



Annual Report

2016-17



**20 years of
achievements**



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Our business

This year, we celebrated 20 years since the Nature Parks was created to manage over 1,805 hectares of Crown Land on Phillip Island “for the conservation of areas of natural interest or beauty or of scientific, historic or archaeological interest”.

Phillip Island Nature Parks (the Nature Parks) operates some of Australia’s most popular natural wildlife attractions and manages important natural assets for Victoria and Australia.

We acknowledge that the Crown Land we manage forms a part of the traditional lands of the Bunurong/Boon wurrung and pay our respects to their Elders past, present and future. We are an organisation committed to reconciliation.

This year, we celebrated 20 years since the Nature Parks was created to manage over 1,805 hectares of Crown Land on Phillip Island “for the conservation of areas of natural interest or beauty or of scientific, historic or archaeological interest”.

As a not-for-profit organisation we use operating surpluses, generated from our ecotourism attractions, to fund significant conservation activities.

The Nature Parks operates 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.

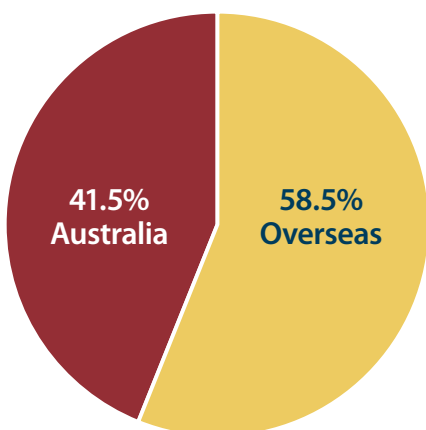
In 2016-17, the Nature Parks welcomed a total of 1,167,955 ticketed visitors. A total of 59% of visitors to our ticketed venues were from overseas.

Our research and environment teams care for significant vegetation communities and populations of little penguins, hooded plovers, short-tailed shearwaters, international migratory birds, koalas and Australian fur seals. We also manage natural and recreational areas, with visitor facilities such as boardwalks, interpretive signage and beach access for the local community and visitors to Phillip Island to utilise and enjoy.

In the 20 years since its formation, the Nature Parks has achieved significant gains for the environment and community of Phillip Island. Through our ongoing research and environmental management programs, habitats and wildlife populations have increased and pest plants and predators have been significantly reduced. Visitor facilities have been enhanced benefiting both our local community and visitors from around the world.

We are proud to be Phillip Island’s largest employer with a diverse team that is dedicated to the Nature Parks’ success. We are committed to working with our community and volunteers to ensure Phillip Island’s environment and wildlife are protected for future generations.

Our visitors



Our location

Phillip Island Nature Parks



koalas



churchillisland



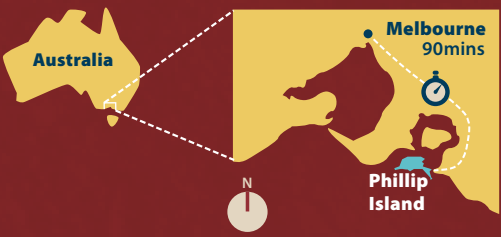
penguinparade



ANTARCTIC JOURNEY @ thenobbies



Wild Oceans EcoBoat Tour



- Phillip Island Nature Parks
- Route from Melbourne
- Maps not to scale

For a more detailed map refer to map LEGL./10-005 via our website www.penguins.org.au

Our guiding principles

Our vision

To be a world—recognised place of conservation excellence, providing outstanding and authentic experiences for all.

Our mission

To conserve and enhance the Nature Parks' environment for current and future generations, whilst achieving a balanced environmental, economic and social outcome.

STRATEGIC IMPERATIVES

To move towards our future vision we must:

- Embed our core goal of conservation in the way we work, the messages we give and all experiences of the Nature Parks.
- Lay the foundations to reinvent the Nature Parks as an outstanding contemporary conservation destination, and the Summerland Peninsula as an environmental, recreational and ecotourism icon.
- Ensure our organisation has an appropriate governance framework and the partnerships to enable us to deliver and maintain our vision in the critical years ahead.

OUR VALUES

Communication

Being open and transparent, sharing ideas and being consultative.

Growth and development

Providing opportunity, embracing new ideas and encouraging personal and professional development.

Leadership and teamwork

Supporting and inspiring one another, the community, the environment and our visitors in everything we do.

Respect and integrity

Treating people and our environment with fairness and integrity.

Responsibility

Personal ownership of behaviors to create solutions and taking action to create a better future for the environment, community and our organisation.

Sustainability

A commitment to balance environmental, social and economic interests for now and the future.

STRATEGIC GOALS

The Nature Parks has six key strategies for 2012 – 2017

1 Planning

We will provide the detail needed to outline our vision for the future and will involve the community and stakeholders in this process. We will pursue major capital funding to allow us to deliver the full potential of this special place.

2 Conservation

We will further strengthen the protection of the natural and cultural assets in our care. We will work with public and private sector partners and build community awareness to achieve conservation gains across the whole island. We will build the profile and capacity of our research to underpin and sustain the conservation effort.

3 Visitor attraction and experience

We will move towards providing immersive, authentic experiences, allowing our conservation priority and ecotourism business model to sit comfortably together and more strongly share our core messages.

4 Community

We will deepen our engagement with our region and community, seeking to achieve trust through increased communication and transparency. We will develop stronger partnerships in the region and be clearer about roles and responsibilities.

5 Organisation

We will make sure our organisation is skilled and confident and that our staff feel supported and connected to each other.

6 Governance

We will advocate the formation of a new governance framework which is more appropriate for an organisation of our size, significance and breadth.

Chair's report

This was a year of celebration, new directions, strong partnerships, ongoing environmental excellence and major growth in our tourism business.

I acknowledge the wonderful work undertaken by our dedicated staff, volunteers and the Board who equally share in the successes of the past year.

Our management team is to be commended for successfully managing a large number of significant projects and ensuring that our day-to-day operations continued to thrive. I particularly wish to thank outgoing CEO Matthew Jackson for his outstanding contribution to the Nature Parks over a long period, including his leadership in securing funding for our new Penguin Parade Visitor Centre.

We welcomed Catherine Basterfield to the position of CEO. Catherine brings significant experience and passion to the role and will lead the Nature Parks over its next critical phase.

This year we celebrated our achievements over the past 20 years since the Nature Parks was established. Several functions were held to recognise and honour the contributions of many Board members, staff, volunteers and community organisations to the ongoing success of the Nature Parks.

Our commitment to environmental excellence and research continues to be a driving force. Our world-leading research program on little penguins is now in its 49th year.

Our environmental work continues to have a very positive impact on Phillip Island and its wildlife. Creating habitat and striving for a fox free Phillip Island remain major challenges, especially for threatened species. We are proud of the Nature Parks' role in the thriving population of eastern barred bandicoots on Churchill Island, which has been a successful program in regenerating a species extinct in the wild. We are also delighted with the results of the previous hooded plover breeding season and that Phillip Island has demonstrated a recovery in this vulnerable species.

The Board continued to meet the major challenge of staying competitive in the world tourism market. Works commenced on the detailed design and planning for construction of the new Penguin Parade Visitor Centre. This major \$58.2M development is funded by the State Government (\$48.2M) and the Nature Parks (\$10M). The project will create 620 new jobs for the State each year, and 110 jobs during construction. This project will confirm the Penguin Parade as Australia's premium ecotourism attraction and set a new benchmark for world class visitor experiences. Work on the project, including removal of the old building and substantial penguin habitat restoration, is planned to start by February 2018. The new centre will open in late 2019.

I am pleased to report an excellent financial result for the year, with the achievement of an operating surplus ('net result from transactions') of \$2.7M. This result will allow the Nature Parks to continue to reinvest in its assets on Phillip Island.

Domestic and international growth in visitation to 1.5M visitors is also an exceptional result.

Highlights of the year include:

- A detailed review of the organisation structure to respond to the growth in the business.
- The successful shortlist of the new Penguin Parade building design in the World Architecture Awards. Our Architect, Terroir, is congratulated on a superb concept plan and its collaborative approach to the project.
- The Nature Parks won a Bronze award at the 2016 RACV Victorian Tourism Awards in the Major Tourist Attraction Category, which recognises natural or built tourist attractions that attract amongst the highest visitor numbers for Victoria.
- The Nature Parks partnered with Bass Coast Shire Council, Regional Development Victoria and Destination Phillip Island to develop a 20-year Phillip Island and San Remo Visitor Economy Strategy to ensure the long-term viability and sustainability of the important Visitor Economy sector.
- In August 2015, we released 16 eastern barred bandicoots onto Churchill Island. The release was part of a pilot in partnership with Zoos Victoria designed to save the species from extinction. To date the pilot has been extremely successful with very positive breeding and survival results.
- The Nature Parks' 'Reconciliation Action Plan' (RAP) 2015-2018 was endorsed by Reconciliation Australia in November 2015. We continued our commitment to working through the 32 actions within the plan aimed at furthering the Nature Parks' commitment to reconciliation by developing strong relationships, fostering mutual respect and exploring and providing opportunities for Aboriginal and Torres Strait Islander people.
- We maintained a close collaboration with our wonderful Community and Environment Committees, Bass Coast Shire Council, key Government agencies and local traders and organisations. These partnerships and the commitments to joint planning greatly benefit both tourism and environmental outcomes for Phillip Island. The ongoing support and advice from officers of the Department of Environment, Land, Water and Planning (DELWP) has been much appreciated.
- The Nature Parks' Scientific and Research Advisory Committee and Animal Ethics Committee provided much invaluable advice and insight.

I would like to sincerely thank all committee members for their valuable contributions. I also thank my fellow Board members for their counsel, time, expertise and dedication. The Board is working well as a united team over a period of significant change.

In accordance with the *Financial Management Act 1994*, I present this Annual Report for the year ended 30 June 2017.

Jeff Floyd
Chair

CEO's report

This was a milestone year for the Nature Parks with the celebration of 20 years of achievements since the Nature Parks was established in 1996. This celebration brought into focus the significant role that our staff, community, partners and collaborators have played in our past achievements and paid tribute to all involved.

The Nature Parks again achieved record visitor numbers. Of the 1.5M visitors to the Nature Parks a total of 1,167,955 visitors attended our paid attractions. This was a 6.8% increase over 2015-16.

This success was driven by record visitation to the Penguin Parade with a total of 730,888 visitors, a 5.3% increase over 2015-16. There was also an increase in demand for premium experiences, which supports our ongoing objective to invest in our visitor experiences across all sites.

This excellent result, together with an ongoing focus on cost management, allowed the Nature Parks to post a strong operating surplus ('net result from transactions'). Our financial success will support investment in key capital works and the further protection and restoration of Phillip Island's environment.

Works progressed well on the new Penguin Parade Visitor Centre with the appointment of the Principal Architect, Project Manager and Quantity Surveyor. The detailed design phase commenced and included detailed investigations into enhancing environmental outcomes and taking further steps towards the Nature Parks' ultimate goal of becoming carbon, energy and waste neutral. Along with the tourism and economic benefits, the project will also allow 6.7 hectares of penguin habitat to be restored, strengthening the penguin colony. We look forward to this exciting design coming to fruition in the coming years.

It is also pleasing to report on our other key achievements:

- **Strong penguin numbers.** The average number of penguins crossing at the Penguin Parade was 1,038. This is the eighth year in a row that the number has been well above the long-term average of 636. Breeding success across the Summerland Peninsula was also well above the long-term average of 1.10 with a result of 1.87 chicks per pair. The continued investment to protect the Summerland Peninsula by successive State Governments and the Nature Parks has been pivotal to this success.
- **Sound progress on important research.** We continued to partner with Victoria University and the Penguin Foundation to develop the magnetic particle oil removal technology. We believe that this exciting technology will radically improve the way in which seabirds are rehabilitated from oil spill events.

- **Volunteers and community.** We are also indebted to our volunteers who contributed 11,887 hours across the Nature Parks this year. Works commenced on our Volunteer Plan to generate opportunities and deliver support to new and existing volunteers. Phillip Island National Surfing Reserve volunteers once again hosted a successful community surfing challenge. We maintained our commitment to working with the local community. The seventh annual Community Open Day allowed more than 2,000 Bass Coast Shire residents to explore the Nature Parks and meet our rangers and volunteers.

- **Reconciliation.** We continued to further our commitment to reconciliation through our newly formed Reconciliation Advisory Committee. We continue to celebrate with and learn from our Indigenous Community by hosting events marking Sorry Day, Reconciliation Week and NAIDOC Week. We thank our local community for their continued involvement and the Traditional Owners of the land we are privileged to care for.

- **Wildlife protection.** I am proud of the role that the Nature Parks is playing in regenerating the population of eastern barred bandicoots, a species which is extinct in the wild. The Churchill Island population has thrived, proving its ability to adapt to Island habitats. The hooded plover is listed as a vulnerable bird in Victoria and 2016-17 was our 25th year of monitoring. We celebrate another successful breeding season with the recorded 0.72 chicks fledged per pair well above the average 0.47 per pair and Phillip Island has trended above this since 2007.

- **Fox-free Phillip Island.** Our vision of making Phillip Island fox-free grew closer as our team of dedicated rangers and fox control dogs continued their island-wide search. The last confirmed evidence of foxes on Phillip Island was in August 2015.

- **Growing and developing our team.** We continued to be Phillip Island's largest employer with over 262 staff. We developed a new, contemporary organisation structure and maintained a strong focus on learning and professional development.

This year's outstanding achievements would not have been possible without the passion, dedication and support of the Board, the management team, our staff, volunteers, community, sponsors and key stakeholders. I would like to thank all involved for their outstanding contribution to the Nature Parks and the environment which we are privileged to manage.

Catherine Basterfield
Chief Executive Officer



*Operational
review*

Finance

We strive to achieve the balance between providing world-quality ecotourism experiences and environmental excellence.

Summary of financial results

The Nature Parks had another record year for visitation, exceeding one million tickets sold for the second year running. The Penguin Parade, Churchill Island Heritage Farm, Antarctic Journey and Eco Boats all surpassed the prior year's exceptionally strong visitation, with the Koala Conservation Centre recording a very slight decrease. Overall, ticketed visits increased by 6.8% over the past year.

The Penguin Parade continued to remain the backbone of our operations with a 5.3% increase in visitors driven by international markets. 19.8% of visitors experienced premium product offerings at the Penguin Parade, up from 14.8% in 2015-16. This was primarily driven by the new Penguins Plus and Underground Viewing experiences. Increases in admissions also helped to drive strong revenue growth from both retail and food and beverage operations.

Growth in income, combined with ongoing cost control measures, delivered an operating surplus ('net result from transactions') of \$2.7M. 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.

Our operating surplus ('net result from transactions') excluding this accelerated depreciation, was \$4.4M, \$0.9M higher than the previous year.

Both total income and operating surpluses have steadily risen since 2012-13, mainly due to an ongoing increase in admissions revenue, supported by our retail and food and beverage operations.

Expenses from transactions have grown in order to accommodate growing visitor numbers, along with conducting ongoing park-wide maintenance and our commitment to delivering environmental excellence.

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.

We have increased our strong cash position with net cash from operations delivering \$7.4M and \$4.3M 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 2017-18 and 2018-19.

Tourism operations

Visitor attractions

Admissions revenue was up by 12.9% on the previous year with 74,699 additional visitors attending the Nature Parks' ticketed attractions.

Domestic growth primarily occurred at the Nobbies Antarctic Journey attraction which experienced its first full year of operation. Domestic growth outside of this attraction was impacted by the Chinese New Year holiday period occurring early in the year and clashing with the Victorian school holiday peak period. Growth in international visitors was predominantly driven by the Chinese and Indian markets.

Retail outlets

The Nature Parks provides retail outlets in each of its visitor attractions. These outlets capitalised on the increased visitor numbers and achieved revenue growth of 4% on the previous year. Overall retail operations exceeded annual targets including; revenue growth, inventory management and net result. Yield was impacted by capacity constraints within the retail outlets. 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

Revenue from our food and beverage outlets exceeded our targets with growth of 12.8%. A full year of operations at the Nobbies Centre allowed for greater accommodation of groups and a wider variety of offerings for all customers.

Conservation, research and education programs

During the year we invested \$4.4M into conservation, research and education activities, partially funded by \$0.2M in grants from government bodies and other organisations.

Significant changes in financial position

The Nature Parks received a \$4.3M capital contribution from the Victorian Government in the form of cash during the year. This was the first 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 this new building. There were no other significant changes in the Nature Parks' financial position compared to the previous year.

Towards 2017-18

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 our other venues. We have formed a new partnership with Delaware North to operate our café outlets at all sites which will improve this service offering and allow us to focus on achieving our core mission of conserving and enhancing the Nature Parks' environment for current and future generations.

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.

Operating statement

Comprehensive operating statement for the financial year ended 30 June 2017




| | 2017 \$'000 | 2016 \$'000 | 2015 \$'000 | 2014 \$'000 | 2013 \$'000 |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|
| Income from transactions | | | | | |
| Admissions revenue | 19,023 | 16,853 | 13,777 | 12,528 | 10,988 |
| Sales revenue | 10,764 | 9,963 | 8,575 | 7,915 | 7,019 |
| Other operating income | 1,367 | 1,931 | 2,171 | 1,679 | 2,236 |
| Total income from transactions | 31,154 | 28,747 | 24,523 | 22,122 | 20,243 |
| Expenses from transactions | | | | | |
| Employee expenses | (13,082) | (12,421) | (11,093) | (10,010) | (9,552) |
| Cost of sales | (4,125) | (3,899) | (3,468) | (3,155) | (2,721) |
| Depreciation | (4,345) | (2,134) | (1,733) | (1,682) | (1,585) |
| Other operating expenses | (6,893) | (6,849) | (5,843) | (5,336) | (5,028) |
| Total expenses from transactions | (28,445) | (25,303) | (22,137) | (20,183) | (18,886) |
| Net result from transactions | 2,709 | 3,444 | 2,386 | 1,939 | 1,357 |
| Net gain on non-financial assets | 24 | 31 | 34 | 31 | 13 |
| Total other economic flows included in net result | 24 | 31 | 34 | 31 | 13 |
| Net result from continuing operations | 2,733 | 3,475 | 2,420 | 1,970 | 1,370 |
| Increase/(decrease) in asset revaluation reserve | - | 15,029 | - | (44) | - |
| Comprehensive result | 2,733 | 18,504 | 2,420 | 1,926 | 1,370 |

Planning

The Nature Parks' Strategic Plan 2012-2017 focused on planning for our future.

We completed a detailed program of planning for the Nature Parks to ensure we can meet our strategic goals and achieve our vision. This involved the development and implementation of documents at both a strategic and local level.

Planning activity for the year focused on working through the implementation of major planning documents and the major Penguin Parade Visitor Centre project.

| Key Goal | Measure | Result |
|---|--|---|
| Summerland Peninsula Master Plan implementation | Lead the design of a new Penguin Parade facility that will provide a world class interpretive experience and address the functional needs of the visitors and staff. | Detailed design 80% complete  |
| | Complete the Summerland Peninsula Trails Master Plan to guide the development of a network of bike and pedestrian pathways. | Complete  |
| Key Area Plan development | Complete the Woodlands and Wetlands Key Area Plan in consultation with the local community and key stakeholder groups. | Complete  |

Summerland Peninsula Master Plan

Penguin Parade Visitor Centre Development

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. The Nature Parks was delighted with the announcement and committed to funding the remaining \$10M. This very substantial investment will significantly improve the visitor experience and penguin habitat at the Penguin Parade and will contribute to the Nature Parks' vision for the Summerland Peninsula

Works on this significant project progressed well with the appointment of the Principal Architect, Project Manager and Quantity Surveyor roles. The detailed design phase commenced and includes continued investigation into enhancing environmental outcomes and taking further steps towards the Nature Parks' ultimate goal of becoming carbon, energy and waste neutral. An expert Design Review Panel has played a valuable role in guiding and challenging the design team to achieve the best possible outcomes. Release of the construction tender is due in October 2017 and the project remains on track for completion in late 2019.

Summerland Peninsula Trails Master Plan

The Summerland Peninsula Trails Master Plan progresses our vision for the Peninsula as a premium nature based ecotourism destination, where our unique wildlife can be experienced and protected through the development of a network of tracks and trails.

Following a series of community consultation sessions, the Board approved the Summerland Peninsula Trails Master Plan in December 2016 and is looking forward to the plan's implementation.

This Master Plan was developed with input from Bass Coast Shire Council, key stakeholders and the local community to ensure that the trail networks future needs and concerns were considered.

Woodland and Wetland Key Area Plan

This is the final Key Area Plan outlined in our Strategic Plan 2012-2017 and completes the suite of detailed plans that will guide the future directions of the Nature Parks. Planning commenced in March 2016 with extensive fieldwork and stakeholder engagement sessions. This plan was approved by the Board in October 2016.

Key features include:

- Development of pedestrian and bike pathways to increase linkages across Phillip Island.
- The long-term use of the Ventnor Koala Reserve.
- Visitor experience opportunities at the Koala Conservation Centre and surrounds.

Cape Woolamai Coastal Reserves Master Plan

This plan was endorsed by Bass Coast Shire Council and approved by the Board in August 2016. Its development included extensive community consultation with a further session planned for the coming year to provide a summary overview of the outcomes of the Master Plan.

In line with the approved plan, proposed works to upgrade washroom facilities at Anzacs Beach commenced.

Future recommendations include:

- Development of pedestrian and bike pathways.
- Improvements to parking and beach access at all sites.
- Improved environmental outcomes at The Colonnades.

Strategic Planning

In June 2016, the Board met with the Management Team to commence development of the Nature Parks' next Strategic Plan for the period 2018-2023. The Strategic Plan will outline the major priorities and strategies to be implemented over the next five years to enable the Nature Parks to continue the delivery of its environmental, conservation, research, education and social programs, as well as enhanced and authentic visitor experiences. The Board acknowledged the importance of community consultation during the development process for this plan and will provide opportunities to get involved later in the year.

Towards 2017-18

The coming year will be an important one for the future vision of the Nature Parks. With all Key Area Plans complete, the focus will remain on prioritising and implementing the actions outlined for each area in these plans.

We will detail our future vision as we finalise our new Strategic Plan 2018-2023 and continue detailed planning for the exciting new Penguin Parade facility.

Sustainability

Our commitment to the environmental sustainability of our organisation and improving the natural environment in which we operate is core to our vision and mission.

This year we continued our commitment to energy saving, adopting alternative energy sources and promoting sustainability practices for our visitors and our team.

| Key Goal | Measure | Result |
|---|--|-------------------------|
| Integrate environmental sustainability principles into our organisation | Implement a solar energy system at the Nobbies Centre. | Partially complete ○●○○ |
| | 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. | Complete ○○○● |

Solar energy to reduce electricity usage

During the year the Nature Parks tendered the installation of a large solar system at the Nobbies Centre. The system being installed is 60 Kwh and will significantly reduce the site's electricity consumption. Due to adverse weather the installation of the project has been delayed and will be completed in early 2017-18. This site will be the fourth significant solar project for the Nature Parks with systems now in place in four locations, following on from the addition of solar systems at the Penguin Parade and Churchill Island in late 2015. These two installations recorded their first full year of production, translating into greenhouse emission reductions and financial savings.

Carbon reporting and reduction targets

We continually strive to minimise our impact on the environment



by reducing emissions through efficiency programs rather than through the purchase of carbon offsets. In 2016-17 the Nature Parks decreased overall emissions by 3.6% with reductions recorded in electricity consumption and waste to landfill.

Sustainability Committee

The Nature Parks' Sustainability Committee is made up of staff members from across the business. The committee is responsible for promoting sustainable practices and implementing environmentally sustainable initiatives.

Retail and food and beverage

The food and beverage offering at the Antarctic Journey attraction promotes sustainable environmental messages and these values are represented in the attraction. During the year we worked to eliminate any single use plastics and to increase the composting of organic waste.

All sites increased their recycling by 10% and now separate all milk cartons for recycling. A larger refrigerated container was installed at the Penguin Parade to increase storage and reduce the amount of deliveries required. A commitment to join the Responsible Café Program was secured with Delaware North, to be rolled out in August/September 2017.

Towards 2017-18

Our commitment to the adoption of renewable energy will continue with the installation of the solar system at the Nobbies. We also look to the new Penguin Parade development to ensure the most efficient practices are in place that minimise our impact on the environment.

Food and beverage has improved sustainable waste management in line with the messages at the Antarctic Journey attraction.

Environment

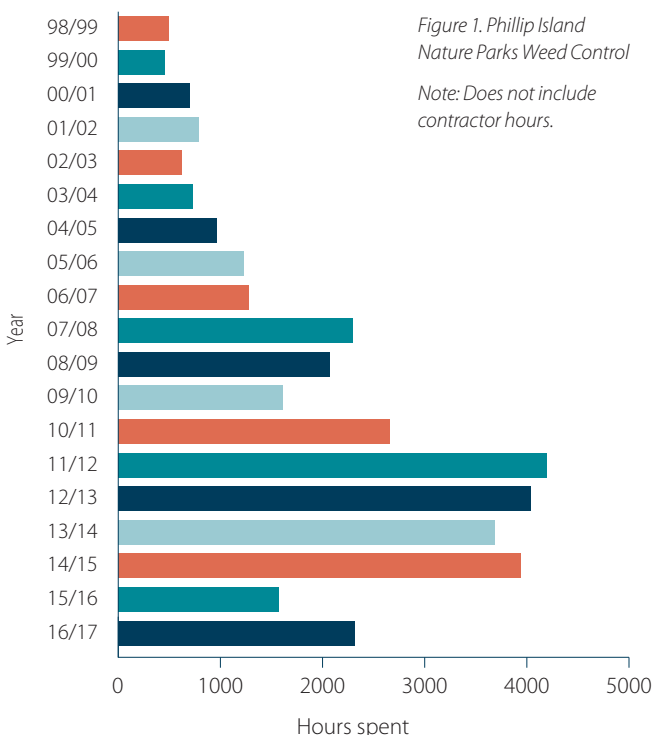
Our award-winning, research-led environmental management programs, guided by our Environment Plan 2012-2017, aim to sustain and improve the natural habitat values within the Nature Parks and help protect Phillip Island’s landscapes, environmental, social and cultural assets for future generations.

| Key Goal | Measure | Result |
|---|---|------------------|
| Strengthen the protection of natural assets | Continue weed control efforts throughout Phillip Island with specific attention to the Summerland Peninsula to progress the regeneration of this significant area. | Achieved ○○● |
| | Protect key wildlife habitat through revegetation programs. | Achieved ○○● |
| | Ensure that the former Rhyll Transfer Station site is managed in accordance with the current Post-closure and Rehabilitation Monitoring Plan 2012 and any adverse results are appropriately actioned. | Achieved ○○● |
| | Continue to invest reducing threats from feral animals to native flora and fauna. | Achieved ○○● |
| | Actively protect threatened species and Phillip Island’s special wildlife | Achieved ○○● |
| Facilitate cooperative approaches to island-wide environmental management | Complete island-wide fauna survey, to assist in development of appropriate animal management strategies across Phillip Island. | Not achieved ●○○ |

Protecting natural assets

Weed control

After successfully targeting large-scale weed infestations initially, the focus of our weed management is now on more targeted follow-up works and habitat restoration. During the year Environment Rangers spent 2,285 hours controlling weeds, mostly consolidating gains for sites from previous years.



Other activities included:

- Removal of the introduced marram grass at Cape Woolamai and Summerland Beaches. If successful, this will serve as a model for other sections of coast.
- Continued pest plant and animal control on Phillip Island’s north-east coast including Observation Point. This was made possible by funding from Caring for Our Country via the Port Phillip and Western Port CMA.
- Intensive weed management on a landscape-scale continued on Cape Woolamai.
- Removal of marram grass, sea wheat grass and sea spurge continued along the coastline with the assistance of volunteers.

Revegetation programs

Enhancement and planning for key wildlife habitats was a major focus over the past 12 months.

- The vegetation survey and Weed Management Plan for the north-east coastline was completed. This means that all areas of the Nature Parks have now been surveyed with habitat management priorities set.
- Over 50,200 plants were put in across the Nature Parks with the assistance of volunteers.
- Three kilograms of seed was collected by rangers and volunteers to seed targeted areas.
- The process of removing marram grass allowed the replanting of native coastal spinifex which promotes wildlife habitat.

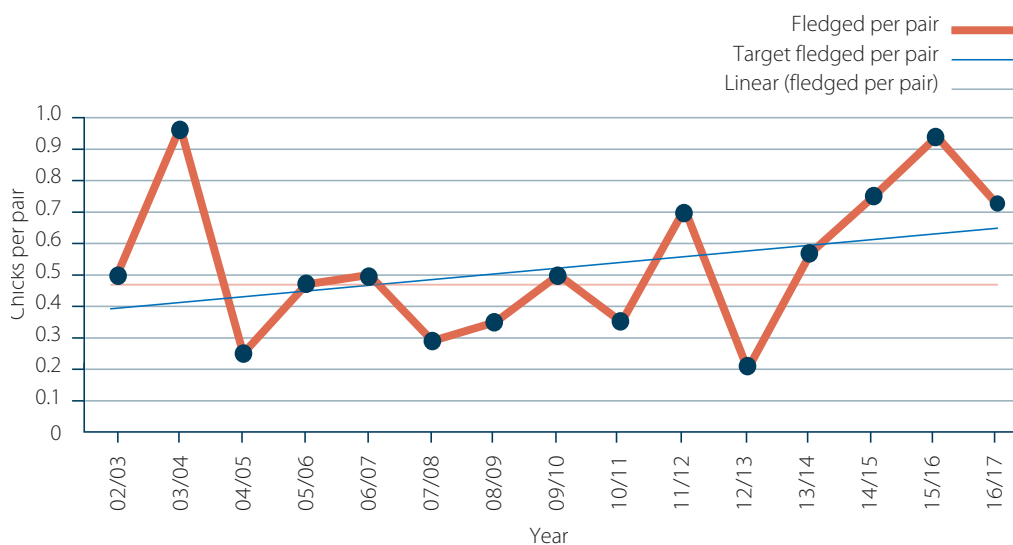


Figure 2. Hooded plover chicks fledged per pair on Phillip Island.

Feral animal threat reduction

Foxes

Fox management is the priority of our feral animal program. No physical evidence of foxes has been found on Phillip Island since August 2015.

- Surveys including detection dogs, cameras and spotlighting continued across Phillip Island.
- Investigations into public reports of fox sightings were used as a basis for extra intensive searches including detection dogs followed by night time surveillance. No corroborative evidence has been found to date.

Feral cats

Feral cats have been implicated in 28 of the last 29 native animal extinctions in Australia and have the potential to impact local species on Phillip Island.

- This year 123 feral cats were removed from Phillip Island. This was a slight decrease from the previous year.
- Studies on cat diet, cat trap effectiveness, abundance and the prevalence of diseases such as toxoplasmosis are ongoing in collaboration with Nature Parks researchers.

Rabbits

The release of the new strain of Calicivirus (RHDV1 K5) occurred in March. This new strain will hopefully overcome resistance to previous strains in the rabbit population and achieve a knockdown in the wild population to allow land managers and the community to integrate other control methods such as warren destruction and baiting to further reduce the impacts of rabbits on Phillip Island.

- Initial monitoring at the release site indicated a 50% reduction in rabbit numbers. This compares to an average 36% reduction at other Victorian release sites and 42% Australia wide. As Calicivirus is transmitted by flies, it is anticipated it will continue to spread as the weather warms up over the coming summer.

Protecting Phillip Island's special wildlife

Hooded plovers

A grant from the Penguin Foundation funded the appointment of a dedicated Hooded Plover Ranger position over the summer breeding season which allowed us to further develop and manage our volunteer network, including guarding of nests.

- This was our 25th year of hooded plover monitoring and second-best breeding season to date.
- A total of 13 chicks fledged exceeding the annual average of six.
- The result of 0.72 chicks fledged per pair is also well above average. A sustainable population requires 0.47 chicks fledged per pair and Phillip Island has trended above this since 2007-08.

Thanks go to all involved, including community volunteers.

Koala management

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

- A report on the management of trees in the woodland areas was completed.
- Nine free-ranging koalas were recorded across Phillip Island during the annual island-wide koala count.
- The island koala population is estimated to be between 30 and 50 individuals.

Wildlife rescue and rehabilitation

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

During the past year, the Wildlife Clinic team:

- Cared for 132 penguins (120 in 2015-16).
- Cared for 314 other animals from 46 different species (329 in 2015-16).
- Responded to 875 wildlife rescue calls (820 in 2015-16) and provided advice to the public and other wildlife carers.
- Presented three training sessions for oiled wildlife response with Department of Environment, Land, Water and Planning (DELWP), Department of Economic Development, Jobs, Training and Resources, Parks Victoria and an additional two sessions for Nature Parks' staff along with several conference presentations.
- Continued a study on the survival and dispersal/preferred habitat for hand-raised ringtail and brush-tail possum joeys. The study is approved for three years and may be extended.

Shearwater rescue

The annual Short-tailed Shearwater Rescue Program resulted in 534 birds (360 in 2015-16) being rescued from roads across Phillip Island and San Remo and relocated to safer areas.

- Almost 200 staff hours were devoted to the program with positive feedback from the community.
- Interpretive leaflets and beach signage assisted community awareness and support.
- Lights on the Phillip Island bridge were turned off during the peak fledging time to reduce shearwater deaths with the support of SPAusNet.



534 birds were rescued and relocated this season.



The study on survival and dispersal of hand-raised ringtail and brush-tail possum joeys may be extended.

Rhyll Transfer Station

Vegetation established at the former Rhyll Transfer Station continues to show signs of maturing and reaching densities that can out-compete weeds and be naturally self-regenerating. We are pleased to report that the site has now reached a maintenance level with thriving, healthy native vegetation.

Fire planning and management

The Nature Parks plays an important role in fire management and planning for the Crown Land under its control and works in partnership with the CFA, Bass Coast Shire Council and DELWP. During the year, the following was achieved:

- We responded to 17 camp/beach fires.
- Rangers attended several Parks Victoria planned burns for training purposes.
- We completed the development of the Fire Management Plan 2016-21.
- All fire tracks and fuel breaks mapped to ensure programs comply to Victorian standards.

Towards 2017-18

- The coming year is an exciting time for our environmental outcomes with the Nature Parks investing in a Threatened Species Plan for Phillip Island and looking at further reintroductions of species that formerly existed on Phillip Island. We will also be planning our key conservation priorities for 2018-2023 in consultation with our community and key stakeholders. We continue to work towards a fox free Phillip Island and look forward to achieving this significant milestone.

Research

Our world-renowned research provides evidence-based information to guide wildlife management programs. Credibility is achieved through publication in peer-reviewed journals and collaborations with a range of universities and research institutes in Australia and overseas.

| Key goal | Measure | Result |
|--|---|--------------|
| Conduct high standard research of relevance to wildlife management on Phillip Island | Monitor eastern-barred bandicoot population on Churchill Island through trapping and cameras. | Achieved ○○● |
| | Examine the effects of climate change on penguin survival, breeding productivity and feeding ecology. | Achieved ○○● |
| | Refine the oiled-wildlife magnetic cleaning process. | Achieved ○○● |
| | Conduct research-led management of Phillip Island's short-tailed shearwaters. | Achieved ○○● |
| | Continue monitoring of both Australian and long-nosed fur seal populations and the interaction between long-nosed fur seals and penguins. | Achieved ○○● |
| | Report on the attendance patterns ashore, timing of breeding and breeding success of penguins. | Achieved ○○● |
| | Utilise un-piloted aerial vehicles for wildlife censuses and dune morphology mapping. | Achieved ○○● |
| Raise the capacity and profile of research | Produce more than 15 scientific papers in international, peer-reviewed journals. | Achieved ○○● |
| | Supervise at least 10 Honours and Postgraduate students. | Achieved ○○● |
| | Deliver 20 research presentations. | Achieved ○○● |
| | Provide 20 media interviews. | Achieved ○○● |
| | Attract national and international funding and collaborators. | Achieved ○○● |



Eastern-barred bandicoots on Churchill Island

The bandicoot population on Churchill Island has successfully established with numbers now estimated to have stabilised at approximately 120 animals. The project has met all criteria for success based on survival, reproductive output and impacts on the island's environment.

During the year, an Honours student investigated the influence of bandicoot foraging digs on habitat conditions. We are grateful for the assistance of over 100 volunteers along with the continued support of the EBB Recovery Team, DELWP, Zoos Victoria, The University of Melbourne, Deakin University and Parks Victoria. On the basis of the success of the trial release on Churchill Island, an application was submitted seeking approval to release bandicoots on Phillip Island.

The eastern-barred bandicoot population on Churchill Island has stabilised at 120 animals.

World-class research

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.

In 2016-17, the average daily number of penguins crossing the beach at the Penguin Parade was 1,038. This was slightly down on last year's record-breaking number (1,130) and the eighth year in a

row that the number has been above the long-term average (636).

The seasonal pattern of penguin attendance remained relatively stable between months over the past three years with the usual peak during the breeding periods.

Breeding success was examined at six sites around the Summerland Peninsula and this year's result of 1.87 chicks fledging per pair was well above the long-term average of 1.01 (Figure 5).

The recorded weights of adult birds were also high through much of the year indicating availability of a good food supply.

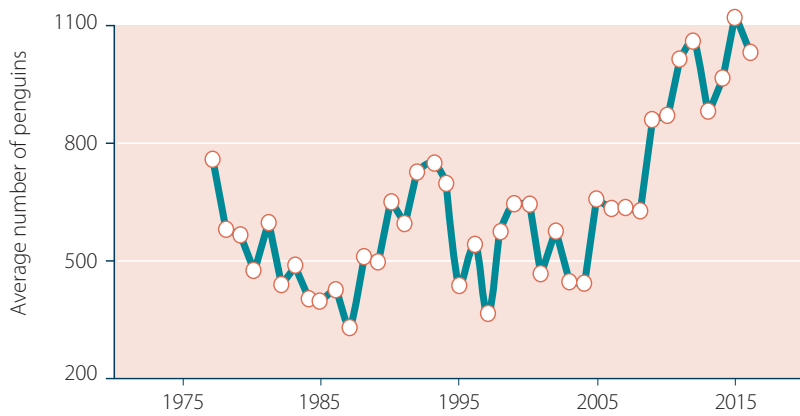


Figure 3. Average number of penguins crossing the Penguin Parade beach each night, July 1977 to June 2017.

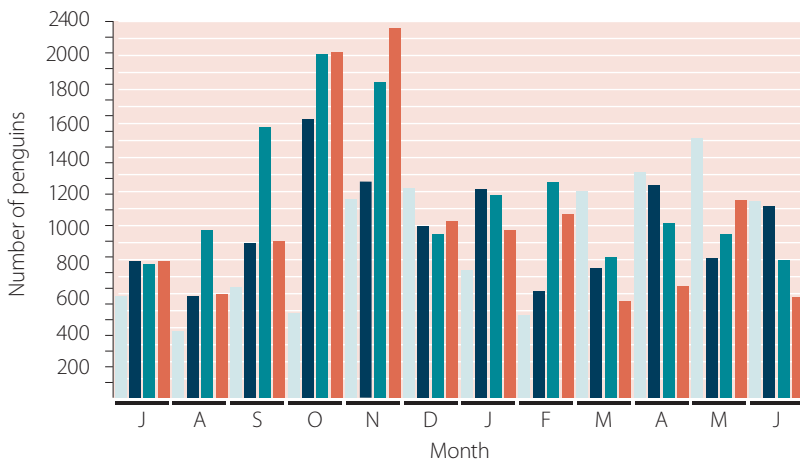


Figure 4. Monthly mean numbers of penguins at the Penguin Parade: 2016-17.

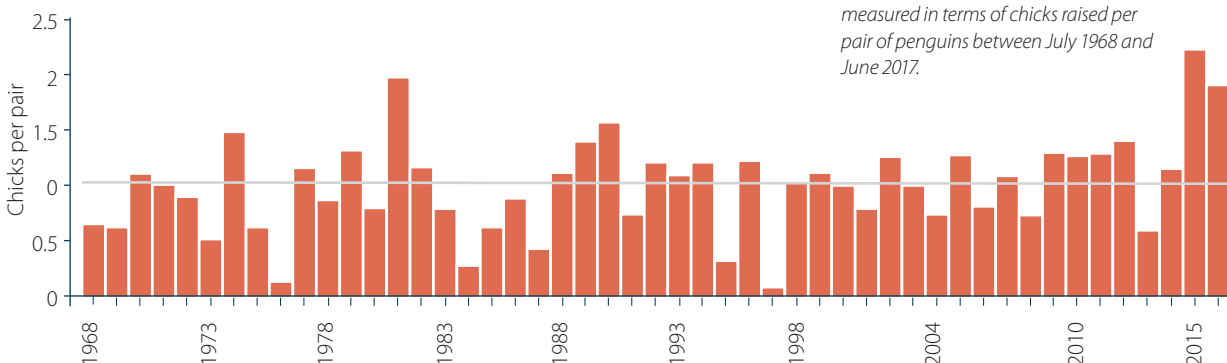


Figure 5. Annual breeding success, measured in terms of chicks raised per pair of penguins between July 1968 and June 2017.

International excellence in research

During the year the research team:

- Produced 20 publications in peer-reviewed journals (Refer Appendix 2 on page 76).
- Gave more than 40 presentations at Australian and international forums.
- Achieved widespread media coverage and participated in 20 interviews.
- Co-supervised one Honours thesis, one Masters and 10 PhD students. Three PhD's, one Masters and one Honours thesis were also completed.
- Received grant funding including two prestigious international research grants.
- Maintained a large network of international collaborations.
- Continued work on the development of magnetic particle technology with our partners at Victoria University.

Magnetic particle research

This unique oil cleaning method uses magnetic iron particles to remove oil from wildlife. Research focused on determining protocols for the use of this technique at oil spills at several key oiled wildlife rehabilitation centres.

Little penguin feeding hotspots

We entered the third year of our Australian Research Council-funded project to identify potential important penguin areas to provide better marine management of penguins and ensure their future food security. DNA analysis of scats revealed new prey for penguins including sea jellies.

New methods to obtain environmental data through ocean currents and connectivity analysis revealed that nutrients transported into the feeding areas of Phillip Island penguins are coming from an area many times larger than their foraging zone. We are also learning how little penguins are responding to rapid changes in their marine environment.

2016 IUCN Red List assessment update for little penguins

The IUCN Red List assessment is an update of the population trend, threats and actions needed for the conservation of penguins. Nature Parks' staff facilitated the collection and analysis of information provided by 18 scientists working on little penguins in Australia and New Zealand. The good news is that the overall population of little penguins seems to be stable rather than decreasing as reported in some previous IUCN Red List assessments.

Effects of artificial lights on penguins and shearwaters

We completed works for a project funded by a prestigious Marie Curie grant award. This was a three-year \$320,000 project fully funded by the European Union. The project has made an enormous contribution to our understanding of the effects of artificial lights on penguins and shearwaters and resulted in five scientific papers with strong management recommendations.

Australian and long-nosed fur seals

Increased survey efforts and disentanglements of Australian fur seals at Seal Rocks was made possible through Penguin Foundation funding.

Trials were conducted to estimate seal population sizes using unpiloted aerial vehicles (drones) which significantly reduce disturbance and improve accuracy. GPS and dive tags were deployed on male long-nosed fur seals at Cape Bridgewater providing an understanding of how they share their environment with penguins.

Determining the prevalence of penguins in the seals' diets using DNA techniques has been successful and indicates former estimates of predation of penguins may be overestimated.

Towards 2017–18

Our research program will focus on the following projects in the coming year:

- Emerging issues for little penguins revealed by recent research including egg predation by little ravens and the expansion of long-nosed fur seals into Bass Strait.
- Surveys of both fur seal species using unpiloted aerial vehicles and ground surveys.
- Climate change impacts on penguins and mitigation options.
- Foraging areas of penguins breeding on Phillip Island's north coast and impacts of pollution.
- Continuing studies on little penguin breeding, foraging and survival.
- Completing the optimisation of magnetic particle technology for field use and developing a global network for implementation of field trials.
- Establishing a population of the threatened eastern-barred bandicoot on the Summerland Peninsula in conjunction with an exploration of innovative cat-control techniques.

Tourism

Providing quality opportunities for visitors to experience the Nature Parks' special places and wildlife in its natural habitat is central to our goals.

| Key goal | Measure | Result |
|---|--|------------------------|
| Increase visitor numbers and yield | Achieve 1,121,102 visitors across all paid attractions. | Achieved ○○● |
| | Further enhance visitation to the EcoBoat and Antarctic Journey experiences. | Achieved ○○● |
| | Grow our presence in key international markets. | Achieved ○○● |
| | Maximise opportunities to host corporate and business incentive groups. | Achieved ○○● |
| Enhance the experience of the non-English speaking visitors | Develop multilingual App at the Antarctic Journey exhibition at the Nobbies Centre | Achieved ○○● |
| Park-wide Interpretation Plan | Develop a Park-wide Interpretation Plan to provide an integrated approach in our key conservation messages | Partially Achieved ○●○ |
| Implement new ticketing system | To continue to grow our tourism business and offer bundled ticket options. | Partially Achieved ○●○ |

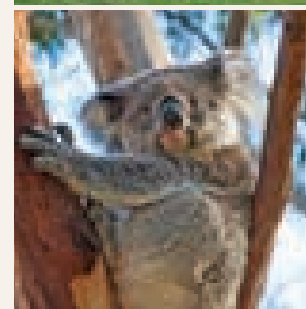
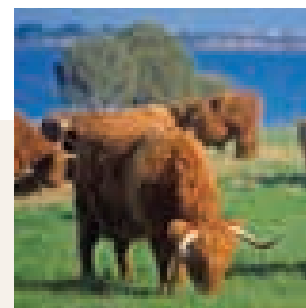
Another year of record paying visitor numbers

| Visitation | 2016-2017 | 2015-2016 |
|------------------------------|------------------|------------------|
| Penguin Parade | 730,888 | 693,863 |
| Churchill Island | 141,628 | 137,461 |
| Koala Conservation Centre | 207,526 | 213,351 |
| Antarctic Journey | 78,977 | 40,108 |
| EcoBoat Tours | 8,936 | 8,473 |
| Total paid visitation | 1,167,955 | 1,093,256 |

This was another record year. We welcomed a total of 1,167,955 paying visitors across all attractions, representing an increase of 6.8%.

This impressive total was made up of 58.5% international and 41.5% domestic visitors. The overall increase is mainly attributed to the increase of international and Meetings, Incentives, Conferences and Exhibition (MICE) markets, as well as the new Antarctic Journey, Penguins Plus and Underground Viewing experiences being operational for the entire financial year.

Overall, there were in excess of 1.49M visitors to the Nature Parks. This includes the additional free entry at the Nobbies Centre.



Visitation across the Nature Parks

Penguin Parade

The main visitor growth was experienced at the Penguin Parade. We demonstrated a 5.3% increase in visitors due to substantial international market growth and Meetings, Incentives, Conferences and Exhibition (MICE) visitation.

The number of domestic visitors decreased by 1.5% this year. This was due to an identified decline in Victorian Metropolitan visitors.

International visitation increased by 9.7% year on year. This is due to a 15% increase in visitors from China combined with a 23% increase in USA and 50% increase in visitors from India. We maintained our visitor numbers from the UK and Europe and experienced a slight increase in visitors from Malaysia, Singapore and Indonesia.

Churchill Island

Churchill Island visitation increased by 2.9%, reflecting the overall increase in international visitation along with major events held during the year.

Koala Conservation Centre

There was a 2.7% decrease in visitors to the Koala Conservation Centre due to a decrease in international visitors, particularly from Malaysia and Singapore.

Park-wide

We sold a total of 104,537 Multi Parks Passes which represents a 4% increase from the previous year. These passes incorporate discounted entry into any combination of our five main visitor attractions and extend visitor stay.



New, immersive nature-based experiences

Antarctic Journey

We welcomed 78,977 visitors to this new attraction with positive visitor feedback.

New Penguins Plus and Underground Viewing experiences

Over 104,000 visitors experienced the new and improved Penguins Plus and 24,353 visitors enjoyed the new Underground Viewing experience.

Eco Boat Tour

This tour to the Seal Rocks Australian fur seal colony receives very positive visitor feedback and aligns with the Nature Parks' vision to provide outstanding and authentic world-class conservation experiences. It also brings our Australian fur seal research and conservation programs into the product mix and increases environmental awareness. Close to 9,000 visitors experienced the Eco Boat Tours this year.

Nature Parks in the news

A key part of our 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 \$26M in equivalent advertising expenditure, and an effective circulation reach of 324 million people.

Grow our presence in key international markets

China

- We reached a milestone in our Chinese visitation to the Penguin Parade welcoming over 200,000 visitors from China this year.
- We extended our marketing activities and distribution to second and third tier cities. Our marketing activities now cover Shanghai, Beijing and Guangzhou as well as Chengdu, Shenzhen, Chongqing, Nanjing, Tianjin and Hangzhou.
- We developed a three-year China Marketing Strategy.

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, incentive market visitors.

MICE market

- We hosted over 12,000 high yield Meetings, Incentives, Conferences and Exhibition (MICE) visitors including one of the largest incentive groups to visit Victoria in recent years. The Perfect China group yielded 3,000 visitors over two days.

Strengthening interpretation

Events

The success of special events such as World Penguin Weekend, Science on the Move Questacon exhibition and Winter Whale Weekend helped us to deliver on our interpretation goal of including conservation messages in all activities, presentations and displays.

Multilingual interpretation at Antarctic Journey

Chinese visitors can now experience the interpretation material at the Antarctic Journey by downloading the entire content via their WeChat account using the Centre's free WIFI and QR codes to direct them to a fully translated site.

Churchill Island

Visitor engagement with the story of Churchill Island has been significantly enhanced through an update of the Visitor Centre interpretive exhibition. Lightweight panels suspended from the ceiling share the island's unique history from the First Peoples through to present day.

Excellence in customer service

Visitor surveys

Ongoing visitor information was collected through direct interviews, email questionnaires with our online ticket purchasers and the use of interactive kiosks at venues.

Direct customer feedback

We have achieved excellent results with customer feedback on forums such as TripAdvisor during this last year. Out of a total of 3,520 reviews at the Penguin Parade, 2,252 (64%) were rated as 'excellent' and 809 (23%) rated as 'very good'.

With the dual purpose of providing excellent customer service and enhancing interpretation, we have education rangers located within the Antarctic Journey experience during peak periods to improve the visitor experience.

Towards 2017–18

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 maximise our partnerships.
- Complete our new island-wide App.
- Commence the rollout of our new branding and Park-wide Interpretation.
- Launch a new ticketing system.

Education & interpretation

Our education programs allow students and visitors to discover and explore Phillip Island's natural wonders through a range of dynamic programs. Interpretation welcomes and brings the Nature Parks to life for visitors.

Our experienced and passionate education and interpretation team aims to promote a sense of stewardship for the natural environment in every visitor. We provide face-to-face guided tours, incursions, online programs and resources for primary, secondary, VCE, tertiary and international students. We also engage with our community and domestic and international visitors through a variety of holiday programs, events and festivals including interpretation on the Eco Boat tours.

| Key goal | Measure | Result |
|--|---|--------------|
| Develop and deliver high quality education talks and tours | Increase delivery of high quality interpretation and curriculum-based educational talks and materials at Antarctic Journey. | Achieved ○○● |
| | Develop and deliver new tours. | |
| Increase visitation by assisting with promotional and education events | Prepare and implement activities at events through holiday periods and long weekends. | Achieved ○○● |
| Maximise funding to support educational programs and maintain existing partnerships. | Apply for funding from key partners. | Achieved ○○● |
| | Prepare, deliver and strengthen successful programs with strategic partners. | |
| Assist with developing the Park-wide Interpretation Plan and signage content. | Assist with recruitment of consultants for Interpretation Plan and signage audit. | Achieved ○○● |
| Develop Nature Parks incursion programs | Develop and implement identified incursion programs. | Achieved ○○● |
| Extend relationships with community through engaging programs | Provide extensive opportunities for our community to engage in conservation activities. | Achieved ○○● |

Extending immersive education experiences

Engaging interpretation and curriculum-based activities ensure that our education team is a leader in the field of nature-based, eco-accredited experiences.

- A total of 36,088 school students visited the Nature Parks with 21,082 attending the Penguin Parade. This represents a 10.5% increase on last year and reflects the contribution of the new Antarctic Journey attraction to further strengthening Nature Parks visitor experiences.
- We delivered face-to-face education tours to 19,308 students.
- A total of 1,884 students participated in incursion programs.
- A total of 1,166 international students were immersed in ranger-guided experiences.
- A total of 28 students experienced our week-long work experience program.

Other initiatives included:

- Science Week activities at Antarctic Journey.
- Hosting a Teacher Open Day for 200 Victorian teachers and their families. Two professional development sessions were also held.
- Delivery of 12 camps for Year 9 students.
- Development of a When Balloons Fly, Seabirds Die campaign support kit with Zoos Victoria.
- Hosting many successful, large international and tour groups.

Working with our supporters

- Our award-winning Coastal Ambassadors Program continued to inspire a total of 75 students representing 23 schools in the 'Year 5-6 Leaders' program and a further 49 students in the Year 9 senior program. Coastal Ambassadors is funded through Victorian State Government Strategic Partnerships/Education and Training.

- ExxonMobil support enabled us to continue our Chirpy Chicks incursion program. This allowed 1,663 Prep-Year 2 students from 20 Victorian schools to have a Nature Parks ranger in their classroom. This represents a 142.3% increase in student participation from last year and it has allowed us to inspire these schools to visit Phillip Island.
- Funding from Sustainability Victoria's Victorian Litter Innovation Fund enabled the development of the Turn the Tide program. Five schools and 120 Year 7 and 8 students experienced the three-day program focussed on marine debris and local action plans.
- We developed a Marine Debris program with support from The Andrews Foundation. The program involves local Year 3 and 4 students and will be launched in late 2017.

Connecting to the environment

- An intensive five-day work experience program provided 28 students with an invaluable insight into our research, conservation and education programs.
- We provided training for over 100 Nature Parks staff. These information sessions empower our team to be able to provide visitors with up-to-date information.

Supporting new ecotourism experiences

- We implemented free, self-guided Junior Ranger Quests for young visitors at each location.
- Education rangers provided daily interpretation on Eco Boat tours with up to four trips per day over summer. Three new boat tours were introduced including the Shearwater Sunset Tour, Island Discovery Tour and Cape Explorer Tour.



Engaging our community

- Free holiday activities including Koala Prowls, Rockpool Rambles and more throughout September and January provided excellent community engagement.
- Over 1,200 people attended the annual Shearwater Festival which uses the arts to contribute to Indigenous cultural regeneration and language revival to promote reconciliation, facilitate cross-cultural exchange and raise awareness. The festival brings the community together to celebrate the annual return of short-tailed shearwaters.
- Education and Interpretation Rangers participated in a wide range of events and promotions, such as World Penguin Weekend, both on and off Phillip Island.

Towards 2017-18

We look forward to a positive year including:

- Continuing to focus on the development and delivery of high quality visitor experiences.
- Maximising funding to support educational programs and seeking avenues to continue and expand incursion programs.
- Rolling out the Park-wide Interpretation Plan.
- Developing one major behavioural change campaign.
- Considering new opportunities to increase visitation on Eco Boat tours.
- Engaging with our community.
- Continuing to develop and seek new partnerships for a positive future of education.

A total of 36,088 school students visited the Nature Parks with 21,082 attending the Penguin Parade. This represents a 10.5% increase on last year and reflects the contribution of the new Antarctic Journey attraction to further strengthening Nature Parks visitor experiences.

Engaging interpretation: A Nature Parks' Education Ranger delivering accredited education experiences

Our community and volunteers

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

| Key goal | Measure | Result |
|---|---|---|
| Increase the frequency and depth of communication with the local community | Continue to publish key Annual Report outcomes in local newspapers each financial year. | Achieved <input type="radio"/> <input type="radio"/> <input checked="" type="radio"/> |
| | Continue to conduct Community Advisory and Environment Committee meetings. | Achieved <input type="radio"/> <input type="radio"/> <input checked="" type="radio"/> |
| | Manage the National Surfing Reserve Committee. | Achieved <input type="radio"/> <input type="radio"/> <input checked="" type="radio"/> |
| Increase community participation, visitation and involvement | Hold the seventh Community Open Day. | Achieved <input type="radio"/> <input type="radio"/> <input checked="" type="radio"/> |
| Strengthen connections with the Aboriginal and Torres Strait Islander Community | Implement actions from our Reconciliation Action Plan (RAP) 2015-18. | Achieved <input type="radio"/> <input type="radio"/> <input checked="" type="radio"/> |

Celebrating 20 years of community

In March 2017, a special celebration was held at Government House to acknowledge the Nature Parks' achievements since its establishment in 1996. This event also provided an opportunity to thank key volunteer groups. A wider community celebration was also held at the Nature Parks for all community and staff members to attend.

Informing our community

The Nature Parks continued to further community relations through facilitating community 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

Involving our community

This year over 11,887 volunteer hours (1,486 days) were spent within the Nature Parks, an increase on the previous year's total of 11,360 volunteer hours (1,420 days). This contribution included individuals, community and corporate and education groups from across Australia and overseas along with participation in our ongoing volunteer programs. Activities undertaken consisted of monitoring wildlife populations, wildlife rescue and rehabilitation, assisting with visitors at Churchill Island and Nature Parks events, habitat restoration and more.

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

Volunteer Plan

A Volunteer Coordinator was engaged during the year. This role will lead to the development of an integrated Volunteer Program that supports our work and has a planned approach. The role is also providing additional support to volunteers and staff, including recruitment, support, development and continuous improvement.

Work commenced on developing a Volunteer Plan which aims to generate more volunteer opportunities and deliver extra support to achieve important environmental, research, cultural, visitor and community outcomes. Our goal is achieve this while preserving and building the enthusiasm and passion of our already dedicated volunteers.

A Volunteering section is now present on our website www.penguins.org.au/about/volunteer/

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 seventh annual Open Day was again a success with over 2,000 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. The Antarctic Journey, EcoBoat Tours, Spirit of the Land Indigenous program, kids' activities and Bandicoot Banter held on Churchill Island were all very popular.

Phillip Island National Surfing Reserve

Victoria's first and only National Surfing Reserve was formally declared in March 2013. This marked the result of over 18 months of work by a community committee, in consultation with the Nature Parks. The community working group met regularly throughout the year to continue to promote the Reserve, surfing culture and environmental protection on Phillip Island.

Achievements included:

- Running a successful Surfing Tag Team Challenge event in April to celebrate the fourth anniversary of the declaration of the Reserve. This involves partnerships with key organisations.
- Distributing a brochure about the Reserve and how to care for and protect the sensitive coastal areas within it.
- Featuring on the back of Phillip Island Official Visitor Guide, distributed across Victoria and Australia, demonstrating the Reserve's tourism potential.
- Continuing to develop and maintain an archive on the history of surfing on Phillip Island in conjunction with the Phillip Island and District Historical Society.
- Securing a Bass Coast Shire Council Community Grant for a branded marquee for events and reprinting of the Reserve booklet.
- Commencing 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 and the Reserve's Facebook page.

Community inclusiveness and support

Reconciliation

The Nature Parks acknowledge 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 members, visitors and wider Community.

This year, there were several major achievements for Reconciliation. The Reconciliation Action Plan working group expanded to become the Reconciliation Advisory Committee reporting directly to the Board. This represents our organisation's increasing commitment to reconciliation.

Our Reconciliation Action Plan (RAP) 2015-2018 is endorsed by Reconciliation Australia and forms our reconciliation action statement. The 32 actions have measurable targets centered around developing strong relationships, fostering mutual respect and exploring and providing opportunities for Aboriginal and Torres Strait Islander peoples.

Key achievements include:

- Expanding relationships and opportunities with the local Traditional Owner groups and wider Community.

- Hosting our first National Sorry Day event and running a comprehensive program of events for National Reconciliation Week and NAIDOC Week.
- Supporting the annual Shearwater Festival.
- Maintaining 'Respect Our Culture Certification' through Ecotourism Australia.
- Increasing authentic retail product lines and services that benefit Aboriginal and Torres Strait Islander communities.

Our RAP 2015-18 and updates are available at 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, Channel Challenge, Woolamai Beach Surf Lifesaving Club, Phillip Island Basketball Club, Phillip Island Cricket Club, Barb Martin Bush Bank, Shearwater Festival, Friends of Churchill Island Society and the pilot Island Explorer Bus in partnership with Phillip Island RSL, Destination Phillip Island Regional Tourism Board and Bass Coast Shire Council.

Cultural diversity

In 2016-17, 58.5% of Nature Parks visitors were from overseas and we cater for these groups with tailored publications, iPhone and android 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.

Young people

We support young people by providing age-specific and targeted information and programs. We also encourage opportunities for the employment of young local people.

Towards 2017-18

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

- Engaging in inclusive communications and consultation regarding the development of new plans and initiatives for the future of the Nature Parks.
- Strengthening our commitment to reconciliation through meaningful relationships, partnerships and protocols as we continue to implement our RAP 2015-2018 and commence development of our next Reconciliation Action statement.
- Continuing to support the Shearwater Festival and Phillip Island National Surfing Reserve community working group activities.
- Hosting our eighth Community Open Day on Sunday March 4 2018.
- Launching our Volunteer Program.

Our team

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 environment, research, education, visitor services, marketing, food and beverage, 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 | Create a dynamic organisation structure that is responsive to change. | Achieved ○○● |
| Build a strong organisation culture | Instill a culture of trust, appreciation and responsibility through shared experiences, learning and support systems. | Achieved ○○● |

Workforce data

Nature Parks' workforce profile

| Staff | 2016-17 | 2015-16 | 2014-15 |
|------------------------|------------|------------|------------|
| Executive officers | 6 | 6 | 6 |
| Senior managers | 4 | 4 | 4 |
| Supervisors | 23 | 20 | 16 |
| Administration | 20 | 15 | 19 |
| Commercial | 142 | 136 | 133 |
| Field | 58 | 55 | 50 |
| Total | 262 | 236 | 228 |
| (Full Time Equivalent) | (192) | (173) | (165) |
| Male | 92 | 82 | 84 |
| Female | 170 | 154 | 143 |

Workforce planning

Organisation structure

A contemporary structure is being implemented to align with our core business activities, future growth and ongoing governance and will sustain the organisation over the next five to ten years.

The structure focusses on key priorities and developments for the future that will create opportunity and employee growth while supporting our teams. Implementing this change has been backed by the leadership team along with a program intended to develop resilience and increase capability.

Learning and development

Our approach to the ongoing development of our people has focused on the priority areas of individual, team and leadership. This strategy recognises the diverse range of skills and program

development required to continue to support our people in growth and confidence in their roles.

Specific attention to health, safety and wellbeing through a program of awareness activities and support through our Employee Assistance Program has been a key initiative for developing resilience and caring for our people.

Strong organisational culture

Our values

Our strong values support our culture. Employees and managers continue to work together to embed these across the organisation.

Our Vision and Values Committee, in conjunction with employees, undertook an evaluation of our organisational values. This process recognised the collaborations and positive relationships within our team and identified key priority areas for implementing improvement strategies.

Occupational Health and Safety

Occupational Health and Safety (OH&S) continued to be a priority at all levels. Understanding existing work practices and risk assessment ensures our policies and procedures reflect both current and future needs of our business.

Continual improvement is underpinned by an active OH&S Committee which meets regularly to assess and implement key safety strategies. The committee's sole purpose is of increasing awareness and participation and improving health and safety throughout the Nature Parks.

Our training paradigm shifted to allow for increased interaction and hands-on learning. This will better equip employees and increase knowledge retention gained from training opportunities.

Managing risks

Priority has been placed on understanding our risks through risk assessments and reviews. The engagement with employees at the workforce to identify the risk area provides a base for a complete assessment; significantly in the areas of mustering cattle, feral pest management at night with firearms and emergency management procedures for marine activities.

Incident management

Incidents across the Nature Parks decreased by 20.5% per 100 FTE in 2016-17. Incidents include injuries and other hazards (non-injury) related incidents. In real terms, the decrease equates to three additional reported incidents compared with the previous year before adjustment for staff increases. The rise in incidents reported was expected and is driven by the introduction of the Nature Parks' online reporting system and a growing awareness of incident reporting among staff.

WorkCover

The total number of Premium Sensitive WorkCover claims lodged in 2016-17 rose from one to two. The average cost per claim decreased from \$5,130 to \$1,164 due to effective early intervention strategies and improved claims performance management.

Safety Management System

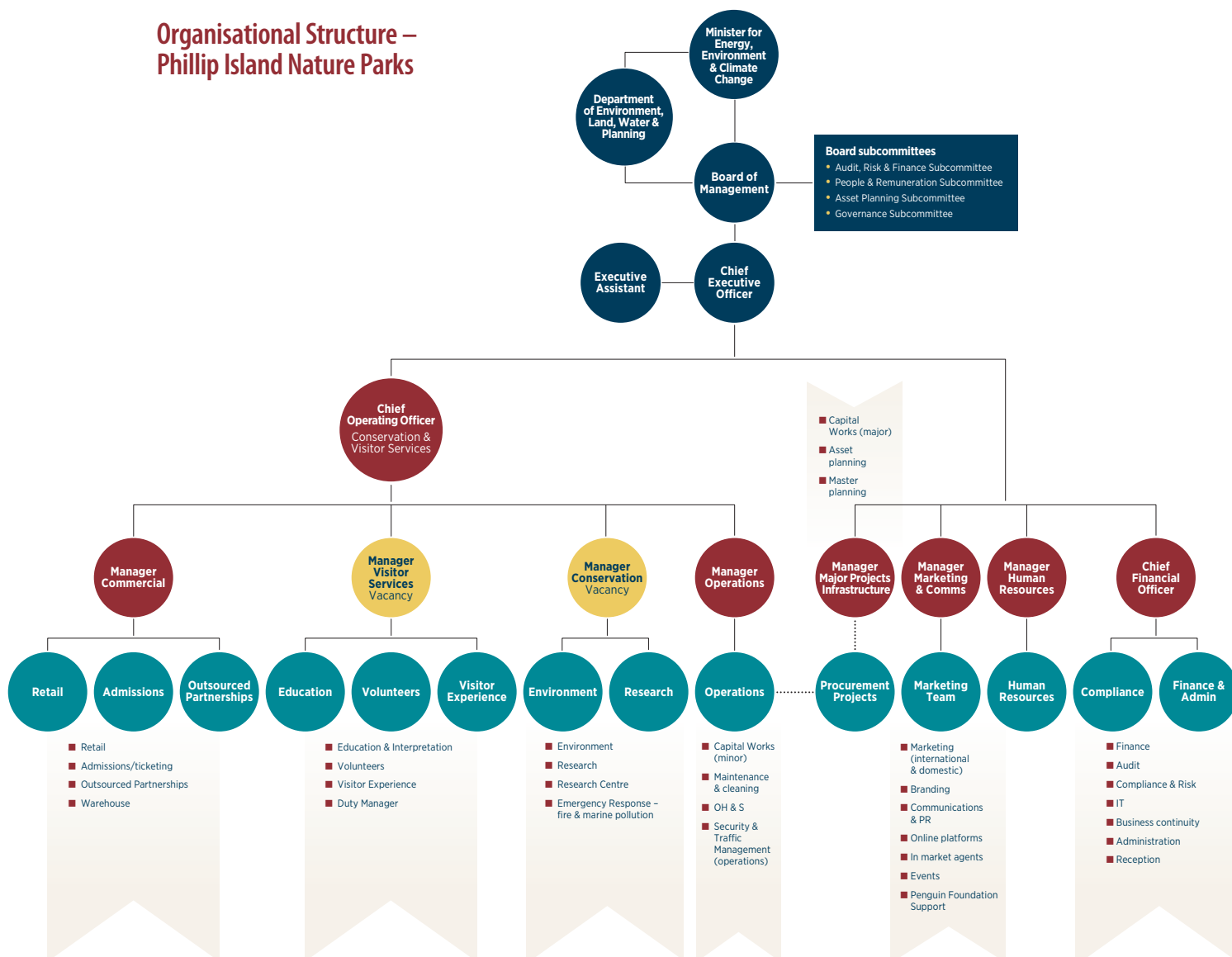
Reviewing the Nature Parks' Safety Management System is improving our ability to measure practicality, achievability and validity in the workplace within our policies and procedures.

Towards 2017-18

Our priorities will continue to focus on building on our strong organisation culture, developing and educating our people to support capability and creating opportunities for growth and change.

Providing additional training opportunities for employees to support their health and safety at work and having a strong safety culture will limit organisation risk and allow employees ownership in their workplace.

Organisational Structure – Phillip Island Nature Parks



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 2016 to 30 June 2017 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 this year to provide governance and strategic direction.

| | |
|---------------------|-------|
| Jeff Floyd | 8 / 8 |
| Andrew Paxton | 8 / 8 |
| Stephen Davie | 8 / 8 |
| Kevin Love | 8 / 8 |
| Dr Danielle Auldist | 7 / 8 |
| Kay Spierings | 8 / 8 |
| Liz Stinson | 6 / 8 |
| Shelley Lavender | 8 / 8 |

Notes: There were no Board Meetings in July, September, January or April.

Jeff Floyd (Chair) 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.*

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*

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.*

Kevin Love operates his own advisory business, specialising in project management, policy advice and governance. For over 20 years he 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, institutional reform 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 management policy. *Board member from 9 August 2013.*

Dr Danielle Auldist brings experience in project management, science, governance and education. As CEO of a Gippsland not-for-profit organisation, she oversaw the delivery of its strategic plan for over a decade. Its investments included projects that addressed primary industry issues and environmental stewardship. Her experience in business management is complemented by an agricultural science background and project development skills. Her time with an agricultural consultancy group focussed on assignments for water catchment authorities, local governments and primary producers as well as drafting planning practice 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 and business and financial management and administration. She 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.*

Liz Stinson brings many years' 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, to her role on the Board. She holds postgraduate qualifications in zoology, educational leadership, human nutrition 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.*

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 an understanding 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.*

Board subcommittees

The Nature Parks' sub-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 the Nature Parks' 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.

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

People and Remuneration 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. The subcommittee fulfilled this role this year through advising the Board on the recruitment of a new CEO, review of key

policies and a review of our organisational structure.

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

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 to monitor 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 Auldist
- Kevin Love
- Jeff Floyd

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 a major role in overseeing the new Penguin Parade Visitor Centre development planning.

- Kevin Love - Chair
- Liz Stinson
- Dr Danielle Auldist
- Kay Spierings
- Andrew Paxton

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. The Committees act 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 committee formerly consisted of a Community Advisory Committee and an Environment Advisory Committee. The two committees combined meetings during the current period to broaden the scope of information shared.

The committee fulfilled its role this year in major planning processes and projects such as the Woodland and Wetland Key Area Plan and the new Penguin Parade Visitor Centre.

Community Advisory Committee

- Stephen Davie (Board) – Chair
- Deborah Holland
- Cr Stephen Fullarton
- Christine Grayden
- Jan Fleming
- Anne Davie
- Pauline Taylor
- Margaret Hancock
- Lois Gaskin
- Patsy Hunt
- Gareth Kennedy (from 30 August 2016)
- Kim Storey (from 7 October 2016)
- Steve Parker (from 19 December 2016)
- Jane Daly (from 2 June 2017)
- Yvette Tancheff (from 2 June 2017)
- Michael Whelan (retired 22 December 2016)
- Cr Kimberley Brown (retired 22 October 2016)

Environment Advisory Committee

- Shelley Lavender (Board) – Chair
- Penny Manning
- Joel Geoghegan
- Gayle Seddon and Gavan O'Connor
- Mike Cleeland
- Bessie Tyers
- Tania Maddigan
- Bass Coast Shire Council representation by the Sustainable Environment Department.
- Tim Ealey (retired 29 March 2017)

Reconciliation Advisory Committee

This new Advisory Committee was established in October 2016 to further the Nature Parks' commitment to reconciliation through the implementation of our Reconciliation Action Plan 2015-18 (RAP). 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 and holding events to further reconciliation across the Nature Parks' community.

- Stephen Davie (Board) – Chair
- Boon Wurrung Foundation representative
- Bunurong Land Council Aboriginal Corporation representative
- Delyce Colin (Nature Parks management representative)
- Leanne Renwick
- Maddie Press
- Patrice Mahoney (Community)
- Peter Cleary
- Roland Pick
- Safina Stewart (Community)
- Sally O'Neill
- Shani Blyth
- Steve Parker (Community)

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 and implementation of the Nature Parks' Research Strategy and Annual Research Plan.

- Liz Stinson (Board) - Chair
- Dr Danielle Auldish (Board)
- Stephen Davie (Board)
- Adrian Moorrees
- Dr Kath Handasyde
- Dr Robin (Ras) Lawson
- Dr Simon Goldsworthy
- Dr Stephen Swearer
- Peter Menkhorst
- Prof Ian Beveridge

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/

Compliance

The Nature Parks' Audit, Risk and Finance Subcommittee was established to assist the Board to fulfill its governance and oversight responsibilities. The Subcommittee met quarterly to discuss risk management, financial and other compliance related matters. The Chief Executive Officer and the Chief Financial Officer attended these meetings.

Risk management and insurance

The Board and management have identified the major risks to the organisation and the assets it manages and have documented detailed strategies to mitigate these risks. It is incumbent on the Board and staff to proactively identify and act upon risks as they arise – for themselves and visitors.

In accordance with the Department of Environment, Land, Water and Planning requirements, the Minister and Secretary were notified of the top three risks pertinent to the Nature Parks.

The Nature Parks regularly reviews its exposure to risk and assesses the adequacy of its insurance. The Nature Parks is a participating body under Section 4 of the *Victorian Managed Insurance Authority (VMIA) Act 1996* and sources its insurance through the VMIA.

I, Jeff Floyd, certify that Phillip Island Nature Parks has complied with the Ministerial Standing Direction 3.71 – Risk Management Framework and Processes. The Phillip Island Nature Parks' Audit, Risk and Finance Subcommittee has verified this.



Jeff Floyd

Chair, Phillip Island Nature Park Board of Management Inc.



Stephen Davie

Chair, Audit, Risk and Finance Subcommittee

Employment and conduct principles

Nature Parks staff are employed under the Phillip Island Nature Parks Agreement 2014–2017 and the applicable union is the Australian Services Union.

No industrial relations claims were made during the reporting period. Nature Parks staff work in accordance with the Nature Parks Code of Conduct and employment policies that include social media, conflict of interest, diversity, anti-discrimination, equal opportunity, recruitment and grievance management.

Our Recruitment Policy continues to support equity in the ongoing recruitment of a highly skilled and capable workforce in the changing environment as well as providing the opportunity for staff to work across departments increasing their skills.

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 2017, 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 2017 is \$28.40.

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.

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.

Gifts, benefits and hospitality

I, Jeff Floyd, certify that:

- Phillip Island Nature Parks has policies and procedures in place that are consistent with the minimum requirements and accountabilities outlined in the Gifts, Benefits and Hospitality Framework issued by the Public Sector Standards Commissioner;
- Staff are informed about these gifts, benefits and hospitality policies and procedures; and
- The Audit, Risk and Finance Subcommittee reviews the operation of the policies and procedures at least once a year to ensure compliance.



Jeff Floyd

Chair, Phillip Island Nature Park Board of Management Inc.

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 provides protection to people who make disclosures in accordance with the Act and establishes a system for the matters disclosed to be investigated and rectifying action to be taken as appropriate.

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.

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

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

National Competition Policy

Under the National Competition Policy (NCP), the guiding legislative principle is that legislation, including future legislative proposals, should not restrict competition unless it can be demonstrated that:

- the benefits of the restriction to the community as a whole outweigh the costs; and
- the objectives of the legislation can only be achieved by restricting competition.

The Nature Parks continues to comply with the requirements of the NCP.

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

The Nature Parks is working to ensure that Victoria fulfils its requirements on competitive neutrality reporting for technological

based businesses against the enhanced principles as required under the Competition and Infrastructure Reform Agreement.

The Nature Parks continues to implement this principle in accordance with Victorian Government Policy.

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.

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.

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 was incurred by the Nature Parks during the reporting period.

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.

Major contracts

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

Consultancies over \$10,000

During the year, the Nature Parks engaged nine consultants for contracts over \$10,000 with total aggregate fees of \$309,082.

| Consultant | Purpose of consultancy | Expenditure 2016-17 (excl. GST) |
|---|---|---------------------------------|
| Ernst & Young | Economic contribution study | 10,100 |
| Pricewaterhouse Coopers | Asset treatment advise | 10,490 |
| Corrine Armour | Strategic Plan development | 14,400 |
| Kirkham-Smith Consultants | Emergency Management | 14,679 |
| Emergency Management Consult Services Pty Ltd | Emergency management plans | 14,750 |
| Oats Environmental Consulting Pty Ltd | Vegetation management plan | 24,100 |
| McArthur Management Services (Vic) Pty Ltd | Organisation review | 36,916 |
| Inspiring Place Pty Ltd | Cape Woolamai Reserve Master Plan and Woodland and Wetlands Key Area Plan | 85,627 |
| Dog and Bone Pty Ltd | ICT Strategy and Ticketing Project | 98,020 |

Information and Communication Technology (ICT) expenditure

For the 2016-17 reporting period, the Nature Parks had a total ICT expenditure of \$1,120,370 with the details shown below.

| All operational ICT expenditure | ICT expenditure related to projects to create or enhance ICT capabilities | | |
|---------------------------------|---|---|-------------------------|
| | Business As Usual (BAU) ICT expenditure | Non Business As Usual (non BAU) ICT expenditure | Operational expenditure |
| (Total) | (Total = Operational expenditure and capital expenditure) | | |
| 1,047,177 | 73,193 | 1,086,700 | 33,670 |

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.

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

activities undertaken by the Nature Parks to develop community awareness of the entity and its services.

- details of overseas visits undertaken including a summary of the objectives and outcomes of each visit.
- details of changes in prices, fees, charges, rates and levies charged.
- a statement that declarations of pecuniary interests have been duly completed by all relevant officers.
- details of all consultancies and contractors including:
 - consultants/contractors engaged;
 - services provided; and
 - expenditure committed to for each engagement.

The information is available on request from: info@penguins.org.au

Included in the Annual Report

Details in respect of the following items have been included in the Phillip Island Nature Parks' Annual Report 2016-17, on the pages indicated below:

- assessments and measures undertaken to improve the Occupational Health and Safety of employees (on pages 24-25).
- a statement on industrial relations within the Nature Parks (on page 29).
- 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 pages 27-28).

The following information is not applicable to the Nature Parks for the reasons set out below:

- a declaration of shares held by senior officers (no shares in Phillip Island Nature Parks have ever been issued).

Subsequent events

There were no matters subsequent to the financial report being finalised that significantly affect the operating performance or financial position of the Nature Parks as at 30 June 2017 or its operations 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.

During 2016-17, no Local Jobs First – VIPP reportable projects were commenced.

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 in electronic readable format.

Capital projects

Current information on new and existing capital projects for the Nature Parks and the broader Victorian public sector is contained in the most recent Budget Paper No. 4 State Capital Program (BP4) which is available on the Department of Treasury and Finance website. There were no Capital Projects with a Total Estimated Investment of \$10M completed during the year.

Financial review



Phillip Island Nature Parks – Financial Statements

The Phillip Island Nature Park Board of Management Inc. (the Nature Parks) has presented its audited general purpose financial statements for the financial year ended 30 June 2017 in the following structure to provide users with the information about the Nature Parks' stewardship of resource entrusted to it.

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STATUTORY DECLARATION

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 2017 and financial position of the Nature Parks at 30 June 2017.

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 31 August 2017.

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



Catherine Basterfield

Chief Executive Officer (Accountable Officer)
Phillip Island
31 August 2017



Tracey Lindupp

Chief Financial Officer (Chief Finance and Accountable Officer)
Phillip Island
31 August 2017



Jeff Floyd

Chair
Phillip Island Nature Park Board of Management Inc.
Phillip Island
31 August 2017

Independent Auditor's Report

To the Board of the Phillip Island Nature Parks

| | |
|--|--|
| Opinion | <p>I have audited the financial report of the Phillip Island Nature Parks which comprises the:</p> <ul style="list-style-type: none"> • balance sheet as at 30 June 2017 • comprehensive operating statement for the year then ended • statement of changes in equity for the year then ended • cash flow statement for the year then ended • notes to the financial statements • statutory declaration. <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the Phillip Island Nature Parks as at 30 June 2017 and their 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> |
| Basis for Opinion | <p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. My responsibilities under the Act are further described 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 Phillip Island 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 Australia. 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> |
| Board's responsibilities for the financial report | <p>The Board of the Phillip Island 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 Phillip Island Nature Parks' ability to continue as a 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 our 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 Phillip Island 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 Phillip Island 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 Phillip Island 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.



Roberta Skliros

as delegate for the Auditor-General of Victoria

MELBOURNE

7 September 2017

Comprehensive operating statement for the financial year ended 30 June 2017

| | Notes | 2017 | 2016 |
|--|----------|---------------------|---------------------|
| Continuing operations | | \$ | \$ |
| Income from transactions | | | |
| Admissions | 2.1.1 | 19,022,491 | 16,852,987 |
| Sale of goods | 2.1.1 | 10,764,386 | 9,962,891 |
| Other income | 2.1.2 | 1,367,312 | 1,931,182 |
| Total income from transactions | | 31,154,189 | 28,747,060 |
| Expenses from transactions | | | |
| Employee expenses | 3.1 | (13,082,262) | (12,421,239) |
| Cost of sales | 3.2 | (4,124,714) | (3,898,987) |
| Depreciation and amortisation | 4.1, 8.3 | (4,345,276) | (2,133,581) |
| Other operating expenses | 3.3 | (6,892,565) | (6,849,664) |
| Total expenses from transactions | | (28,444,817) | (25,303,471) |
| Net result from transactions (net operating balance) | | 2,709,372 | 3,443,589 |
| Other economic flows included in net result | | | |
| Net gain on non-financial assets | | 24,162 | 31,694 |
| Total other economic flows included in net result | | 24,162 | 31,694 |
| Net result from continuing operations | | | |
| Net result | | 2,733,534 | 3,475,283 |
| Other economic flows – other comprehensive income: | | | |
| Items that will not be reclassified to net result | | | |
| Changes in physical asset revaluation surplus | 8.2 | - | 15,028,903 |
| Total other economic flows – other comprehensive income | | - | 15,028,903 |
| Comprehensive result | | 2,733,534 | 18,504,186 |

The accompanying notes form part of these financial statements.

Balance sheet as at 30 June 2017

| | Notes | 2017 | 2016 |
|--|----------|--------------------|--------------------|
| Assets | | \$ | \$ |
| Financial assets | | | |
| Cash and deposits | 6.1 | 19,102,254 | 7,711,104 |
| Receivables | 5.1 | 970,174 | 877,754 |
| Investments and other financial assets | 7.1.1 | 250,000 | 2,000,000 |
| Total financial assets | | 20,322,428 | 10,588,858 |
| Non-financial assets | | | |
| Inventories | 5.3 | 819,473 | 841,447 |
| Property, plant and equipment | 4.1, 7.3 | 88,531,119 | 90,429,957 |
| Intangibles | 4.2 | 1,660,278 | 2,083,480 |
| Other non-financial assets | 5.4 | 226,281 | 341,268 |
| Total non-financial assets | | 91,237,151 | 93,696,152 |
| Total assets | | 111,559,579 | 104,285,010 |
| Liabilities | | | |
| Payables | 5.2 | 1,841,293 | 1,659,316 |
| Employee related provisions | 3.1.1 | 2,347,957 | 2,329,899 |
| Total liabilities | | 4,189,250 | 3,989,215 |
| Net assets | | 107,370,329 | 100,295,795 |
| Equity | | | |
| Accumulated surplus | | 19,846,122 | 17,112,588 |
| Physical asset revaluation surplus | 8.2 | 53,423,574 | 53,423,574 |
| Contributed capital | 8.9 | 34,100,633 | 29,759,633 |
| Net worth | | 107,370,329 | 100,295,795 |

The accompanying notes form part of these financial statements.

Cash flow statement for the financial year ended 30 June 2017

| | Notes | 2017 | 2016 |
|---|-------|--------------------|--------------------|
| Cash flows from operating activities | | \$ | \$ |
| Receipts from customers and other entities | | 33,910,786 | 31,210,848 |
| Interest received | | 257,436 | 189,414 |
| Payments to suppliers and other expenses | | (11,671,582) | (12,752,833) |
| Payments to employees | | (13,088,602) | (12,246,926) |
| Goods and services tax paid to the ATO | | (2,033,817) | (1,215,703) |
| Net cash flows from operating activities | 6.1.1 | 7,374,221 | 5,184,800 |
| Cash flows from investing activities | | | |
| Payments for property, plant and equipment | 4.1.3 | (2,045,255) | (7,194,962) |
| Payments for intangibles | 4.2 | (72,453) | (2,288,036) |
| Proceeds from property plant and equipment | | 43,637 | 59,057 |
| Net cash flows used in investing activities | | (2,074,071) | (9,423,941) |
| Cash flows from financing activities | | | |
| Transfer (to)/from term deposit greater than 3 months | | 1,750,000 | (2,000,000) |
| Owner Contribution by State Government | | 4,341,000 | - |
| Net cash flows from/(used in) financing activities | | 6,091,000 | (2,000,000) |
| Net increase/(decrease) in cash and cash equivalents | | 11,391,150 | (6,239,141) |
| Cash and cash equivalents at beginning of financial year | | 7,711,104 | 13,950,245 |
| Cash and cash equivalents at end of financial year | 6.1 | 19,102,254 | 7,711,104 |

The accompanying notes form part of these financial statements.

Statement of changes in equity for the financial year ended 30 June 2017

| | Notes | Physical asset revaluation surplus | Accumulated surplus | Contributions by owner | Total |
|---|-------|--|------------------------|---------------------------|--------------------|
| | | \$ | \$ | \$ | \$ |
| Balance at 1 July 2015 | | 38,394,671 | 13,637,305 | 29,759,633 | 81,791,609 |
| Net result from continuing operations | | - | 3,475,283 | - | 3,475,283 |
| Other comprehensive income for the year | | 15,028,903 | - | - | 15,028,903 |
| Capital contributions by State | | - | - | - | - |
| Balance at 30 June 2016 | | 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 |
| Balance at 30 June 2017 | | 53,423,574 | 19,846,122 | 34,100,633 | 107,370,329 |

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 2, 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 that 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)
- 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

| | 2017 | 2016 |
|---|-------------------|-------------------|
| | \$ | \$ |
| Supply of services – Admissions | 19,022,491 | 16,852,987 |
| Sale of goods – Retail and souvenirs | 5,759,808 | 5,528,175 |
| Sale of goods – Food and beverage | 5,004,578 | 4,434,716 |
| Total supply of services and sale of goods | 29,786,877 | 26,815,878 |

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 services (continued)

2.1.2 Other income

| | 2017 | 2016 |
|---|------------------|------------------|
| | \$ | \$ |
| Grants from Government | 163,802 | 722,496 |
| Other grants, donations and sponsorship | 568,021 | 486,880 |
| Interest | 257,436 | 189,414 |
| Education tours and school camps | 188,482 | 203,875 |
| Rental income | 53,792 | 57,518 |
| Miscellaneous income | 135,779 | 270,999 |
| Total other income | 1,367,312 | 1,931,182 |

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.

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

| | 2017 | 2016 |
|---|-------------------|-------------------|
| | \$ | \$ |
| Salaries and wages | 10,237,878 | 9,508,580 |
| Payroll tax and workcover | 780,258 | 892,440 |
| Superannuation | 1,052,177 | 988,487 |
| Movement in annual leave and long service leave provision | 1,011,949 | 1,031,732 |
| Total employee expenses | 13,082,262 | 12,421,239 |

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.

| | 2017 | 2016 |
|---|------------------|------------------|
| | \$ | \$ |
| Current provisions | | |
| <i>Annual leave</i> | | |
| Unconditional and expected to settle within 12 months | 601,184 | 511,323 |
| <i>Long service leave</i> | | |
| Unconditional and expected to settle within 12 months | 114,010 | 118,895 |
| Unconditional and expected to settle after 12 months | 628,638 | 588,822 |
| <i>Provisions for on costs</i> | | |
| Unconditional and expected to settle within 12 months | 123,557 | 110,230 |
| Unconditional and expected to settle after 12 months | 112,449 | 106,552 |
| <i>Accrued wages</i> | 500,988 | 574,285 |
| Total current provisions for employee benefits | 2,080,826 | 2,010,107 |
| Non-current provisions | | |
| Employee benefits | 226,598 | 270,790 |
| Oncosts | 40,533 | 49,002 |
| Total non-current provisions for employee benefits | 267,131 | 319,792 |
| Total provisions for employee benefits | 2,347,957 | 2,329,899 |

Reconciliation of movement in on-costs provision

| | 2017 |
|----------------------------------|----------------|
| | \$ |
| Opening balance | 265,784 |
| Additional provisions recognised | 153,321 |
| Reduction arising from payments | (142,566) |
| Closing balance | 276,539 |
| Current | 236,006 |
| Non current | 40,533 |

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 are 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 Park 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.

| | Paid contribution for the year | | Contribution outstanding at year end | |
|--------------------------------|--------------------------------|----------------|--------------------------------------|----------------|
| | 2017 | 2016 | 2017 | 2016 |
| | \$ | \$ | \$ | \$ |
| Accumulated Funds (Vision) | 465,117 | 425,359 | 34,062 | 45,275 |
| Accumulated Funds (Other) | 558,106 | 428,447 | 43,918 | 53,536 |
| Defined Benefits Fund (Vision) | 45,287 | 40,373 | - | 5,189 |
| Total | 1,068,510 | 894,179 | 77,980 | 104,000 |

3. The cost of delivering services (continued)

3.2 Cost of sales

| | 2017 | 2016 |
|--------------------------------------|------------------|------------------|
| | \$ | \$ |
| Cost of sales – Retail and souvenirs | 2,342,064 | 2,249,332 |
| Cost of sales – Food and beverage | 1,782,650 | 1,649,655 |
| Total cost of sales | 4,124,714 | 3,898,987 |

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

| | 2017 | 2016 |
|---------------------------------------|------------------|------------------|
| | \$ | \$ |
| Advertising | 373,534 | 533,423 |
| Bank charges | 239,769 | 200,829 |
| Consultants and other advice | 489,023 | 581,621 |
| Contractors | 1,905,690 | 1,858,132 |
| Doubtful debts | 1,218 | 6,371 |
| Fringe benefits tax | 85,376 | 91,839 |
| Impairment of non current asset | 86,457 | 5,979 |
| Insurance (excluding motor vehicles) | 106,302 | 118,397 |
| Legal expenses | 196,287 | 290,186 |
| Materials and supplies | 825,137 | 725,463 |
| Motor vehicle expenses | 164,828 | 153,628 |
| Memberships, licences and commissions | 700,306 | 673,712 |
| Repairs and maintenance | 192,055 | 249,847 |
| Utilities | 359,302 | 352,644 |
| Training | 175,414 | 151,026 |
| Telephone and internet | 152,794 | 133,092 |
| Travel and Accommodation | 212,781 | 177,852 |
| Miscellaneous expense | 626,292 | 545,603 |
| Total other operating expenses | 6,892,565 | 6,849,664 |

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 2017 | Accumulated depreciation 2017 | Net carrying amount 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 |
| Net carrying amount | 97,480,828 | (8,949,709) | 88,531,119 |

| | Gross carrying amount 2016 | Accumulated depreciation 2016 | Net carrying amount 2016 |
|--------------------------------------|-------------------------------|----------------------------------|-----------------------------|
| | \$ | \$ | \$ |
| Land at fair value | 52,829,000 | - | 52,829,000 |
| Buildings at fair value | 28,848,463 | (98,030) | 28,750,433 |
| Boardwalks at fair value | 1,907,043 | (5,465) | 1,901,578 |
| Car parks at fair value | 3,962,147 | (390) | 3,961,757 |
| Motor vehicles at fair value | 1,374,770 | (768,673) | 606,097 |
| Furniture and fittings at fair value | 2,078,845 | (1,420,808) | 658,037 |
| Plant and equipment at fair value | 3,559,215 | (2,185,930) | 1,373,285 |
| Computer hardware at fair value | 1,089,127 | (909,620) | 179,507 |
| Work in progress at cost | 170,263 | - | 170,263 |
| Net carrying amount | 95,818,873 | (5,388,916) | 90,429,957 |

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.

4. Key assets available to support output delivery (continued)

4.1 Total property, plant and equipment (continued)

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.

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 boardwalk 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

| | 2017 | 2016 |
|--|------------------|------------------|
| | \$ | \$ |
| Depreciation | | |
| Buildings | 2,159,585 | 669,848 |
| Boardwalks | 162,847 | 175,282 |
| Car parks | 639,180 | 165,810 |
| Motor vehicles | 211,471 | 220,667 |
| Furniture and fittings | 251,916 | 231,141 |
| Plant and equipment | 299,967 | 243,399 |
| Computer hardware | 113,195 | 119,201 |
| Total depreciation | 3,838,161 | 1,825,358 |
| Amortisation | | |
| Software | 495,655 | 295,273 |
| Other non-current financial assets | 11,460 | 12,950 |
| Total amortisation | 507,115 | 308,233 |
| Total depreciation and amortisation | 4,345,276 | 2,133,581 |

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 calculated in 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 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 to this asset because its 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 |
|---|-------------------|-------------------|------------------|------------------|----------------|----------------------|-------------------|-------------------|------------------|-----------------------------------|
| Non-current | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| 2017 | | | | | | | | | | |
| 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 | 90,429,957 |
| Additions | - | 11,530 | 69,943 | - | 201,167 | 34,364 | 135,253 | 36,190 | 1,556,808 | 2,045,255 |
| Transfer from work in progress | - | - | 71,194 | - | - | - | - | - | (71,194) | - |
| Disposals | - | - | - | - | (19,294) | - | - | (181) | - | (19,475) |
| Impairments | - | - | - | - | - | - | - | - | (86,457) | (86,457) |
| Depreciation and amortisation expense | - | (2,159,585) | (162,847) | (639,180) | (211,471) | (251,916) | (299,967) | (113,195) | - | (3,838,161) |
| Carrying amount as at 30 June 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 | 88,531,119 |

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 |
|---|-------------------|-------------------|------------------|------------------|----------------|----------------------|-------------------|-------------------|------------------|-----------------------------------|
| Non-current | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| 2016 | | | | | | | | | | |
| Carrying amount as at 1 July 2015 | 42,376,000 | 20,251,478 | 1,120,865 | 2,637,609 | 606,776 | 515,689 | 600,355 | 210,535 | 1,745,485 | 70,064,792 |
| Additions | - | 5,243,852 | 129,544 | 24,147 | 246,524 | 361,114 | 943,072 | 88,173 | 158,536 | 7,194,962 |
| Transfer from work in progress | - | 1,689,310 | - | - | - | 12,375 | 26,094 | - | (1,727,779) | - |
| Transfers from car parks | - | - | - | - | - | - | - | - | - | (48,000) |
| Transfers to plant and equipment | - | - | - | - | - | - | 48,000 | - | - | 48,000 |
| Revaluation | 10,453,000 | 2,235,641 | 826,451 | 1,513,811 | - | - | - | - | - | 15,028,903 |
| Disposals | - | - | - | - | (26,526) | - | (837) | - | - | (27,363) |
| Impairments | - | - | - | - | - | - | - | - | (5,979) | (5,979) |
| Depreciation and amortisation expense | - | (669,848) | (175,282) | (165,810) | (220,677) | (231,141) | (243,399) | (119,201) | - | (1,825,358) |
| Carrying amount as at 30 June 2016 | 52,829,000 | 28,750,433 | 1,901,578 | 3,961,757 | 606,097 | 658,037 | 1,373,285 | 179,507 | 170,263 | 90,429,957 |

4. Key assets available to support output delivery (continued)

4.2 Intangible assets

| | 2017 | 2016 |
|--|------------------|------------------|
| Non-current | \$ | \$ |
| Software at cost | 3,355,822 | 3,283,368 |
| Less accumulated amortisation | (1,695,544) | (1,199,888) |
| Net book value at end of financial year | 1,660,278 | 2,083,480 |

| | 2017 | 2016 |
|--|------------------|------------------|
| Non-current | \$ | \$ |
| Opening balance | 2,083,480 | 90,717 |
| Additions | 72,453 | 2,288,036 |
| Transfer from work in progress | - | - |
| Less accumulated amortisation | (495,655) | (295,273) |
| Net book value at end of financial year | 1,660,278 | 2,083,480 |

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 depreciated 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 set out those assets and liabilities that arose from the Nature Parks controlled operations.

5.1 Receivables

| | 2017 | 2016 |
|--|----------------|----------------|
| Contractual | \$ | \$ |
| Sale of goods and services | 974,898 | 802,228 |
| Provision for doubtful contractual receivables | (26,622) | (25,804) |
| Accrued interest income | 7,244 | 16,155 |
| Other receivables | 14,654 | 85,175 |
| Total receivables | 970,174 | 877,754 |
| Represented by | | |
| Current receivables | 970,174 | 877,754 |

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.

Movement in the provision for doubtful debts

| | 2017 | 2016 |
|--|-----------------|-----------------|
| | \$ | \$ |
| Balance at beginning of the year | (25,804) | (21,774) |
| Amounts written off during the year | 400 | 2,341 |
| Increase in provision recognised in profit or loss | (1,218) | (6,371) |
| Balance at end of the year | (26,622) | (25,804) |

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 | 1 - 5 years |
| 2017 | \$ | \$ | \$ | \$ | \$ | \$ |
| 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 | - | - | - | - |
| Total | 996,796 | 744,621 | 225,311 | 26,481 | 383 | - |
| 2016 | | | | | | |
| Sale of goods and services | 802,228 | 532,035 | 265,989 | 3,804 | 400 | - |
| Accrued investment income | 16,155 | 16,155 | - | - | - | - |
| Other receivables | 85,175 | 22,373 | 24,302 | - | 38,500 | - |
| Total | 903,558 | 570,563 | 290,291 | 3,804 | 38,900 | - |

5.2 Payables

| | 2017 | 2016 |
|-----------------------------------|------------------|------------------|
| Contractual | \$ | \$ |
| Supplies and services | 1,146,133 | 953,825 |
| Accrued expenses | 470,352 | 512,658 |
| Total contractual payables | 1,616,485 | 1,466,483 |
| Statutory | | |
| FBT payable | 20,880 | - |
| GST payable | 109,609 | 65,436 |
| Superannuation payable | 94,319 | 127,397 |
| Total statutory payables | 224,808 | 192,833 |
| Total payables | 1,841,293 | 1,659,316 |
| Represented by: | | |
| Current payables | 1,841,293 | 1,659,316 |

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 | Maturity dates | | | |
|-----------------------|------------------|------------------|-------------------|---------------|-------------------|-----------|
| | | | Less than 1 month | 1-3 months | 3 months - 1 year | 1-5 years |
| 2017 | \$ | \$ | \$ | \$ | \$ | \$ |
| Payables | 1,616,485 | 1,616,485 | 1,584,488 | 20,723 | 11,274 | - |
| Total payables | 1,616,485 | 1,616,485 | 1,584,488 | 20,733 | 11,274 | - |
| 2016 | | | | | | |
| Payables | 1,466,483 | 1,466,483 | 1,451,594 | 11,311 | 3,578 | - |
| Total payables | 1,466,483 | 1,466,483 | 1,451,594 | 11,311 | 3,578 | - |

5.3 Inventories

| | 2017 | 2016 |
|---|----------------|----------------|
| Current inventories | \$ | \$ |
| Inventories held for sale at cost | | |
| Penguin Parade | 520,584 | 492,758 |
| Koala Conservation Centre | 73,043 | 73,861 |
| Nobbies | 152,901 | 178,488 |
| Churchill Island | 102,781 | 121,959 |
| Total current inventories | 849,309 | 867,066 |
| Less provision for inventory obsolescence | (29,836) | (25,619) |
| Total inventories | 819,473 | 841,447 |

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

| | 2017 | 2016 |
|---|-----------------|-----------------|
| | \$ | \$ |
| Balance at beginning of the year | (25,619) | (28,359) |
| (Increase)/decrease in provision recognised in profit or loss | (1,003) | 2,740 |
| Balance at end of the year | (26,622) | (25,619) |

5. Other assets and liabilities (continued)

5.4 Other non-financial assets

| | 2017 | 2016 |
|---------------------------------------|----------------|----------------|
| | \$ | \$ |
| Current other assets | | |
| Prepayments | 226,281 | 329,808 |
| Total current other assets | 226,281 | 329,808 |
| Non-current other assets | | |
| Other assets | 38,850 | 38,850 |
| Less amortisation | (38,850) | (27,390) |
| Total non-current other assets | - | 11,460 |
| Total other assets | 226,281 | 341,268 |

Other non-financial assets include prepayments, which represents payments in advance of receipt of good 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.

| | 2017 | 2016 |
|---|-------------------|------------------|
| | \$ | \$ |
| Cash on hand | 45,002 | 55,000 |
| Cash at bank – trading account | 8,287,432 | 6,772,583 |
| Cash at bank – major project | 8,130,370 | - |
| Cash at bank – term deposit less than 3 months maturity | 1,750,000 | - |
| Cash at bank – defined benefits contingency fund | 889,450 | 883,521 |
| Balance as per cash flow statement | 19,102,254 | 7,711,104 |

6. How we financed 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

| | 2017 | 2016 |
|---|------------------|------------------|
| | \$ | \$ |
| Net result for the period | 2,733,534 | 3,475,283 |
| Non-cash movements | | |
| Gain on sale or disposal of non-current assets | (24,162) | (31,694) |
| Depreciation and amortisation of non-current assets | 4,345,276 | 2,133,581 |
| Impairment of non-current assets | 86,457 | 5,979 |
| Movements in assets and liabilities | | |
| Decrease/(increase) in receivables & other current assets | 11,107 | (314,845) |
| Decrease/(increase) in inventories | 21,974 | (57,204) |
| Increase/(decrease) in payables | 181,977 | (203,735) |
| Increase in employee provisions | 18,058 | 177,435 |
| Net cash flows from operating activities | 7,374,221 | 5,184,800 |

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 Park 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 4 years.

6.2.1 Total commitments payable

| Nominal amounts 2017 | Less than 1 year | 1 – 5 years | 5+ years | Total |
|---|------------------|------------------|----------|------------------|
| | \$ | \$ | \$ | \$ |
| Capital expenditure commitments payable | 233,973 | 3,284,101 | - | 3,518,074 |
| Total commitments (inclusive of GST) | 233,973 | 3,284,101 | - | 3,518,074 |
| Less GST recoverable | | | | (319,825) |
| Total commitments (exclusive of GST) | | | | 3,198,249 |
| 2016 | | | | |
| Capital expenditure commitments payable | 107,813 | - | - | 107,813 |
| Total commitments (inclusive of GST) | 107,813 | - | - | 107,813 |
| Less GST recoverable | | | | (9,801) |
| Total commitments (exclusive of GST) | | | | 98,012 |

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

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

| | | | | | |
|--|----------|----------|----------|------------------|------------------|
| Contractual financial liabilities | | | | | |
| Payables | - | - | - | 1,616,485 | 1,616,485 |
| Total contractual financial liabilities | - | - | - | 1,616,485 | 1,616,485 |

| 2016 | Cash and cash equivalents | Loans and receivables | Investments | Financial liabilities measured at amortised costs | Total |
|--|---------------------------|-----------------------|------------------|---|-------------------|
| | \$ | \$ | \$ | \$ | \$ |
| Contractual financial assets | | | | | |
| Cash and deposits | 7,711,104 | - | - | - | 7,711,104 |
| Receivables | - | 877,754 | - | - | 877,754 |
| Term deposits | - | - | 2,000,000 | - | 2,000,000 |
| Total contractual financial assets | 7,111,104 | 877,754 | 2,000,000 | - | 10,588,858 |
| Contractual financial liabilities | | | | | |
| Payables | - | - | - | 1,466,483 | 1,466,483 |
| Total contractual financial liabilities | - | - | - | 1,466,483 | 1,466,483 |

7.1.2 Financial risk management objectives and policies

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.

7. Risks, contingencies and valuation judgements (continued)

7.1 Financial instruments specific disclosures (continued)

7.1.2 Financial risk management objectives and policies (continued)

Financial risk: Credit risk (continued)

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 2016-17.

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.

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.

7. Risks, contingencies and valuation judgements (continued)

7.1 Financial instruments specific disclosures (continued)

7.1.2 Financial risk management objectives and policies (continued)

Interest rate risk (continued)

Interest rate exposure of financial instruments

| 2017 | Weighted average interest rate | Carrying amount | Fixed interest rate | Variable interest rate | Noninterest bearing |
|------------------------------------|--------------------------------|-------------------|---------------------|------------------------|---------------------|
| | % | \$ | \$ | \$ | \$ |
| Financial assets | | | | | |
| 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 | - | - |
| Total financial assets | | 20,322,428 | 2,000,000 | 17,307,252 | 1,015,176 |
| Financial liabilities | | | | | |
| Payables | - | 1,616,485 | - | - | 1,616,485 |
| Total financial liabilities | | 1,616,485 | - | - | 1,616,485 |
| 2016 | | | | | |
| | % | \$ | \$ | \$ | \$ |
| Financial assets | | | | | |
| Cash and deposits | 1.80 | 7,711,104 | - | 7,656,104 | 55,000 |
| Receivables | - | 877,754 | - | - | 877,754 |
| Term deposits | 2.95 | 2,000,000 | 2,000,000 | - | - |
| Total financial assets | | 10,588,858 | 2,000,000 | 7,656,104 | 932,754 |
| Financial liabilities | | | | | |
| Payables | - | 1,466,483 | - | - | 1,466,483 |
| Total financial liabilities | | 1,466,483 | - | - | 1,466,483 |

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 \$173,072 (2016: \$76,561).

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. Risks, contingencies and valuation judgements (continued)

7.2 Contingent assets and contingent liabilities

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

The Board is not aware of any material threatened or existing legal actions or other contingencies between Phillip Island Nature Parks Board of Management Inc and third parties as at 30 June 2017 (2016: 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.

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.

7. Risks, contingencies and valuation judgements (continued)

7.3 Fair value determination (continued)

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 2016-17 reporting period.

These financial instruments include:

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

There have been no transfers between levels during the period.

7. Risks, contingencies and valuation judgements (continued)

7.3 Fair value determination (continued)

7.3.2 Fair value determination of non-physical financial assets

| 2017 | Carrying amount as at 30 June 2017 | Fair value measurement at end of reporting period using: | | | 2016 | Carrying amount as at 30 June 2016 | Fair value measurement at end of reporting period using: | | |
|--------------------------------------|------------------------------------|--|---------|------------|--------------------------------------|------------------------------------|--|---------|------------|
| | | Level 1 | Level 2 | Level 3 | | | Level 1 | Level 2 | Level 3 |
| | \$ | \$ | \$ | \$ | | \$ | \$ | \$ | \$ |
| Specialised land at fair value | 52,829,000 | - | - | 52,829,000 | Specialised land at fair value | 52,829,000 | - | - | 52,829,000 |
| Specialised building at fair value | 26,602,378 | - | - | 26,602,378 | Specialised building at fair value | 28,750,433 | - | - | 28,750,433 |
| Boardwalks at fair value | 1,879,868 | - | - | 1,879,868 | Boardwalks at fair value | 1,901,578 | - | - | 1,901,578 |
| Car parks at fair value | 3,322,577 | - | - | 3,322,577 | Car parks at fair value | 3,961,757 | - | - | 3,961,757 |
| Motor vehicles at fair value | 576,499 | - | - | 576,499 | Motor vehicles at fair value | 606,097 | - | - | 606,097 |
| Furniture and fittings at fair value | 440,485 | - | - | 440,485 | Furniture and fittings at fair value | 658,037 | - | - | 658,037 |
| Plant & equipment at fair value | 1,208,571 | - | - | 1,208,571 | Plant & equipment at fair value | 1,373,285 | - | - | 1,373,285 |
| Computer hardware at fair value | 102,321 | - | - | 102,321 | Computer hardware at fair value | 179,507 | - | - | 179,507 |

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.

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.

7. Risks, contingencies and valuation judgements (continued)

7.3.2 Fair value determination of financial assets and liabilities (continued)

Reconciliation of Level 3 fair value movements

| 2017 | Specialised land | Specialised buildings | Boardwalks | Car parks | Motor vehicles | Furniture & 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 | - | - | - | - | - | - | - | - |
| Closing balance | 52,829,000 | 26,602,378 | 1,879,868 | 3,322,577 | 576,499 | 440,485 | 1,208,571 | 102,321 |

| 2016 | Specialised land | Specialised buildings | Boardwalks | Car parks | Motor vehicles | Furniture & fittings | Plant and equipment | Computer hardware |
|---|-------------------|-----------------------|------------------|------------------|----------------|----------------------|---------------------|-------------------|
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Opening balance | - | 1,201,553 | 543,090 | 510,454 | 606,776 | 515,689 | 600,355 | 210,535 |
| Additions | - | 6,933,162 | 129,544 | 24,147 | 246,524 | 373,489 | 969,166 | 88,173 |
| Transfers in to level 3 | 42,376,000 | 19,049,925 | 577,775 | 2,127,155 | - | - | - | - |
| Transfer from car parks | - | - | - | (48,000) | - | - | - | - |
| Transfer to plant & equipment | - | - | - | - | - | - | 48,000 | - |
| Depreciation | - | (669,848) | (175,282) | (165,810) | (220,677) | (231,141) | (243,399) | (119,201) |
| Disposal | - | - | - | - | (26,526) | - | (837) | - |
| Subtotal | 42,376,000 | 26,514,793 | 1,075,127 | 2,447,946 | 606,097 | 658,037 | 1,373,285 | 179,507 |
| Gains recognised in other economic flows – other comprehensive income | | | | | | | | |
| Revaluation | 10,453,000 | 2,235,641 | 826,451 | 1,513,811 | - | - | - | - |
| Subtotal | 10,453,000 | 2,235,641 | 826,451 | 1,513,811 | - | - | - | - |
| Closing balance | 52,829,000 | 28,750,433 | 1,901,578 | 3,961,757 | 606,097 | 658,037 | 1,373,285 | 179,507 |

7. Risks, contingencies and valuation judgements (continued)

7.3.2 Fair value determination of financial assets and liabilities (continued)

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 payments

| | 2017 | 2016 |
|--|------|------|
| | \$ | \$ |
| Forgiveness or waiver of debt greater than \$5,000 | - | - |
| Compensation for economic loss | - | - |
| Property damage and payments | - | - |
| Total ex-gratia payments | - | - |

8.2 Reserves

| | 2017 | 2016 |
|---|------------|------------|
| | \$ | \$ |
| Physical asset revaluation surplus | | |
| Balance at beginning of financial year | 53,423,574 | 38,394,671 |
| Revaluation increments/(decrements) | - | 15,028,903 |
| Balance at end of financial year | 53,423,574 | 53,423,574 |
| Net changes in reserves | - | 15,028,903 |

8.3 Changes in accounting estimates

The Nature Parks is committed to building a new Penguin Parade Visitor Centre and retiring the existing building. Upon closure of the existing Penguin Parade Visitor Centre, the Nature Parks intends to demolish the building.

The remaining useful life, depreciation method and residual value for each asset were reviewed under AASB 116 - Property, Plant and Equipment to account for the changed circumstances for the existing Penguin Parade Visitor Centre.

The Nature Parks has revised the estimate of useful life for the Penguin Parade Building, Car parks, plant equipment and fittings with effect from 19th August 2016. The useful life is expected to cease upon opening of the new visitor centre in 2020, resulting in an accelerated rate of depreciation being applied against these assets.

If depreciation had remained unchanged, depreciation expense for 2016-17 would be \$2,687,678. The revised estimated total depreciation to 30 June 2017, including accelerated depreciation for impacted assets is \$4,345,276 resulting in an additional \$1,657,598 of depreciation for year ending 30 June 2017.

Assuming the assets are held until the end of their estimated useful lives, depreciation for the next three years in relation to these assets will be increased by the following amounts:

| Year ending 30 June | \$ |
|---------------------|-----------|
| 2018 | 1,914,630 |
| 2019 | 1,914,630 |
| 2020 | 1,919,876 |

8.4 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 2016-17 reporting period was the Hon. Lily D'Ambrosio MP, Minister for Energy, Environment and Climate Change.

Accountable Officer

Matthew Jackson, Chief Executive Officer (resigned 10 February 2017)

Catherine Basterfield, Chief Executive Officer (appointed 30 March 2017)

Board members

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

- Jeff Floyd, Board Chair (appointed 21 July 2010)
- Andrew Paxton, Board Member (appointed 5 September 2012)
- Stephen Davie, Board Member (appointed 5 September 2012)
- Kevin Love, Board Member (appointed 9 August 2013)
- Dr Danielle Auldist, Board Member (appointed 5 September 2015)
- Shelley Lavender, Board Member (appointed 5 September 2015)
- Liz Stinson, Board Member (appointed 5 September 2015)
- Kay Spierings, Board Member (appointed 5 September 2015)

Remuneration bands for responsible persons

| | 2017 | 2016 |
|---------------------------|------------------|------------------|
| \$0 to \$9,999 | - | 3 |
| \$10,000 to \$19,999 | 7 | 7 |
| \$20,000 to \$29,999 | 1 | 1 |
| \$70,000 to \$79,999 | 1 | - |
| \$210,000 to \$219,999 | 1 | - |
| \$270,000 to \$279,999 | - | 1 |
| Total Numbers | 10 | 12 |
| Total Remuneration | \$418,786 | \$388,913 |

8.5 Remuneration of executives

The Nature Parks do not have any executive officers under the definition of FRD 21C.

8. Other disclosures (continued)

8.6 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 \$4.5 million (2016: \$0.74 million), including the first instalment of \$4.3 million from Department of Environment, Land, Water and Planning towards the Penguin Parade Visitor Centre.

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, which includes:

- Board Chair, Jeff Floyd
- Board Member, Andrew Paxton
- Board Member, Stephen Davie
- Board Member, Kevin Love
- Board Member, Dr Danielle Auldist
- Board Member, Kay Spierings
- Board Member, Liz Stinson
- Board Member, Shelley Lavender
- Chief Executive Officer, Catherine Basterfield
- Chief Executive Officer, Matthew Jackson (resigned February 10, 2017)

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 | 2017 |
|---------------------------------|----------------|
| | \$ |
| Short-term employee benefits(a) | 380,493 |
| Post-employment benefits | 33,321 |
| Other long-term benefits | 5,062 |
| Total(a) | 418,876 |

Notes:

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

8. Other disclosures (continued)

8.6 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 2016-17, the Nature Parks received \$210,662(2016: \$143,469) from the Penguin Foundation Limited and also provided volunteer administrative support to the Foundation.

During the year, a company run by close family members of Board Member Stephen 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.

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

8.7 Remuneration of auditors

| | 2017 | 2016 |
|---|---------------|---------------|
| | \$ | \$ |
| Victorian Auditor-General's Office | | |
| Audit or review of the financial statements | 16,605 | 16,200 |
| Total remuneration of auditors | 16,605 | 16,200 |

8.8 Subsequent events

The Phillip Island Nature Parks Board of Management is not aware of any circumstances that have arisen since 30 June 2017 that have significantly affected or may significantly affect the Nature Parks' operations in financial years subsequent to 30 June 2017.

8.9 Other accounting policies

Contributions by owners

| | 2017 | 2016 |
|---|-------------------|-------------------|
| | \$ | \$ |
| Contribution by owners | | |
| Balance at beginning of financial year | 29,759,633 | 29,759,633 |
| Capital contributions by State | 4,341,000 | - |
| Balance at end of financial year | 34,100,633 | 29,759,633 |

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 \$4,341,000 (2016: nil) to the Nature Parks as the first installment relating to the redevelopment of the Penguin Parade Visitor Centre.

8. Other disclosures (continued)

8.10 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 2017 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. | 1 Jan 2018 | 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 current 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 | This standard replaces AASB 1004 Contributions and establishes revenue recognition principles for transactions where the consideration to acquire an asset is significantly less than fair value to enable a not-for-profit entity to further its objectives. | 1 Jan 2019 | The assessment has indicated that revenue from capital grants that are provided under an enforceable agreement that have sufficiently specific obligations, will now be deferred and recognised as performance obligations are satisfied. As a result, the timing recognition of revenue will change. Management has assessed these changes and determined that the impact will not be significant. |

8.11 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.

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.

8.11 Glossary of technical terms (continued)

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.

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.

8.11 Glossary of technical terms (continued)

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 2016-17 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. |
|---|---|----------|
| | Accountable Officer's declaration | |
| SD 5.2.3 | Sign off requirements | 34 |
| | Charter and purpose | |
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Publications

Research publications 2016-17

Nature Parks staff in bold, students in italics.

2016 (July-Dec)

1. Roche, D. V., **Lees, D.**, Cardilini, A. P., Maguire, G. S., **Dann, P.** and Weston, M. A. (2016). Pitfall trapping does not reliably index the diet or prey resources of lapwing. **Wader Study** 123(1): 16-20. <http://dx.doi.org/10.18194/ws.00025>.
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 3. Roche, D. V., Cardilini, A. P., **Lees, D.**, Maguire, G. S., **Dann, P.**, Sherman, C. and Weston, M. A. (2016). Human residential status and habitat quality affect the likelihood but not the success of lapwing breeding in an urban matrix. **Science of the Total Environment** 556: 189-195. <http://dx.doi.org/10.1016/j.scitotenv.2016.03.008>
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 9. BirdLife International. 2016. *Eudyptula minor*. (amended version published in 2016) The IUCN Red List of Threatened Species 2017: e.T22697805A112478911. <http://dx.doi.org/10.2305/IUCN.UK.2017-1.RLTS.T22697805A112478911.en>. Downloaded on 21 June 2017.
- ### 2017 (Jan-Jun)
10. BirdLife International. 2017. *Eudyptula minor*. (amended version published in 2016) The **IUCN Red List of Threatened Species 2017**: e.T22697805A112478911. <http://dx.doi.org/10.2305/IUCN.UK.2017-1.RLTS.T22697805A112478911.en>.
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 17. Pearce-Higgins, J., Daniel J. Brown, David J. T. Douglas, José A. Alves, Maria Belliograza, Pierrick Bocher, Graeme M Buchanan, Rob P Clay, Jesse Conklin, Nicola Crockford, **Peter Dann**, Jaanus Elts, Christian Friis, Richard A. Fuller, Jennifer A. Gill, Ken Gosbell, James A. Johnson, Rocio Marquez-Ferrando, Jose A. Masero, David S. Melville, Spike Millington, Clive Minton, Taej Mundkur, Erica Nol, Hannes Pehlak, Theunis Piersma, Frédéric Robin, Danny I. Rogers, Daniel R. Ruthrauff, Nathan R. Senner, Junid N. Shah, Rob D. Sheldon, Sergej A. Soloviev, Pavel S. Tomkovich and Yvonne I. Verkuil. (2017). A global threats overview for Numeniini populations: synthesising expert knowledge for a group of declining migratory birds. **Bird Conservation International** 27: 6–34. <http://dx.doi.org/10.1017/S0959270916000678>
 18. Ramírez, F., I. Afán, L. S. Davis and **A. Chiaradia** (2017). Climate impacts on global hot spots of marine biodiversity. **Science Advances** 3(2):e1601198
 19. Rodríguez, A., Jennifer Moffett, Anna Revoltós, **Paula Wasiak**, **Rebecca McIntosh**, **Duncan R. Sutherland**, **Leanne Renwick**, **Peter Dann**, and **André Chiaradia**. (2017). Light pollution and seabird fledglings: targeting our efforts in rescue programmes. **Journal of Wildlife Management** <http://dx.doi.org/10.1002/jwmg.21237>
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BirdLife Australia
BirdLife Bass Coast
Churchill Island volunteers (guides, garden and farm)
Coast Action/Coast Care groups
Corporate volunteers: National Australia Bank
Country Women's Association – Cowes Branch
Friends of Churchill Island Society
Friends of the Koalas Inc.
Hooded Plover Watch
Local schools and students
Monash University Biological Society
National Surfing Reserve Community Working Group
Penguin Foundation volunteers
Penguin Study Group
Phillip Island and District Historical Society
Phillip Island Boardriders Club
Phillip Island Conservation Society
Phillip Island RSL
Shearwater Rescue volunteers
Silverleaves Conservation Association
Smiths Beachcomber Association Inc.
University students and long term volunteers
Victorian Ornithological Research Group
Victorian Wader Study Group Inc.
Wildlife foster carers and shelter operators
Woolamai Beach Surf Life Saving Club

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Boon Wurrung Foundation
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Country Fire Authority (CFA)
Destination Gippsland
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Phillip Island RSL
Phillip Island Tourism and Business Association
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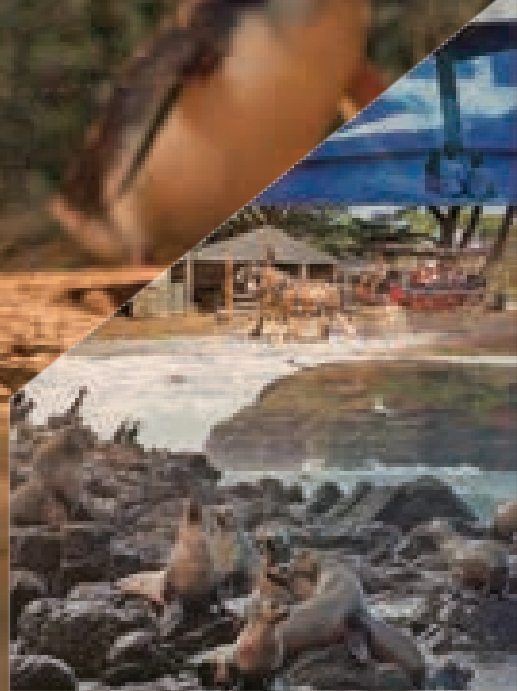
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Our Vision

To be a world-recognised place of conservation excellence, providing outstanding and authentic experiences for all.



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