credit risk profile in 2017-18.

#### *Financial instruments: Liquidity risk*

Liquidity risk arises when the Nature Parks is unable to meet its financial obligations as they fall due.

The Nature Parks adopts a policy of paying creditors within 30 days of month end.

Maximum exposure to liquidity risk is the carrying amount of financial liabilities, which have a maturity of less than one (1) month based on contractual undiscounted cash flows.

The Nature Parks' exposure to liquidity risk is insignificant based on prior period's data and current assessment of risk. Cash is deposited to the trading account offering a competitive interest rate with at call accessibility of funds.

## 7. RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS (CONTINUED)

### 7.1.2 Financial risk management objectives and policies (continued)

#### Interest rate risk

Fair value interest rate risk is the risk that the fair value of the financial instrument will fluctuate because of changes in market interest rates. The Nature Parks does not hold any interest bearing financial instruments that are measured at fair value, and therefore has no exposure to fair value interest rate risk.

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

The Nature Parks manages this risk by mainly undertaking fixed rate or non-interest bearing financial instruments with relatively even maturity profiles. The Nature Parks has concluded for cash at bank as financial assets that can be left at floating rate without necessarily exposing the Nature Parks to significant bad risk.

The carrying amount of financial assets and financial liabilities that are exposed to interest rates and the Nature Parks' sensitivity to interest rate risk are set out in the table that follows.

#### Interest rate exposure of financial instruments

2018	Weighted average interest rate	Carrying amount	Fixed interest rate	Variable interest rate	Non interest bearing
	%	\$	\$	\$	\$
<b>Financial assets</b>					
Cash and deposits	1.85	42,020,203	1,750,000	40,225,203	45,000
Receivables	-	1,041,026	-	-	1,041,026
Term deposits	2.20	250,000	250,000	-	-
<b>Total financial assets</b>		<b>43,311,229</b>	<b>2,000,000</b>	<b>40,225,203</b>	<b>1,086,026</b>
<b>Financial liabilities</b>					
Payables	-	1,903,192	-	-	1,903,192
<b>Total financial liabilities</b>		<b>1,903,192</b>	<b>-</b>	<b>-</b>	<b>1,903,192</b>

2017	Weighted average interest rate	Carrying amount	Fixed interest rate	Variable interest rate	Non interest bearing
	%	\$	\$	\$	\$
<b>Financial assets</b>					
Cash and deposits	1.33	19,102,254	1,750,000	17,307,252	45,002
Receivables	-	970,174	-	-	970,174
Term deposits	2.47	250,000	250,000	-	-
<b>Total financial assets</b>		<b>20,322,428</b>	<b>2,000,000</b>	<b>17,307,252</b>	<b>1,015,176</b>
<b>Financial liabilities</b>					
Payables	-	1,616,485	-	-	1,616,485
<b>Total financial liabilities</b>		<b>1,616,485</b>	<b>-</b>	<b>-</b>	<b>1,616,485</b>

#### Interest rate risk sensitivity

Taking into account past performance and future expectations a 1% increase or decrease in interest rates is reasonably possible over the next 12 months. The effect on cash assets would be an increase or decrease in fair value of \$402,252 (2017: \$173,072).

## 7. RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS (CONTINUED)

### 7.1.2 Financial risk management objectives and policies (continued)

#### *Foreign currency risk*

All foreign currency transactions during the financial year are brought to account using the exchange rate in effect at the date of the transaction. Exchange differences are recognised in profit or loss in the period in which they arise.

The Nature Parks is exposed to an insignificant amount of foreign currency risk through its payables relating to purchases from overseas. This is because of a limited amount of purchases denominated in foreign currencies and a short time frame between commitment and settlement.

### 7.2 CONTINGENT ASSETS AND CONTINGENT LIABILITIES

Contingent assets and contingent liabilities are not recognised in the balance sheet but are disclosed and, if quantifiable, are measured at nominal value.

The Board is not aware of any material threat or existing legal actions or other contingencies between Phillip Island Nature Parks Board of Management Inc and third parties as at 30 June 2018 (2017: Nil)

### 7.3 FAIR VALUE DETERMINATION

#### *Significant judgement: Fair value measurements of assets and liabilities*

Fair value determination requires judgement and the use of assumptions. This section discloses the most significant assumptions used in determining fair values. Changes to assumptions could have a material impact on the results and financial position of the Nature Parks.

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

The following assets and liabilities are carried at fair value:

- land, buildings, infrastructure, plant and equipment.

In addition, the fair values of other assets and liabilities that are carried at amortised cost, also need to be determined for disclosure purposes.

The Nature Parks determines the policies and procedures for determining fair values for both financial and non-financial assets and liabilities as required.

## 7. RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS (CONTINUED)

### FAIR VALUE HIERARCHY

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

- Level 1 – quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 – valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 – valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

The Valuer General Victoria (VGV) is the Nature Parks' independent valuation agency. The Nature Parks, in conjunction with VGV, monitors changes in the fair value of each asset and liability through relevant data sources to determine whether revaluation is required.

### HOW THIS SECTION IS STRUCTURED

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

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

This section is divided between disclosures in connection with fair value determination for financial instruments (refer to Note 7.3.1) and non-financial physical assets (refer to Note 7.3.2).

### 7.3.1 Fair value determination of financial assets and liabilities

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

- Level 1 – the fair value of financial instrument with standard terms and conditions and traded in active liquid markets are determined with reference to quoted market prices;
- Level 2 – the fair value is determined using inputs other than quoted prices that are observable for the financial asset or liability, either directly or indirectly; and
- Level 3 – the fair value is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using unobservable market inputs.

The Nature Parks currently holds a range of financial instruments that are recorded in the financial statements where the carrying amounts are a reasonable approximation of fair value, either due to their short-term nature or with the expectation that they will be paid in full by the end of the 2017-18 reporting period.

These financial instruments include:

Financial assets	Financial liabilities
<b>Cash and deposits</b> Receivables: <ul style="list-style-type: none"> <li>• Sale of goods and services</li> <li>• Accrued investment income</li> <li>• Other receivables</li> </ul> Investments and other contractual financial assets: <ul style="list-style-type: none"> <li>• Term deposits:</li> </ul>	<b>Payables</b> <ul style="list-style-type: none"> <li>• For supplies and services</li> <li>• Amounts payable to government</li> <li>• Other payables</li> </ul>

## 7. RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS (CONTINUED)

### 7.3.2 Fair value determination of non-physical financial assets

2018	Carrying amount as at 30 June 2018	Fair value measurement at end of reporting period using:		
		Level 1	Level 2	Level 3
	\$	\$	\$	\$
Specialised land at fair value	61,145,165	-	-	61,145,165
Specialised building at fair value	24,683,691	-	-	24,683,691
Boardwalks at fair value	1,728,440	-	-	1,728,440
Car parks at fair value	2,664,137	-	-	2,664,137
Motor vehicles at fair value	573,342	-	-	573,342
Furniture and fittings at fair value	262,659	-	-	262,659
Plant & equipment at fair value	1,114,420	-	-	1,114,420
Computer hardware at fair value	95,671	-	-	95,671

2017	Carrying amount as at 30 June 2017	Fair value measurement at end of reporting period using:		
		Level 1	Level 2	Level 3
	\$	\$	\$	\$
Specialised land at fair value	52,829,000	-	-	52,829,000
Specialised building at fair value	26,602,378	-	-	26,602,378
Boardwalks at fair value	1,879,868	-	-	1,879,868
Car parks at fair value	3,322,577	-	-	3,322,577
Motor vehicles at fair value	576,499	-	-	576,499
Furniture and fittings at fair value	440,485	-	-	440,485
Plant & equipment at fair value	1,208,571	-	-	1,208,571
Computer hardware at fair value	102,321	-	-	102,321

There have been no transfers between levels during the period.

#### SPECIALISED LAND AND SPECIALISED BUILDINGS

The market approach is used for specialised land, although is adjusted for the community service obligation (CSO) to reflect the specialised nature of the land being valued.

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

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

An independent valuation of the Nature Parks' specialised land and specialised buildings was performed by the Valuer General Victoria. The valuation was performed using the market approach adjusted for CSO. The effective date of the valuation is 30 June 2016.

In compliance with FRD 103F, in the year ended 30 June 2018, the Nature Parks conducted an annual assessment of the fair value of land and buildings. To facilitate this, the Nature Parks obtained the Valuer General Victoria indices for the financial year ended 30 June 2018.

The latest indices for land required a managerial revaluation. The indexed value was compared to individual assets written down book value as at 30 June 2018 to determine the change in their fair values. The Department of Environment, Land, Water and Planning approved a managerial revaluation of the land asset class of \$6.5m.

## 7. RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS (CONTINUED)

### 7.3.2 Fair value determination of non-physical financial assets

#### CAR PARKS AND BOARDWALKS

Car parks and boardwalks are valued using the depreciated replacement cost method. This cost generally represents the replacement cost of the building/component after applying depreciation rates on a useful life basis.

An independent valuation of the Nature Parks' car parks and boardwalks was performed by the Valuer General Victoria. The valuation was performed based on the depreciated replacement cost of the assets. The effective date of the valuation is 30 June 2016.

#### PLANT AND EQUIPMENT, FURNITURE AND FITTINGS, COMPUTER HARDWARE AND VEHICLES

Plant and equipment, furniture and fittings, computer hardware and vehicles are valued using the depreciated replacement cost method. This cost represents the replacement cost of the plant and equipment, furniture and fitting and vehicles after applying depreciation rates on a useful life basis. Replacement costs relate to costs to replace the current service capacity of the asset. As depreciation adjustments are considered as significant, unobservable inputs in nature, these assets are classified as Level 3 fair value measurements.

#### Reconciliation of Level 3 fair value movements

2018	Specialised land	Specialised buildings	Boardwalks	Car parks	Motor vehicles	Furniture and fittings	Plant and equipment	Computer hardware
	\$	\$	\$	\$	\$	\$	\$	\$
Opening balance	52,829,000	26,602,378	1,879,868	3,322,577	576,499	440,485	1,208,571	102,321
Additions	1,791,783	485,770	15,731	45,646	285,532	11,598	182,643	71,460
Depreciation	-	(2,353,105)	(167,159)	(704,086)	(223,944)	(189,424)	(276,794)	(78,063)
Disposal	-	-	-	-	(64,745)	-	-	(47)
Subtotal	54,620,783	24,735,043	1,728,440	2,664,137	573,342	262,659	1,114,420	95,671
Gains recognised in other economic flows – other comprehensive income								
Revaluation	6,524,382	(51,352)	-	-	-	-	-	-
Subtotal	-	(51,352)	-	-	-	-	-	-
<b>Closing balance</b>	<b>61,145,165</b>	<b>26,683,691</b>	<b>1,728,440</b>	<b>2,664,137</b>	<b>573,342</b>	<b>262,659</b>	<b>1,114,420</b>	<b>95,671</b>

2017	Specialised land	Specialised buildings	Boardwalks	Car parks	Motor vehicles	Furniture and fittings	Plant and equipment	Computer hardware
	\$	\$	\$	\$	\$	\$	\$	\$
Opening balance	52,829,000	28,750,433	1,901,578	3,961,757	606,097	658,037	1,373,285	179,507
Additions	-	11,530	141,137	-	201,167	34,364	135,253	36,190
Depreciation	-	(2,159,585)	(162,847)	(639,180)	(211,471)	(251,916)	(299,967)	(113,195)
Disposal	-	-	-	-	(19,294)	-	-	(181)
Subtotal	52,829,000	26,602,378	1,879,868	3,322,577	576,499	440,485	1,208,571	102,321
Gains recognised in other economic flows – other comprehensive income								
Revaluation	-	-	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-	-	-
<b>Closing balance</b>	<b>52,829,000</b>	<b>26,602,378</b>	<b>1,879,868</b>	<b>3,322,577</b>	<b>576,499</b>	<b>440,485</b>	<b>1,208,571</b>	<b>102,321</b>

## 7. RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS (CONTINUED)

### 7.3.2 Fair value determination of non-physical financial assets

Description of significant unobservable inputs to Level 3 valuations

	Valuation technique	Significant unobservable inputs
Specialised land	Market Approach	CSO adjustment
Specialised buildings	Depreciated replacement cost	Direct cost per square metre Useful Life
Boardwalks	Depreciated replacement cost	Direct cost per square metre Useful Life
Car parks	Depreciated replacement cost	Direct cost per square metre Useful Life
Motor vehicles	Depreciated replacement cost	Cost per unit Useful Life
Furniture and fittings	Depreciated replacement cost	Cost per unit Useful Life
Plant and equipment	Depreciated replacement cost	Cost per unit Useful Life
Computer hardware	Depreciated replacement cost	Cost per unit Useful Life

## 8. OTHER DISCLOSURES

### Introduction

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

### 8.1 EX-GRATIA EXPENSES

The Nature Parks is not aware of any ex gratia expenses at the time of finalising the annual report (2017: \$0).

### 8.2 RESERVES

	2018	2017
	\$	\$
Physical asset revaluation surplus		
Balance at beginning of financial year	53,423,574	53,423,574
Revaluation increments/(decrements)	6,473,030	-
Balance at end of financial year	59,896,604	53,423,574
Net changes in reserves	6,473,030	-

### 8.3 RESPONSIBLE PERSONS

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

The names of persons who were responsible persons at any time during the financial year are:

#### RESPONSIBLE MINISTER

The responsible Minister during 2017-18 reporting period was the Hon. Lily D'Ambrosio MP, Minister for Energy, Environment and Climate Change.

#### ACCOUNTABLE OFFICER

Catherine Basterfield, Chief Executive Officer (1 July 2017 to 30 June 2018)

#### BOARD MEMBERS

The names of each person holding the position of board member during the financial year are:

- Jefi Floyd, Board Chair (1 July 2017 to 2 March 2018)
- Andrew Paxton, Board Member (1 July 2017 to 30 June 2018)
- Stephen Davie, Board Member (1 July 2017 to 30 June 2018)
- Kevin Love, Board Member (1 July 2017 to 30 June 2018)
- Dr Danielle Auldist, Board Member (1 July 2017 to 30 June 2018)
- Shelly Lavender, Board Member (1 July 2017 to 30 June 2018)
- Liz Stinson, Board Member (1 July 2017 to 30 June 2018)
- Kay Spierings, Board Member (1 July 2017 to 30 June 2018)



## 8. OTHER DISCLOSURES (CONTINUED)

### Remuneration bands for responsible persons

	2018	2017
\$0 to \$9,999	-	-
\$10,000 to \$19,999	8	7
\$20,000 to \$29,999	-	1
\$70,000 to \$79,999	-	1
\$210,000 to \$219,999	-	1
\$250,000 to \$259,999	1	-
<b>Total Numbers</b>	<b>9</b>	<b>10</b>
<b>Total Remuneration</b>	<b>\$386,414</b>	<b>\$418,876</b>

### 8.4 REMUNERATION OF EXECUTIVES

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

Remuneration comprises employee benefits (as defined in AASB Employee Benefits) in all forms of consideration paid, payable or provided by the entity or on behalf of the entity, in exchange for services rendered. Accordingly, remuneration is determined on an accrual basis, and is disclosed in the following categories.

Short-term employee benefits include amounts such as wages, salaries, annual leave or sick leave that are usually paid or payable on a regular basis, as well as non-monetary benefits such as allowances and free or subsidised goods or services.

Post-employment benefits include pensions and other retirement paid or payable on a discrete basis when employment has ceased.

Other long term benefits include long service leave, other long service benefits or deferred compensation.

Remuneration of executive officers	2018	2017
	\$	\$
Short-term employee benefits(a)	176,332	-
Post-employment benefits	15,616	-
Other long-term benefits	3,883	-
<b>Total remuneration (a)</b>	<b>195,831</b>	<b>-</b>
<b>Total number of executives</b>	<b>1</b>	<b>-</b>
<b>Total annualised employee equivalents</b>	<b>1</b>	<b>-</b>

## 8. OTHER DISCLOSURES (CONTINUED)

### 8.5 RELATED PARTIES

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

Related parties of the Nature Parks include:

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

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

#### SIGNIFICANT TRANSACTIONS WITH GOVERNMENT-RELATED ENTITIES

The Nature Parks received funding from the State of Victoria of \$26.7 million (2017: \$4.5 million), including the two instalments totalling \$26.5 million from Department of Environment, Land, Water and Planning towards the Penguin Parade Visitor Centre (refer note 8.8).

#### KEY MANAGEMENT PERSONNEL

Key management personnel for the Nature Parks includes the Portfolio Minister for Energy, Environment and Climate Change, the Hon. Lily D'Ambrosio MP and members of the Board of Directors and Chief Executive Officer as detailed in section 8.3.

The compensation detailed below excludes the salaries and benefits the Portfolio Minister receives. The Minister's remuneration and allowances is set by the *Parliamentary Salaries and Superannuation Act 1968* and is reported within the Department of Parliamentary Services' Financial Report.

Compensation of KMPs	2018	2017
	\$	\$
Short-term employee benefits(a)	347,319	380,493
Post-employment benefits	33,962	33,321
Other long-term benefits	5,133	5,062
<b>Total(a)</b>	<b>386,414</b>	<b>418,876</b>

Notes: (a) Note that KMPs are also reported in the disclosure of responsible persons (Note 8.4).

## 8. OTHER DISCLOSURES (CONTINUED)

### 8.5 RELATED PARTIES (CONTINUED)

#### TRANSACTIONS AND BALANCES WITH KEY MANAGEMENT PERSONNEL AND OTHER RELATED PARTIES

Given the breadth and depth of State government activities, related parties transact with the Victorian public sector in a manner consistent with other members of the public e.g. stamp duty and other government fees and charges. Further employment of processes within the Victorian public sector occur on terms and conditions consistent with the *Public Administration Act 2004* and Codes of Conduct and Standards issued by the Victorian Public Sector Commission. Procurement processes occur on terms and conditions consistent with the Victorian Government Procurement Board requirements.

The Nature Parks has a related party relationship with the Penguin Foundation Limited due to the Accountable Officer and Research Manager volunteering their time to hold Board positions with the Foundation. During 2017-18, the Nature Parks received \$180,334 (2017: \$210,662) from the Penguin Foundation Limited and also provided volunteer administrative support to the Foundation.

Outside of normal citizen type transactions, there were no other related party transactions that involved key management personnel, their close family members and their personal business interests considered material for disclosure (2017: A company run by close family members of Board Member Steve Davie supplied produce valued at \$5,096 to the Nature Parks on terms and conditions equivalent for those that prevail in arm's length transactions under Phillip Island Nature Parks' procurement process).

No provision has been required, nor any expense recognised, for impairment of receivables from related parties.

### 8.6 REMUNERATION OF AUDITORS

	2018	2017
	\$	\$
<b>Victorian Auditor General's Office</b>		
Audit or review of the financial statements	17,000	16,605
<b>Total remuneration of auditors</b>	<b>17,000</b>	<b>16,605</b>

### 8.7 SUBSEQUENT EVENTS

The Phillip Island Nature Parks Board of Management is not aware of any circumstances that have arisen since 30 June 2018 that have significantly affected or may significantly affect the Nature Parks' operations in financial years subsequent to 30 June 2018.

### 8.8 OTHER ACCOUNTING POLICIES

#### Contributions by owners

	2018	2017
	\$	\$
<b>Contribution by owners</b>		
Balance at beginning of financial year	34,100,633	29,759,633
Capital contribution by State	26,528,000	4,341,000
<b>Balance at end of financial year</b>	<b>60,628,633</b>	<b>34,100,633</b>

Consistent with the requirements of AASB 1004 Contributions, contributions by owners (that is, contributed capital and its repayment) are treated as equity transactions and, therefore, do not form part of the income and expenses of the Nature Parks.

During the year the State Government contributed \$26,528,000 (2017: \$4,341,000) to the Nature Parks as instalments relating to the redevelopment of the Penguin Parade visitor centre.

## 8.9 AUSTRALIAN ACCOUNTING STANDARDS ISSUED THAT ARE NOT YET EFFECTIVE

The following AASs become effective for reporting periods commencing after the operative dates stated:

Certain new Australian Accounting Standards (AAS) have been published which are not mandatory for the 30 June 2018 reporting period. DTF assesses the impact of all these new standards and advises the Nature Parks of their applicability and early adoption where applicable.

Standard/ Interpretation	Summary	Applicable for annual reporting periods beginning on	Impact on public sector entity financial statements
AASB 15 Revenue from Contracts with Customers	The core principle of AASB 15 requires an entity to recognise revenue when the entity satisfies a performance obligation by transferring a promised good or service to a customer. Note that amending standard AASB 2015 8 Amendments to Australian Accounting Standards – Effective Date of AASB 15 has deferred the effective date of AASB 15 to annual reporting periods beginning on or after 1 January 2018, instead of 1 January 2017.	1 Jan 2019	The changes in revenue recognition requirements in AASB 15 may result in changes to the timing and amount of revenue recorded in the financial statements. The Standard will also require additional disclosures on service revenue and contract modifications.  Management has assessed these changes and determined the impact will not be significant.
AASB 2016-7 Amendments to Australian Accounting Standards – Deferral of AASB 15 for Not-for-Profit Entities	This Standard defers the mandatory effective date of AASB 15 for not-for-profit entities from 1 January 2018 to 1 January 2019.	1 Jan 2019	This amending standard will defer the application period of AASB 15 for not-for-profit entities to the 2019-20 reporting period.
AASB 16 Leases	The key changes introduced by AASB 16 include the recognition of most operating leases (which are currently not recognised) on balance sheet.	1 Jan 2019	The assessment has indicated that as most operating leases will come on balance sheet, recognition of the right-of-use assets and lease liabilities will cause net debt to increase.  Rather than expensing the lease payments, depreciation of right-of-use assets and interest on lease liabilities will be recognised in the income statement with marginal impact on the operating surplus.  Management has assessed these changes and determined the impact will not be significant.
AASB 1058 Income of Not-for-Profit Entities	AASB 1058 standard will replace the majority of income recognition in relation to government grants and other types of contributions requirements relating to public sector not-for-profit entities, previously in AASB 1004 Contributions.  The restructure of administrative arrangement will remain under AASB 1004 and will be restricted to government entities and contributions by owners in a public sector context,  AASB 1058 establishes principles for transactions that are not within the scope of AASB 15, where the consideration to acquire an asset is significantly less than fair value to enable not-for-profit entities to further their objective.	1 Jan 2019	The current revenue recognition for grants is to recognise revenue up front upon receipt of the funds.  This may change under AASB 1058, as capital grants for the construction of assets will need to be deferred. Income will be recognised over time, upon completion and satisfaction of performance obligations for assets being constructed, or income will be recognised at a point in time for acquisition of assets.  The revenue recognition for operating grants will need to be analysed to establish whether the requirements under other applicable standards need to be considered for recognition of liabilities (which will have the effect of deferring the income associated with these grants). Only after that analysis would it be possible to conclude whether there are any changes to operating grants.  The impact on current revenue recognition of the changes is the phasing and timing of revenue recorded in the profit and loss statement.

## 8.10 GLOSSARY OF TECHNICAL TERMS

The following is a summary of the major technical terms used in this report.

**Actuarial gains or losses on superannuation defined benefit plans** are changes in the present value of the superannuation defined benefit liability resulting from:

- (a) experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred); and
- (b) the effects of changes in actuarial assumptions.

**Amortisation** is the expense that results from the consumption, extraction or use over time of a non-produced physical or intangible asset. This expense is classified as an 'other economic flow'.

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

**Comprehensive result** is the amount included in the operating statement representing total change in net worth other than transactions with owners as owners.

**Current grants** are amounts payable or receivable for current purposes for which no economic benefits of equal value are receivable or payable in return.

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

**Employee benefits expenses** include all costs related to employment including wages and salaries, fringe benefits tax, leave entitlements, redundancy payments, defined benefits superannuation plans, and defined contribution superannuation plans.

**Ex-gratia expenses** mean the voluntary payment of money or other non-monetary benefit (e.g. a write-off) that is not made either to acquire goods, services or other benefits for the entity or to meet a legal liability, or to settle or resolve a possible legal liability or claim against the entity.

**Financial asset** is any asset that is:

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

**Financial instrument** is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**Financial liability** is any liability that is:

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

## 8.10 GLOSSARY OF TECHNICAL TERMS (CONTINUED)

**Financial statements** in the Model Report comprises:

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

**Grant expenses and other transfers** are transactions in which one unit provides goods, services, assets (or extinguishes a liability) or labour to another unit without receiving approximately equal value in return. Grants can either be operating or capital in nature.

While grants to governments may result in the provision of some goods or services to the transferor, they do not give the transferor a claim to receive directly benefits of approximately equal value. For this reason, grants are referred to by the AASB as involuntary transfers and are termed non-reciprocal transfers. Receipt and sacrifice of approximately equal value may occur, but only by coincidence. For example, governments are not obliged to provide commensurate benefits, in the form of goods or services, to particular taxpayers in return for their taxes.

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

**Interest income** includes unwinding over time of discounts on financial assets and interest received on bank term deposits and other investments.

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

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

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

**Net worth** is calculated as assets less liabilities, which is an economic measure of wealth.

**Non-financial assets** are all assets that are not financial assets. It includes inventories, land, buildings, infrastructure, road networks, land under roads, plant and equipment, cultural and heritage assets, intangibles and biological assets such as commercial forests.

## 8.10 GLOSSARY OF TECHNICAL TERMS (CONTINUED)

**Non-produced assets** are assets needed for production that have not themselves been produced. They include land, subsoil assets, and certain intangible assets. Non-produced intangibles are intangible assets needed for production that have not themselves been produced. They include constructs of society such as patents.

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

**Other economic flows included in net result** are changes in the volume or value of an asset or liability that do not result from transactions. In simple terms, other economic flows are changes arising from market remeasurements. They include gains and losses from disposals, revaluations and impairments of non-current physical and intangible assets; fair value changes of financial instruments and agricultural assets; and depletion of natural assets (non-produced) from their use or removal.

**Other economic flows – other comprehensive income** comprises items (including reclassification adjustments) that are not recognised in net result as required or permitted by other Australian Accounting Standards. They include changes in physical asset revaluation surplus; share of net movement in revaluation surplus of associates and joint ventures; and gains and losses on remeasuring available-for-sale financial assets.

**Payables** includes short and long-term trade debt and accounts payable, grants, taxes and interest payable.

**Produced assets** include buildings, plant and equipment, inventories, cultivated assets and certain intangible assets. Intangible produced assets may include computer software, motion picture films and research and development costs (which does not include the start-up costs associated with capital projects).

**Public financial corporations** (PFC) are bodies primarily engaged in the provision of financial intermediation services or auxiliary financial services. They are able to incur financial liabilities on their own account (e.g. taking deposits, issuing securities or providing insurance services). Estimates are not published for the public financial corporation sector.

**Receivables** include amounts owing from government through appropriation receivable, short and long-term trade credit and accounts receivable, accrued investment income, grants, taxes and interest receivable.

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

non-produced assets such as land. User charges includes sale of goods and services income.

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

**Taxation** income represents income received from the State's taxpayers and includes:

- payroll tax, land tax and duties levied principally on conveyances and land transfers;
- gambling taxes levied mainly on private lotteries, electronic gaming machines, casino operations and racing;
- insurance duty relating to compulsory third party, life and non-life policies;
- insurance company contributions to fire brigades;
- motor vehicle taxes, including registration fees and duty on registrations and transfers;
- levies (including the environmental levy) on statutory corporations in other sectors of government; and
- other taxes, including landfill levies, licence and concession fees.

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

### 1.1 STYLE CONVENTIONS

Figures in the tables and in the text have been rounded. Discrepancies in tables between totals and sums of components reflect rounding. Percentage variations in all tables are based on the underlying unrounded amounts.

The notation used in the tables is as follows:

..	zero, or rounded to zero
(xxx.x)	negative numbers
200x	year period
200x 0x	year period



# *Appendices*



# Compliance index

Phillip Island Nature Parks' Annual Report 2017-18 is prepared in accordance with all relevant Victorian legislations and pronouncements. This index has been prepared to facilitate identification of the Department's compliance with statutory disclosure requirements.

Legislation	Requirement	Page no.
<b>ACCOUNTABLE OFFICER'S DECLARATION</b>		
SD 5.2.3	Sign off requirements (Responsible Body Declaration)	37
<b>CHARTER AND PURPOSE</b>		
MRO	Chairman's report	6
FRD 22H	Manner of establishment and responsible Minister	28
FRD 22H	Nature and range of services provided	8-34
FRD 22H	Objectives, functions, powers and duties	2-5
<b>PERFORMANCE REPORTING: NON-FINANCIAL</b>		
FRD 22H	Performance against operational objectives	8-34
FRD 22H	Achievements and key Initiatives	8-34
<b>FINANCIAL INFORMATION: FINANCIAL</b>		
FRD 22H, FRD 27C & MRO	Summary of the financial results (financial review & 5 year financial summary)	10
FRD 22H	Significant changes in financial position	9
FRD 22H	Summary of performance against budgetary objectives	9
FRD 22H	Major changes or factors affecting performance	9
FRD 22H	Subsequent events	34
MRO	Capital projects	11-12
MRO	Disclosure of grants and transfer payments	46
<b>GOVERNANCE AND ORGANISATIONAL STRUCTURE</b>		
FRD 22H	Organisational structure and corporate governance	27 & 28
FRD 22H	Governing body	28
FRD 22H & SD 3.2.1	Audit committee membership and roles	29
FRD 22H	Board committees	29-30
FRD 22H & MRO	Occupational health and safety policy	27
<b>WORKFORCE DATA</b>		
FRD 22H & 29C	Public administration employment and conduct principles	31
FRD 22H & FRD29C	Comparative workforce data	26
FRD22H	Workforce Inclusion Policy	31
FRD21C & FRD 15E	Executive Officer data	71
<b>OTHER INFORMATION</b>		
FRD 12B	Major contracts	31
FRD 22H	Consultancies in-excess of \$10 000	34
FRD 22H	Consultancies under \$10 000	34
FRD 22H	Government advertising expenditure	31
FRD 22H	Information and Communication Technology expenditure	31
FRD 22H	Application and operation of <i>Freedom of Information Act</i> 1982	31
FRD 22H	Compliance with <i>Building Act</i> 1993	32
FRD 22H	Competitive Neutrality Policy	32
FRD 22H & PD Act	Application and operation of <i>Protected Disclosures Act</i> 2012	32-33
FRD 22H	Summary of environmental performance	13 & 14-19
FRD 22H	Statement of availability of other information	34
FRD 25C	Local Jobs First - Victorian Industry Participation Policy disclosures (VIPP)	31
MRO	Compliance with DataVic access policy	33
<i>Disability Act</i> 2006	Compliance with the <i>Disability Act</i> 2006	33
SD 5.1.4	Attestation of compliance with SD 5.1.2 Financial Management Compliance	37
<b>KEY LEGISLATION</b>		
<i>Crown Lands (Reserves) Act</i> 1978		28
<i>Financial Management Act</i> 1994		31
<i>Freedom of Information Act</i> 1982		31
<i>Protected Disclosures Act</i> 2012		32-33
<i>Building Act</i> 1993		32
<i>Victorian Industry Participation Policy Act</i> 2003		31

# Publications

## Nature Parks staff in bold, students in italics

1. Bigger, S. W., L. N. Ngeh, **P. Dann**, and J.D. Orbell. (2017). Towards a quantitative indicator of feather damage following the cleansing of oiled birds. **Marine Pollution Bulletin** 120: 268-273. <https://doi.org/10.1016/j.marpolbul.2017.04.051>.
  2. Chambers, L.E. and **P. Dann**. (2017): Implementing climate change adaptation options for Little Penguins. Snapshot for CoastAdapt, **National Climate Change Adaptation Research Facility**, Gold Coast. [https://coastadapt.com.au/sites/default/files/case\\_studies/SS65\\_little%20penguins.pdf](https://coastadapt.com.au/sites/default/files/case_studies/SS65_little%20penguins.pdf)
  3. Crawford, R., U. Ellenberg, E. Frere, C. Hagen, K. Baird, P. Brewin, S. Crofts, J. Glass, T. Mattern, J. Pompert, K. Ross, J. Kemper, K. Ludynia, R. B. Sherley, A. Steinfurth, C. G. Suazo, P. Yorio, L. Tamini, J. C. Mangel, L. Bugoni, G. Jiménez Uzcátegui, A. Simeone, G. Luna-Jorquera, P. Gandini, E. J. Woehler, K. Pütz, **P. Dann**, **A. Chiaradia** and C. Small (2017). Tangled and drowned: a global review of penguin bycatch in fisheries. **Endangered Species Research** 34: 373-396.
  4. **Dewar, M. L.**, J.P.Y. Arnould, T.R. Allnut, T. Crowley, L. Krause, J Reynolds, **P. Dann**, S.C. Smith. (2017). Microbiota of Little Penguins and Short-tailed Shearwaters during development. **PLoS ONE** 12(8): e0183117. <https://doi.org/10.1371/journal.pone.0183117>.
  5. **Rodríguez, A.**, **P. Dann** and **A. Chiaradia** (2017). Reducing light-induced mortality of seabirds: High pressure sodium lights decrease the fatal attraction of shearwaters. **Journal for Nature Conservation** 39: 68-72.
  6. Stubbs, C.E., B.E. Kenda, N.J Murray, H.B. Wilson, D.K Rogers, R.S. Clemens, K. Gosbell, C.J Hassell, **R. Jessop**, D.S. Melville, D.A. Milton, C.D.T. Minton, H.P Possingham, A.C. Reigen, P. Straw, E.J Woehler and R.A. Fuller. (2017). Rapid population decline in migratory shorebirds relying on Yellow Sea tidal mudflats as stopover sites. **Nature Communications** 8: Article number:14895. <https://www.nature.com/articles/ncomms14895>
- ## 2018 (JANUARY-JUNE)
7. Hill, R, A. Coetsee, **D.R. Sutherland**. (2018). Recovery of the mainland subspecies of Eastern Barred Bandicoot in Victoria. In **'Recovering Australian Threatened Species: a Book of Hope.'** (Ed. S Garnett.) (CSIRO Publishing: Collingwood)
  8. Keogan, K., F. Daunt, S. Wanless, R. A. Phillips, C. A. Walling, P. Agnew, D. G. Ainley, T. Anker-Nilssen, G. Ballard, R. T. Barrett, K. J. Barton, C. Bech, P. Becker, P.-A. Berglund, L. Bollache, A. L. Bond, S. Bouwhuis, R. W. Bradley, Z. M. Burr, K. Camphuysen, P. Catry, **A. Chiaradia**, S. Christensen-Dalsgaard, R. Cuthbert, N. Dehnhard, S. Descamps, T. Diamond, G. Divoky, H. Drummond, K. M. Dugger, M. J. Dunn, L. Emmerson, K. E. Erikstad, J. Fort, W. Fraser, M. Genovart, O. Gilg, J. González-Solís, J. P. Granadeiro, D. Grémillet, J. Hansen, S. A. Hanssen, M. Harris, A. Hedd, J. Hinke, J. M. Igual, J. Jahncke, I. Jones, P. J. Kappes, J. Lang, M. Langset, A. Lescroël, S.-H. Lorentsen, P. O. B. Lyver, M. Mallory, B. Moe, W. A. Montevecchi, D. Monticelli, C. Mostello, M. Newell, L. Nicholson, I. Nisbet, O. Olsson, D. Oro, V. Pattison, M. Poisbleau, T. Pyk, F. Quintana, J. A. Ramos, R. Ramos, T. K. Reiertsen, C. Rodríguez, P. Ryan, A. Sanz-Aguilar, N. M. Schmidt, P. Shannon, B. Sittler, C. Southwell, C. Surman, W. S. Svagelj, W. Trivelpiece, P. Warzybok, Y. Watanuki, H. Weimerskirch, P. R. Wilson, A. G. Wood, A. B. Phillimore and S. Lewis (2018). Global phenological insensitivity to shifting ocean temperatures among seabirds. **Nature Climate Change** 8(4): 313-318.
  9. **Lees, D.**, C. Sherman, **K. Kostoglou**, **L. Tan**, G. Maguire, **P. Dann** and M. Weston, (2018). Plover parents care more for young of the opposite sex. **Behavioural Ecology**, <https://doi.org/10.1093/beheco/ary052>
  10. **McIntosh, R., R. Holmberg** and **P. Dann**. (2018). Looking Without Landing—Using Remote Piloted Aircraft to Monitor Fur Seal Populations Without Disturbance. **Frontiers in Marine Science**. 5:202. doi: 10.3389/fmars.2018.00202
  11. **Rendall, A.R.**, A.L., Coetsee and **D.R. Sutherland**. (2018). Predicting suitable release sites for assisted colonisations: a case study of eastern barred bandicoots. **Endangered Species Research** DOI 10.3354/esr00893
  12. **Rodríguez, A.**, **R. Holmberg**, **P. Dann** and **A. Chiaradia** (2018). Penguin colony attendance under artificial lights for ecotourism. **Journal of Experimental Zoology Part A: Ecological and Integrative Physiology**. <https://doi.org/10.1002/jez.2155>.
  13. Tucker, M. A., K. Böhning-Gaese, W. F. Fagan, J. M. Fryxell, B. Van Moorter, S. C. Alberts, A. H. Ali, A. M. Allen, N. Attias, T. Avgar, H. Bartlam-Brooks, B. Bayarbaatar, J. L. Belant, A. Bertassoni, D. Beyer, L. Bidner, F. M. van Beest, S. Blake, N. Blaum, C. Bracis, D. Brown, P. J. N. de Bruyn, F. Cagnacci, J. M. Calabrese, C. Camilo-Alves, S. Chamailé-Jammes, **A. Chiaradia**, S. C. Davidson, T. Dennis, S. DeStefano, D. Diefenbach, I. Douglas-Hamilton, J. Fennessy, C. Fichtel, W. Fiedler, C. Fischer, I. Fischhoff, C. H. Fleming, A. T. Ford, S. A. Fritz, B. Gehr, J. R. Goheen, E. Gurarie, M. Hebblewhite, M. Heurich, A. J. M. Hewison, C. Hof, E. Hurme, L. A. Isbell, R. Janssen, F. Jeltsch, P. Kaczensky, A. Kane, P. M. Kappeler, M. Kauffman, R. Kays, D. Kimuyu, F. Koch, B. Kranstauber, S. LaPoint, P. Leimgruber, J. D. C. Linnell, P. López-López, A. C. Markham, J. Mattisson, E. P. Medici, U. Mellone, E. Merrill, G. de Miranda Mourão, R. G. Morato, N. Morellet, T. A. Morrison, S. L. Díaz-Muñoz, A. Mysterud, D. Nandintsetseg, R. Nathan, A. Niamir, J. Odden, R. B. O'Hara, L. G. R. Oliveira-Santos, K. A. Olson, B. D. Patterson, R. Cunha de Paula, L. Pedrotti, B. Reineking, M. Rimmler, T. L. Rogers, C. M. Rolandsen, C. S. Rosenberry, D. I. Rubenstein, K. Safi, S. Saïd, N. Sapir, H. Sawyer, N. M. Schmidt, N. Selva, A. Sergiel, E. Shiilegdamba, J. P. Silva, N. Singh, E. J. Solberg, O. Spiegel, O. Strand, S. Sundaresan, W. Ullmann, U. Voigt, J. Wall, D. Wattles, M. Wikelski, C. C. Wilmers, J. W. Wilson, G. Wittemyer, F. Zięba, T. Zwijacz-Kozica and T. Mueller (2018). Moving in the Anthropocene: Global reductions in terrestrial mammalian movements. **Science** 359(6374): 466-469.

# Thank you

For over 20 years, the Nature Parks' achievements have been a tribute to the generous and loyal support of our sponsors, community and colleagues.

We are indebted to our many volunteers who tirelessly dedicate their time and efforts. Particular thanks go to the following organisations and volunteer groups for their exceptional support in 2017-18:

## OUR COMMUNITY

Barb Martin Bushbank  
Better Beef Group – Phillip Island  
BirdLife Australia  
BirdLife Bass Coast  
Churchill Island volunteers (guides, garden and farm)  
Coast Action/Coast Care groups  
National Australia Bank  
Friends of Churchill Island Society Inc.  
Friends of Scenic Estate Reserve  
Friends of the Koalas Inc.  
Hooded Plover Watch  
Local schools  
Local land holders  
Monash University Biological Society  
National Surfing Reserve Community Working Group  
Penguin Foundation  
Penguin Study Group  
Phillip Island and District Historical Society  
Phillip Island Boardriders Club  
Phillip Island Conservation Society  
Phillip Island Nature Parks registered volunteers including: Eastern-barred Bandicoot, marine debris, seal and tern spotter, National Surfing Reserve and conservation  
Phillip Island RSL  
Shearwater Rescue volunteers  
Silverleaves Conservation Association  
Smiths Beachcomber Association Inc.  
Surf Beach Sunderland Bay Coastcare Group  
Victorian Ornithological Research Group Inc.  
Victorian Wader Study Group Inc.  
Wildlife foster carers and shelter operators  
Woolamai Beach Surf Life Saving Club

## OUR LOCAL PARTNERS

Bass Coast Landcare Network  
Bass Coast Shire Council  
Bass Coast South Gippsland Reconciliation Group  
Boon Wurrung Foundation  
Bunurong Land Council Aboriginal Corporation Inc  
Committee4Gippsland  
Country Fire Authority (CFA)  
Destination Gippsland  
Destination Phillip Island  
Newhaven, Wonthaggi and Cowes Veterinary Clinics  
Phillip Island & District Historical Society Inc.  
Phillip Island Landcare  
Phillip Island RSL  
Phillip Island Tourism and Business Association  
Ramada Phillip Island  
Regional Development Australia (Gippsland)  
Victorian Fisheries Authority  
Westernport Water  
Wildlife Coast Cruises

Supporting Organisations  
Australian Academy of Science  
Australian Antarctic Division  
Australian Geographic  
Bidvest  
Centre d'Ecologie Fonctionnelle et Evolutive - Ecologie (France)  
Centre d'Etudes Biologiques de Chizé (France)  
Chisholm Institute  
CSIRO  
Deakin University  
Ecological Horizons

## MAJOR SUPPORTERS

Australian Research Council  
Bank of Melbourne  
Department of Education and Training (Victoria)  
Department of Environment, Land, Water and Planning (Victoria)  
Department of Economic Development, Jobs, Transport and Resources (Regional Development Victoria)

Disney Foundation  
Exxon Mobil  
Google  
Helen McPherson Smith Trust  
Marie Skłodowska-Curie grant - European Union's research and innovation programme  
Matthew Godson  
Penguin Foundation

Ecotourism Australia  
Estacion Ecologica de Doñana (Spain)  
Flinders University  
Giant Panda Breeding Centre, Chengdu  
Greening Australia  
Heritage Victoria  
Institut de Ciències del Mar (Spain)  
Institut Pluridisciplinaire Hubert Curien (France)  
IUCN Penguin Specialist Group  
Juro Pty Ltd  
Kids Teaching Kids Program  
Latrobe University  
Macquarie University  
Marie Curie Award, European Union  
Matthew Godson  
Melbourne Convention Bureau  
Melbourne Water  
Monash University  
Museum Victoria  
National Trust of Australia (Victoria)  
Netherlands Institute of Ecology  
Office of the Threatened Species Commissioner  
Parks Victoria  
PFD Foods  
Port Phillip and Westernport Catchment Management Authority  
Reconciliation Australia  
RF McLaughlin  
Royal Botanic Gardens  
RSPCA  
Sheppard Associates  
South Australian Research and Development Institute  
Surfing Victoria  
Sustainability Victoria  
The Andrews Foundation  
The University of Melbourne  
Universite de Strasbourg (France)  
University of Queensland  
University of Tasmania  
VicRoads  
Victoria Tourism Industry Council  
Victoria University  
Victorian Ornithological Research Group  
Visit Victoria  
Western Australian Department of Biodiversity Conservation and Attractions  
Wildlife Victoria  
Zoos Victoria

# Our Vision

A place where conservation and ecotourism excellence inspire people to actively protect the environment.

