

Annual Report

2022-23



Phillip Island
**NATURE
PARKS**

penguins.org.au





We respectfully acknowledge the Traditional Owners of Millowl, the Bunurong and pay our respects to Elders past, present and emerging. We recognise their role in caring for Country over thousands of years and acknowledge the true history and their continued connection to place as we work and walk together.

*We acknowledge that there are over 60 different spellings of this Aboriginal group found in the literature, including "Bunurong", "Boonwurrung", "Boonerwung", "Bunwurrung" and more.

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ABOUT US

OUR BUSINESS

Phillip Island Nature Parks (the Nature Parks) is a distinctive conservation organisation that stands at the forefront of nature-based tourism experiences in Australia. Established by the Victorian State Government in 1996, the Nature Parks was given responsibility to care for land for the purpose of conserving areas of natural interest, beauty, and scientific, historical, or archaeological significance on Phillip Island (Millowl) in Victoria. This unique environment also forms part of the UNESCO Western Port Biosphere Reserve, and the northern coastline of Phillip Island (Millowl) is identified as a Ramsar listed wetland of international importance.

We are immensely privileged to manage land on Phillip Island (Millowl) which forms part of the traditional lands of the Bunurong. We are an organisation deeply committed to reconciliation and we recognise that the Land, Waters and Sea are of profound spiritual, cultural and economic importance to Aboriginal and/or Torres Strait Islander Peoples.

Over the years, our dedication to pest management and biodiversity recovery of Phillip Island's (Millowl's) environment have helped wildlife to flourish. Through the restoration of the Summerland Peninsula and eradication of foxes, we have secured vital habitat for little penguins, Eastern barred bandicoots, and seabirds, strengthening our role as an island haven, and creating an awe-inspiring canvas for exceptional visitor experiences.

The heart of our offering lies in distinctive opportunities for visitors to immerse themselves in nature, engage with wildlife, and connect with the region's history and culture. We operate four main visitor attractions: the world-renowned Penguin Parade, Koala Conservation Reserve, Churchill Island and Antarctic Journey at the Nobbies Centre. These attractions are connected by a network of reserves and beaches, where visitors can explore spectacular trails, boardwalks, and viewing platforms, encountering native wildlife while enjoying the beauty of wild, vast spaces and majestic vistas.

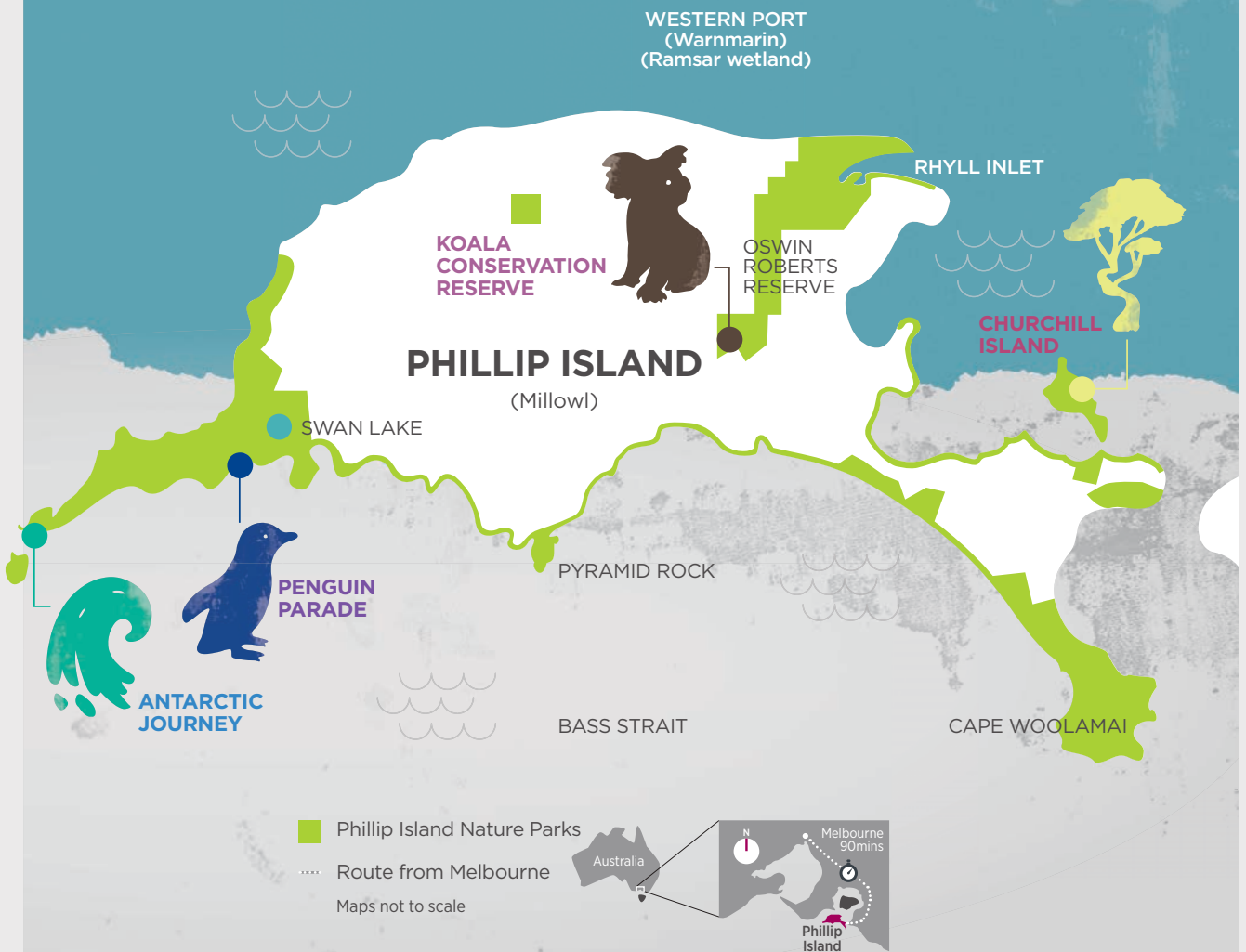
At the Nature Parks, we not only uphold our commitment to conservation but also place great emphasis on a business model that sets us apart - our nature-based tourism experiences fund research-led conservation and land management. Our innovative research forms the foundation from which our conservation and education programs are designed, echoing important conservation messages with our visitors, and fostering a deeper understanding of the significance of global issues like climate change and biodiversity loss.

Though we faced challenges during COVID-19 restrictions, we have shown resilience and the support extended by the Victorian State Government across 2022-23 has strengthened our recovery. We remain steadfast in our pursuit of conservation excellence and financial sustainability. We will continue safeguarding Phillip Island's (Millowl's) environment while offering engaging experiences that leave visitors inspired and connected to the wonders of nature.

We are excited to continue our journey, as we harmonise conservation and tourism, making a positive impact on both the environment and the lives of those who explore its beauty. Together, we are shaping a sustainable future for Phillip Island (Millowl), its environment, its wildlife and its people.

At the Nature Parks, we not only uphold our commitment to conservation but also place great emphasis on a business model that sets us apart - our nature-based tourism experiences fund research-led conservation and land management.

OUR LOCATION



This is why we are here –
OUR PURPOSE

To protect nature for wildlife and inspire people to act.

This is what we want to be –
OUR VISION

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

OUR VALUES

**NATURE
CONSERVATION
IS PARAMOUNT**

**ENGAGING
EXPERIENCES**

**FUTURE
FOCUSED**

**DELIVERING
OUTCOMES
TOGETHER**

OUR KEY PROGRAMS

This year, we continued progressing activities and programs to deliver the priority initiatives within our *Strategic Plan 2021-23*. Our eight key strategies comprised:

- Deliver high priorities from our *5-Year Conservation Plan 2019-2023* and our *30-Year Conservation Vision – Beyond the Horizon*.
- Develop products for new and future markets.
- Diversify by hosting conferences and events.
- Implement a new approach to sales and marketing.
- Identify alternative funding sources.
- Establish organisational governance structures and practices.
- Foster a safe and inclusive culture.
- Implement island-wide projects and planning.



CHAIR AND CEO REPORT

This year we were delighted to see the influx of visitors across the island, restoring the Penguin Parade boardwalks to their former buzz of activity.

The year began with an improvement of visitation numbers to both the Penguin Parade and all other attractions, showing the clear demand for our nature-based tourism experiences amongst both domestic and international visitors. With a record 18-night sell out over the 2022-23 summer school holiday period, the desire for travel had returned and we adapted back to our former ways of operating.

Overall, we were pleased to provide memorable experiences for 877,831 paying visitors to our attractions, with a range of nationalities represented in our international visitors, and domestic travellers flocking from every state.

The ongoing support from the Victorian State Government continued to allow us to pursue our vision for Phillip Island (Millow), 'to become a place where conservation and ecotourism excellence inspire people to actively protect the environment'.

The Nature Parks continued to maintain the reserves and beaches we are privileged to manage. These provide further recreational opportunities for our community and visitors. We were able to invest \$3.97 million into land management, conservation and research activities, partially funded by \$0.3 million in grants from government bodies and other organisations.

Whilst we welcomed the positive change in visitation, the leadership and Board continued to review and revise its strategy to adapt to the new and changing environment. Our revised strategy maintains its focus on recovery in the short-term; continues to be underpinned by our values; and aligns with our purpose. The changes in strategy included a greater focus on critical asset renewal, workforce development and business system improvements. Conservation remains at the heart of our organisation, and we are continuing to invest and innovate in this area, while cultivating a positive connection with our community.

Following the impacts of COVID-19 and the associated changes to the Nature Parks activities, we embarked on designing an organisation structure that would better achieve our conservation vision; support growth in all areas of the organisation; and ensure we could resource key priorities of the revised strategy. Over the past year we have completed planning and consultation, and the new structure will be rolled out over the coming year. By reducing inefficiencies and streamlining operations, this organisational restructure will position us to scale up resources as we grow and provide clarity of responsibilities within our organisation.

The little wonders that waddle ashore each sunset at the Penguin Parade won us the silver award for Ecotourism at the 2022 Victorian Tourism Awards, sponsored by the Victorian Tourism Industry Council (VTIC) and the City of Melbourne. The award recognised our ability to combine first-class ecotourism with successful conservation, thanks to the tireless efforts of the entire Nature Parks team who strive each day to showcase the wonders of Phillip Island (Millow) while carefully managing environmental and wildlife conservation.

Another exciting milestone was the commencement of the 'Penguin Parade Boardwalks and Viewing Stands Redevelopment' project, which is led by our long-term vision to create a holistic Summerland Wildlife Experience immersing our visitors in nature across the unique Peninsula. Funding of \$5 million was granted last year by the State Government's Regional Tourism Investment Fund (RTIF) and the project has been designed and progressed to the planning approval stage.

Our local Phillip Island (Millow) community and a huge contingent of valued stakeholders are key to the success of many of our projects, and we are extremely grateful for their ongoing support. Advisory committees continued to meet throughout this year, which guided our approach to many of our operations and initiatives, while helping us to better represent the sentiment of our stakeholders.

Conservation of the local environment and wildlife that calls it home is at the core of our business, and this year we saw our commitment bring about a range of initiatives in research and in protecting threatened species.

- Every three years the Nature Parks conducts a survey to estimate the number of breeding little penguins across the Summerland Peninsula. The survey was repeated in the 2022-23 breeding season. In the 2022-2023 breeding season, we estimated that there were approximately 37,000 breeding penguins on Summerland Peninsula (95% confidence interval range of 30,000 to 45,000). Comparatively, in the 2019-2020 breeding season, our estimate was around 40,000 breeding penguins, with a range of 32,000 to 49,000. From these estimates, it seems that the penguin breeding population remains robust.
- The record-breaking little penguins did it again, with 5,440 birds waddling up the beach one night in October 2022 beating the previous record of 5,219 five months earlier in May 2022. This is the highest number recorded since counts began at Summerland beach in 1968 and is testament to the thriving penguin colony we monitor and observe.
- The 'Future Proofing Little Penguins' initiative was awarded \$227,000 from the State Government's Risk and Resilience Grant Program as well as funding from key partner organisations, the Penguin Foundation and National Australia Bank corporate sponsors. The project aims to mitigate the challenges climate change brings the species, including extreme weather, dehydration, and fire guided by evidence-based research.
- We celebrated the five-year anniversary of the release of the Eastern barred bandicoot. The momentous reclassification of the species from *Extinct in the Wild* on the mainland to *Endangered* is an Australian first and made possible due to the fox-free status of our island haven that our Conservation team works so hard to maintain.

- We embarked on a \$200,000 conservation project to support the recovery of the *Critically Endangered* fairy tern seabird population around Phillip Island (Mallow) until 2025 with funding from the Department of Energy, Environment and Climate Action, State Government's Nature Fund program, Penguin Foundation and Melbourne Water. Nature Parks staff and volunteers are working in partnership with the Bunurong Land Council Aboriginal Corporation to improve and expand suitable breeding habitats for this vulnerable species.
- Monitoring of the hooded plover population across the island continued by Nature Parks staff and university students, and this year included several cameras to assist with tracking fledgling rates and to better understand challenges. Furthermore, the 'Sharing Our Shores' campaign promoted awareness about nesting sites and how to protect the species by keeping dogs on leashes and reducing litter.
- The first progress report for the *Phillip Island (Mallow) Wildlife Plan* was released, outlining key steps that had been taken by relevant stakeholders to meet the objectives and actions set out in the plan.

Phillip Island Nature Parks acknowledges the Traditional Owners of Phillip Island (Mallow), the Bunurong, and is committed to working together for reconciliation and healing. This is part of our daily business and our commitment remained strong across the year. In April, Cultural Awareness and Cultural Safety training was delivered for 129 staff and leaders. The actions and deliverables in our fourth *Reconciliation Action Plan (Stretch)* for 2024-26 were discussed at consultation workshops with Traditional Owners, the Aboriginal and Torres Strait Islander

Community, our Reconciliation Advisory Committee (RAC) and staff throughout the year. Together, we worked towards initiatives such as the Yarning Circle project and celebrated several reconciliation events in collaboration with the Bass Coast Reconciliation Network.

As always, the vast achievements of the year would not be possible without the hard work and dedication of each person who makes up our team. We are proud to be supported by dedicated staff, volunteers, contractors, partner organisations and community groups, who each play a role in the Nature Parks success. We acknowledge their role in all areas of the organisation and thank them for their passion and output. Their support over the years is what allows our organisation to have an impact towards our purpose of protecting nature for wildlife and inspiring people to act.

We are grateful to the Department of Energy, Environment and Climate Action for its steadfast support and advice on a range of matters including financial management, environment, and land management. This important relationship for the Nature Parks remains strong.

We also acknowledge the dedication and commitment of Board Members throughout the year and thank Dr Danielle Auldlist and Jane Foley, whose terms on the Board concluded at the end of the financial year. We are also pleased to welcome two new Board Members, Beverley Munro and Michelle Dickson, who will commence in July.

In accordance with the *Financial Management Act 1994*, we are pleased to present *Phillip Island Nature Parks' Annual Report* for the year ending 30 June 2023.



Kevin Love
Board Chair



Catherine Basterfield
Chief Executive Officer

Our revised strategy maintains its focus on recovery in the short-term; continues to be underpinned by our values; and aligns with our purpose. The changes in strategy included a greater focus on critical asset renewal, workforce development and business system improvements. Conservation remains at the heart of our organisation, and we are continuing to invest and innovate in this area, while cultivating a positive connection with our community.

SUMMARY OF FINANCIAL RESULTS

The 2022-23 financial year marked a turning point for the Nature Parks, as the organisation began to recover from the unprecedented challenges posed by COVID-19. The Nature Parks, along with the broader community, demonstrated adaptability and successfully leveraged growth opportunities from domestic and international markets to support the recovery of the tourism sector.

Site attractions remained open for the full financial year, bolstering the Nature Parks revenue streams. We welcomed 877,831 paid visitors to our sites, our highest number of visitors since 2018-19 and a 111% increase from 2021-22. Operational activities were scaled up to keep pace with the return of visitors, resulting in an increase in the number of staff supporting each site.

Revenue, excluding government funding, stood at an impressive \$21.1 million, \$12.5 million greater than 2021-22, signalling our successful bounce-back towards pre-COVID-19 levels and financial sustainability. Our operational expenditure for the reporting period saw an increase directly relating to the increase in visitor volumes, conservation programs and improved operations. In 2022-23 the Nature Parks invested \$3.97 million in conservation activities for the financial year. Operating expenditure for the reporting period 2022-23 remains 11% lower than what it was pre-COVID-19 2018-19. In previous years, the Nature Parks limited and postponed expenditure as a direct response to COVID-19 conditions. Current expenditure throughout the 2022-23 reporting period is not yet at a level that reflects our present and anticipated future operations.

The Nature Parks considers the operating result ('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 the organisation's control. For the reporting period 2022-23, the Nature Parks achieved a net loss of \$1.9M, an improvement from the \$10.6M net loss of the previous year. The Nature Parks net cash flow from operations was \$3.3 million, (\$8.5 million greater than prior year). Additionally, \$1.2 million was contributed by the State Government by way of funding support in relation to financial impacts resulting from COVID Safe Principles.

This year's upward trajectory strengthens our optimism for the future. With the returning visitors and a clear vision, the Nature Parks remains optimistic as we move closer to returning to financial independence.

As we reflect upon this year, we express our gratitude to the Victorian State Government for its ongoing support and contribution that has enabled the Nature Parks to focus on strengthening the future for the wildlife, natural environment, and community of Phillip Island (Millowl). Based on the commitment by the Victorian State Government to support the Nature Parks in meeting its current and future obligations as and when they fall due until November 2024, the Board has formed the view that the Nature Parks can continue as a going concern.

TOURISM OPERATIONS

The Nature Parks tourism operations experienced an exhilarating year, free from COVID-19 restrictions. Our visitation figures rose by 111% to 877,831 from 415,130 in 2021-22, and total tourism admission revenue increased by 142% to \$16.4 million from the previous year's \$6.8 million. With a continuing focus on maintaining strong domestic market interest, the return of limited international markets and the gradual recovery of the distributor channels all contributed to the result.

CONSERVATION AND RESEARCH PROGRAMS

The Nature Parks invested \$3.97 million across 2022-23 into conservation and research activities, partially funded by \$0.3 million in grants recognised from government bodies and other organisations.

SIGNIFICANT CHANGES IN FINANCIAL POSITION

The Nature Parks received \$1.2 million funding support from the Victorian State Government in the form of cash during the year. The Nature Parks received a commitment from the Victorian State Government to support the Nature Parks until November 2024.

The Nature Parks revenue was \$11.8 million greater than the prior year but \$4.6 million less than 2018-19, excluding State Government funding support. Overall labour and operating expenditure increased 15.3%, or \$3.2 million, as tourism services and conservation activities resumed normal operations. As the Nature Parks continues its recovery and setting the future direction of the business, there have been no other matters or circumstances that have arisen since the end of the financial year which significantly affected or may affect the operations of the Nature Parks, the results of the operations or the position of the Nature Parks in future financial years.

Revenue, excluding any government funding, stood at an impressive \$21.1 million, \$12.5 million greater than 2021-22, signalling our successful bounce-back towards pre-COVID-19 levels and financial sustainability.

This year's upward trajectory strengthens our optimism for the future. With the returning visitors and a clear vision, the Nature Parks remains optimistic as we move closer to financial independence.

COMPREHENSIVE OPERATING STATEMENT

For the financial year ended 30 June 2023

(\$ thousand)

	NOTES	2023	2022	2021	2020	2019
Continuing Operations		\$	\$	\$	\$	\$
Income from transactions						
Supply of services and sale of goods	2.1.1	20,347	8,564	5,285	17,793	24,821
Grants, Donation and Sponsorship	2.1.2	1,518	1,860	4,963	4,917	706
Other income	2.1.4	496	172	176	646	1,481
Total income from transactions		22,361	10,596	10,424	23,356	27,008
Expenses from transactions						
Employee expenses	3.1.1	(12,780)	(11,206)	(11,072)	(12,721)	(12,286)
Cost of sales	3.2	(1,627)	(744)	(577)	(1,711)	(2,148)
Depreciation and amortisation	4.1.2	(3,636)	(3,771)	(3,797)	(3,996)	(6,865)
Other operating expenses	3.3	(6,375)	(5,464)	(4,218)	(5,851)	(7,010)
Total expenses from transactions		(24,418)	(21,185)	(19,664)	(24,279)	(28,309)
Net result from transactions (net operating balance)		(2,057)	(10,589)	(9,240)	(923)	(1,300)
Other economic flows included in net result						
Net (loss)/gain on non-financial assets		171	116	(26)	16	(125)
Total other economic flows included in net result		171	116	(26)	16	(125)
Net result		(1,886)	(10,473)	(9,266)	(907)	(1,425)
Other economic flows - other comprehensive income:						
Items that will not be reclassified to net result						
Changes in physical asset revaluation surplus	8.2	14,860	-	(7,646)	7,949	(28)
Total other economic flows - other comprehensive income		14,860	-	(7,646)	7,949	(28)
Comprehensive result		12,974	(10,473)	(16,912)	7,042	(1,452)

CONSERVATION AND ENVIRONMENTAL MANAGEMENT

Over the past year, Phillip Island Nature Parks has continued the careful stewardship of the island haven of Phillip Island (Millowl) through a range of conservation initiatives to help protect native wildlife and create healthy ecosystems.

KEY ACHIEVEMENTS

The colony of **little penguins continued to thrive with 5,440 coming ashore in one night**, a testament to our conservation efforts.

The **'Future Proofing Little Penguins' initiative was awarded \$227,000** from the State Government's *Risk and Resilience Grant Program* along with funding from key partner organisation, the Penguin Foundation, and corporate sponsor, National Australia Bank. Through evidence-based research, the long-term project aims to help mitigate climate change challenges for little penguins such as extreme weather, dehydration, and fire.

There was an exciting **launch of a new, high-tech sailing drone** to explore penguin foraging grounds in partnership with the French National Centre for Scientific Research (CNRS), the Swedish University of Agricultural Sciences and the Penguin Foundation.

We received **funding support to improve the breeding success of endangered fairy tern seabirds** through research, monitoring and expanding the breeding habitats for the threatened species in collaboration with Bunurong Land Council Aboriginal Corporation.

There was a **landmark study** led by Monash University PhD student Adam Yaney-Keller in partnership with the Nature Parks **to test the ability of thermal imaging technology on aerial drones to find entangled seals at Seal Rocks**, off the coast of Phillip Island (Millowl).

Our pack welcomed **two new conservation dogs** 'Flash' and 'Macey' to help support feral cat and fox eradications on the island.

There was a **collaborative crusade with Parks Victoria to save the Critically Endangered crimson berry plant** by salvaging seedlings from Wilson's Promontory to introduce genetic diversity into the local population.

We **released little penguin 'Red' back into the ocean** after providing collaborative care through Wildlife Victoria, Newhaven Veterinary Clinic, and our Wildlife Rehabilitation Centre.

Our team **restored 2.04 hectares of habitat with 7,808 plants and 497.72 hectares of weed control**. The **Barb Martin Bushbank Nursery propagated 106,000 plants and 13 new species**.

We proudly **delivered the Island Arks Symposium VII** at the Penguin Parade Visitor Centre.

There was high **success with our grant applications and further support received from the Penguin Foundation**, with a confirmed total of **\$890,000**.

Our *30-Year Conservation Vision – Beyond the Horizon*, steers us toward a future of flourishing flora and fauna in the face of climate change and pressure from an expanding human population. This Strategy, along with the Nature Parks *Threatened Species Plan* has guided the actions taken over the past year to 'protect nature for wildlife'.

Our cutting-edge research programs continued to help us better understand the species that call Phillip Island (Millowl) home and provide a roadmap for the conservation programs that are delivered on the land and surrounding waters of Phillip Island (Millowl). Meanwhile, our dedicated rangers conducted fieldwork to preserve and improve the ecosystems we manage and care for.

We are working in partnership with the Department of Environment, Energy and Climate Action, agriculture representatives, Bass Coast Shire Council, and the Bunurong Land Council Aboriginal Corporation, to progress the *Phillip Island (Millowl) Wildlife Plan*.

The conservation of the beautiful wild spaces and threatened species that make Phillip Island (Millowl) such a special place remains our highest priority. We are proud of the many achievements from the past year, which demonstrate our commitment to our purpose — 'to protect nature for wildlife, inspire people to act'.

CULTURAL HERITAGE AND CONSERVATION

We acknowledge the Traditional Owners of the land we are privileged to manage, the Bunurong. This year we continued to follow the guidance of the Bunurong Land Council Aboriginal Corporation (BLCAC) and other bodies, to ensure our approach to conservation was respectful and cultivated mutually beneficial outcomes.

- We work with the Bunurong Land Council Aboriginal Corporation to ensure Cultural Heritage compliance for relevant projects.
- Cultural Heritage Management Plans were completed for Churchill Island Farm Play, Penguin Parade Boardwalk project, and Summerlands Tracks and Trails.
- The Nature Parks and the Bunurong Land Council Aboriginal Corporation collaborated on grant submissions to the State Government's *Risk and Resilience Grant Program* and the Nature Fund program, as well as complimenting project funding submissions to the Penguin Foundation. These grants submissions were successful and Bunurong Land Council Aboriginal Corporation's on Country works team will support the project delivery in 2024-25.
- The Nature Fund grant involves a three-year collaboration to improve the Observation Point habitat for fairy terns and other key threatened species. The Bunurong Land Council Aboriginal Corporation was engaged to assess any risks to cultural heritage at the site, which supported knowledge and experience sharing between the Nature Parks and Bunurong Traditional Owners.
- Four Bunurong Land Council Aboriginal Corporation members attended the Island Arks Symposium VII in September 2022, with support from event sponsors.

Further information on the Nature Parks commitment to Reconciliation is shared in section 7. Our Community.

PROTECTING LITTLE PENGUINS

Despite challenges, the 2022-23 penguin breeding season saw an average success of one chick per breeding pair. This was an improvement from the beginning of the season that caused chick mortality due to a harsh Antarctic storm, which made it challenging for penguins to find food. The number of penguins crossing the Penguin Parade decreased in November by 52% compared to 2021 (1,444 vs 2,453 penguins per night, see Fig 1) due to this colder weather.

Conditions improved in December, with an average of 2,200 penguins crossing the beach each evening and by January, most of the remaining first clutch chicks had fledged, and some adults were incubating second clutches of eggs. Despite the challenging conditions, the average weight of adult penguins remained above the long-term average from November to January.

NUMBERS: A nightly average of **1,465** little penguins crossed the beach at the Penguin Parade in 2022-23. This is slightly lower (2%) than the number of **1,493** penguins per night in 2021-22.

WEIGHTS: Despite the Antarctic blast that made it challenging for penguins to forage, the weight of adult penguins remained above the long-term average. The average weight for **2022-23** was **1255g**, compared to **1169g** 2021-22.

AVERAGE CHICKS: Average breeding success of one chick per breeding pair, on par with long-term averages. Penguins fledged on average **0.8** chicks per pair, below the long-term average of **1.0** chick, and down from **1.1** chicks per pair last season.

PENGUIN MOVEMENTS: Penguin monitoring showed that penguins travelled further than in previous years, as food was hard to find after the Antarctic blast (see Fig 2).

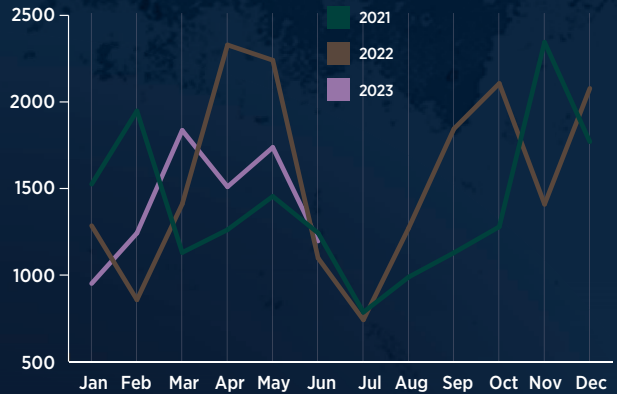


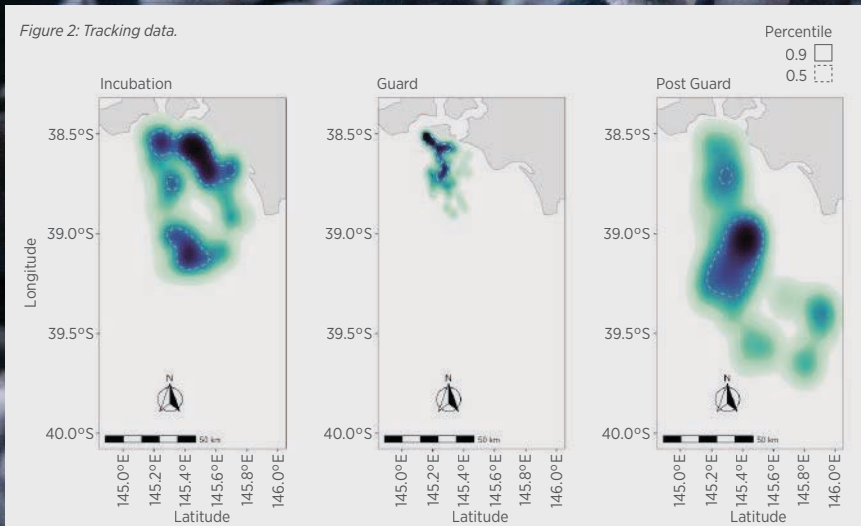
Figure 1: The average number of penguins crossing the Penguin Parade beach each month from 2021 to 2023.

Autumn also witnessed unusual breeding behavior, resembling spring habits with older penguins attempting to breed. This phenomenon suggests older penguins may take more risks with fewer future breeding opportunities. These attempts are often abandoned when marine productivity declines in winter.

Little penguins are responding strongly to the impact of climate patterns, particularly the transition from La Niña to a higher likelihood of El Niño, which disrupts ocean layers and affects fishing success, thereby influencing penguins' lives. Most of our penguin studies now focus on understanding these patterns in the marine system and how penguins may adapt to these impacts.



Figure 2: Tracking data.



TRANSFORMING LANDSCAPES

Habitat works

The Nature Parks continues to preserve and enhance the Phillip Island (Millow) habitat through weed and pest control, managing fire breaks and revegetation works.

For example, the ongoing 'Surf Beach Sunderland Bay Biodiversity Project' signifies a dedicated endeavour to shield significant coastal vegetation and cultural heritage against the detrimental effects of rabbits. The construction of a rabbit exclusion fence this year is accompanied by a rabbit control strategy and targeted efforts for revegetation and restoration. Crucially, this project is community-driven, with strong collaboration from key stakeholders including the Surf Beach Sunderland Bay Coastcare Group, Bass Coast Shire Council, Bass Coast Landcare Network, Bunurong Land Council Aboriginal Corporation, and Phillip Island Nature Parks.

The project covers approximately three hectares, encompassing the area from Surfies Point Carpark to the conclusion of Sunderland Bay Road steps. Through these combined efforts, the project aims to ensure the preservation of the region's valuable biodiversity and cultural significance.



Weed control on Phillip Island (Millow)

Total **revegetation area** over last financial year: **2.04 hectares**

Total **plants used** for revegetation: **7,808**

Total **weed control area**: **497.72 hectares**

Spinifex planted: **500**

Dune thistle planted: **120**

Barb Martin Bushbank Nursery

Revegetation of ecosystems where historical clearing has occurred is instrumental in restoring habitat and providing new areas for wildlife and threatened species to thrive on Phillip Island (Millow). The Barb Martin Bushbank Nursery continued to play a crucial role in supplying the Conservation team with the required plants to do this successfully, propagating thousands of plants that aid revegetation for the island by Nature Parks, other land management agencies and Landcare groups.

The native nursery operated by the Nature Parks and located at the Koala Conservation Reserve utilises the green thumbs of local volunteers, with 69 volunteers contributing 3,656 hours this year. Local students were also part of the nursery's output, with VCAL

students completing 210 hours over the past 12 months, as well as 56 hours of Year 10 work experience completed.

The production of threatened plants supports revegetation and provides access for the community to support vulnerable plant species in backyards across Phillip Island (Millow). The nursery also produces plants for retail, with this year being our highest in volume and revenue.

We are proud to bring innovative approaches to propagating rare species, positioning the nursery as a keystone in our conservation work and a local leader in native plant propagation and production.

Barb Martin Bushbank Nursery Production in 2022-23

Total **production** – over **106,000** units

Grow to order wholesale stock – over **37,000** units
(our best year ever)

Retail – over **13,000** units in various sizes

Propagated for revegetation – over **24,000** units of which **16,500** units were for Summerland green fire break (a downsized revegetation season due to the Summerlands Peninsula taking priority)

Threatened flora – over **4,000** units with **2,500** units sold through retail and **1,500** units for revegetation



Crimson berry seedling





SANCTUARY FOR KOALAS

The Koala Conservation Reserve aims to protect a woodland environment, providing a safe sanctuary for a population of koalas to rehabilitate and live a semi-wild lifestyle. The purpose-built rehabilitation sanctuary combines rehabilitation, healthcare, and research to provide the best welfare outcomes for koalas. Our visitors can view the koalas in the reserve and learn about our threatened species programs as well as challenges that koalas face across Victoria.

Our rangers are specialised in providing healthcare for wild koalas recovering from various illnesses and injury, including bushfire impacts and surgery recovery. The reserve is also a sanctuary for those koalas that can't be released back to the wild.

Ongoing plantation management continues to support dietary requirements for the koalas. These plantations contain tree species with foliage preferred by koalas and occur onsite at the Koala Conservation Reserve and offsite through our partnership with Westernport Water.

The combination of specialised koala care, rehabilitation and research provides the best welfare outcomes for koalas who come to the Koala Conservation Reserve, whether for a short visit or to call the reserve home.

This year the Koala Conservation Reserve **supported 22 koalas** across the year, all of which remain at the reserve.

As reported last year, the new enclosure in the reserve's woodland was opened and named the 'Bluegum Trail' featuring large eucalypts, acacias, and other native vegetation. This new section is a penned walking trail supporting four healthy koalas that will contribute to a breeding program for the site.

PROTECTING OUR PRECIOUS RAMSAR COASTLINE

The Ramsar listed wetlands of Western Port are internationally significant and support over 250 bird species. With 102 species of migrating waterbirds each year, this site is a key focus for our rangers to protect and preserve the natural values which support a rich biodiversity of flora and fauna. Our primary focus of conserving these wetlands is via active management, such as pest plant and animal eradication programs. Funding support from Melbourne Water helps us to strengthen our focus on the Ramsar values. Throughout the year, monitoring and surveying, including the use of remote cameras, continued to gather estimations on feral cat numbers and identify potential new pest plant infestations.

Within this Ramsar site is the last known nesting area of the fairy tern, a seabird species with a drastically declining population. Classified as *Critically Endangered* in Victoria, the last known successful breeding site in Western Port was at Observation Point in 2019-20. This species is particularly vulnerable to disturbance and predation, and this year the Nature Parks received funding from the Penguin Foundation and the DEECA Nature Fund for a three-year conservation project to support their breeding program on Phillip Island (Mallowl) in collaboration with the Bunurong Land Council Aboriginal Corporation.

Our ongoing effort to monitor feral cat activity and trap these pest animals further supports the protection of the species so they have the best chance of breeding success in this area.



IN 2022-23 WORKS INCLUDED:

Total hours (including staff, volunteers and contractors): 1,135

Number of cat trapping nights: 2,541

Number of camera traps: 44

Weed control area near Ramsar coastline: 155.41 hectare

CREATING OUR ISLAND HAVEN

This year our efforts have been focused on maintaining the fox-free status of Phillip Island (Millow) and working towards achieving a feral-cat-free Phillip Island (Millow). Much of the achievements in threatened species are underpinned by the important work in invasive species control.

Hooded Plovers

We are proud of the community's effort to create and maintain a safe haven for this vulnerable shorebird on Phillip Island (Millow).

The results of the quarterly hooded plover counts showed lower results than the long-term average, however monitoring revealed that there appears to be a pattern of lower average counts in La Niña years and the team is investigating further to assess whether this drop in population is part of a long-term variation associated with weather patterns. Due to the species nesting around the high tide line they are particularly vulnerable to rising sea levels and storm surges.



Raven with egg

...monitoring showed that there appears to be a pattern of lower average counts in La Niña years...

The counts in 2023 showed 40 hooded plovers compared to 45.9 average over the last 10 years. Since starting the quarterly counts in 2001, there has been an overall trend in the population increasing, with some plateauing between 2010-20.

Over the last 10 years, monitoring has revealed that only 37% of eggs hatch, and this year cameras were set up to investigate egg failures. One of these cameras captured an incredible photo of a banded raven stealing an egg. Due to this raven's band, it was deduced that it could be the penguin egg thief from 2015 which was observed during a study on ravens as penguin predators. Moments like these highlight the benefits of long-term species monitoring; the more we observe, the better we can understand the many factors influencing the successful breeding outcomes for not only hooded plovers but other wildlife. This then enables us to take evidence-led action to support their survival. Fledging rate is one of the crucial indicators of how well the population is doing. In the last nine years the fledging success has been steadily increasing and is above target rate suggested by Birdlife Australia.

To complement the monitoring program, our 'Sharing Our Shores' campaign educated the community on how to support this threatened species through simple measures such as keeping dogs on leashes and minimising disturbance to nest sites.

2022/23	TOTAL
Pairs	14
Nests	31
Eggs	70
Chicks	21
Fledged	8

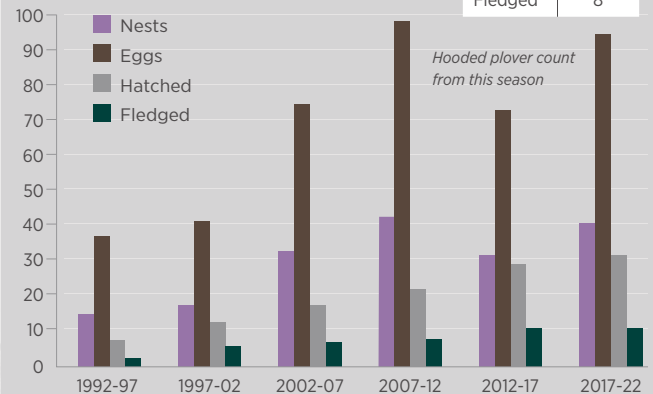
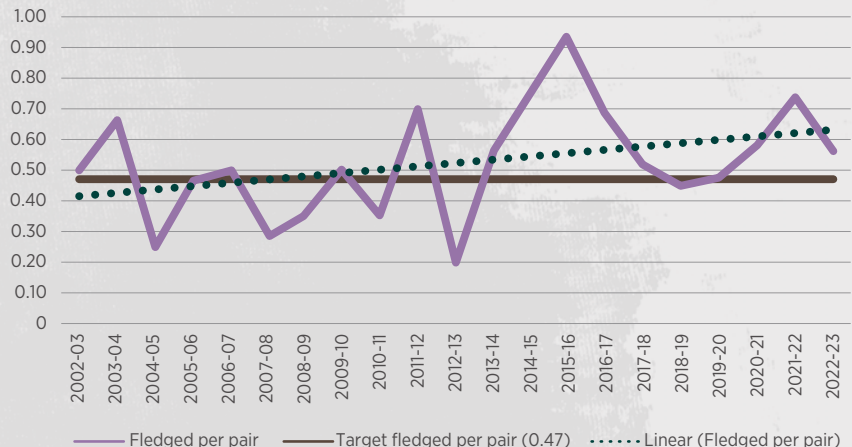



Figure 3: Five-year breeding season averages for breeding metrics of hooded plovers on Phillip Island (Millow) 1992 - 2023. Note: number of breeding pairs was recorded from 2002-03 onwards.

Figure 4: Below the fledged per pair for each breeding season since 2002/03 with a linear trendline against the target fledged per pair rate of 0.47 suggested by Birdlife Australia.



A close-up photograph of a young bush stone-curlew chick. The chick is covered in soft, grey and brown downy feathers. It has a dark, pointed beak and a dark stripe through its eye. The chick is perched on a thin, light-colored branch. The background is a soft-focus natural setting with green foliage and brown twigs.

Planning continued for the reintroduction of bush stone-curlews and the team has been working... toward the recovery of the species across south-eastern Australia.

Bush stone-curlews

- Planning continued for the reintroduction of bush stone-curlews and the team has been working in collaboration with our partners Odonata toward the recovery of the species across south-eastern Australia.
- Phillip Island (Millowl) is proposed as a key hub for the recovery of this species, which is listed as *Critically Endangered* in Victoria.
- The Koala Conservation Reserve is currently home to two breeding pairs of bush stone-curlews housed in two large aviaries, and to our excitement this year these pairs have produced a couple of chicks, which could play a role in the recovery program. These birds are cared for by our staff and volunteers, who also play a crucial role in educating our visitors about this species. Visitors to the Koala Conservation Reserve can view and learn about the threatened species and their proposed recovery on Phillip Island (Millowl).

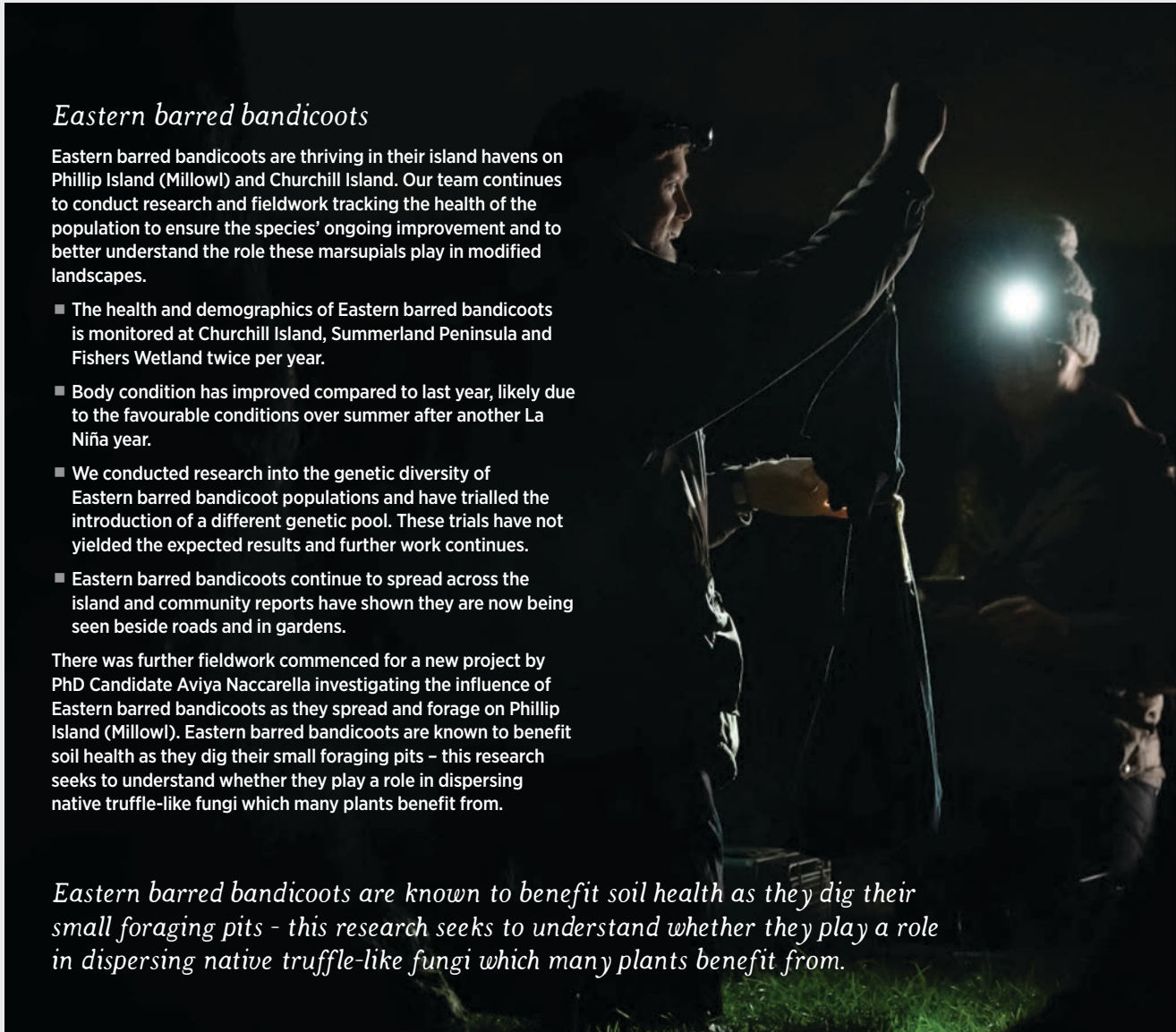
Eastern barred bandicoots

Eastern barred bandicoots are thriving in their island havens on Phillip Island (Millowl) and Churchill Island. Our team continues to conduct research and fieldwork tracking the health of the population to ensure the species' ongoing improvement and to better understand the role these marsupials play in modified landscapes.

- The health and demographics of Eastern barred bandicoots is monitored at Churchill Island, Summerland Peninsula and Fishers Wetland twice per year.
- Body condition has improved compared to last year, likely due to the favourable conditions over summer after another La Niña year.
- We conducted research into the genetic diversity of Eastern barred bandicoot populations and have trialled the introduction of a different genetic pool. These trials have not yielded the expected results and further work continues.
- Eastern barred bandicoots continue to spread across the island and community reports have shown they are now being seen beside roads and in gardens.

There was further fieldwork commenced for a new project by PhD Candidate Aviya Naccarella investigating the influence of Eastern barred bandicoots as they spread and forage on Phillip Island (Millowl). Eastern barred bandicoots are known to benefit soil health as they dig their small foraging pits – this research seeks to understand whether they play a role in dispersing native truffle-like fungi which many plants benefit from.

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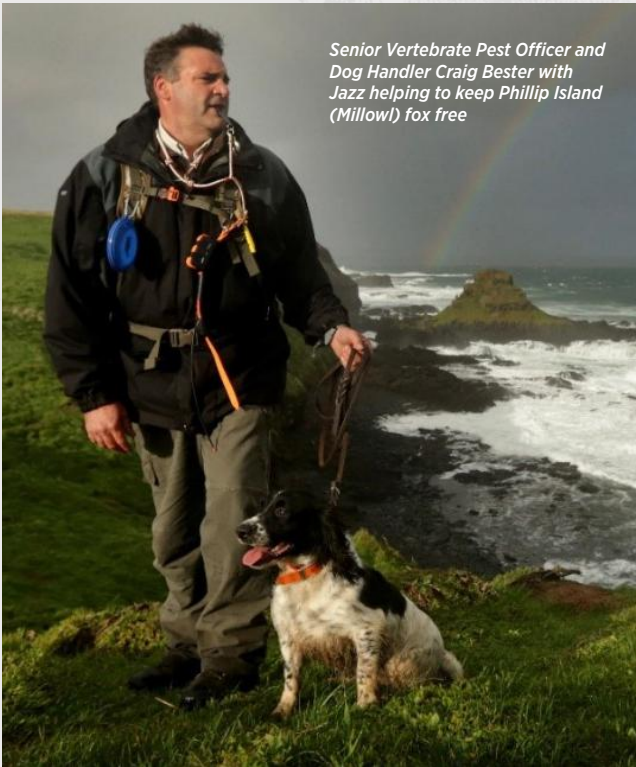


Threatened Flora

Our wildlife needs biodiverse ecosystems for habitat and food sources. We remain committed to protecting established habitat as well as enhancing it, with threatened flora species which have dwindled due to historic clearing and overbrowsing. Long term and consistent removal of weeds that compete with native plant species has allowed our rangers to support the regeneration of locally rare species. Several flora species locally rare to Phillip Island (Millowl) were sighted this year, including orchids not previously identified on the island. As we revegetate the island and protect ecosystems from the threat of invasive weeds or herbivores, we expect to find more species over the years to come.

- Our team acted to save threatened flora through propagation of wild samples and reintroduction through local revegetation.
- **The Barb Martin Bushbank Nursery propagated 35 crimson berry plants** from the cuttings. We partnered with Parks Victoria to relocate endangered specimens from Wilsons Promontory, enhancing Phillip Island's (Millowl's) genetic diversity as per the *Crimson Berry Recovery Action Plan (2020)*.
- **Newly found species**, including orchids, previously not recorded from Phillip Island (Millowl), **highlight the impact of our ecosystem protection and revegetation against invasive threats.**





Senior Vertebrate Pest Officer and Dog Handler Craig Bester with Jazz helping to keep Phillip Island (Millowl) fox free

Fox and feral cat control

Predation and a lack of breeding success can place significant pressure on the future of our wildlife. Our monitoring programs have continued to search for evidence of foxes and feral cats using the latest camera technology and a team of furry friends.

- The fox control program in the mainland buffer zone serves to reduce the fox population and the likelihood of a fox incursion on to Phillip Island (Millowl). Over the past year **three baiting programs successfully removed an estimated 108 foxes from the Anderson Peninsula**, helping to protect the fox free status of Phillip Island (Millowl).
- **'Foxcam' is permanently mounted on the bridge** to monitor for incursions, while any reports of possible fox sightings on the island are followed up with camera monitoring and 'detection dog' surveys.
- A total of **40 feral cats were removed over 8,027 trap nights from critical habitat** such as Summerland Peninsula, Cape Woolamai and Phillip Island's (Millowl's) Ramsar coastline. A similar trapping program was undertaken across Phillip Island (Millowl) in FY22-23 although this year fewer feral cats were captured. The reason for the lower capture rate is likely a consequence of excellent conditions for wildlife over the last year, resulting in plentiful prey in the environment for feral cats, making them less interested in the traps with bait.
- Camera traps were deployed around Newhaven Swamp, Oswin Roberts Reserve, Pyramid Rock Road, Rhyll Inlet, Summerland Peninsula and the Penguin Parade. They continue to identify the presence of cats in these areas.

On the island, reports of fox sightings are followed up with camera monitoring and detection dog surveys. The use of detection dogs has been a critical tool in locating trace evidence both in the final stages of the island-wide fox eradication program and the most recent incursion in May last year.

Fox detection dog Jazz retired after ten years. New pups Flash and Macey are now trained, giving cat detection dogs Milly and Marbee more field time to monitor the island. They continue Jazz's legacy by preserving Phillip Island's (Millowl's) fox-free status and working towards a feral cat-free future.

Research-led conservation

Our **Research team attracted more than \$747,940 in external grants, \$441,600 in postdoctoral fellowships and student stipends**, and another **\$1,467,000 in external in-kind contributions** for 2022-2023.

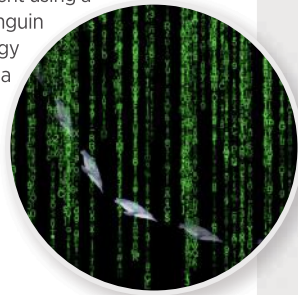
UNDERSTANDING LITTLE PENGUINS

Our research team continued to conduct penguin lifelong studies, which follow the life of penguins from hatching to old age, revealing what penguins do and require, to have a successful life.

VISITING SCIENTISTS

Over the 2022-23 Summer, we had the privilege of hosting five European scientists who worked with our penguin colony as part of an international collaboration with French, Norwegian, Italian and Swedish scientists.

Working with the Nature Parks from September to January, the scientists helped us conduct research during the penguin breeding season. Together, we tracked penguin movements at sea at different breeding stages. The team also ran an experiment using a combination of non-toxic water tracers and penguin accelerometer loggers to estimate resting energy expenditure in captive penguins at Zoos Victoria as part of a collaborative project. The next step is to use this baseline information to determine penguin energy consumption in the wild.



ARTIFICIAL INTELLIGENCE

To better understand penguin life at sea, we have been using Fitbit-like loggers on little penguins. Our team created an AI tool to deal with large datasets, as manual data analysis has become increasingly complex and time consuming. This tool provides robust, fast, and powerful results and is helping our scientists understand how penguins might adapt to environmental changes in the future. Our study was published in the journal "Scientific Reports".

SAILING DRONE

This year saw the launch of an innovative sailing drone 'Sailbuoy', which uses an echo-sounder (or fish finder) to get an image of creatures beneath it in milliseconds. The research furthers our understanding of fish availability for little penguins within foraging grounds off Phillip Island (Millowl), this is essential knowledge for marine spatial planning and conservation.

The 'Sailbuoy' is an autonomous vessel which is transforming ocean data collection to be more efficient, safe and sustainable. The project is an international collaboration involving the Nature Parks, the French National Centre for Scientific Research and the Swedish University of Agricultural Sciences. The Penguin Foundation provided funding for this project, which will improve our understanding of penguins and other marine species.



Australian Fur Seals

PUP SAMPLING

The third season of seal pup sampling was completed to examine their health. Over the 2022-23 summer, during peak breeding, our team captured 80 pups in three days at Seal Rocks and recorded their length and weight to determine their body condition as well as taking blood samples to test for toxicants, inflammation, and stress.

UNDERWATER RECORDERS

Passive underwater recorders were deployed by PhD Candidate Jessalyn Taylor in December and retrieved in January. Hydrophones recorded the sounds of the ocean continuously for one month to listen for both vessel visitation and how the seals communicate. The study compared these sounds over winter and summer, representing the quiet and busy seasons for people visiting the colony in boats and jet skis.

AUSTRALIAN FUR SEAL CENSUS

Every five years scientists and land managers collaborate to undertake a population census of the fur seals breeding in November to December in south-east Australia, focusing on sites in Victoria and Tasmania where most of the pups are born.

From December 2022 to January 2023 trips were made by our team to Cape Bridgewater, Marengo Reef, Seal Rocks, The Skerries and Gabo Island as our contribution to the fur seal census.



ENTANGLEMENTS

Field work was commenced by a PhD Candidate from Monash University, Adam Yaney-Keller, using RPAs (drones) to improve detection of fur seals entangled in marine plastic debris. The use of drones places less stress on the colony when doing this research, compared to landing in a boat. Drones also allow access to less accessible areas of the colony.

As part of this study, thermal sensors are being used to identify the fur seals at breeding and resting (haul-out) sites. Once seals are identified, the sensors are fine-tuned to detect neck wounds caused by plastic material such as nets and fishing line.



ENTANGLEMENTS



Figure 5: Material type and number of entangled Australian Fur Seals seen with that material at Seal Rocks during research visits in 2022-23.

Hydrophones recorded the sounds of the ocean continuously for one month to listen for both vessel visitation and how the seals communicate. The study compared these sounds over winter and summer, representing the quiet and busy seasons for people visiting the colony in boats and jet skis.

WILDLIFE REHABILITATION

The Nature Parks operates a Wildlife Rehabilitation Centre which specialises in seabird rehabilitation and wildlife rescue. This year strengthened our collaboration with Wildlife Victoria which coordinates after-hours wildlife rescues on the island. Our wildlife rescue and rehabilitation service is heavily supported by volunteers in our community and at Wildlife Victoria, and we acknowledge the tireless work of these volunteers each day. We also continue to work with Zoos Victoria Veterinary Group, Wildlife Victoria Travelling Vets and Gippsland Veterinary Group who have assisted with veterinary services as well as supporting other veterinary practices with injured wildlife in the surrounding areas.

A highlight for our centre for seabird and wildlife health was 'Red' a juvenile little penguin who initially received surgery from Wildlife Victoria and was then transferred into the centre for rehabilitation. This collaborative approach led to Red's release after a number of weeks of recovery and specialist care from our team at the centre.

In 2022-23 the Wildlife Rehabilitation Centre team:

Responded to **1,082** calls for wildlife rescues and advice.

Cared for **60** little penguins and rescued and cared for **460** other native animals from **61** different species.

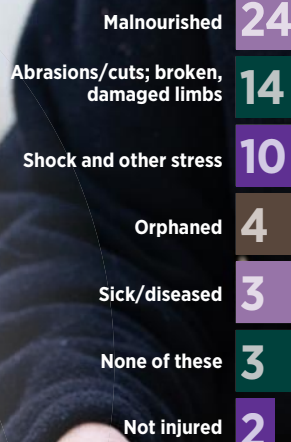


Figure 6: Reasons for little penguins coming into care.



VOLUNTEERING - CONSERVATION

Our volunteers continue to play a vital role in the achievements of the Conservation team. Volunteers were part of varying programs this year at the Barb Martin Bush Bank, the Koala Conservation Reserve and in the Wildlife Rehabilitation Centre.

We saw a 4.8% increase in volunteer participation in conservation activities and thank everyone for their dedication and enthusiasm to be part of our programs to protect nature for wildlife on Phillip Island (Mallowl).



OUR VISITORS AND ATTRACTIONS



OVERALL VISITATION
2021-22 - 415,130 visitors
2022-23 - 877,831 visitors

KEY ACHIEVEMENTS

We saw a **111% increase in visitation** and **138% increase in total revenue** this last financial year.

All four of our attractions welcomed award-winning caterer **Create Catering**, bringing a passion for local produce and suppliers, with a focus on sustainability and zero single-use plastics.

We welcomed the return of events and incentive groups and successfully delivered over **11 incentive groups**, **56 conferences/events** and **13 weddings** in partnership with Create Catering.

Little penguin mascot 'Tazuni' visited the Penguin Parade during the **FIFA Women's World Cup 2023™ Trophy Tour**.

Australia's favourite travel show **'Travel Guides'** filmed at the **Penguin Parade** and **ranked their experience on Phillip Island (Millowl) 5 out of 5 stars**.



KOALA CONSERVATION RESERVE

Close koala viewing in natural habitat.

2021-22 - 69,870 visitors
2022-23 - 146,677 visitors



ANTARCTIC JOURNEY

Immersive exhibition and boardwalks.

2021-22 - 54,379 visitors
2022-23 - 88,261 visitors



PENGUIN PARADE

Wild penguin viewing at sunset.

2021-22 - 230,141 visitors
2022-23 - 545,148 visitors



PARKS AND RESERVES

Over 1,980 hectares of Crown Land for the conservation of areas of natural interest or beauty or of scientific, historic or archaeological interest.

WESTERN PORT
(Warnmarin)
(Ramsar Wetland and UNESCO Biosphere)

PHILLIP ISLAND
(Millowl)

PYRAMID ROCK

BASS STRAIT

CAPE WOOLAMAI

RHYLL INLET

CHURCHILL ISLAND MARINE NATIONAL PARK



CHURCHILL ISLAND

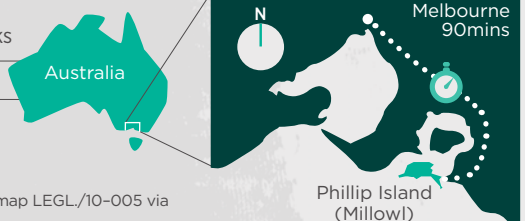
Heritage-listed working farm and events.

2021-22 - 60,740 visitors
2022-23 - 97,745 visitors

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 EXPERIENCES

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

Penguin Parade

The Penguin Parade visitor experience is one of compelling nature, wonder and awe; giving people an insight into the private lives of little penguins as they waddle up the beach to their homes each evening. Right from the moment of entry, the Penguin Parade Visitor Centre (opened in 2019) offers an incredible example of contemporary 21st century attraction design. The interiors cater for up to 2,500 visitors before and after tours, with large open pavilions featuring vaulted natural light ceilings, aesthetically beautiful fittings and furnishings, multimedia discoveries and adaptive spaces that accommodate exhibits, events, education, dining and retail.

The Penguin Parade takes place at sunset every evening and there is a diverse range of experiences visitors can choose from. Whether you enjoy the buzz on the main beach in General Viewing, a remote experience on a Guided Tour or an Underground Viewing to see the penguins waddle past at eye level, we have plenty of ways to enjoy this natural phenomenon.



Koala Conservation Reserve

Wander tree-top boardwalks to view koalas up close in their natural habitat. Take a walk through the woodlands and enjoy the abundant birdlife, wallabies, echidnas and meet our new residents, the bush stone-curlews.

This experience not only helps us learn about the bushland wildlife of Phillip Island (Millowl), but it also serves as a refuge for injured wildlife who can no longer thrive in the wild, and support the planned re-introduction of species, such as the bush stone-curlew, that were lost to Phillip Island (Millowl) over the last century.

The new 'Bluegum Trail' was opened in the reserve's woodland and features large eucalypts, acacias, and other native vegetation. The enclosed walking trail showcases four koalas that are presently free of chlamydia in the hope this will contribute to a breeding program.



Antarctic Journey at the Nobbies Centre

The Nobbies Centre provides inspiring stories of conservation, climate resilience and the Southern Ocean with the interactive and informative experiences at the Antarctic Journey, which was developed in collaboration with the World Wildlife Fund Australia and offering an immersive cinematic experience and educational 'Lab' activities.

Visitors can explore the rugged coastline with spectacular views along the boardwalk and enjoy a dining experience at the Nobbies café.



Churchill Island

Heritage-listed Churchill Island is an island within an island and operates as a working historic farm where visitors experience the lives of early European Settlers in Australia, through homestead and museum tours, farm life demonstrations (sheep shearing, working dogs, whip cracking, cow milking, blacksmithing), heritage gardens and coastal trails through open woodlands to see rare moonah trees.

The Churchill Island Farmhouse Kitchen café also provides a tranquil dining experience in a picturesque island setting.



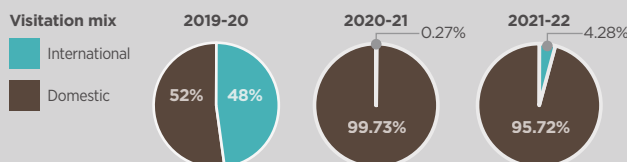
VISITOR INSIGHTS

This was the first year of operating at full capacity following the COVID-19 restrictions and we were buoyed by the substantial growth in domestic visitors to our experiences, along with the steady return of international markets. This resulted in an estimated mix of **77% domestic and 23% international visitation**. Overall **visitation grew by 111% across all four sites**, with the **largest growth at the Penguin Parade with an increase of 137% in visitor numbers**.

Due to the significant changes in visitor demographics (fewer international visitors and more domestic visitors by comparison to pre-COVID-19 years), the **Nature Parks developed a Visitor Research Strategy**, to better understand the global trends, the motivations of our current visitors and visitor satisfaction.

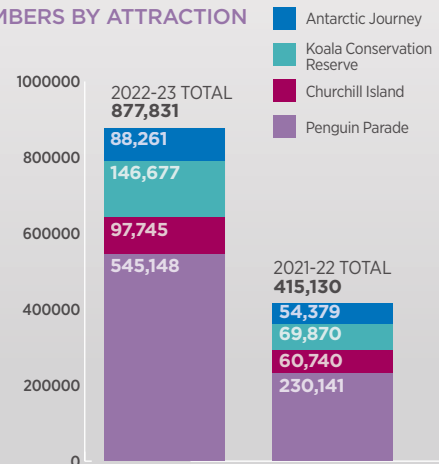
A key part of the strategy is the collection of visitor data through daily customer feedback surveys which have provided insights into the demographics, travel motivations, satisfaction levels, and feedback relating to service provision, value for money and facilities.

INTERNATIONAL/DOMESTIC VISITOR MIX



Overall visitation grew by 111% across all four sites, with the largest growth at the Penguin Parade with an increase of 137% in visitor numbers.

VISITOR NUMBERS BY ATTRACTION





1. IDENTIFY EMERGING TRENDS AND MARKETS
(EXTERNAL ENVIRONMENT)

Keeping pace with emerging tourism trends will assist us to stay competitive and cater to the needs of customers.

<p>Identify emerging trends including the global demand for experience types and the changing cultural landscape</p> 	<p>Understand visitor behaviour sentiment globally, across Australia, in Victoria and our local region</p> 	<p>Identify and analyse opportunities and threats to inform our Sales and Marketing plans and product innovation</p> 	<p>Use internal data sources as an overlay and comparator</p> 
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2. UNDERSTAND OUR CURRENT CUSTOMER
(INTERNAL ENVIRONMENT)

Identifying the opportunities and gaps of our current customers experience and aligning sales, marketing and products offerings.

3. STRIVING TO BE WORLD-CLASS

The survey will inform areas for improvement, which will lead to action. Continuously gaining insights into guest experience helps us stay competitive, meet visitor expectations, and develop in-demand products.

THE VISITOR RESEARCH STRATEGY WILL HELP US

<p>Develop products and services</p> 	<p>Inform our Marketing Strategy</p> 	<p>Inform our Sales Strategy</p> 	<p>Highlight training and development needs</p> 	<p>Increase productivity and ultimately profitability</p> 	<p>Motivate the customer facing team</p> 	<p>Inform our strategic and business planning</p> 
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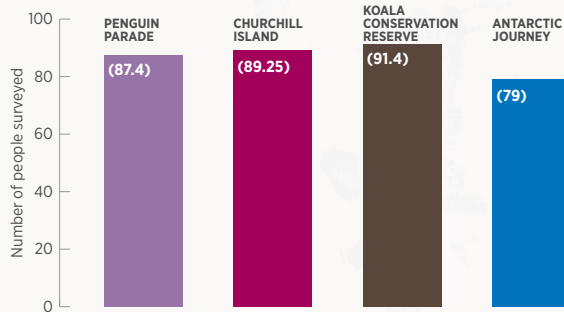


VISITOR SURVEY DATA

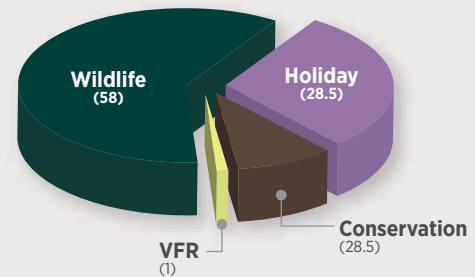
Financial Year 2022/23 average numbers

VALUE FOR MONEY

(this is based on a score out of 5)



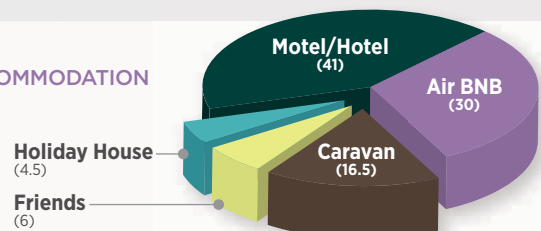
WHY VISIT PHILLIP ISLAND NATURE PARKS?



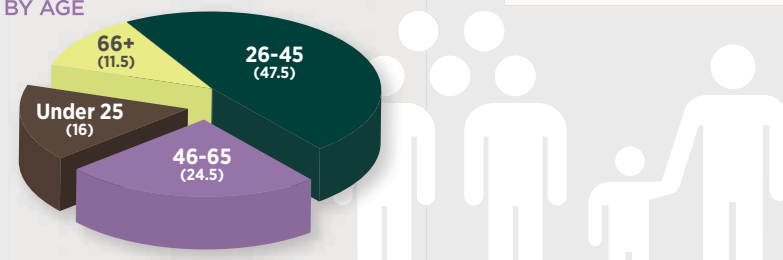
LENGTH OF STAY (NUMBER OF NIGHTS)



ACCOMMODATION



VISITATION BY AGE



NEW EXPERIENCES FOR NEW MARKETS

Due to the substantial changes in visitor demographics and profiles, work continued to test and trial new products for our new visitor mix. **Churchill Island was the greatest area of focus** for this initiative with the following developments completed during the year:

- Creation of **old-time games and giant board games** for visitors to enjoy in the garden.
- Delivery of a new **Easter holiday event** with music, activities and fun for the whole family.
- Trial of a new **night tour to spot the Eastern barred bandicoots** and other night life on the island.

This year we also saw a change in **focus for educational group experiences**. By **improving the resources available for self-guided groups**, we were still able to leverage our interaction with school groups attending our sites, who chose not to engage in a guided experience. We also revised our **guided education experience** offering to simplify the program to **three tours across the Penguin Parade, Koala Conservation Reserve and Churchill Island sites**. Throughout the year over **39,949 students** visited our sites and over **4,123 engaged in a guided experience**.

Penguin Parade experiences that were trialled last year continued this financial year with great success. These included:

- **Family Wildlife Tour** – this popular experience provides families with the opportunity to learn about little penguins and other native wildlife on Phillip Island (Mallow) through this family friendly, guided exploration of the Penguin Parade before settling into the penguin viewing stands.
- **Sensory Night** – refer to Our Community section for details.

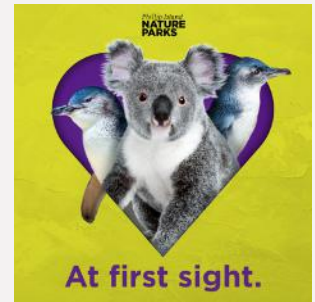


CATERING, CONFERENCES AND EVENTS

This year we welcomed a **new partner to deliver food and beverage experiences** across the Nature Parks sites. **Create Catering** commenced on site on the 1st of August and has since had a positive impact on the food quality and visitor experience at each of our sites.

Developing a robust **Conference and Events business was a key pillar of the tourism growth strategy at the Nature Parks** and the partnership with Create Catering continues to be critical in achieving this outcome. Their expertise in delivering memorable event experiences was immediately evident as they continued to deliver high quality events for over **11 incentive groups, 56 conferences/events** and **13 weddings** throughout the year.

Churchill Island was once again the host venue for the Ocean Sounds Festival, which held the event over two days in December 2022 and January 2023. The festival, delivered by the Hills are Alive Group, was once again a great success and showcased the picturesque island destination.



REACHING OUR VISITORS IN AUSTRALIA AND ABROAD

COVID-19 restrictions had a significant impact on the way the organisation engaged with visitors. This resulted in a decline in the number of third-party trade partners bringing tourists to Phillip Island (Millow), and an increase in those engaging and booking with the Nature Parks directly.

Our sales plan for the year reflected this change and anticipated a further evolution in our markets with the reopening of international borders in February 2022. The key sales and marketing targets and achievements for the year are outlined below.

STRATEGY	OUTCOME
<p>Create efficient, scalable and feature rich processes that enable the business to meet and exceed the requirements of our service partners and customers</p>	<ul style="list-style-type: none"> Developed new terms and conditions and booking procedures for third party distributors. Investigated ticket system options that will better meet the future needs of the organisation.
<p>Grow multi-site visitation</p>	<ul style="list-style-type: none"> Simplified the direct sales offering by eliminating multiple layers of multi-site tickets. This change drives visitors to either a single attraction ticket or a ticket to all attractions — 4 Parks Pass. Delivered Spring 22 campaign (to increase ticket sales during lower season and ensure strong summer season 22/23) with the 4 Parks Pass as a hero product. Increased off-peak visitation with a winter campaign — Love at First Sight — with the 4 Parks Pass as a hero product. Promoted seasonal events at Churchill Island during school holiday periods (focused on access to events through the 4 Parks Pass). Participated in Destination Phillip Island ('Phillip Island 101km2', 'Instant Crush', 'We Are Explorers'), Visit Victoria ('Stay Close Go Further', featured 4 Parks Pass in Visit Victoria Official Visitor Guide), Cricket Victoria, FIFA Women's World Cup 2023™ Trophy Tour integrated marketing communications campaigns and PR activities to showcase all attractions. Presented all attractions and Phillip Island (Millow) as a destination at the Australian Tourism Exchange 2023.
<p>Build strong foundations for international business growth with particular focus on India, Southeast Asia, USA and UK</p>	<ul style="list-style-type: none"> International visitor numbers grew by 19.1%. Attended Australian Tourism Exchange to re-engage with international tour operators and online distribution channels. Attended North America and UK/Europe Sales Mission hosted by Tourism Australia. Hosted 44 famils for international operators, event hosts and media. Re-established agreements with Day Tour Operators, Inbound Tour Operators and Online Travel Agents, which collectively contributed 29% of visitation. Hosted several international film crews for Visit Victoria and Tourism Australia.

OUR PROJECTS

We are focused on building a sustainable future to ensure the Nature Parks tourism experiences and the reserves continue to thrive.

Across 2022-23 we continued to invest in capital projects and in upgrading infrastructure to improve safety and visitor experiences for our community and visitors.

MAJOR PROJECTS

Penguin Parade Boardwalks and Viewing Stands Redevelopment

- In 2021-22 we received \$5 million in funding from the Victorian State Government through its Regional Tourism Investment Fund, for the Penguin Parade Boardwalks and Viewing Stands Redevelopment, to complete the first stage of the project.
- Through 2022-23 further design development has been conducted and planning approvals have been sought, with procurement of a contractor in the latter half of 2023, and construction to commence in May 2024.
- This project will help to revitalise the penguin viewing areas and improve the viewing experience for our visitors as we continue to work towards securing funding for the next stages of this project.

Summerland Peninsula trails

- Detailed designs have been completed to develop a series of walking trails on the Summerland Peninsula linking the Penguin Parade to the Nobbies.
- Further planning including Cultural Heritage and flora and fauna assessments have been completed to ensure the project is shovel ready.



INVESTING IN OUR INFRASTRUCTURE

Pyramid Rock toilet replacement

- Planning and design for the replacement of the existing toilet amenity at Pyramid Rock has been completed and construction will be underway for the new facility in 2023-24.

Cowes-Rhyll trail upgrade

- The partnership with Bass Coast Shire Council to upgrade 700 metres of the Cowes-Rhyll trail continued.
- Designs and planning approvals progressed to widen boardwalks and paths to provide a shared trail.

Koala Conservation Reserve trail link

- Planning for a trail through the Koala Conservation Reserve, linking to Oswin Roberts Reserve in the north and the Five Ways Reserve in the south, progressed with a Cultural Heritage Management Plan under development to guide final designs.

Forrest Caves stairways design

- Design development is underway for an upgrade to the existing Forrest Caves stairway to the beach, that underwent strengthening works in 2021-22 after coastal erosion undermined the structure. This structure is scheduled for renewal in 2023-24.



OUR COMMUNITY

Partnerships with the local community play a vital role in supporting the Nature Parks activities. We are committed to community consultation and partnerships through strong relationships, genuine engagement, and proactive communications.

COMMUNITY ENGAGEMENT

Across the year, we worked with the community to achieve some great outcomes for living with wildlife and sharing our island home.

We partnered with Bass Coast Shire Council and Bass Coast Dog Owners Association to deliver the **'Sharing Our Shores' campaign**. Through beach signage, local media stories and social media, the campaign aimed to increase awareness about hooded plovers, short-tailed shearwaters, and seals, and how best to protect them by reducing litter and responsible pet ownership. This year also saw the introduction of a poster competition to encourage local primary school engagement and education.

The community continued to provide feedback on the next phase of the **Phillip Island (Mollaw) Wildlife Plan** and the fourth official update was published on our website and in local media.

The annual **'Dark Sky So Shearwaters Fly' campaign** achieved strong community support and engagement. This year we partnered with Bass Coast Shire Council, WE-EF Lighting, Regional Roads Victoria and AusNet Services, which helped deliver our message to a larger audience than in previous years. Over 30 local businesses became official campaign partners, signing up to 'turn off for take-off' over key dates during the great migration period.

KEY ACHIEVEMENTS

The **'Sharing Our Shores' campaign** was a success with locals and visitors alike helping to protect wildlife on our shores by reducing disturbance.

The **'Dark Sky So Shearwaters Fly' campaign** prompted residents and over 30 local businesses within the flight path to turn off lights as short-tailed shearwaters departed. More than 700,000 birds began their first migration after a bumper breeding season.

Our commitment to **reconciliation** extended to cultural awareness and safety training, consultation for our next **Reconciliation Action Plan** and projects such as the Yarning Circle.

Our **Accessibility Action Plan** was developed, and initial activities included an Accessibility Audit and Sensory Inclusion accreditation.

We invested in **the Forrest Caves stairway**.

Residents within the flight path were also encouraged to turn off lighting via targeted social media and direct mail. The campaign achieved significant media reach including multiple radio interviews featuring Research team members.

We continued to offer a unique **Locals Pass** to our community, with around 100 people purchasing a pass each month. Locals Pass holders were given a unique opportunity to undertake an exclusive member only Eastern barred bandicoot spotting tour, which was led by expert rangers and was a truly a special night.

SURFING COMMUNITY

Victoria's first and only National Surfing Reserve was established in March 2013 and is made up of four sites along the coast of Phillip Island (Mollaw) including Cape Woolamai, Smiths Beach, Summerland and Cat Bay. It is overseen by a community working group supported by the Nature Parks and Bass Coast Shire Council with representatives from Phillip Island Boardriders Club, Woolamai Beach Surf Life Saving Club and the surfing community.

This year marked the 10th anniversary of the Surfing Reserve. The milestone was celebrated at the annual 'Surfing Tag Team Challenge' event in January. The event was a huge success with hundreds of spectators and more than 100 competitors comprised of all ages and categories battling it out at Cape Woolamai. The event culminated in an awards evening hosted by Brad Whittaker, National Surfing Reserve Board Member, at the Phillip Island Boardriders Club.

INCLUSIVE COMMUNITY

Reconciliation

- The Reconciliation Advisory Committee continues to work toward achieving deliverables in the *Reconciliation Action Plan (Stretch) 2019-2022* with a major achievement being the development of an Aboriginal Employment Strategy which is a first for the Nature Parks.
- The process of developing our next *Reconciliation Action Plan* commenced in March with consultation workshops involving Board members, staff, Bunurong Land Council Aboriginal Corporation and the Aboriginal and Torres Strait Islander Community. Together, we are identifying mutually beneficial opportunities that will become the deliverables under the three key focus areas Respect, Relationships and Opportunities. Another important step in the process is to work with Reconciliation Australia towards endorsement of the *Reconciliation Action Plan (Stretch) 2024-2026* and we look forward to launching the next three-year *Reconciliation Action Plan* in early 2024.
- Our relationship with Bunurong Land Council Aboriginal Corporation continued through collaboration on several conservation and capital projects. Engaging the on Country work team to support revegetation programs, bird counts and pest animal monitoring and the Cultural Heritage team to ensure the protection of cultural heritage.
- We continue to work on developing cultural spaces with the Yarning Circle Project well underway. The Nature Parks commissioned three local Aboriginal and Torres Strait Islander youth artists to design and create art installations and a bush tucker garden at the Koala Conservation Reserve. The project has also engaged youth volunteers to support the public art programs and planting days, which is supported by the 'Volunteering Innovation Fund, Build a Brighter Future' grant.
- We maintained a lead role in the Bass Coast Reconciliation Network and are proud of key achievements:
 - Delivered highly successful events for National Sorry Day, National Reconciliation Week and Aboriginal and Torres Strait Islander Children's Day in the form of the first ever Bridge Walk for Reconciliation with attendance by over 1,000 people from the Bass Coast and surrounding area.
 - The collective impacts of the four auspice organisations include event participation growing from 200 in 2017-18 to 2,000 people in 2022-23, more than 800 staff being engaged in cultural awareness training, and social procurement contributions up to \$140,000.
- Improved reconciliation communications within the organisation through the creation of the Reconciliation page on The Burrow providing key information and updates to staff and volunteers, development of a Cultural Learning Hub with self-learning opportunities, *Reconciliation Action Plan* updates and News Posts with the latest events, actions and achievements.



Accessibility

The Nature Parks developed the *Accessibility Action Plan* in 2021-2025 to provide a range of accessible and inclusive ecotourism experiences and employment opportunities, while supporting the growth of accessible tourism and our community. The Plan looks at ways to enhance professional knowledge and business development, recruitment, on-boarding and workplace adjustments to support a diverse workforce, procurement practices, providing inclusive and accessible premises, communications and experiences.

An example of this is Sensory Night held in April across all four attractions with reduced capacity of visitors, designated quiet areas, headphone zones and sensory bags available for those that may experience sensory overload while visiting. The Nature Parks continues to provide sensory-inclusive environments at all attractions.

The Nature Parks has partnered with global organisation Kulture City to provide a sensory inclusive environment, specialised training for staff and has since extended that training to eight businesses on Phillip Island (Mollw) with the aim to train 50 businesses and become the first tourist town in Australia with a 'sensory inclusive' status.

INFORMING OUR COMMUNITY

We increased the frequency of communications to include regular updates on social media, our website, local media (print, radio and online), newsletters to stakeholder groups and project drop-in sessions. Our quarterly 'Know Your Nature Parks' was published on our website and in local media. We launched an online newsletter 'Conservation News' to help inform key stakeholders of important updates in research and conservation efforts.

We kept in touch with our Locals Pass holders across the year through regular email newsletters, with updates on the 'Our Community' pages available at www.penguins.org.au/community.

INVOLVING OUR COMMUNITY

We once again acknowledge and thank our community for their input through the Community and Environment, and Reconciliation Advisory committees. Each committee contributed to informing and implementing plans and initiatives, as well as providing feedback and input to our Board.

OUR PEOPLE

At the heart of the Nature Parks are the passionate individuals and skilled teams who are the drivers behind our ability to work towards our conservation vision.

To support our people at the Nature Parks we are committed to fostering a positive and inclusive culture which reflects the values and objectives of not only our organisation and the public sector, but also our employees and the broader community.

The Nature Parks continued to be Phillip Island's (Millowl's) largest employer. Our diverse team performs work across a range of areas in conservation, tourism operations, marketing and communications and corporate support.

NEW STRUCTURE

Over the past year we reimagined the foundations which underpin the way our teams work. The organisational structure review which began in 2021-22 was completed, and identified the resources required to reshape the organisation.

This review was intended to ensure our resources are aligned with our strategic priorities, thereby ensuring scalability and our ability to adapt to future needs. The lessons of recent years drove the need for this review, and we are pleased that after much consideration the new structure was announced, resulting in the creation of four key departments:

- **Business Services** – A consolidated Business Services department comprised of our Finance, IT, Governance, Marketing and Communication and People and Culture teams will help to foster collaboration and create efficiencies across the teams that work with all delivery arms of the business.
- **Conservation** – The new Conservation department has teams focused on the areas of reserves, wildlife, research and community structure. This will provide stronger support for the delivery of wildlife programs while continuing to deliver research, threatened species and pest management programs. The development of a Community Impact team will help the organisation meet its commitment to reconciliation, grow accessibility credentials and coordinate all community engagement work from a central team.
- **Infrastructure and Planning** – This department will focus on facilities, assets and projects and will strengthen the delivery of asset management across the organisation and reserves, with emphasis on capital works programs.
- **Tourism** – This department will have site-based leadership comprising of the Penguin Parade/Nobbies sites and the Koala Conservation Reserve/Churchill Island sites. This will be complemented by Commercial Operations and Sales teams, creating a team of staff that has the flexibility and ability to support multiple roles involved in our visitor experience.

Implementing change

Following consultation processes with our staff, the revised organisational structure will now be implemented through a staged approach in 2023-24, to allow adequate time for resource increase and reallocation. We have supported our staff through this change process by creating ample opportunities for feedback and communicating the strategic benefits to the new structure during the consultation process.

KEY ACHIEVEMENTS

We **commenced an organisational restructure** to better resource our new strategic direction and stay aligned with our values.

Successful **completion of the 'Leading the Way'** project helped create an engaged workplace, that is both mentally and physically safe.

Completed Aboriginal Employment strategy and welcomed three people into new positions identified for Aboriginal or Torres Strait Islander staff.

We conducted our **'People Matters' survey**.

The **Nature Parks team grew by 20%**.

SUPPORTING OUR PEOPLE TO GROW

- We introduced further modules in our Human Resource Management system allowing for a streamlined approach to online onboarding.
- We created an online learning library for our staff which will support their professional development through a user-friendly learning experience.
- Over the past year 203 of the Nature Parks employees were given appropriate internal and external training to execute their duties with confidence. These training programs focused on upskilling employees in a range of areas including cultural awareness, resilience and change management, occupational health and safety programs, and system improvements.
- We supported the development of our staff with internal movements and numerous secondments opportunities across departments.

DIVERSITY IN THE WORKPLACE

- We continued to focus on increasing the diversity in our workforce through our Aboriginal and/or Torres Strait Island Peoples employment strategy, welcoming three team members as well as commencing a mentoring program.
- Diversity was further supported by the implementation of a Special Measures procedure.
- We implemented our *Gender Equality Action Plan* to continue building strong foundations for promoting gender diversity and inclusion and measuring our progress towards becoming a culturally safe workplace.

LIVING OUR VALUES

- Our Values and Wellbeing Committee continued to drive awareness of diversity and inclusion alongside health and wellbeing initiatives through events and online resources such as The International Day Against Homophobia, Biphobia and Transphobia (IDAHOBIT) day, RU Okay day and 16 Days of Activism.
- We celebrated our staff through our Staff Excellence Awards, recognising and rewarding the hard work of individuals and teams that embody each of our values.

A DYNAMIC WORKING ENVIRONMENT AND GROWING TEAM

- We continued to support flexible work arrangements within an activity based working environment, providing our staff with a variety of workspaces to suit their changing requirements. The activity-based design of our working environment allows our staff to move as needed throughout our office spaces and sites depending on their tasks of the day, fostering a sense of autonomy and reflecting the varied duties our staff fulfil within our multi-faceted organisation.
- Our workforce grew to 200+ employees.

STAFF FEATURE

Dr Peter Dann

Dr Peter Dann was awarded a Medal of the Order of Australia (AM) for his dedication of 50 years conserving, increasing and researching the little penguin population of Phillip Island (Mallowl).



"The contribution Dr Dann has made to Phillip Island Nature Parks and our environment is invaluable. As the first full time research staff member at the Nature Parks, Dr Dann was instrumental in bringing the little penguin back from the brink of extinction to one of the largest wild populations in the world. The world is a better place thanks to Dr Dann, and the legacy he leaves other researchers and environmentalists cannot be measured."

Catherine Basterfield



STAFF FEATURE

Paula Wasiak

Paula Wasiak began her journey researching penguins in 2007 and has been found elbow deep in burrows ever since. This year Paula, Senior Research Officer at the Nature Parks, was selected to become one of Australia's newest Superstars of STEM, an initiative of Science and Technology Australia supported by the Australian Government Department of Industry, Science and Resources. The Superstars of STEM program provides participants with two years of advanced communications training, mentoring and high-quality opportunities to speak on the stage, on screen and to the media. This program aims to inspire and encourage women and non-binary people to pursue a degree and a career in science, technology, engineering and maths by supporting and elevating the profile of relatable role models in a variety of science, technology, engineering and math jobs all around Australia.



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OUR WORKFORCE

Phillip Island Nature Parks
Workforce Profile

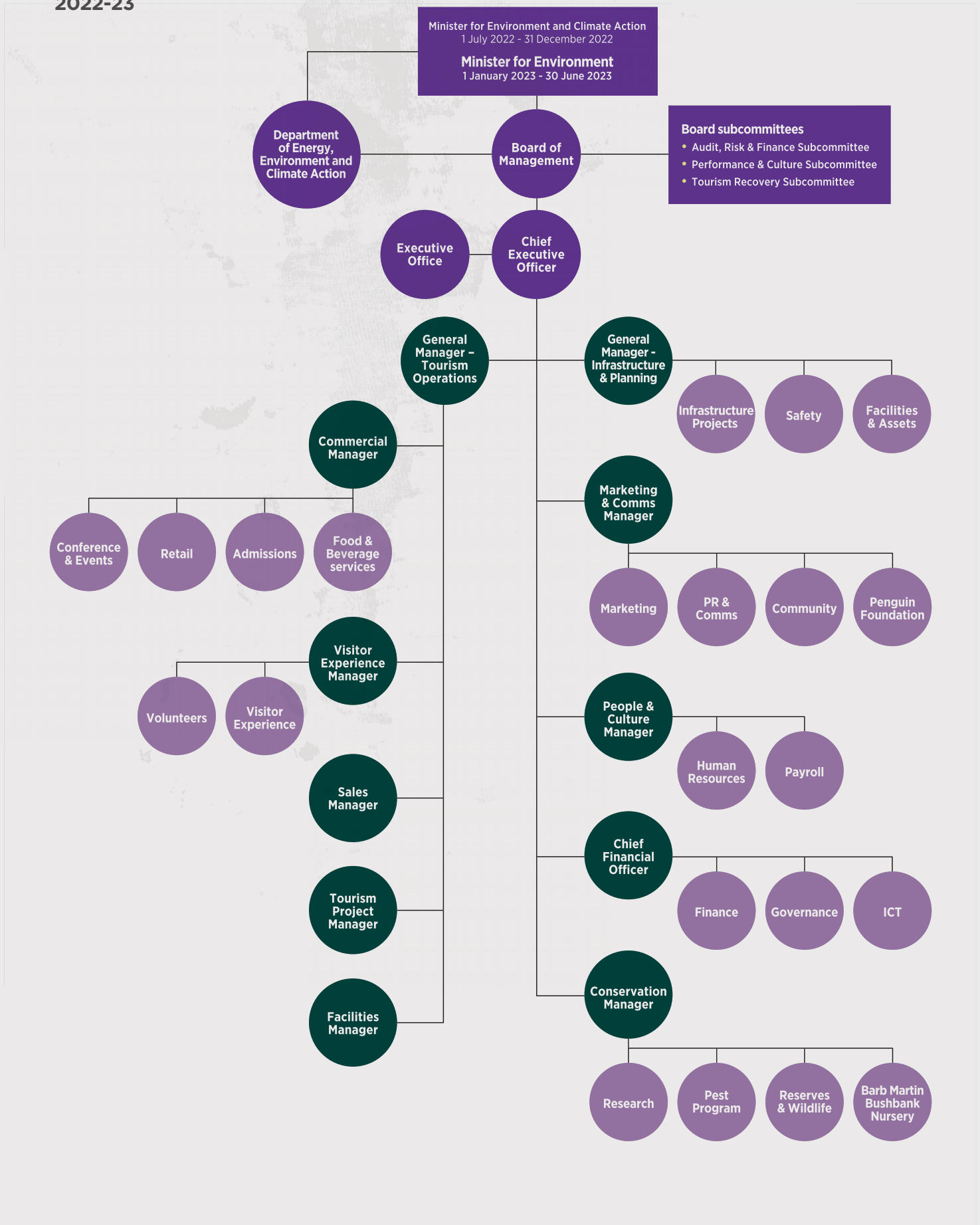
	OUR WORKFORCE																			
	JUN-23														JUN-22					
	All employees			Ongoing			Fixed term and Casual		All employees			Ongoing			Fixed term and Casual					
	Number (headcount)	FTE		Full Time (headcount)	Part Time (headcount)	FTE	Number (headcount)	FTE	Number (headcount)	FTE		Full Time (headcount)	Part Time (headcount)	FTE	Number (headcount)	FTE				
Gender																				
Women	128	67.05		29	58	48.75	43	18.3	100	59.7		23	53	40.35	24	19.35				
Men	72	52.5		38	17	44.5	17	8	69	53.6		36	22	42.6	11	11				
Self-described	3	1.6		0	2	0.6	1	1	1	1		1	-	1	-	-				
Age																				
15-24	17	4.75		0	9	3.75	8	1	6	3.1		-	4	1.25	2	1.85				
25-34	38	22.6		15	12	19.5	11	3.1	36	23.4		12	15	16.55	9	6.85				
35-44	50	30.7		12	21	20.1	17	10.6	38	26.05		10	18	16.45	10	9.6				
45-54	50	38.6		24	12	28	14	10.6	44	35.1		22	11	25.3	11	9.8				
55-64	34	19.1		11	15	17.1	8	2	31	19.85		13	16	18.6	2	1.25				
65+	14	5.5		3	8	5.5	3	0	15	6.8		3	11	5.8	1	1				
Classification																				
Grades 1-6	191	109.15		63	77	91.85	51	17.3	159	103.3		60	75	83.95	24	19.35				
1	93	28.25		13	48	25.45	32	2.8	68	28.3		14	49	24.8	5	3.5				
2	14	6.25		1	11	5.85	2	0.4	13	5.25		1	11	4.65	1	0.6				
3	8	5.3		2	4	4.3	2	1	13	11.5		6	2	7.25	5	4.25				
4	24	21.55		15	4	17.65	5	3.9	23	20.05		13	4	14.85	6	5.2				
5	15	12.8		9	4	11.2	2	1.6	9	6.6		3	4	5.4	2	1.2				
6	7	6.5		3	2	4.5	2	2	5	4.5		3	2	4.5	-	-				
Salaried	30	28.5		20	4	22.9	6	5.6	28	27.1		20	3	22.5	5	4.6				
Senior employees	12	12		2	0	2	10	10	11	11		-	-	-	11	11				
Senior Manager	6	6		2	0	2	4	4	5	5		-	-	-	5	5				
Executives	6	6		-	-	-	6	6	6	6		-	-	-	6	6				
Total employees	203	121.15		65	77	93.85	61	27.3	170	114.3		60	75	83.95	35	30.35				

DEMOGRAPHIC DATA

Employment and conduct principles

The Nature Parks is committed to applying merit and equity principles when appointing staff. The selection processes ensure applicants are assessed and evaluated fairly and equitably on the basis of the key selection criteria and other accountabilities without discrimination. Employees have been correctly classified in workforce data collections.

PHILLIP ISLAND NATURE PARKS ORGANISATIONAL CHART 2022-23



VOLUNTEERS

NATURE PARKS VOLUNTEER IMPACT IN STATISTICS

321 registered volunteers

Including **49** new volunteers

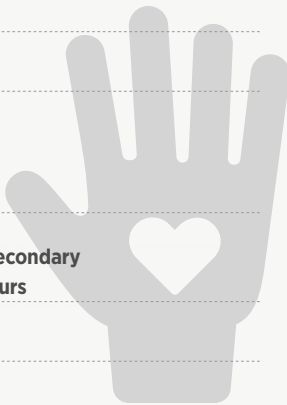
Total volunteer hours: **4,547**

PROGRAM BREAKDOWN

Conservation: **3,707** hours

Special interest programs for secondary
and tertiary students: **760** hours

Tourism: **80** hours



TOP 3 VOLUNTEER GROUPS



BARB MARTIN BUSHBANK NURSERY
60 volunteers
Total hours: **3,565**
Avg. hours/volunteer: **59**



CHURCHILL ISLAND
28 Volunteers
Total hours: **3,166**
Avg. hours/volunteer: **113**



CURLEW CUSTODIANS
21 volunteers
Total hours: **522**
Avg. Hours/volunteer: **25**



New volunteering program

The **Penguin Foundation** raises funds to protect and enhance Phillip Island's (Millowl's) natural environment through research, conservation and education programs. The Nature Parks has developed a team of dedicated volunteers to work with and support the Penguin Foundation. This team of 17 volunteers contributed 462 hours, primarily working to sort through the abundant supply of penguin jumpers for the Nature Parks. The team meets to process the jumpers which are sent from all over the world, into those that can be used on penguins in an oil spill response and other uses.

Volunteer Learning and Development: **200** hours

- Site Inductions
- Info Sessions
- Safety Walks
- Team Building
- Corporate Events

Community Engagement: **261** hours

- Whale Festival
- Churchill Island 150 Years Celebration
- Island Ark Symposium VII
- Kids' Giant Banner for Climate Action



VOLUNTEERS

Build a brighter future – youth volunteering

The Nature Parks received a grant from Parks Victoria – Volunteering Innovation Fund to provide opportunities for youth who are passionate about conserving the environment for wildlife through ‘hands-on’ conservation action. Over a 12-month period, youth volunteers were involved in various activities including revegetation work, creation of art installations, nursery work, visitor engagement, farm activities at Churchill Island, penguin jumper sorting for the Penguin Foundation, and marine debris collection.

The main focus for the program was called Making a Mark and involved young Aboriginal and Torres Strait Islander artists designing and creating art installations for a multi-cultural space at the Koala Conservation Reserve. Youth volunteers facilitated public art programs to create mosaic tiles and pavers and planting days to create a bush tucker garden.

Reward and recognition

Volunteers have been recognised for their dedication and contribution to conservation outcomes through our Excellence Awards with the Interchange Gippsland – Turn the Tide group for beach clean, debris sorting and data collection work, and Penguin Parade and Nobbies, Visitor Experience Volunteer, Peter Wagstaff both being awarded a staff excellence award.

CELEBRATING YEARS OF DEDICATION!

Years of service milestones

- 22** volunteers: **5 years** of service
- 3** volunteers: **10 years** of service
- 3** volunteers: **15 years** of service
- 3** volunteers: **25 years** of service
- 1** volunteer: **45 years** of service



National Volunteer Week 2023 – Change Makers

The Change Makers was the theme for 2023 National Volunteer Week. The Nature Parks hosted ‘Breakfast with a View’ at The Nobbies for volunteers to come together to be recognised for their incredible work. The Nature Parks CEO, Catherine Basterfield, and Conservation Manager, Jessica McKelson recognised the significant contributions made by volunteers to conservation and tourism achievements. It was another great event to celebrate the role that volunteers have in the organisation.

Secondary And Tertiary Work Placements

The Nature Parks engaged three secondary work placement students through the VCAL program at Barb Martin Bushbank Nursery and Churchill Island Heritage Farm with the students committing to one to two days per week as part of their secondary studies, contributing over 800 hours during 2022-23. At the Barb Martin Bushbank Nursery, Brodie learnt skills such as seed collection, plant propagation, nursery maintenance, biosecurity, and working with volunteers. At Churchill Island, Chloe and Molly assisted with basic farm work, animal husbandry, gardening and maintenance and supported the visitor experience activities alongside the team.

Over two weeks of our Year 10 Work Experience program, four students contributed 140 hours and gained valuable experience through participating in land management, research and tourism activities across various sites and reserves.

The Nature Parks engages internship students every year to assist with important research and conservation programs and the value of this contribution to our conservation outcomes is enormous. In 2022-23 we engaged eight tertiary students to assist with beach nesting shorebirds, pest animal management and research field work.



SAFETY

Following the completion of the Leading the Way Project in October 2022, the organisation has continued to progress with the areas identified below.

Senior management commitment and responsibilities defined

- Commitment to 'Site Safety Walks' and attendance at OHS Committee meetings.
- 100% of serious incidents investigated.

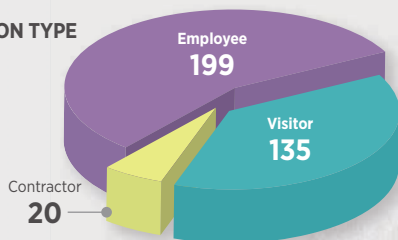
Enhanced safety risk management and compliance

- The Contractor Management system, Safety Risk Management system and Permit to Work procedures were implemented.
- Further development of Safety Risk Assessments and implementation of Take 5s for all activities.
- Implementation of a Quarterly Safety Award, to recognise, appreciate and encourage individuals for outstanding or positive contributions to safety in the workplace.

Incident and hazard management

- **A total of 92 hazards, 130 incidents and 132 near misses** were recorded in the last financial year (compared to previous year — 105 hazards, 68 incidents and 121 near misses) with action plans created and corrective actions completed in a timely manner.

AFFECTED PERSON TYPE



Right: Ebony Keady, Delyce, Carolyn Gleixner awarding the Q1 safety award.

Emergency management

- The Emergency Management Committee met quarterly and updated the *Terms of Reference*.
- The Emergency Management Committee reviewed the current *Emergency Management Plan* in terms of what is working well, what is not working well, and suggestions for improvement.
- Emergency management training was conducted to equip staff with confidence for managing emergency responses.

Injury and return to work management

- The organisation focussed on the revision of the Injury Management and Return to Work processes to reduce the duration and severity of workplace injuries, provide support and flexibility for staff to recover in a safe working environment and reduce the likelihood of non-workplace injuries becoming workplace injuries.

Contractor management

- Contractor Management compliance training rolled out to contract managers.

Training and awareness programs enable staff competency

- Health and Safety Representatives inducted and trained as required.
- Staff inductions were updated to incorporate safety risk management training into onboarding of new staff.
- Training for First Aid, CPR, Riskware Basics (for persons completing incident or hazard reports), Riskware for Leaders (for leaders who manage corrective actions for incident or hazard reports), Child Safety, Emergency Response Training and Site Familiarisation Walks, Online Warden, Working at Height, Permit to Work procedure rollout, and a Safety Risk Management Roadshow.

Defined and accurate reporting measures and metrics

- An internal audit was conducted on safety systems and processes to inform and provide continuous improvement.
- Development of an improved set of measurable reporting criteria and metrics is underway to clearly communicate OHS performance across various departments.

GOVERNANCE

Phillip Island Nature Park Board of Management Inc. (the Nature Parks) was established by the State Government in 1996 and is the only 'Nature Park' in Victoria.

The Nature Parks is governed by a Board of Management established under the *Crown Land (Reserves) Act 1978*. The Board of the Nature Parks is responsible for the overall governance of the organisation. The Board directs and monitors the business of the Nature Parks and is accountable to the relevant Minister as noted below. The Board delegates day-to-day responsibility for operations and administration to the Chief Executive Officer. The Executive exercises various statutory and regulatory powers delegated by the Board and Ministers and the Secretary to the Department of Energy, Environment and Climate Action.

The responsible Minister for the period from 1 July 2022 to 31 December 2022 was the Hon Lily D'Ambrosio, Minister for Environment and Climate Action and from 1 January 2023 to 30 June 2023 the responsible Minister was Ingrid Stitt MP, Minister for Environment.

OUR BOARD

Objectives, Functions, Powers And Duties

Board members are appointed by the Responsible Minister under the *Crown Land (Reserves) Act 1978*.

Board Member Attendance

The Board met for seven regular Board meetings and two extraordinary meetings during the year to provide governance, leadership and strategic direction to the Nature Parks.

BOARD MEMBER	ATTENDANCE (Regular Meeting)	ATTENDANCE (Extraordinary Meeting)
KEVIN LOVE	7	2
DR DANIELLE AULDIST	7	2
DR GEOFFREY WESCOTT	6	2
JANE FOLEY	7	2
JANE JOBE	7	2
MICHAELA SALVATO	6	2
PATRICE MAHONEY OAM	6	1

Board Members

KEVIN LOVE

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

He then 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 estates and assets and established himself as a national leader in natural resource and marine and coastal management policy.

Kevin has a master's degree in Agricultural Science, is a graduate of the AICD Company Directors' Course and the ANZSOG Executive Fellows' Program and is a Victorian Fellow of the Institute of Public Administration Australia.

Kevin has been a Board Member since 9 August 2013.

DR DANIELLE AULDIST

Dr Danielle Auldist brings experience in project management, science and governance. After 15 years of research in Australia and New Zealand, she was the CEO of a Gippsland not-for-profit dairy organisation that developed projects to address needs of Gippsland dairy farmers with many projects later being adopted by the national industry.

Her time with an agricultural consultancy group focused on assignments for water catchment authorities, local governments and primary producers as well as drafting practice planning notes for the State Government. As a lecturer at Federation University, she lectured in the science courses and connected the university to local businesses and organisations in which students could complete internships or research projects.

Danielle currently splits time between a dairy robot technology business (Lely Gippsland) and the family farm.

Danielle has been a Board Member since 5 September 2015.

DR GEOFF WESCOTT

Dr Geoff Wescott was a member of both the Zoos Victoria Board and the Victorian Environmental Assessment Council. He is a distinguished academic and was an Honorary Principal Fellow within the School of Ecosystems and Forest Science (end September 2022), University of Melbourne and is also an Honorary Research Fellow within the School of Life and Environmental Science, Deakin University.

Geoff holds a PhD, Environmental (Coastal) Policy and Management from Deakin University; a Master of Science (Zoology) from the University of Melbourne; and Master of Science (Nature Conservation) from the University of London, among others. He is a graduate of the Australian Institute of Company Directors and a Fellow of the Environment Institute of Australia and New Zealand.

Geoff has been a Board Member since 1 July 2021.

Board Members

JANE FOLEY

Jane Foley brings to the Board extensive experience in tourism having worked with Tourism Tasmania as an executive for over 15 years. During this time, she was responsible for developing strategy, visitor experiences and regional tourism in partnership with industry, community and land management agencies. In more recent times she has held the position as Manager Tourism Melbourne.

Jane has held several board positions including Tasmanian Tourism Industry Council and 10 Days on the Island. Jane has a keen interest in sustainable tourism and regional development as well as health and wellbeing with a focus on community engagement, change management and systems innovation with the state government.

Jane has been a Board Member since 1 July 2018.

JANE JOBE

Jane Jobe is the co-founder of Southern Sustainable Developments, a land development business that incorporates sustainable development principles. Prior to that she held several communications and public relations positions with the Australian Department of Defence.

Jane is an experienced Board member and currently is a Board member of both the Penguin Foundation and Vice President of the Phillip Island Conservation Society as well as a member of several community groups. She holds a Bachelor of Applied Science (Environmental Science) from Charles Sturt University; and a Bachelor of Business (Communication) from Queensland University of Technology.

Jane has been a Board Member since 1 July 2021.

MICHAELA SALVATO

Michaela is the owner and operator of a local accounting and financial services firm where she has provided accounting, taxation and business advisory services for over 20 years. She was formerly the Treasurer of Destination Phillip Island, the Regional Tourism Board for Phillip Island (Mallow). Previously, she held positions as National Taxation Manager for SmithKline Beecham; Treasurer of Bass Coast Landcare Network, Chair of the Bass Coast Landcare Network Public Fund and is a Founding Member of the Three Creeks Landcare Group Inc.

Her involvement with the Three Creeks Landcare Group Inc over the past 20 years has fuelled a strong passion for the environment, particularly the impact that can be made at a grassroots and community level. Michaela has a Bachelor of Business (Banking and Finance) and is a Chartered Accountant and Registered Tax Agent.

Michaela has been a Board Member since 1 July 2018.

PATRICE MAHONEY

Patrice Mahoney OAM is a self-employed professional artist and provides a range of community engagement and consultation services. She was previously employed by Bass Coast Shire Council as a liaison officer to the Aboriginal and/or Torres Strait Island Community.

Patrice was awarded the Medal of the Order of Australia in 2020 in recognition of her service to the Victorian Indigenous Community.

She holds a Bachelor of Art and Media Design from Monash University; a Graduate Diploma Natural Cultural Land Resource Management and a Graduate Diploma of Teaching (Primary) from Deakin University.

Patrice has been a Board Member since 1 July 2021.



Board Committees

COMMITTEE	ROLE OF THE COMMITTEE	BOARD MEMBERS	MANAGEMENT	EXTERNAL MEMBERS
Audit Risk and Finance Subcommittee	This subcommittee was established in accordance with the <i>Financial Management Act 1994</i> to fulfil the Board's governance and responsibilities in relation to financial reporting, internal control systems, processes for legal and regulatory compliance, internal and external audit functions and risk management systems.	Michaela Salvato (Chair) Jane Jobe Kevin Love	Chief Financial Officer Chief Executive Officer	Helen Adair John Rundell
Performance and Culture Subcommittee	This subcommittee monitors, advises and makes recommendations to the Board regarding recruitment and retention, performance management, remuneration and succession planning. It advises on strategic workforce planning and monitors organisational culture and the Board's performance. The subcommittee fulfilled its role this year through the review of key governance risks and Board documents. It monitored progress of key occupational health and safety measures and oversaw the progression of the organisation structure review.	Dr Danielle Auldrist (Chair) Dr Geoff Wescott Jane Foley Patrice Mahoney OAM	Chief Executive Officer People and Culture Officer	
Tourism Recovery Subcommittee	In response to significant impacts to the Nature Parks tourism operations and financial sustainability from COVID-19 restrictions, this subcommittee was created in 2021. This subcommittee supported the organisation through its tourism recovery, monitoring progress against key business initiatives, guiding product development and marketing initiatives and overseeing advocacy strategy. This year, the subcommittee monitored progress of key sales and activities, monitored visitation growth, directed the development of a Visitor Research Strategy, and provided guidance and expertise towards the admissions reservation system review and other tourism projects for the Nature Parks.	Jane Foley (Chair) Dr Geoff Wescott Michaela Salvato	Chief Executive Officer General Manager Tourism Operations Sales Manager	Charles Davidson
Community and Environment Advisory Committee	This committee includes members with interest or expertise from community and environment organisations, key stakeholders, volunteers and local community groups. It acts in a consultative capacity to enable a two-way flow of information between the community, stakeholders and the Board to keep the Board informed on community issues and, inform the community as to the thinking and direction of the Board. The committee fulfilled its role this year in advising on the Community Open Day review for the Nature Parks and the Penguin Parade Boardwalks and Viewing Stands Redevelopment and 'Future Proofing Little Penguin Habitat' projects. The committee provided support towards the Sunderland Bay Biodiversity project, 'Sharing our Shores' and 'Dark Sky So Shearwaters Fly' campaigns, helping to share key messages through their own networks and contributing to the success of the campaigns. The Committee held a total of three meetings across the reporting period.	Jane Jobe (Co-chair) Patrice Mahoney (Co-chair)	Chief Executive Officer Conservation Manager Community Engagement Officer	

Board Committees

COMMITTEE	ROLE OF THE COMMITTEE	BOARD MEMBERS	MANAGEMENT	EXTERNAL MEMBERS
Reconciliation Advisory Committee	<p>The Nature Parks Reconciliation Advisory Committee was established in October 2017 to progress the commitment to reconciliation and recognition, in line with our <i>Reconciliation Action Plan (Stretch) 2019-2022</i>. We are indebted to the community members who contribute their time and knowledge and provide the Nature Parks with significant understanding, driving the delivery of outcomes around issues affecting Traditional Owners and the Aboriginal and/or Torres Strait Islander Community and furthering our ways of working together.</p> <p>The Committee fulfilled its function this year through implementing <i>Reconciliation Action Plan</i> actions, holding events to further reconciliation, contributing to interpretation and art projects, developing protocols and supporting the implementation of the Aboriginal Employment Strategy within the Nature Parks.</p> <p>The Committee held a total of three meetings across the reporting period.</p>	<p>Kevin Love (Co-chair)</p> <p>Patrice Mahoney (Co-chair)</p> <p>Jane Jobe</p>	<p>Chief Executive Officer</p> <p>Visitor Experience Manager</p> <p>Community Engagement Officer</p>	
Scientific and Research Advisory Committee	<p>This advisory committee, reports to the Board and guides the Nature Parks on all aspects of scientific research and research-led conservation management of key species and ecosystems. The committee draws on the technical expertise of seven independent members.</p> <p>The committee fulfilled its function this year by:</p> <ul style="list-style-type: none"> ■ Progressing actions in the <i>5-Year Conservation Plan</i> and <i>Phillip Island (Mallard) Wildlife Plan</i>. ■ Providing feedback into the risks assessment of disease in little penguins and assisting in the development of a response to the potential impacts of avian influenza for the Nature Parks. ■ Advising the Nature Parks on research projects relating to building resilience of little penguins and other wildlife against climate change and reducing the wildfire risk on the Summerland Peninsula. ■ Providing specialist field expertise into the health of the woodland habitat at the Koala Conservation Reserve in preparation for future threatened species reintroductions. <p>Two meetings were held in the reporting period.</p> <p>We thank the experts on this committee for donating their time to assist the Nature Parks in improving the effectiveness and impact of its conservation work.</p>	<p>Dr Danielle Auldlist (Chair)</p> <p>Dr Geoff Wescott</p>	<p>Conservation Manager</p> <p>Research Manager</p>	
Animal Ethics Committee	<p>This statutory committee is required to be convened by the Nature Parks to oversee the conduct of activities regarding the care and use of animals for scientific purposes and oversee all animal welfare activities at the Nature Parks. The committee fulfilled its function for the Nature Parks this year through providing expert guidance towards key research in koalas and little penguins.</p> <p>In 2022, the committee welcomed Jacqueline Walsh to the committee.</p> <p>We thank the professionals on our Animal Ethics Committee for contributing their valuable time to assist the Nature Parks in ensuring the delivery of our conservation programs and ensuring the highest standards of animal welfare are upheld across all Nature Parks' activities.</p>	<p>Nil</p>	<p>Paula Wasiak</p>	<p>Jenny Hibble (Chair)</p> <p>William Naughtin</p> <p>Michael Magrath</p> <p>Jacqui Walsh</p>

COMPLIANCE

Attestation for Financial Management Compliance with Ministerial Standing Direction 5.14

Phillip Island Nature Parks Committee of Management, Financial Management Compliance Attestation Statement.

I, Kevin Love, on behalf of the Board, certify that the Phillip Island Nature Parks Committee of Management has no Material Compliance Deficiency with respect to the applicable Standing Directions under the *Financial Management Act 1994* and Instructions.



Board Chair
20 March 2024

LOCAL JOBS FIRST

The *Local Jobs First Act 2003* introduced in August 2018 brings together the Victorian Industry Participation Policy (VIPP) and Major Project Skills Guarantee (MPSG) policy which were previously administered separately.

Departments and public sector bodies are required to apply the Local Jobs First policy in all projects valued at \$3 million or more in Metropolitan Melbourne or for state-wide projects, or \$1 million or more for projects in regional Victoria.

MPSG applies to all construction projects valued at \$20 million or more.

The MPSG guidelines and VIPP guidelines will continue to apply to MPSG-applicable and VIPP applicable projects respectively where contracts have been entered prior to 15 August 2018.

During 2022-23, Nature Parks did not commence or complete any projects valued at \$1 million or more.

SOCIAL PROCUREMENT FRAMEWORK

Achievements

- The Nature Parks developed its Purchasing and Procurement Framework incorporating clearly identified criteria relating to safety, environmental sustainability and social procurement, with an updated strategy forthcoming in financial year 2024.
- The Nature Parks seeks opportunities, where available, to procure directly or indirectly from certified Victorian social benefit suppliers.
- The Nature Parks introduced a retail supplier sustainability trading document in February 2020, submitted at procurement stage, this clearly identifies suppliers who are aligned with our values and objectives, allowing selections to be made with a commitment to social procurement.
- Nature Parks released Supplier Applications with an accompanying Social Procurement Questionnaire to identify opportunities to source goods and services from suppliers who are aligned with our values and objectives, to improve visibility of our supply chain.
- The Nature Parks continues to develop and roll out the procurement frameworks for each spend category to discover the most sustainably sourced goods and services.
- The Nature Parks is committed to evolving procurement activity to capture asset whole of life assessment at a planning stage. Market review, analysis and selection will incorporate initial purchase, ongoing maintenance, opportunity to extend life and disposal options that address environmental and social factors.

- The Nature Parks continues to implement and oversee the disclosed 10% minimum criterion weighting for social procurement framework objectives to tenders for Goods and Services greater than \$150k and Construction works greater than \$200k.
- We revised our procurement templates to include the Victorian Government's Supplier Code of Conduct. The code incorporates minimum expectations for labour and human rights and seeks to increase supply chain opportunities for suppliers that provide safe and fair workplaces for all workers.
- The Nature Parks has updated its procurement templates to require suppliers to advise us if they are a Sustainable Victorian social enterprise or Aboriginal business.
- The Nature Parks works closely with suppliers so they can advise us if they have an environmental management plan for identified activities. We proactively work with suppliers to remove any unnecessary packaging, or redesign to more sustainable solutions where possible.

The Nature Parks is fully committed to supporting the Victorian Government's directions under the social procurement framework (SPF) and we recognise that we play a key role in advancing social and sustainable outcomes for Victorians and Victorian wildlife. In 2019, the Nature Parks developed a social procurement strategy to enable a strategic, agency-wide approach to how it will deliver social and sustainable outcomes through our procurement in accordance with the social procurement framework and beyond. In that strategy, the Nature Parks prioritised five social procurement framework objectives — detailed in the table social procurement framework objectives were chosen based on their high degree of alignment with the strategic direction and values of the Nature Parks, as well as being best positioned to advance our identified social and sustainable procurement opportunities.

Objective Prioritised	Outcome Sought	SPF Reporting Metric
Supporting safe and fair workplace objectives	Purchasing from suppliers that comply with industrial relations laws and promote secure employment	Number of Victorian Government suppliers that attest to compliance with the supplier code of conduct
Sustainable Victoria social enterprises and Aboriginal business sectors	Purchasing from Victorian social enterprises and Aboriginal businesses	Number of Victorian Aboriginal businesses engaged
Environmentally sustainable outputs	Purchasing from suppliers that consider whole-of-life impacts by providing sustainably sourced goods with the least environmental impacts which are recycled and recyclable at end-of-life	Number of Victorian Government suppliers that attest to waste minimisation and provide sustainably sourced goods and materials
Environmentally sustainable business practices	Purchasing from suppliers who prioritise management of environmental performance through recycling and waste avoidance	Number of Victorian Government suppliers with accredited Environmental Management Systems and/or zero waste to landfill target
Implementation of the Climate Change Policy Objectives	Purchasing from suppliers who have carbon-neutral policies and accreditation	Number of Victorian Government suppliers with Carbon Neutral Accreditation and number of Climate Active carbon neutral products

SPF case study: sustainable retail and catering services at the Nature Parks

Reducing plastic pollution starts with us.

Single-use plastics make up a third of the litter in our streets and waterways. They remain in the environment for a long time, harming wildlife and contaminating our food and water. The Nature Parks is committed to improved sustainability outcomes and waste management systems across all its commercial sites with a target of 100% elimination of single use plastic packaging and plastic bottles from the supply chains.

Create Catering commenced as food and beverage provider at all four attractions in August with the commitment to align with sustainability targets at the Nature Parks. Having already achieved 99% single-use plastic free, Create Catering is dedicated to reaching 100% in the coming months.

Retail store products remain at 90% single-use plastic free at the Nature Parks. There has also been a shift in single-use packaging moving to plant-based compostable packaging. The single-use plastic received in the warehouse is being recycled, however this has been impacted by the suspension of the Red Cycle program. Our Purchasing team is working closely with suppliers towards the removal of single-use plastic entirely.

GOVERNMENT ADVERTISING EXPENDITURE

In accordance with paragraph 5.16 of FRD 22H, government policy requires disclosure of all government advertising expenditure with a total media spend of \$100,000 or greater (exclusive of GST).

In 2022-23, there was no government advertising expenditure incurred by the Nature Parks during the reporting period.

Consultancy Expenditure

Details of consultancies (valued at \$10,000 or greater)

In 2022-23, there were six consultancies where the total fees payable to the consultants were \$10,000 or greater. The total expenditure incurred during 2022-23 in relation to these consultancies is \$0.3 million (excluding GST). Details of individual consultancies are outlined below:

Consultant	Purpose of consultancy	Total approved project fee (excl. GST)	Expenditure 2022-23 (excl. GST)	Future expenditure (excl. GST)
		\$	\$	\$
Bunurong Land Council	Cultural Heritage consultation	50	30	40
Deery Consulting Pty Ltd	Engineering consultancy	35	35	-
GHD Pty Ltd	Asset Management consultants	29	29	30
Meinhardt (VIC) Pty Ltd	Engineering consultancy	70	70	-
Soda Consulting Group	Business consulting	34	34	40
Ernst & Young	Business case development	105	105	-
		323	303	110

Details of consultancies under \$10 000

In 2022-23, there were three consultancies engaged, where the total fees payable to the individual consultancies were less than \$10,000. The total expenditure incurred during the year in relation to these consultancies was \$8,100 (excl. GST).

Information and communication technology expenditure

Details of information and communication technology (ICT) expenditure

For the 2022-23 reporting period, the Nature Parks had a total ICT expenditure of \$1.6 million with the details shown below.

\$thousand

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	Capital expenditure
(Total)	(Total = Operational expenditure and capital expenditure)		
1,506	63	1,386	182

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

DISCLOSURE OF MAJOR CONTRACTS

During the year ended 30 June 2023 the Nature Parks did not enter into any contracts greater than \$10 million in value.

FREEDOM OF INFORMATION

The *Freedom of Information Act 1982* (the Act) allows the public a right of access to documents held by the Nature Parks. The purpose of the Act is to extend as far as possible the right of the community to access information held by government departments, local councils, Ministers and other bodies subject to the Act.

An applicant has a right to apply for access to documents held by the Nature Parks. This comprises documents both created by the Nature Parks or supplied to the Nature Parks by an external organisation or individual, and may also include maps, films, microfiche, photographs, computer printouts, computer discs, tape recordings and videotapes.

The Act allows the Nature Parks to refuse access, either fully or partially, to certain documents or information. Examples of documents that may not be accessed include cabinet documents; some internal working documents; law enforcement documents; documents covered by legal professional privilege, such as legal advice; personal information about other people; and information provided to the Nature Parks in confidence and information that is confidential under another Act.

The Act was amended on 1 September 2017 to reduce the Freedom of Information (FOI) processing time for requests received from 45 to 30 days. However, when external consultation is required under ss29, 29A, 31, 31A, 33, 34 or 35, the processing time automatically reverts to 45 days. Processing time may also be extended by periods of 30 days, in consultation with the applicant. With the applicant's agreement this may occur any number of times. However, obtaining an applicant's agreement for an extension cannot occur after the expiry of the time frame for deciding a request.

If an applicant is not satisfied by a decision made by the Nature Parks, under Section 49A of the Act, they have the right to seek a review by the Office of the Victorian Information Commissioner (OVIC) within 28 days of receiving a decision letter.

Making a request

FOI requests can be lodged online at <https://ovic.vic.gov.au>. An application fee of \$31.80 applies. Access charges may also be payable if the document pool is large, and the search for material, time consuming.

Access to documents can also be obtained through a written request to the Freedom of Information Officer at the Nature Parks, as detailed in s17 of the Act.

When making a FOI request, applicants should ensure requests are in writing, and clearly identify what types of material/documents are being sought.

Requests for documents in the possession of the Nature Parks should be addressed to:

Freedom of Information Officer

Phillip Island Nature Parks
PO Box 97
Cowes, Victoria 3922

Freedom of Information Application Form can be downloaded from our webpage.

Freedom of Information statistics/timeliness

During 2022-23, the Nature Parks received no Freedom of Information applications.

Further information

Further information regarding the operation and scope of FOI can be obtained from the Act; regulations made under the Act; and www.foi.vic.gov.au.

COMPLIANCE WITH THE 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 obligations in accordance with the Building Regulations 2006 and was compliant in all areas.

There was one infrastructure project undertaken by the Nature Parks over \$50,000 in value in 2022-23:

- Repairs and improvements to the Penguin Parade boardwalks.

COMPETITIVE NEUTRALITY POLICY

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

The Nature Parks ensures Victoria fulfils its requirements on competitive neutrality reporting as required under the Competition Principles Agreement and Competition and Infrastructure Reform Agreement.

COMPLIANCE WITH THE PUBLIC INTEREST DISCLOSURES ACT 2012

The *Public Interest Disclosures 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.

The Nature Parks does not tolerate improper conduct by employees, nor the taking of reprisals against those who come forward to disclose such conduct. It is committed to ensuring transparency and accountability in its administrative and management practices and supports the making of disclosures that reveal corrupt conduct, conduct involving a substantial mismanagement of public resources, or conduct involving a substantial risk to public health and safety or the environment.

The 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 may be made directly to the Independent Broad-based Anti-corruption Commission (IBAC):

Level 1, North Tower, 459 Collins Street
Melbourne, VIC 3000
Phone: 1300 735 135
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 Public Interest Disclosure policy and procedures, which outline the system for reporting disclosures of improper conduct or detrimental action by the Nature Parks or any of its employees and/or officers, are available on the Nature Parks website www.penguins.org.au.

DISCLOSURES UNDER THE PUBLIC INTEREST DISCLOSURES ACT 2012

	2022-23 number	2021-22 number
The number of disclosures made by an individual to the Nature Parks and notified to the Independent Broad based Anticorruption Commission	-	-
Assessable disclosures	-	-

COMPLIANCE WITH THE DISABILITY ACT 2006

The *Disability Act 2006* reaffirms and strengthens the rights of people with a disability and recognises that this requires support across the government sector and within the community.

The Nature Parks has complied with its obligations under the *Disability Act* to prepare a *Disability Action Plan* for the purpose of reducing barriers to access goods, services and facilities; reducing barriers to a person with a disability obtaining and maintaining employment; and promoting inclusion and participation in the community and achieving tangible changes in attitudes and practices that discriminate against people with a disability as outlined below.

Reducing barriers to accessing goods, services and facilities

- Accessible and inclusive experience throughout four attractions:
 - Downloadable accessibility guides available for each site
 - Each site is tailored to visitors with mobility needs including allocated car parking spaces, wide ramp to visitor centre entrance, disabled toilet facilities, interpretive displays accessible from wheelchair height, ramp and wheelchair access, complimentary buggy service and exclusive wheelchair viewing area available at the Penguin Parade
- Changing Places facility available at the Penguin Parade Visitor Centre.
- All attractions are certified 'sensory inclusive' attractions — refer to Our Community section for details.
- Registered assistance animals are welcome at all attractions.
- Companion Card accepted across all sites.
- During 2022-23 reporting period, the Nature Parks commenced infrastructure planning and design for the Penguin Parade boardwalks and public access bathroom amenities. Objectives of these designs include compliance with the *Disability and Discrimination Act* in order to provide access for all.

Reducing barriers to persons with a disability obtaining and maintaining employment

- The Nature Parks is committed to supporting team members and their needs to ensure they have the same opportunities to succeed.
- The Nature Parks has implemented procedures and measures to help foster diversity and inclusion by providing avenues to employees and candidates by substantive equality.
- We were pleased to support a number of team members with special needs throughout this year and continue to work with them to adjust duties to adapt to their circumstances. We continue to introduce procedures to reduce barriers within our recruitment and employment practices, as well as providing learning and development.
- The Nature Parks connected with local employment agencies to reach community, engage in employment, and provide support for ongoing employment.

Promoting inclusion and participation in the community

- Sensory Night — refer to Our Community section for details.
- 'Sensory inclusive' destination — refer to Our Community section for details.
- The Nature Parks received grant funding from the Department of Families, Fairness and Housing through the *Universal Design Funding* program to replace the toilets at Pyramid Rocks to create accessible, gender-neutral toilets. Planning and design of the new toilets is complete with construction soon underway.
- The Nature Parks is in the process of upgrading a number of ageing assets at reserves and beaches, such as the Cowes-Rhyll trail, and wherever possible will improve the accessibility of the infrastructure to provide access for all.

Achieving tangible changes in attitudes and practices that discriminate against people with a disability

- As required by the *Disability Act*, the Nature Parks reports annually on the implementation of its *Disability Action Plan* in its annual report.

DISCLOSURE OF EMERGENCY PROCUREMENT

In 2022- 2023 the Nature Parks did not activate any Emergency Procurement activities.



ENVIRONMENTAL REPORTING

The Nature Parks is committed to environmental sustainability in its operations. Sustainability and greenhouse gas emissions reduction form core parts of the Nature Parks corporate strategy. The Nature Parks supports the Victorian public sector in adopting new technology that lowers emissions and increases environmental sustainability.

We strive to minimise our environmental impact by reducing energy consumption and emissions through efficiency programs, reducing waste, maintaining sustainable practices in our ground transportation and supporting green energy initiatives.

We continued our contract to use 100% renewable energy (electricity), ensuring that we can meet our target of a 50% reduction in carbon dioxide emissions by 2023 and taking the Nature Parks a step closer to achieving carbon neutrality by 2030. In 2022/23, electricity was 94% renewable.

Greenhouse gas and carbon dioxide emissions from electricity and fuels were increased with 2021-22 results. The estimated increase of greenhouse gas emission was 18.3% in 2022-23 vs 2020-21 compared with 3.2% in 2021-22 vs 2020-21 and estimated increase of carbon dioxide was 34.4% in 2022-23 vs 2020-21 compared with 14.8% in 2022-22 vs 2020-21. This is due to continue resumed post-COVID tourism operation activities.

Electricity consumption

During the reporting period 2022-23, resumption of on-site work continued in addition to increased visitor numbers, which resulted in an increase in electricity use across the Nature Parks sites. The Nature Parks continues to implement a range of energy efficiency activities across its sites to reduce electricity use. These measures include:

- Adjusted lighting schedules to reflect operational hours and optimise usage.
- Adjusted heating and cooling schedules to reflect operational hours and optimise usage.
- Changing light fittings from incandescent to LED to reduce electricity consumption.

- Cleaning and maintenance programs in place for solar energy systems to ensure they are operating at optimal efficiency.
- Design of new assets and facilities incorporating sustainability principles, for example using solar energy systems on new reserve toilet facilities.

Total electricity use continues to be monitored with consideration to developing accurate and timely reporting measures to help track and understand the effort by the Nature Parks in electricity consumption.

INDICATOR	2022-23	2021-22	2020-21
Total electricity consumption (MWh)	921.41	748.80	693.11
Purchased Electricity – Consolidated	921.41	748.80	693.11
Nature Parks Offices ^(a)	48.5	42.8	40.1
Attractions ^(b)	837.65	680.73	633.11
All other sites	35.26.8	25.2	19.9
Self-generated (MWh)	301 includes energy sold to grid – 87% is our own consumption	316 includes energy sold to grid – 85% is our own consumption	306 includes energy sold to grid – 66% is our own consumption
Total electricity offsets (MWh)	none	none	none
LGCs voluntarily retired by the Entity ^(c)	Sold to RACV	Sold to RACV	Sold to RACV
Greenpower	94%	92%	92%

Notes:

- a) These include the offices of the Nature Parks at Cowes and Koala Conservation Reserve.
- b) These include all attraction sites including the Penguin Parade, Nobbies Centre, Koala Conservation Reserve and Churchill Island.
- c) LGCs are large-scale generation certificates.



The Nobbies Visitor Centre

Transport

The fleet used by the Nature Parks comprised of 37 vehicles essential to the provision of services that require team members to travel between sites and across the island. The majority of these vehicles were used for operational and conservation purposes, and the remainder were passenger vehicles for transport of team members. Of the vehicles, 37 were internal combustion engine vehicles and 2 were hybrid vehicles.

Energy used in transport fuels increased by 3% from 2021-22 to 2022-23, while greenhouse gas emissions from transport increased by 3.3%.

The Nature Parks is planning to transition to 100% zero emissions vehicles for the shared passenger vehicle fleet within the next 12 years consistent with the Victorian Government's commitment as a signatory to the COP26 declaration on accelerating the transition to 100% zero emissions cars and vans.

INDICATOR	2022-23	%	2021-22	%	2020-21	%
Number and proportion of vehicles	37	100	39	100	39	100
Road vehicles	37	100	39	100	39	100
Passenger vehicles	28	75	30	77	30	77
Internal combustion engines	28	75	30	77	30	77
Petrol	4	14	5	16	5	16
Diesel/ Biodiesel	24	85	25	83	25	83
Hybrid	2	5	2	5	2	5
Plug-in Hybrid Electric Vehicle (PHEV)	-	-	-	-	-	-
Range-extended electric vehicle	2	5	2	5	2	5
Goods vehicles	9	25	10	23	10	23
Internal combustion engines	9	25	10	23	10	23
Petrol	2	5	2	5	2	5
Diesel/ Biodiesel	7	19	8	20	8	20
Hybrid	-	-	-	-	-	-
Plug-in Hybrid Electric Vehicle (PHEV)	-	-	-	-	-	-
Range-extended electric vehicle	-	-	-	-	-	-

Reducing waste

The Nature Parks is committed to its goal of becoming waste neutral, diverting waste from landfill and contributing to reduced greenhouse gas emissions. Our Procurement Framework promotes sustainability for our suppliers, clients, team and community.

Our achievements included:

- Single-use plastics have been removed from all retail spaces and packaging; in addition 80% of retail products have sustainable packaging.
- All food and beverage outlets are 99% plastic bottle- and single-use plastic-free with a commitment to achieve 100%.
- Greater control on product selection and presentation allowed for 90% of retail products to be single-use plastic-free.

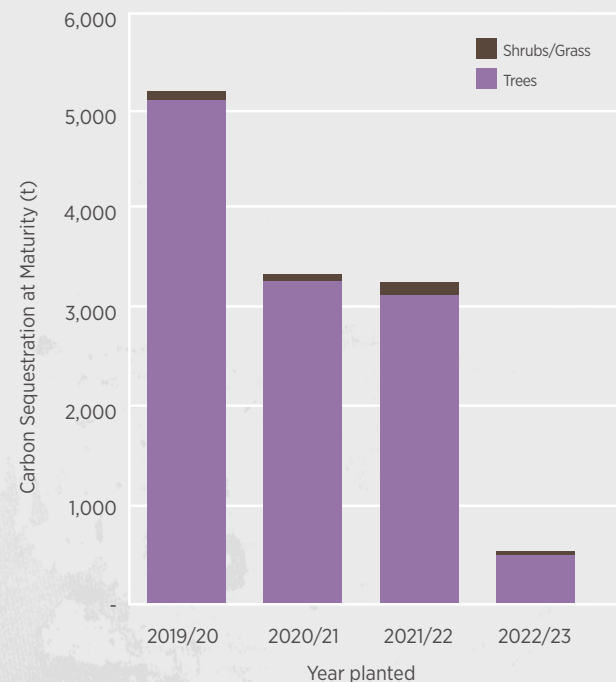
We are extremely proud of this work toward reducing waste, with our front-of-house food and beverage operations being single-use plastic-free.

Office-based initiatives to reduce waste and greenhouse gas emissions included:

- Encouraging staff to reduce environmental impacts through behaviour change.
- Recycling all office-based paper waste and reducing printed material for meetings.
- Recognising the environmental impacts of the textile industry and donating old uniforms to overseas initiatives to enable their re-use for park rangers in developing countries.
- Responsible disposal of printer consumables that are 90% recycled.
- Ensuring office printing waste is minimised by implementing print on demand processes site wide.

Carbon Dioxide sequestration

Each year the Nature Parks undertakes significant revegetation programs across the island, enabling us to calculate the carbon dioxide sequestration of these plantings. In 2022-23 plantings will sequester 511 tonnes (lifetime total) of carbon dioxide from the atmosphere once the plants reach maturity (based on the assumption that 70% of planted plants reach maturity).



SUSTAINABLE BUILDINGS AND INFRASTRUCTURE

Australia's harsh climate and scarce water resources mean the development of sustainable buildings is an economic and environmental necessity. Recent extreme weather events demonstrate the importance of addressing climate change risk across the Nature Parks operations, including when it comes to the design and management of buildings and infrastructure assets.

The Nature Parks has implemented practices across its sites, where possible, to support sustainable building and infrastructure practices. This includes adjusted lighting levels, temperature and other building systems to avoid unnecessary consumption of energy while maintaining safety and comfort of occupants. Selecting materials and providers that offer sustainable solutions.

Environmentally Sustainable Design in new buildings and infrastructure

The Nature Parks does not currently have any sites that have been assessed for NABERS Energy rating.

ADDITIONAL INFORMATION AVAILABLE ON REQUEST

In compliance with the requirements of the *Standing Directions 2018* under the *Financial Management Act 1994*, details in respect of the items listed below have been retained by the Nature Parks and are available on request, subject to the provisions of the *Freedom of Information Act 1982*.

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

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

ASSET MANAGEMENT ACCOUNTABILITY FRAMEWORK (AMAF) MATURITY ASSESSMENT

The following sections summarise the assessment of maturity against the requirements of the Asset Management Accountability Framework (AMAF) within the Nature Parks. The AMAF is a non-prescriptive, devolved accountability model of asset management that requires compliance with 41 mandatory requirements. These requirements can be found on the Department of Treasury and Finance website.

The current target maturity rating for the Nature Parks is 'competence', meaning systems and processes fully in place, consistently applied and systematically meeting the Asset Management Accountability Framework requirement, including a continuous improvement process to expand system performance above Asset Management Accountability Framework minimum requirements.

Leadership and Accountability (requirements 1-19)

The Nature Parks has met or exceeded its target maturity level under most requirements within this category.

The Nature Parks has invested in allocating asset management responsibility and other requirements. Compliance deficiencies were identified in monitoring asset performance. A plan is in place to improve the maturity rating in these areas for the Nature Parks.

Planning (requirements 20-23)

The Nature Parks has met its target maturity level in this category.

Acquisition (requirements 24 and 25)

The Nature Parks has met the maturity level in this category with further room for improvement identified and planned.

ASSET MATURITY 2022-23

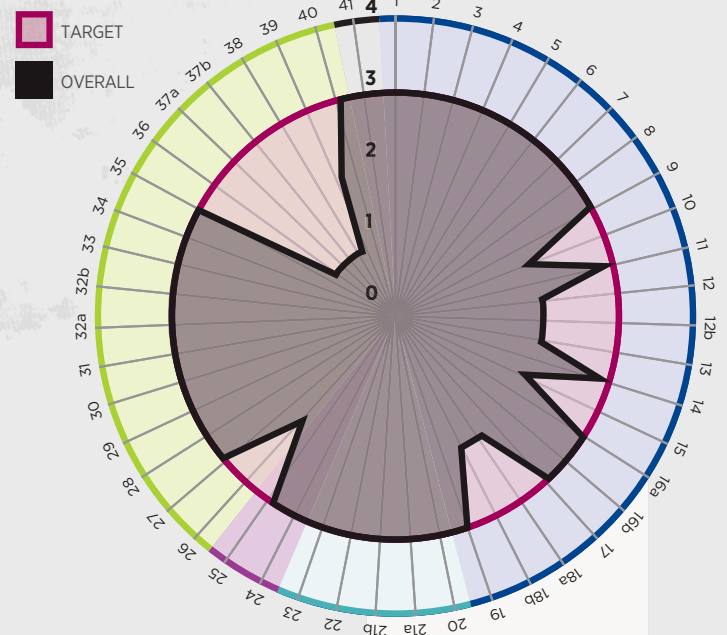


Figure 7: Nature Parks Asset maturity against the AMAF 2022-23.

Legend

Status	Scale
Not Applicable	N/A
Innocence	0
Awareness	1
Developing	2
Competence	3
Optimising	4
Unassessed	U/A

Operation (requirements 26-40)

The Nature Parks has met its target maturity level under most requirements within this category. The Nature Parks did not comply with some requirements in the areas of monitoring and preventative action, information management, and record keeping. The Nature Parks is developing a plan for improvement in these areas.

Disposal (requirement 41)

The Nature Parks has met its target maturity level in this category.



Financial review



PHILLIP ISLAND NATURE PARKS - FINANCIAL STATEMENTS

HOW THIS REPORT IS STRUCTURED

Phillip Island Nature Parks (Nature Parks) has presented its audited general-purpose financial statements for the financial year ended 30 June 2023 in the following structure to provide users with the information about the Nature Parks stewardship of resources entrusted to it.

Financial statements	Comprehensive operating statement	56		
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	Cash flow statement	58		
	Statement of changes in equity	59		
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DECLARATION IN THE FINANCIAL STATEMENTS

The attached financial statements for the Phillip Island Nature Parks have been prepared in accordance with Direction 5.2 of the Standing Directions of the Assistant Treasurer 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 2023 and financial position of the Nature Parks at 30 June 2023.

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 20 March 2024.



C Simonds

Chief Financial Officer
Phillip Island Nature Parks
20 March 2024



C Basterfield

Chief Executive Officer
Phillip Island Nature Parks
20 March 2024



K Love

Chair
Phillip Island Nature Park Board of Management
20 March 2024

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 (the authority) which comprises the:</p> <ul style="list-style-type: none">• balance sheet as at 30 June 2023• comprehensive operating statement for the year then ended• statement of changes in equity for the year then ended• cash flow statement for the year then ended• notes to the financial statements, including significant accounting policies• declaration in the financial statements. <p>In my opinion, the financial report presents fairly, in all material respects, the financial position of the authority as at 30 June 2023 and its financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the authority in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's <i>APES 110 Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Other Information	<p>The Board is responsible for the "other information" included in the authority's Annual Report for the year ended 30 June 2023. The other information in the Annual Report does not include the financial report and my auditor's report thereon. My opinion on the financial report does not cover the other information included in the Annual Report. Accordingly, I do not express any form of assurance conclusion thereon.</p> <p>In connection with my audit of the financial report, my responsibility is to read the other information when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial report, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a materially misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.</p>
Board's responsibilities for the financial report	<p>The Board of the authority is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <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. In preparing the financial report, the Board is responsible for assessing the authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

Auditor's responsibilities for the audit of the financial report

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

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

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

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

MELBOURNE
4 April 2024



Paul Martin
as delegate for the Auditor-General of Victoria

COMPREHENSIVE OPERATING STATEMENT

For the financial year ended 30 June 2023

(\$ thousand)

	NOTES	2023	2022
Continuing Operations		\$	\$
Income from transactions			
Supply of services and sale of goods	2.1.1	20,347	8,564
Grants, Donation and Sponsorship	2.1.2	1,518	1,860
Other income	2.1.4	496	172
Total income from transactions		22,361	10,596
Expenses from transactions			
Employee expenses	3.1.1	(12,780)	(11,206)
Cost of sales	3.2	(1,627)	(744)
Depreciation and amortisation	4.1.2	(3,636)	(3,771)
Other operating expenses	3.3	(6,375)	(5,464)
Total expenses from transactions		(24,418)	(21,185)
Net result from transactions (net operating balance)		(2,057)	(10,589)
Other economic flows included in net result			
Net (loss)/gain on non-financial assets		171	116
Total other economic flows included in net result		171	116
Net result		(1,886)	(10,473)
Other economic flows - other comprehensive income:			
Items that will not be reclassified to net result			
Changes in physical asset revaluation surplus	8.2	14,860	-
Total other economic flows - other comprehensive income		14,860	-
Comprehensive result		12,974	(10,473)

The accompanying notes form part of these financial statements.

BALANCE SHEET

As at 30 June 2023

(\$ thousand)

	NOTES	2023	2022
Assets		\$	\$
Financial assets			
Cash and deposits	6.3	7,076	4,771
Receivables	5.1	671	239
Total financial assets		7,747	5,010
Non-financial assets			
Inventories	5.4	418	245
Property, plant and equipment	4.1	150,607	138,445
Intangibles	4.2	89	-
Other non-financial assets		241	205
Total non-financial assets		151,355	138,895
Total assets		159,102	143,905
Liabilities			
Payables	5.2	1,839	1,214
Contract Liabilities	5.3	3,173	1,595
Lease Liability	6.1	957	1,072
Employee related provisions	3.1.2	2,413	2,277
Total liabilities		8,382	6,158
Net assets		150,720	137,747
Equity			
Accumulated surplus/(deficit)		(2,305)	(418)
Physical asset revaluation surplus	8.2	75,032	60,172
Contributed capital	8.8	77,993	77,993
Net worth		150,720	137,747

The accompanying notes form part of these financial statements.

CASH FLOW STATEMENT

For the financial year ended 30 June 2023

(\$ thousand)

	NOTES	2023	2022
Cash flows from operating activities		\$	\$
Receipts from customers and other entities		22,768	10,012
Receipts from Government		1,244	1,470
Interest received		161	7
Payments to suppliers and other expenses		(6,738)	(5,156)
Payments to employees		(12,781)	(11,206)
Goods and services tax paid from the ATO		(1,333)	(352)
Net cash flows from operating activities	6.3.1	3,321	(5,225)
Cash flows from investing activities			
Payments for property, plant and equipment		(887)	(840)
Payments for intangibles		(89)	-
Proceeds from property, plant and equipment		172	116
Net cash flows used in investing activities		(804)	(724)
Cash flows from financing activities			
Payment of borrowings and Principal portion of Lease Liability		(212)	(204)
Net cash flows from financing activities		(212)	(204)
Net decrease in cash and cash equivalents		2,305	(6,153)
Cash and cash equivalents at beginning of financial year		4,771	10,924
Cash and cash equivalents at end of financial year	6.3	7,076	4,771

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

For the financial year ended 30 June 2023

(\$ thousand)

	NOTES	PHYSICAL ASSET REVALUATION SURPLUS	ACCUMULATED SURPLUS/ (DEFICIT)	CONTRIBUTION BY OWNER	TOTAL
		\$	\$	\$	\$
Balance at 1 July 2021		60,172	10,055	77,993	148,220
Net result from continuing operations		-	(10,473)	-	(10,473)
Balance at 30 June 2022		60,172	(418)	77,993	137,747
Net result from continuing operations		-	(1,886)	-	(1,886)
Other comprehensive income for the year		14,860	-	-	14,860
Balance at 30 June 2023		75,032	(2,305)	77,993	150,720

The accompanying notes form part of these financial statement.

1. ABOUT THIS REPORT

The financial statements cover the Phillip Island Nature Park Board of Management (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 Land (Reserves) Act 1978*.

Its principal address is:

Phillip Island Nature Parks
154-156 Thompson Avenue
Cowes VIC 3922

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

BASIS OF PREPARATION

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

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

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

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

Transfers of net assets arising from administrative restructurings are treated as distributions to or contributions by owners. Transfers of net liabilities arising from administrative restructurings are treated as distributions to 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 AASB that have significant effects on the financial statements and estimates are disclosed in the notes under the heading: 'Significant judgement or estimates'.

Phillip Island Nature Parks going concern disclosure

The Nature Parks has been operating under a Letter of Financial Comfort from the Victorian State Government guaranteeing that the Nature Parks will be able to meet its financial liabilities and has to date, provided funding support of \$11.5M between June 2020–June 2023 in response to the unprecedented economic uncertainty and impact of COVID-19. This support ensures the Nature Parks can continue to meet its current and future obligations as and when they fall due.

Subsequent to the reporting period a Letter of Financial Comfort was extended to 30 November 2024 and as a result, the Board has formed the view that the Nature Parks can continue to meet its commitments as a going concern for the foreseeable future.

Operations of the Nature Parks were impacted due to disruptions caused by COVID-19, this included site closures, a reduction in overall site capacity and travel restrictions impacting both domestic and international tourism arrivals. COVID-19 resulted in immediate and material impacts to the Nature Parks and a sustained loss of revenue, casting continuing uncertainty on the entity's financial ability to continue to deliver services.

To mitigate this risk, the Minister for Environment has provided a Letter of Financial Comfort to the Nature Parks. The Victorian Government has extended its guarantee to the Nature Parks to meet its financial liabilities when they fall due until November 2024.

1. ABOUT THIS REPORT (CONTINUED)

A Letter of Financial Comfort extending until November 2024 provides the Board with the confidence that the Nature Parks can continue to invest in critical infrastructure renewal and deliver services to the community. This work will address aged and deteriorating assets in essential areas of the Nature Parks operations and is expected to result in the need for cash support. The Board would not be in a position to engage in large contracts to progress these works without the support from the Victorian State Government under the Letter of Financial Comfort and it is grateful for the support provided.

The Nature Parks continues to monitor the financial and non-financial impacts of post COVID-19 and the economic environment on its operations and cashflow. Appropriate mitigation strategies have been implemented, such as reducing all non-critical expenditure and non-critical capital projects. Cashflow forecasts are prepared applying key assumptions relating to admissions revenue, attraction capacity, critical maintenance and investment in capital projects. The Nature Parks continues to monitor and update these assumptions and projections as part of its ongoing cashflow management.

The Nature Parks is working closely with the Department of Energy, Environment and Climate Action to ensure that an appropriate funding model is developed to continue its operations.

The current support provided by the State Government has been provided with the following conditions:

- Continuing to work with the Department of Energy, Environment and Climate Action (DEECA) to monitor its financial sustainability;
- Taking all necessary steps to minimise expenditure, including deferring discretionary internal projects, while maintaining core activities;
- Drawing down on existing funding sources, including uncommitted cash reserves and liquidating tradeable equity investments (unless significantly disadvantageous);
- Information to support the application of these conditions and any funding requests is provided to DEECA and the Department of Treasury and Finance as requested.

The Nature Parks has identified the following account balances that have been impacted by COVID-19 and the current economic environment due to management's judgement and assumptions about the future and a source of estimate uncertainty, including:

- Supply of services and sale of goods
- Grants from government
- Cost of sales
- Operating expenses
- Receivables and expected credit loss provision
- Payables
- Going concern
- Subsequent events

In conclusion, the Board has determined that the going concern assumption remains the appropriate basis for the preparation of the 2022-23 annual financial report.

All amounts in the financial statements have been rounded to the nearest \$1,000 unless otherwise stated.

COMPLIANCE INFORMATION

These general-purpose financial statements have been prepared in accordance with the FMA and applicable Australian Accounting Standards (AASs), which include Interpretations, issued by the Australian Accounting Standards Board (AASB). In particular, they are presented in a manner consistent with the requirements of AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

Where appropriate, those AASs paragraphs applicable to not-for-profit entities have been applied. Accounting policies selected and applied in these financial statements ensure that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

2. FUNDING DELIVERY OF OUR SERVICES

Introduction

The Phillip Island Nature Parks (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 four main visitor attractions for which it receives revenue from admissions and commercial sales.

Structure

2.1	Income from transactions	62
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Significant judgement: Grants revenue

The Nature Parks has made judgement on the recognition of grant revenue as income of not-for-profit entities where they do not contain sufficiently specific performance obligations. Income from grants that are enforceable and with sufficiently specific performance obligations and accounted for as revenue from contracts with customers is recognised when the Nature Parks satisfied the performance obligation by providing the relevant delivery or services to the relevant grantor. Income from grants to construct the capital assets that are controlled by the Nature Parks are recognised progressively as the asset is constructed. The progressive percentage costs incurred is used to recognise income because this most closely reflects the progress to completion as costs are incurred as the works are done.

2.1 INCOME FROM TRANSACTIONS

2.1.1 Sale of goods and services

(\$ thousand)

	NOTES	2023	2022
		\$	\$
Supply of services - Admissions		16,442	6,802
Sale of goods - Retail and souvenirs		3,905	1,762
Total supply of services and sale of goods		20,347	8,564

The sale of goods and services included in the table above are transaction that the Nature Parks has determined to be classified as revenue from contracts with customers in accordance with AASB 15.

The Nature Parks tourism operations were significantly impacted as a result of the impact of COVID-19 and the subsequent travel restrictions. Tourism recovery in 2022-23 has contributed a 138% greater revenue result compared with 2021-22 result. There was an overall increase in visitors to the Nature Parks ticketed attractions 118% versus 2021-22 reporting period and (22)% less than 2018-19 reporting period, (pre-COVID).

Performance obligations and revenue recognition policies

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

- Customers obtain control of the supplies and consumables at a point in time when the goods are transferred to and have been accepted by the customer.
- Revenue from the sale of goods is recognised when the goods are transferred and have been accepted by the customer.
- Revenue from the rendering of services is recognised at a point in time when the performance obligation is satisfied when the service is completed; and over time when the customer simultaneously receives and consumes the services as it is provided.

Customers are invoiced and revenue is recognised when the goods are delivered and accepted by customers. For services rendered, where customers simultaneously receive and consume the services as it is provided, the customer is subsequently invoiced in accordance with the terms of the service agreement. For other customers that are only able to consume the services when they have been completed, revenue is only recognised upon completion and delivery of the services. In rare circumstance where there may be a change in the scope of services provided, the customer will be provided with a new contract for the additional services to be rendered and revenue is recognised consistent with

2. FUNDING DELIVERY OF OUR SERVICES (CONTINUED)

2.1.1 Sale of goods and services (continued)

accounting policy above.

For contracts that permit the customer to return an item, revenue is recognised to the extent it is highly probable that a significant cumulative reversal will not occur as our revenue policy is generally non-refundable. Therefore, the amount of revenue recognised is adjusted for the expected returns, which are estimated based on the historical data. In these circumstances, a refund liability and a right to recover returned goods asset are recognised.

The right to recover the returned goods asset is measured at the former carrying amount of the inventory less any expected costs to recover goods. The Nature Parks reviews its estimate of expected returns at each reporting date and considers likely returns and recognition of revenue from the sale of goods as a result of the adoption of AASB 15.

Consideration received in advance of recognising the associated revenue from the customer is recorded as a contract liability (Note 5.3). Where the performance obligations is satisfied but not yet billed, a contract asset is recorded (Note 5.1).

2.1.2 Grants

(\$ thousand)

	NOTES	2023	2022
		\$	\$
Grants from Government		1,244	1,470
Other grants, donations and sponsorship		274	390
Total grant income		1,518	1,860

Grants recognised under AASB 1058

The Nature Parks has determined that the grant income is recognised as income of not-for-profit entities in accordance with AASB 1058, except for grants that are enforceable and with sufficiently specific performance obligations and accounted for as revenue from contracts with customers in accordance with AASB 15.

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

- contributions by owners, in accordance with AASB 1004
- revenue or a contract liability arising from a contract with a customer, in accordance with AASB 15
- a lease liability in accordance with AASB 16
- a financial instrument, in accordance with AASB 9
- a provision, in accordance with AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*.

The Nature Parks received State Government financial support \$1.0M received August 2022 and \$227K received December 2022 to mitigate the impact of COVID-19 and ensure the ongoing operations of the Nature Parks.

There is an exception where a transfer of a financial asset is to enable an entity to acquire or construct a recognisable non-financial asset that will be controlled by the entity. This exception applies to a transfer that:

- requires the Nature Parks to use that financial asset to acquire or construct a recognisable non-financial asset to identified specifications.
- does not require the Nature Parks to transfer the non-financial asset to the transferor or other parties.
- occurs under an enforceable agreement. The Nature Parks shall recognise a liability for the excess of the initial carrying amount of a financial asset received in such a transfer over any related amounts recognised. The Nature Parks shall recognise income in profit or loss when the entity satisfies its obligations under the transfer.

The Nature Parks received State Government funding through the Department of Jobs, Skills, Industry and Regions of \$1.0M 2022-23 and \$1.0M 2021-2022, for the construction of a non-financial asset. This has been recognised under AASB 1058 as a liability until the terms of the agreement for the construction of the non-financial asset are satisfied.

2. FUNDING DELIVERY OF OUR SERVICES (CONTINUED)

Grants recognised under AASB 15

Income from grants that are enforceable and with sufficiently specific performance obligations are accounted for as revenue from contracts with customers under AASB 15. Revenue is recognised when the Nature Parks satisfies the performance obligation by providing the relevant services to the relevant parties. This is recognised based on the consideration specified in the funding agreement and to the extent that it is highly probable a significant reversal of the revenue will not occur. The funding payments are normally received in advance or shortly after the relevant obligation is satisfied.

2.1.3 Fair value of assets and services received free of charge or for nominal consideration recognised as income

Voluntary Services: Contributions in the form of services are only recognised when a fair value can be reliably determined, and the services would have been purchased if not donated. The Nature Parks has assessed those services provided by volunteers, if not donated, may not be replaced to deliver its services.

2.1.4 Other income

(\$ thousand)

	NOTES	2023	2022
		\$	\$
Interest received		161	7
Education tours and school camps		40	46
Rental income		212	63
Miscellaneous income		83	56
Total other income		496	172

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 are recognised on a straight-line basis over the term of the agreement.

Miscellaneous income represents all other income received from activities including the sale of plants, livestock and permits. Miscellaneous income is recognised in the period it is received.

3. THE COST OF DELIVERING SERVICES

Introduction

This section provides an account of the expenses incurred by the Phillip Island Nature Parks (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. Section 4 discloses aggregated information in relation to the income and expenses by output.

Structure

3.1	Expenses incurred in delivery of services	65
3.2	Cost of sales	67
3.3	Other operating expenses	68

3.1 EXPENSES INCURRED IN DELIVERY OF SERVICES

3.1.1 Employee benefits in the comprehensive operating statement (\$ thousand)

	NOTES	2023	2022
		\$	\$
Salaries and wages		10,156	9,017
Payroll tax and Workcover		365	264
Superannuation		1,152	975
Movement in annual leave and long service leave provisions		1,107	950
Total employee expenses		12,780	11,206

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.

3.1.2 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.

	NOTES	2023	2022
		\$	\$
Current provisions			
Annual leave			
Unconditional and expected to settle within 12 months		638	624
Long service leave			
Unconditional and expected to settle within 12 months		151	209
Unconditional and expected to settle after 12 months		687	671
Provisions for on costs			
Unconditional and expected to settle within 12 months		111	109
Unconditional and expected to settle after 12 months		99	90
Accrued wages		424	348
Total current provisions for employee benefits		2,110	2,051
Non-current provisions			
Employee benefits		265	199
On-costs		38	27
Total non-current provisions for employee benefits		303	226
Total provisions for employee benefits		2,413	2,277

3. THE COST OF DELIVERING SERVICES (CONTINUED)

3.1.2 Employee benefits in the balance sheet (continued)

Reconciliation of movement in on-cost provision	(\$ thousand)	
	2023	2022
	\$	\$
Opening balance	226	222
Additional provisions recognised	142	104
Reduction arising from payments	(120)	(100)
Closing balance	248	226
Current	210	199
Non-current	38	27

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 Statement of Comprehensive Income 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 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 either:

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

Conditional LSL is disclosed as a non-current liability. There is a conditional 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.

Any gain or loss following revaluation of the present value of non-current LSL liability is recognised as a transaction, except to the extent that a gain or loss arises due to changes in bond interest rates for which it is then recognised as an 'other economic flow' in the net result.

3. THE COST OF DELIVERING SERVICES (CONTINUED)

3.1.3 Superannuation contributions

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

(\$ thousand)

	Rate		Paid contribution for the year		Contribution outstanding at year end	
	2023	2022	2023	2022	2023	2022
	%	%	\$	\$	\$	\$
Accumulated Funds (Vision)	10.50	10.00	501	487	-	-
Accumulated Funds (Other)	10.50	10.00	792	664	-	-
Defined Benefits Fund (Vision) ^(a)	10.50	10.00	8	14	-	-
Total			1,301	1,165	-	-

Note: (a) The basis for determining the level of contributions is determined by the various actuaries of the defined benefit superannuation plans.

3.2 COST OF SALES

(\$ thousand)

	2023	2022
	\$	\$
Cost of sales - Retail and souvenirs	1,627	744
Total cost of sales	1,627	744

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. 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.

The increase in cost of sales — retail and souvenirs is directly related and proportionate to the increase in sales as detailed in Note 2.1.1. The amount of any reversal of any write down of inventories, arising from an increase in net realisable value, shall be recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

3.3 OTHER OPERATING EXPENSES

(\$ thousand)

	2023	2022
	\$	\$
Advertising	212	167
Bank Charges	310	153
Consultants & other advice	299	358
Contractors	2,544	2,240
Doubtful debt	2	26
Fringe benefits tax	42	25
Insurance (excluding motor vehicle)	140	135
Lease expense	-	6
Legal expenses	223	62
Materials and supplies	621	410
Motor vehicle expenses	157	162
Memberships, licences and commissions	546	550
Repairs and maintenance	289	276
Utilities	359	292
Training	106	185
Telephone and internet	108	166
Travel and entertainment	116	60
Miscellaneous expense	301	191
Total other operating expenses	6,375	5,464

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

As a result of a significant increase in visitation versus prior year, and not restrictions on trade, other operating expenditure increased \$912K versus prior year.

Supplies and services are recognised as an expense in the reporting period in which they are incurred. The carrying amounts of any inventories held for distribution are expensed when the inventories are distributed.

4. KEY ASSETS AVAILABLE TO SUPPORT OUTPUT DELIVERY

Introduction

The Nature Parks controls infrastructure and other investments 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.

Structure

4.1	Total property, plant and equipment	69
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Significant judgement: Fair value measurement

Where the assets included in this section are carried at fair value, additional information is disclosed in Note 7.3 in connection with how those fair values were determined.

4.1 TOTAL PROPERTY, PLANT AND EQUIPMENT

(\$ thousand)

	Gross carrying amount 2023	Accumulated depreciation 2023	Net carrying amount 2023
	\$	\$	\$
Land at fair value	65,016	-	65,016
Buildings at fair value	89,787	(10,736)	79,051
ROU Buildings at fair value	1,364	(595)	769
Boardwalks at fair value	2,935	(1,243)	1,692
Car parks at fair value	1,975	(688)	1,287
Motor vehicles at fair value	1,612	(1,099)	513
Furniture and fittings at fair value	2,159	(1,792)	367
Plant and equipment at fair value	3,662	(3,059)	603
ROU Plant and equipment at fair value	184	(118)	66
Computer hardware at fair value	1,349	(1,187)	162
Leasehold improvements at fair value	961	(251)	710
Work in progress at cost	370	-	370
Net carrying amount	171,374	(20,768)	150,607

(\$ thousand)

	Gross carrying amount 2022	Accumulated depreciation 2022	Net carrying amount 2022
	\$	\$	\$
Land at fair value	58,946	-	58,946
Buildings at fair value	80,927	(8,482)	72,445
ROU Buildings at fair value	1,310	(429)	881
Boardwalks at fair value	2,669	(1,057)	1,612
Car parks at fair value	1,975	(598)	1,377
Motor vehicles at fair value	1,525	(1,222)	303
Furniture and fittings at fair value	2,159	(1,484)	675
Plant and equipment at fair value	3,530	(2,848)	682
ROU Plant and equipment at fair value	184	(74)	110
Computer hardware at fair value	1,299	(1,057)	242
Leasehold improvements at fair value	961	(187)	774
Work in progress at cost	398	-	398
Net carrying amount	155,883	(17,438)	138,445

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

4.1.1 Total right-of-use assets: buildings, plant, equipment and vehicles

(\$ thousand)

	Gross carrying amount 2023	Accumulated depreciation 2023	Net carrying amount 2023
	\$	\$	\$
Buildings at fair value	1,364	(595)	769
Plant and equipment at fair value	184	(118)	66
Net carrying amount	1,548	(713)	835

	Gross carrying amount 2022	Accumulated depreciation 2022	Net carrying amount 2022
	\$	\$	\$
Buildings at fair value	1,310	(429)	881
Plant and equipment at fair value	184	(74)	110
Net carrying amount	1,494	(503)	991

	Buildings	Plant and Equipment
	\$	\$
Opening balance - 1 July 2022	881	110
Additions	54	-
Disposals	-	-
Depreciation	(166)	(44)
Closing balance - 30 June 2023	769	66

(\$ thousand)

	Buildings	Plant and Equipment
	\$	\$
Opening balance - 1 July 2021	948	106
Additions	98	42
Disposals	-	-
Depreciation	(165)	(38)
Closing balance - 30 June 2022	881	110

Right-of-use asset acquired by lessees – Initial measurement

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

- any lease payments made at or before the commencement date less any lease incentive received; plus
- any initial direct costs incurred; and
- an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

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

Right-of-use asset – Subsequent measurement

The Nature Parks depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The right-of-use assets are also subject to revaluation.

In addition, the right-of-use asset is periodically reduced by impairment losses, if any and adjusted for certain remeasurements of the lease liability.

Specialised land and specialised buildings: The market approach is also 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 reflects the valuer's assessment of the impact of restrictions associated with an asset to the extent that the CSO adjustment is also equally applicable to market participants.

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

Vehicles are valued using the current replacement cost method. The Nature Parks acquires new vehicles and at times disposes of them before the end of their economic life. The process of acquisition, use and disposal in the market is managed by experienced fleet managers in the Nature Parks who set relevant depreciation rates during use to reflect the utilisation of the vehicles.

Fair value for **plant and equipment** that are specialised in use (such that it is rarely sold other than as part of a going concern) is determined using the current replacement cost method.

Refer to Note 7.3 for additional information on fair value determination of property, plant and equipment.

Impairment of property, plant and equipment

The recoverable amount of primarily non-cash-generating assets of not-for-profit entities, which are typically specialised in nature and held for continuing use of their service capacity, is expected to be materially the same as fair value determined under AASB 13 *Fair Value Measurement*, with the consequence that AASB 136 does not apply to such assets that are regularly revalued.

4.1.2 Depreciation and amortisation

Charge for the period	(\$ thousand)	
	2023	2022
	\$	\$
Depreciation		
Buildings	2,254	2,217
Boardwalks	186	170
Car parks	91	91
Motor vehicles	136	129
Furniture and fittings	308	306
Plant and equipment	211	235
Leasehold Improvements	64	64
Computer hardware	131	356
Total depreciation	3,381	3,568
Amortisation		
Software	45	-
Right of use Asset	210	203
Total amortisation	255	203
Total depreciation and amortisation	3,636	3,771

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

4.1.2 Depreciation and amortisation (continued)

All buildings, plant and equipment and other non-financial physical assets that have finite useful lives, are depreciated. The exceptions to this rule include items under assets held for sale, land and investment properties.

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

Asset	Useful Life (years)
Buildings	3 to 40
Boardwalks	3 to 10
Car parks	3 to 20
Leasehold Improvements	10 to 15
Motor vehicles	5
Furniture, fittings and equipment	3 to 5
Computer hardware and software	3 to 5

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

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term. Where the Nature Parks obtains ownership of the underlying leased asset or if the cost of the right-of-use asset reflects that the entity will exercise a purchase option, the entity depreciates the right-of-use asset over its useful life.

Leasehold improvements are depreciated over the shorter of the lease term and their useful lives.

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

4.1.3 Reconciliation of movements in carrying amount of property, plant and equipment^(a)

(\$ thousand)

	Crown Land	Buildings	Boardwalks	Car parks	Motor vehicles	Furniture & fittings	Plant & equipment	Computer hardware	Leasehold improvements	Work in progress	Total property, plant & equipment
2023	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Carrying amount as at 1 July 2022	58,946	73,326	1,612	1,377	303	675	792	242	774	398	138,445
Additions	-	125	266	-	348	-	132	50	-	-	922
Transfer from work in progress	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	(2)	-	-	-	-	(28)	(30)
Revaluation	6,070	8,790	-	-	-	-	-	-	-	-	14,860
Depreciation and amortisation expense	-	(2,421)	(186)	(90)	(136)	(308)	(255)	(130)	(64)	-	(3,590)
Carrying amount as at 30 June 2023	65,016	79,820	1,692	1,287	513	367	669	162	710	370	150,607

Note: (a) Fair value assessments have been performed for all classes of assets in this purpose group and the decision was made that movements were material (greater than or equal to 10 per cent) for a managerial revaluation. The next scheduled full revaluation for this purpose group will be conducted in 2026.

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

4.1.3 Reconciliation of movements in carrying amount of property, plant and equipment (continued)

(\$ thousand)

	Crown Land	Buildings	Boardwalks	Car parks	Motor vehicles	Furniture & fittings	Plant & equipment	Computer hardware	Leasehold improvements	Work in progress	Total property, plant & equipment
2022	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Carrying amount as at 1 July 2021	58,946	75,619	1,746	1,468	220	965	901	326	839	207	141,237
Additions	-	124	36	-	211	16	128	273	-	191	979
Transfer from work in progress	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-	-	-	-
Depreciation and amortisation expense	-	(2,417)	(170)	(91)	(128)	(306)	(237)	(357)	(65)	-	(3,771)
Carrying amount as at 30 June 2022	58,946	73,326	1,612	1,377	303	675	792	242	774	398	138,445

4.2 INTANGIBLE ASSETS

(\$ thousand)

	2023	2022
Non-current	\$	\$
Software at cost	2,448	2,315
Less accumulated amortisation	(2,359)	(2,315)
Net book value at end of financial year	89	-

	2023	2022
Non-current	\$	\$
Opening balance	-	-
Additions	133	-
Retirement	-	-
Less amortisation	(44)	-
Net book value at end of financial year	89	-

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 begin when the asset is available for use, that is, when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Subsequent measurement

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

Introduction

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

Structure

5.1	Receivables	74
5.2	Payables	74
5.3	Contract Liabilities	75
5.4	Inventories	76

5.1 RECEIVABLES

	(\$ thousand)	
	2023	2022
Contractual	\$	\$
Sale of goods and services	884	443
Allowance for impairment losses of contractual receivables	(214)	(213)
Other receivables	1	9
Total contractual receivables	671	239

Represented by

Current receivables	671	239
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Contractual receivables are classified as financial instruments and categorised as 'financial assets at amortised costs'. They are initially recognised at fair value plus any directly attributable transaction costs. The Nature Parks holds the contractual receivables with the objective to collect the contractual cash flows and therefore subsequently measured at amortised cost using the effective interest method, less any impairment.

Statutory receivables do not arise from contracts and are recognised and measured similarly to contractual receivables (except for impairment) but are not classified as financial instruments for disclosure purposes. The Nature Parks applies AASB 9 for initial measurement of the statutory receivables and, as a result, statutory receivables are initially recognised at fair value plus any directly attributable transaction cost.

In 2019-20 financial year, the Nature Parks recognised an increase in allowance of expected credit losses of contractual receivables because of COVID-19. The increase in allowance recognises that due to the immediate and direct impact of COVID-19 on many of the Nature Parks tourism partners, management made specific judgements related to the likelihood of recovery of funds. The expected credit loss allowance was adjusted down each financial year since 2020-21 acknowledging the reduction in exposure to outstanding debtor account balances. Details about the Nature Parks impairment policies, the Nature Parks exposure to credit risk and the calculation of the loss allowance are set out in Note 7.1.2

5.2 PAYABLES

	(\$ thousand)	
	2023	2022
Contractual	\$	\$
Supplies and services	494	252
Accrued expenses	1,181	850
Total contractual payables	1,675	1,102

Statutory

GST Payable	164	111
Total statutory payables	164	111

Represented by

Current payables	1,839	1,214
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5. OTHER ASSETS AND LIABILITIES (CONTINUED)

5.2 Payables (continued)

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.
- **statutory payables:** Recognised and measured similarly to contractual payables, but not classified as financial instruments and not included in the category of financial liabilities at amortised cost, because they do not arise from contracts.

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

The following table discloses the maturity of contractual financial liabilities.

(\$ thousand)

	Carrying amount	Nominal amount	Maturity dates			
			Less than 1 month	1-3 months	3 months - 1 year	1-5 years
2023	\$	\$	\$	\$	\$	\$
Payables	1,675	1,675	1,635	39	1	-
Total payables	1,675	1,675	1,635	39	1	-
2022						
Payables	1,102	1,102	1,056	38	8	-
Total payables	1,102	1,102	1,056	38	8	-

5.3 CONTRACT LIABILITIES

(\$ thousand)

	2023	2022
Contract Liabilities	\$	\$
Opening balance	1,595	381
Add: Payments received for performance obligations yet to be completed during the period	330	236
Add: Grant consideration for sufficiently specific performance obligations received during the year	1,745	1,476
Less: Revenue recognised in the reporting period for the completion of a performance obligation	(236)	(106)
Less: Grant revenue for sufficiently specific performance obligations works recognised consistent with the performance obligations met during the year	(261)	(392)
Total contract liabilities	3,173	1,595
Represented by		
Current contract liabilities	3,173	1,595

Contract liabilities include consideration received in advance from customers in respect of ticket purchasing. Invoices are raised once the tickets for attractions have been booked and paid. The balance of contract liabilities was significantly higher at 30 June 2023 as the Nature Parks continued its recovery post COVID-19. A large number of advances were received for forward bookings yet to visit.

5. OTHER ASSETS AND LIABILITIES (CONTINUED)

5.4 INVENTORIES

	(\$ thousand)	
	2023	2022
	\$	\$
Current inventories		
Inventories held for sale at cost		
Penguin Parade	196	107
Koala Conservation Reserve	63	30
Nobbies	75	41
Churchill Island	88	96
Total current inventories	422	274
Less provision for inventory obsolescence	(4)	(29)
Total inventories	418	245

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. Where inventories are acquired for no cost or nominal consideration, they are measured at current replacement cost at the date of acquisition.

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

	(\$ thousand)	
	2023	2022
	\$	\$
Balance at the beginning of the year	(29)	(62)
Decrease in provision recognised in profit or loss	26	33
Balance at end of the year	(4)	(29)

6. HOW WE FINANCED OUR OPERATIONS

Introduction

This section provides information on the sources of finance utilised by the Nature Parks during its operations, along with interest expenses (the cost of borrowings) and other information related to financing activities of the Nature Parks.

This section includes disclosures of balances that are financial instruments (such as borrowings and cash balances). Notes 7.1 provide additional, specific financial instrument disclosures.

Structure

6.1	Borrowings	77
6.2	Leases	77
6.3	Cash flow information and balances	79
6.4	Commitments for expenditure	80

6.1 BORROWINGS

(\$ thousand)

	2023	2022
Current borrowings	\$	\$
Lease liabilities ^(a)	196	177
Total current borrowings	196	177
Non-current borrowings		
Lease liabilities	762	895
Total non-current borrowings	762	895
Total borrowings	957	1,072

Notes: (a) Secured by the assets leased. Leases liabilities are effectively secured as the rights to the leased assets revert to the lessor in the event of default.

'Borrowings' refer to interest bearing liabilities mainly raised from lease liabilities.

Borrowings are classified as financial instruments. Interest bearing liabilities are classified at amortised cost unless the Nature Parks elects to irrevocably designate them at fair value through profit or loss at initial recognition. The election depends on the nature and purpose of the interest-bearing liabilities.

Interest expense

(\$ thousand)

	2023	2022
	\$	\$
Interest expense on lease liabilities	44	41
Total interest expense	44	41

'Interest expense' includes costs incurred in connection with the borrowing of funds and includes short-term and long-term borrowings, amortisation of discounts or premiums relating to borrowings, interest component of lease repayments.

Interest expense is recognised in the period in which it is incurred.

The Nature Parks recognises borrowing costs immediately as an expense, even where they are directly attributable to the acquisition, construction or production of a qualifying asset.

6.2 LEASES

Information about leases for which the Nature Parks is a lessee is presented below.

The Nature Parks leasing activities

The Nature Parks leases various properties and IT equipment. The lease contracts are typically made for fixed periods of 1-10 years with an option to renew the lease after that date. Lease payments for properties are renegotiated every five years to reflect market rentals.

Leases of IT equipment with contract terms of 1-5 years are either short-term and or/leases of low-value items. The Nature Parks elected not to recognise right-of-use assets and lease liabilities for these leases.

6.2.1 Right-of-use Assets

Right-of-use assets are presented in Note 4.1.

6. HOW WE FINANCED OUR OPERATIONS (CONTINUED)

6.2.2 Amounts recognised in the Comprehensive Operating Statement

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

	(\$ thousand)	
	2023	2022
	\$	\$
Interest expense on lease liabilities	44	41
Expenses relating to leases of low-value assets	-	7
Total amount recognised in the statement of comprehensive statement	44	48

6.2.3 Amounts recognised in the Statement of Cashflows

The following amounts are recognised in the Statement of Cashflows for the year ending 30 June 2023 relating to leases.

	(\$ thousand)	
	2023	2022
	\$	\$
Total cash outflow for leases	212	210

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

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

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

Separation of lease and non-lease components

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

Recognition and measurement of leases as a lessee

Lease Liability - initial measurement

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

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

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

Lease Liability - subsequent measurement

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

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

Short-term leases and leases of low-value assets

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

Presentation of right-of-use assets and lease liabilities

The Nature Parks presents right-of-use assets as 'property plant equipment' unless they meet the definition of investment property, in which case they are disclosed as 'investment property' in the balance sheet. Lease liabilities are presented as 'borrowings' in the balance sheet.

6. HOW WE FINANCED OUR OPERATIONS (CONTINUED)

6.3 CASH FLOW INFORMATION AND BALANCES

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

	(\$ thousand)	
	2023	2022
	\$	\$
Cash on hand	5	5
Cash at bank - trading account	3,053	2,274
Cash at bank - major project	3,090	1,592
Cash at bank - defined benefits contingency fund	928	900
Balance as per cash flow statement	7,076	4,771

6.3.1 RECONCILIATION OF NET RESULT FOR THE PERIOD TO CASH FLOW FROM OPERATING ACTIVITIES

	(\$ thousand)	
	2023	2022
	\$	\$
Net result for the period	(1,886)	(10,473)
Non-cash movements		
(Gain) on sale or disposal of non-current assets	(171)	(116)
Depreciation of non-current assets	3,425	3,568
Amortisation of Right of Use assets	210	203
Other non-cash movements	44	42
Movements in assets and liabilities		
(Increase) in receivables & other current assets	(432)	(114)
(Increase) in inventory	(173)	205
Increase in payables	590	225
Increase in contract liabilities	1,578	1,214
Increase in employee provisions	136	21
Net cash outflows from operating activities	3,321	(5,225)

6. HOW WE FINANCED OUR OPERATIONS (CONTINUED)

6.4 COMMITMENTS FOR EXPENDITURE

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

6.4.1 Total commitments payable

(\$ thousand)

Nominal amounts 2023	Less than 1 year	1 - 5 years	5+ years	Total
None in 2023				
2022				
Capital expenditure commitments payable	-	-	-	-
Operating lease commitments payable ^(a)	7	-	-	7
Total commitments (inclusive of GST)	7	-	-	7
Less GST recoverable	1	-	-	1
Total commitments (exclusive of GST)	6	-	-	6

Notes: (a) Operating lease commitments relate to low value leases for which AASB 16 exemption option has been elected.

7 RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS

Introduction

The Phillip Island Nature Parks (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.

Structure

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7.3	Fair value determination	86

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*.

Guarantees issued on behalf of the Nature Parks are financial instruments because, although authorised under statute, terms and conditions for each financial guarantee may vary and are subject to an agreement.

Categories of financial assets

Financial assets at amortised cost

Financial assets are measured at amortised costs if both of the following criteria are met, and the assets are not designated as fair value through net result:

- the assets are held by the Nature Parks to collect the contractual cash flows.
- the assets' contractual terms give rise to cash flows that are solely payments of principal and interests.

These assets are initially recognised at fair value plus any directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method less any impairment.

The Nature Parks recognises the following assets in this category:

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

Categories of financial liabilities

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

The Nature Parks recognises the following liabilities in this category:

- payables (excluding statutory payables)
- borrowings (including lease liabilities)

7. RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS (CONTINUED)

7.1.1 Financial instruments: Categorisation ^(a)

(\$ thousand)				
2023	Cash and Deposits	Financial assets at amortised cost (AC)	Financial liabilities at amortised cost (AC)	Total
Contractual financial assets	\$	\$	\$	\$
Cash and deposits	7,076	-	-	7,076
Receivables				
Sale of goods and services	-	670	-	670
Other receivables	-	1	-	1
Total contractual financial assets	7,076	671	-	7,747
Contractual financial liabilities				
Payables	-	-	1,675	1,675
Borrowings	-	-	957	957
Total contractual financial liabilities	-	-	2,632	2,632

(\$ thousand)				
2022	Cash and Deposits	Financial assets at amortised cost(AC)	Financial liabilities at amortised cost(AC)	Total
Contractual financial assets	\$	\$	\$	\$
Cash and deposits	4,771	-	-	4,771
Receivables				
Sale of goods and services	-	230	-	230
Other receivables	-	9	-	9
Total contractual financial assets	4,771	239	-	5,010
Contractual financial liabilities				
Payables	-	-	1,102	1,102
Borrowings	-	-	1,072	1,072
Total contractual financial liabilities	-	-	2,174	2,174

Notes: (a) The total amounts disclosed here exclude statutory amounts (e.g. amounts owing from Victorian Government and GST input tax credit recoverable and taxes payable).

7. RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS (CONTINUED)

7.1.2 Financial risk management objectives and policies

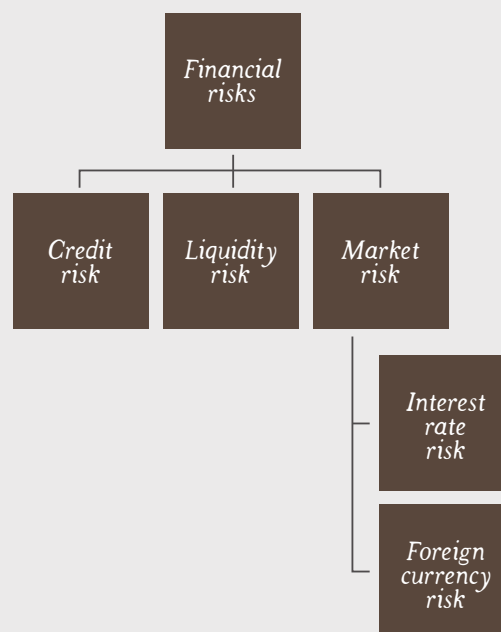
As a whole, the Nature Parks financial risk management program seeks to manage these risks and the associated volatility of its financial performance.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised, with respect to each class of financial asset, financial liability and equity instrument above are disclosed in Note 7.3 to the financial statements.

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

The Nature Parks main financial risks include credit risk, liquidity risk, interest rate risk, foreign currency risk and equity price risk. The Nature Parks manages these financial risks in accordance with its financial risk management policy.

The Nature Parks uses different methods to measure and manage the different risks to which it is exposed. Primary responsibility for the identification and management of financial risks rests with the Accountable Officer of the Nature Parks.



Financial instruments: Credit risk

Credit risk refers to the possibility that a borrower will default on 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. Credit risk is measured at fair value and is monitored on a regular basis.

Credit risk associated with the Nature Parks contractual 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 provided with any outstanding balance reviewed on a regular basis.

In addition, the Nature Parks does not engage in hedging for its contractual financial assets and mainly obtains contractual financial assets that are 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 not be able to collect a receivable. Objective evidence includes financial difficulties of the debtor, default payments, debts that are more than 60 days overdue, and changes in debtor credit ratings.

Contract financial assets are written off against the carrying amount when there is no reasonable expectation of recovery. Bad debt written off by mutual consent is classified as a transaction expense. Bad debt written off following a unilateral decision is recognised as other economic flows in the net result.

There has been no material change to the Nature Parks credit risk profile in 2022-23. This is reflected in the revised provision for doubtful debts.

Impairment of financial assets under AASB 9

The Nature Parks records the allowance for expected credit loss for the relevant financial instruments applying AASB 9's Expected Credit Loss approach. Subject to AASB 9 impairment assessment include the Nature Parks contractual receivables, statutory receivables and its investment in debt instruments.

Whilst cash and cash equivalents are also subject to the impairment requirements of AASB 9, the identified impairment loss was immaterial.

Contractual receivables at amortised cost

The Nature Parks applies AASB 9 simplified approach for all contractual receivables to measure expected credit losses using a lifetime expected loss allowance based on the assumptions about risk of default and expected loss rates. The Nature Parks has grouped contractual receivables on shared credit risk characteristics and days past due and select the expected credit loss rate based on the Nature Parks past history, existing market conditions, as well as forward looking estimates at the end of the financial year.

7. RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS (CONTINUED)

7.1.2 Financial risk management objectives and policies (continued)

On this basis, the Nature Parks determines the closing loss allowance at the end of the financial year as follows:

(\$ thousand)

30-Jun-23	Current	Less than 1 month	1-2 months	2 months & over	Total
Expected loss rate	1.19%		4.08%	96.65%	
Gross Carrying amount of contractual receivables	484	-	192	208	884
Loss allowance	6	-	8	201	215

01-Jul-22	Current	Less than 1 month	1-2 months	2 months & over	Total
Expected loss rate	1.19%		4.08%	97.71%	
Gross Carrying amount of contractual receivables	153	-	77	212	442
Loss allowance	2	-	3	208	213

Reconciliation of the movement in the loss allowance for contractual receivables is shown as follows:

(\$ thousand)

	2023	2022
Balance at the beginning of the year	(213)	(235)
Decrease/(increase) in provision recognised in net result	(2)	22
Balance at the end of the year	(215)	(213)

Credit loss allowance is classified as other economic flows in the net result. Contractual receivables are written off when there is no reasonable expectation of recovery and impairment losses are classified as a transaction expense. Subsequent recoveries of amounts previously written off are credited against the same line item.

Bad debts are considered as written off by mutual consent.

Financial instruments: Liquidity risk

Liquidity risk arises from being unable to meet financial obligations as they fall due. The Nature Parks operates under the Government fair payments policy of settling financial obligations within 30 days and in the event of a dispute, making payments within 30 days from the date of resolution.

The Nature Parks is exposed to liquidity risk mainly through the financial liabilities as disclosed in the face of the balance sheet and the amounts related to financial guarantees. The Nature Parks manages its liquidity risk by:

- close monitoring of its short-term and long-term borrowings by senior management, including monthly reviews on current and future borrowing levels and requirements.
- maintaining an adequate level of uncommitted funds that can be drawn at short notice to meet its short-term obligations.
- holding investments and other contractual financial assets that are readily tradeable in the financial markets.
- careful maturity planning of its financial obligations based on forecasts of future cash flows.

The Nature Parks exposure to liquidity risk is deemed significant based on prior periods' data and current assessment of risk. The Nature Parks is dependent on the continued financial support of the State Government and in particular the Department of Energy, Environment and Climate Action.

7. RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS (CONTINUED)

7.1.2 Financial risk management objectives and policies (continued)

Financial instruments: Market risk

The Nature Parks exposures to market risk are primarily through interest rate risk, foreign currency risk and equity price risk. Objectives, policies and processes used to manage each of these risks are disclosed below.

Interest rate risk

Fair value interest rate risk is the risk that the fair value of a 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 the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Nature Parks has minimal exposure to cash flow interest rate risks through cash and deposits, term deposits and bank overdrafts 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, with only insignificant amounts of financial instruments at floating rate. Management has concluded for cash at bank and bank overdraft, as financial assets that can be left at floating rate without necessarily exposing the Nature Parks to significant bad risk.

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

Interest rate exposure of financial instruments ^(a) (\$ thousand)

2023	Weighted average interest rate	Carrying amount	Fixed interest rate	Variable interest rate	Non-interest bearing
	%	\$	\$	\$	\$
Financial assets					
Cash and deposits	2.63	7,076	-	7,071	5
Receivables	-	671	-	-	671
Total financial assets		7,747	-	7,071	676

Financial liabilities					
Payables	-	1,675	-	-	1,675
Borrowings		957			957
Total financial liabilities		2,632	-	-	2,632

2022	Weighted average interest rate	Carrying amount	Fixed interest rate	Variable interest rate	Non interest bearing
	%	\$	\$	\$	\$
Financial assets					
Cash and deposits	0.09	4,771	-	4,766	5
Receivables	-	239	-	-	239
Total financial assets		5,010	-	4,766	244
Financial liabilities					
Payables	-	1,102	-	-	1,102
Borrowings	-	1,072	-	-	1,072
Total financial liabilities		2,174	-	-	2,174

Note: (a) The carrying amounts disclosed here exclude statutory amounts (e.g. amounts owing from Victorian Government and GST input tax credit recoverable).

7. RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS (CONTINUED)

7.1.2 Financial risk management objectives and policies (continued)

Interest rate risk sensitivity

Considering past performance and future expectations a 1.0% 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 \$70,706 (2022: \$47,568).

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 and loss in the period in which they arise.

The Nature Parks is exposed to foreign currency risk mainly through its payables relating to purchases of supplies and consumables from overseas. Risk is minimal, as the Nature Parks has a limited amount of transactions denominated in foreign currencies and there is a relatively short timeframe between commitment and settlement.

7.2 CONTINGENT ASSETS AND CONTINGENT LIABILITIES

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

Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

Contingent liabilities

Contingent liabilities are:

- possible obligations that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity
- present obligations that arise from past events but are not recognised because:
 - it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligations.
 - the amount of the obligations cannot be measured with sufficient reliability.

Contingent liabilities are also classified as either quantifiable or non-quantifiable.

Non-quantifiable contingent liabilities

A number of potential obligations are non-quantifiable at this time arising from:

- indemnities provided in relation to transactions, including financial arrangements and consultancy services, as well as for directors and administrators
- performance guarantees, warranties, letters of comfort and the like
- deeds in respect of certain obligations
- unclaimed monies, which may be subject to future claims by the general public against the State.

The Nature Parks is not aware of any material threatened or existing legal actions or other contingencies between the Nature Parks and third parties as at 30 June 2023 (2022: 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:

- financial assets and liabilities at fair value through profit or loss; and
- financial assets at fair value through other comprehensive income land, buildings, infrastructure, plant and equipment.

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

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

7. RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS (CONTINUED)

7.3 FAIR VALUE DETERMINATION (CONTINUED)

Fair value hierarchy

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

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

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:
 - 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
 - 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 and non-financial physical assets (refer to Note 7.3.1).

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 instruments 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.
- 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 approximate to fair value, due to their short-term nature or with the expectation that they will be paid in full by the end of the 2022-23 reporting period.

These financial instruments include:

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

7. RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS (CONTINUED)

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

Non-Financial assets and liabilities measured at fair value

(\$ thousand)

2023	Carrying amount as at 30 June 2023	Fair value measurement at end of reporting period using:		
		Level 1	Level 2	Level 3
	\$	\$	\$	\$
Specialised land at fair value	65,016	-	-	65,016
Specialised building at fair value	79,820	-	-	79,820
Boardwalks at fair value	1,692	-	-	1,692
Car parks at fair value	1,287	-	-	1,287
Motor vehicles at fair value	513	-	-	513
Furniture and fittings at fair value	367	-	-	367
Plant & equipment at fair value	669	-	-	669
Leasehold Improvements at fair value	710	-	-	710
Computer hardware at fair value	162	-	-	162

2022	Carrying amount as at 30 June 2022	Fair value measurement at end of reporting period using:		
		Level 1	Level 2	Level 3
	\$	\$	\$	\$
Specialised land at fair value	58,946	-	-	58,946
Specialised building at fair value	73,326	-	-	73,326
Boardwalks at fair value	1,612	-	-	1,612
Car parks at fair value	1,377	-	-	1,377
Motor vehicles at fair value	303	-	-	303
Furniture and fittings at fair value	675	-	-	675
Plant & equipment at fair value	792	-	-	792
Leasehold Improvements at fair value	774	-	-	774
Computer hardware at fair value	242	-	-	242

There have been no transfers between levels during the period.

7. RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS (CONTINUED)

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

Plant and equipment, furniture and fittings, computer hardware and vehicles are valued using the depreciated replacement cost method. The cost represents the replacement cost for the plant and equipment, furniture and fitting and vehicles after applying depreciation rates on a useful life basis. Replacement cost related to the cost 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 assets.

There were no changes in valuation techniques throughout the period to 30 June 2023.

Specialised land and specialised buildings: The market approach is also 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 reflects 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 current 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 (VGV). The valuation was performed using the market approach adjusted for CSO. The effective date of the valuation is 30 June 2021.

In 2022-23 a managerial revaluation of land and buildings was performed in accordance with the requirements of Financial Reporting Direction (FRD) 1031 Non-Financial Physical Assets. This resulted in an increase in asset revaluation reserve of \$14.8M.

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 (VGV). The valuation was performed based on the depreciated replacement cost of the assets. The effective date of the valuation is 30 June 2021.

7. RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS (CONTINUED)

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

Reconciliation of Level 3 fair value movements

(\$ thousand)

2023	Specialised land	Specialised buildings	Boardwalks	Car parks	Motor vehicles	Furniture and fittings	Plant and equipment	Leasehold improvements	Computer hardware
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Opening balance	58,946	73,326	1,612	1,377	302	675	791	774	243
Additions	-	125	266	-	349	-	132	-	50
Depreciation	-	(2,421)	(186)	(90)	(136)	(308)	(254)	(65)	(131)
Disposal	-	-	-	-	(2)	-	-	-	-
Subtotal	58,946	71,030	1,692	1,287	513	367	669	710	162
Revaluation	6,070	8,790	-	-	-	-	-	-	-
Subtotal	6,070	8,790	-	-	-	-	-	-	-
Closing balance	65,016	79,820	1,692	1,287	513	367	669	710	162

2022	Specialised land	Specialised buildings	Boardwalks	Car parks	Motor vehicles	Furniture and fittings	Plant and equipment	Leasehold improvements	Computer hardware
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Opening balance	58,946	75,619	1,746	1,468	220	965	901	839	326
Additions	-	124	36	-	211	16	128	-	273
Depreciation	-	(2,417)	(170)	(91)	(129)	(306)	(238)	(64)	(356)
Disposal	-	-	-	-	-	-	-	-	-
Subtotal	58,946	73,326	1,612	1,377	302	675	791	774	243
Revaluation	-	-	-	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-	-	-	-
Closing balance	58,946	73,326	1,612	1,377	302	675	791	774	243

8. OTHER DISCLOSURES

Introduction

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

8.1 EX GRATIA EXPENSES

Ex gratia expenses are the voluntary payments of money or other non-monetary benefit (e.g. a write off) that are 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 of or claim against the entity. The Nature Parks is not aware of any ex gratia expenses at the time of finalising the annual report (2022: NIL).

8.2 RESERVES

(\$ thousand)

	2023	2022
Physical asset revaluation surplus^(a)	\$	\$
Balance at beginning of financial year	60,172	60,172
Revaluation increments/(decrements)	14,860	-
Balance at end of financial year	75,032	60,172
Net changes in reserves	14,860	-

Note: (a) The physical assets revaluation surplus arises on the revaluation of infrastructure, land and buildings.

8.3 RESPONSIBLE PERSONS

In accordance with the Ministerial Directions issued by the Assistant Treasurer under the *Financial Management Act 1994* (FMA), the following disclosures are made regarding responsible persons for the reporting period.

Names

The persons who held the positions of Ministers and Accountable Officers in the Nature Parks are as follows:

Responsible Minister

Minister for Environment and Climate Action - Hon. Lily D'Ambrosio MP	1 July 2022 to 31 December 2022
Minister for Environment - Ingrid Stitt MP	1 January 2023 to 30 June 2023

Accountable Officer

Catherine Basterfield, Chief Executive Officer	1 July 2022 to 30 June 2023
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Board Members

Kevin Love, Board Chair	1 July 2022 to 30 June 2023
Dr Danielle Auldish, Board Member	1 July 2022 to 30 June 2023
Jane Foley, Board Member	1 July 2022 to 30 June 2023
Michaela Salvato, Board Member	1 July 2022 to 30 June 2023
Jane Jobe, Board Member	1 July 2022 to 30 June 2023
Dr Geoff Wescott, Board Member	1 July 2022 to 30 June 2023
Patrice Mahoney (OAM), Board Member	1 July 2022 to 30 June 2023

Remuneration

Remuneration received or receivable by the Accountable Officer in connection with the management of the Nature Parks during the reporting period was in the range: \$260,000–269,999 (2022: \$260,000–269,999).

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8. OTHER DISCLOSURES (CONTINUED)

8.4 REMUNERATION OF EXECUTIVES

The number of executive officers, other than Ministers and accountable officers, and their total remuneration during the reporting period are shown in the table on the following page. Total annualised employee equivalent provides a measure of full time equivalent executive officers over the reporting period.

Remuneration comprises employee benefits (as defined in AASB 119 *Employee Benefits*) in all forms of consideration paid, payable or provided by the entity, or on behalf of the entity, in exchange for services rendered. Accordingly, remuneration is determined on an accrual basis, and is disclosed in the following categories.

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

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

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

(\$ thousand)

Remuneration of executive officers	2023	2022
	\$	\$
Short-term employee benefits	879	908
Post-employment benefits	85	82
Other long-term benefits	21	20
Total remunerations	985	1,010
Total number of executives	6	6
Total annualised employee equivalents^(a)	6	6

Notes: (a) Annualised employee equivalent is based on the time fraction worked over the reporting period.

8.5 RELATED PARTIES

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

Related parties of the Nature Parks include:

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

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

Significant transactions with government-related entities

The Nature Parks received funding from the State of Victoria of \$1.2M (2022: \$1.5M) as funding assistance as a result of declining revenues to support ongoing employment of operational costs of the Nature Parks. This was solely due to the COVID-19 restrictions and resulting impacts on revenue generating tourism attractions.

The Nature Parks have received a funding commitment from the State of Victoria, Department of Jobs, Skills, Industry and Regions of \$5.0M towards the development of the Penguin Parade boardwalks. \$1.0M received 2021-22 and \$1.0M received 2022-23, with the balance to be paid 2023-24 on completion of the development which has been treated as a contract liability (Note 5.3).

The Nature Parks has received a combined contribution from the Department of Energy, Environment and Climate Action \$396K, Department of Families, Fairness and Housing \$135K, Department of Justice and Community Safety \$113K, and Australian Trade and investment Commission \$57K towards animal and costal management initiatives. The Nature Parks has paid the Department of Energy, Environment and Climate Action a total of \$18K during the 2022-23 financial year representing \$15K Long Service Leave transferred for employee moving to department and \$3K purchase of personal protective equipment.

Key management personnel (KMP) of the Nature Parks includes the Portfolio Minister for Environment and Climate Action, the Hon. Lily D'Ambrosio MP, Minister for Environment, Ingrid Stitt MP and members of the Board of Directors and Chief Executive Officer as detailed in section 8.4.

8. OTHER DISCLOSURES (CONTINUED)

8.5 RELATED PARTIES (CONTINUED)

Remuneration of key management personnel

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 State's Annual Financial Report.

	(\$ thousand)	
Compensation of KMPs	2023	2022
	\$	\$
Short-term employee benefits ^(a)	393	374
Post-employment benefits	39	36
Other long-term benefits	6	6
Total remunerations	438	416

Notes: (a) Note that KMPs are also reported in the disclosure of remuneration of executive officers (Note 8.4).

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 occurs 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 Purchasing Board requirements.

Outside of normal citizen types transactions with the Phillip Island Nature Parks, there were no related party transactions that involved key management personnel, their close family members and their personal business interests. No provision has been required, nor any expense recognised for impairment of receivables from related parties.

The Nature Parks has a related party relationship with the Penguin Foundation (Foundation) due to the Accountable Officer volunteering their time to hold a Board position with the Foundation.

No provision has been required, nor any expense recognised, for impairment of receivables from related parties. All related party transactions have been entered into on an arm's length basis.

8.6 REMUNERATION OF AUDITORS

	(\$ thousand)	
Remuneration of Auditors	2023	2022
	\$	\$
Victorian Auditor General's Office	21	21
Total remuneration of auditors	21	21

8. OTHER DISCLOSURES (CONTINUED)

8.7 SUBSEQUENT EVENTS

The policy in connection with recognising subsequent events that are for events that occur between the end of the reporting period and the date when the financial statements are authorised for issue is as follows:

- adjustments are made to amounts recognised in the financial statements where those events provide information about conditions that existed at the reporting date.
- disclosure is made where the events relate to conditions that arose after the end of the reporting period that are considered to be of material interest.

The Phillip Island Nature Park Board of Management notes the following events that have occurred since 30 June 2023:

- The Nature Parks has entered into a \$5.8M building contract for critical capital investment in the construction of boardwalks and viewing stands at the Penguin Parade.
- In January 2024, the Nature Parks attraction Antarctic Journey at the Nobbies Centre was closed indefinitely. Closure of this attraction is not expected to have a material impact in forecasted revenue results for the financial year.

8.8 OTHER ACCOUNTING POLICIES

Contributions by owners

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.

Transfers of net assets arising from administrative restructurings are treated as distributions to or contributions by owners. Transfers of net liabilities arising from administrative restructurings are treated as distributions to owners.

8.9 AUSTRALIAN ACCOUNTING STANDARDS ISSUED THAT ARE NOT YET EFFECTIVE

Certain new and revised accounting standards have been issued but are not effective for the 2022-23 reporting period. Which may result in potential impacts on public sector reporting for future reporting periods.

AASB 2022-10 Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities.

AASB 2022-10 amends AASB 13 Fair Value Measurement by adding authoritative implementation guidance and illustrative examples for fair value measurements of non-financial assets of not-for-profit public sector entities not held primarily for their ability to generate net cash inflows.

Among other things, the Standard:

- specifies that an entity needs to consider whether an asset's highest and best use differs from its current use only when it is held for sale or held for distributions to owners under AASB 5 Non-current Assets Held for Sale and Discontinued Operations or if it is highly probable that it will be used for an alternative purpose;
- clarifies that an asset's use is 'financially feasible' if market participants would be willing to invest in the asset's service capacity, considering both the capacity to provide needed goods or services and the resulting costs of those goods and services;
- specifies that if both market selling price and some market participant data required to fair value the asset are not observable, an entity needs to start with its own assumptions and adjust them to the extent that reasonably available information indicates that other market participants would use different data; and
- provides guidance on the application of the cost approach to fair value, including the nature of costs to be included in a reference asset and identification of economic obsolescence.

This Standard applies prospectively to annual periods beginning on or after 1 January 2024, with earlier application permitted.

AASB 17 Insurance Contracts, AASB 2022-8 Amendments to Australian Accounting Standards – Insurance Contracts: Consequential Amendments and AASB 2022-9 Amendments to Australian Accounting Standards – Insurance Contracts in the Public Sector

AASB 17 replaces AASB 4 Insurance Contracts, AASB 1023 General Insurance Contracts and AASB 1038 Life Insurance Contracts for not-for-profit public sector entities for annual reporting periods beginning on or after 1 July 2026.

8. OTHER DISCLOSURES (CONTINUED)

8.9 AUSTRALIAN ACCOUNTING STANDARDS ISSUED THAT ARE NOT YET EFFECTIVE (CONTINUED)

AASB 2022-9 amends AASB 17 to make public sector-related modifications (for example, it specifies the pre-requisites, indicators and other considerations in identifying arrangements that fall within the scope of AASB 17 in a public sector context). This Standard applies for annual reporting periods beginning on or after 1 July 2026.

AASB 2022-8 makes consequential amendments to other Australian Accounting Standards so that public sector entities are permitted to continue to apply AASB 4 and AASB 1023 to annual periods before 1 July 2026. This Standard applies for annual reporting periods beginning on or after 1 January 2023.

AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current and AASB 2022-6 Amendments to Australian Accounting Standards – Non-current Liabilities with Covenants

AASB 2020-1 amended AASB 101 *Presentation of Financial Statements* to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current and was applicable to annual reporting periods beginning on or after 1 January 2022.

AASB 2020-6 subsequently amended AASB 2020-1, deferring the mandatory effective date of AASB 2020-1 from 1 January 2022 to 1 January 2023. AASB 2022-6 was applicable for annual reporting periods beginning on or after 1 January 2022.

AASB 2022-6 amends and clarifies the requirements contained in AASB 2020-1. Among other things, it:

- clarifies that only those covenants that an entity must comply with at or before the reporting date affect a liability's classification as current or non-current; and
- requires additional disclosures for non-current liabilities that are subject to an entity complying with covenants within twelve months after the reporting date.

AASB 2022-6 applies to annual reporting periods beginning on or after 1 January 2023.

The Nature Parks is currently in the process of assessing the potential impact of these standards and amendments.

- A number of other standards and amendments have also been issued that apply to future reporting periods, however they are not expected to have any significant impact on the financial statements in the period of initial application.

8.10 GLOSSARY OF TECHNICAL TERMS

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

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

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

Administered item generally refers to a department lacking the capacity to benefit from that item in the pursuit of the entity's objectives and to deny or regulate the access of others to that benefit.

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'.

Associates are all entities over which an entity has significant influence but not control, generally accompanying a shareholding and voting rights of between 20 per cent and 50 per cent.

Biological assets may comprise commercial forests and also any living animal, plant or agricultural produce that is the harvested product of biological assets.

Borrowings refers to interest-bearing liabilities mainly raised from public borrowings raised through the Treasury Corporation of Victoria, lease liabilities, service concession arrangements and other interest-bearing arrangements. Borrowings also include non-interest-bearing advances from government that are acquired for policy purposes.

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.

Controlled item generally refers to the capacity of a department to benefit from that item in the pursuit of the entity's objectives and to deny or regulate the access of others to that benefit.

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

8. OTHER DISCLOSURES (CONTINUED)

8.10 GLOSSARY OF TECHNICAL TERMS (CONTINUED)

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'.

Effective interest method is the method used to calculate the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset or, where appropriate, a shorter period.

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.

Finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of an underlying asset.

Financial asset is any asset that is either:

- cash
- an equity instrument of another entity:
 - 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.
- A financial asset can also be a contract that will or may be settled in the entity's own equity instruments and is either:
 - a non-derivative for which the entity is or may be obliged to receive a variable number of the entity's own equity instruments.
 - 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 either:

- 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.
- a contract that will or may be settled in the entity's own equity instruments and is either:
 - a non-derivative for which the entity is or may be obliged to deliver a variable number of the entity's own equity instruments.
 - 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 balance sheet as at the end of the period
- a comprehensive operating statement for the period
- a statement of changes in equity for the period
- a cash flow statement for the period
- notes, comprising a summary of significant accounting policies and other explanatory information
- comparative information in respect of the preceding period as specified in paragraph 38 of AASB 101 *Presentation of Financial Statements*
- a statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements in accordance with paragraphs 41 of AASB 101.

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

8. OTHER DISCLOSURES (CONTINUED)

8.10 GLOSSARY OF TECHNICAL TERMS (CONTINUED)

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.

General government sector comprises all government departments, offices and other bodies engaged in providing services free of charge or at prices significantly below their cost of production. General government services include those that are mainly non-market in nature, those that are largely for collective consumption by the community and those that involve the transfer or redistribution of income. These services are financed mainly through taxes, or other compulsory levies and user charges.

Grants for on-passing are grants paid to one institutional sector (e.g. a State general government entity) to be passed on to another institutional sector (e.g. local government or a private non-profit institution).

Infrastructure systems provide essential services used in the delivery of final services or products. They are generally a complex interconnected network of individual assets and mainly include sewerage systems, water storage and supply systems, and public transport assets owned by the State.

Interest expense represents costs incurred in connection with borrowings. It includes interest on advances, loans, overdrafts, bonds and bills, deposits, interest components of lease repayments, service concession financial liabilities and amortisation of discounts or premiums in relation to borrowings.

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

Investment properties are properties held to earn rentals or for capital appreciation or both. Investment properties exclude properties held to meet service delivery objectives of the State of Victoria.

Joint ventures are contractual arrangements between the Nature Parks and one or more other parties to undertake an economic activity that is subject to joint control and have rights to the net assets of the arrangement. Joint control only exists when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the venturers).

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

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 financial liabilities is calculated as liabilities less financial assets, other than equity in public non-financial corporations (PNFC) and public financial corporations (PFC). This measure is broader than net debt as it includes significant liabilities, other than borrowings (e.g. accrued employee liabilities such as superannuation and long service leave entitlements). For the PNFC and PFC sectors, it is equal to negative net financial worth.

Net financial worth is equal to financial assets minus liabilities. It is a broader measure than net debt as it incorporates provisions made (such as superannuation but excluding depreciation and bad debts) as well as holdings of equity. Net financial worth includes all classes of financial assets and liabilities, only some of which are included in net debt.

Net gain on equity investments in other sector entities [DTF only] measured at proportional share of the carrying amount of net assets/(liabilities) comprises the net gains relating to the equity held by the general government sector in other sector entities. It arises from a change in the carrying amount of net assets of the subsidiaries. The net gains are measured based on the proportional share of the subsidiary's carrying amount of net assets/(liabilities) before elimination of inter-sector balances.

Net lending/borrowing is the financing requirement of government, calculated as the net operating balance less the net acquisition of non-financial assets. It also equals transactions in financial assets less transactions in liabilities. A positive result reflects a net lending position and a negative result reflects a net borrowing position.

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

8. OTHER DISCLOSURES (CONTINUED)

8.10 GLOSSARY OF TECHNICAL TERMS (CONTINUED)

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-financial public sector represents the consolidated transactions and assets and liabilities of the general government and PNFC sectors. In compiling statistics for the non-financial public sector, transactions and debtor/creditor relationships between sub-sectors are eliminated to avoid double counting.

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 to '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.

The public non-financial corporation (PNFC) sector comprises bodies mainly engaged in the production of goods and services (of a non-financial nature) for sale in the marketplace at prices that aim to recover most of the costs involved (e.g. water and port authorities). In general, PNFCs are legally distinguishable from the governments that own them.

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

Sales of goods and services refers to income from the direct provision of goods and services and includes fees and charges for services rendered, sales of goods and services, fees from regulatory services and work done as an agent for private enterprises. It also includes rental income under 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.

8. OTHER DISCLOSURES (CONTINUED)

8.10 GLOSSARY OF TECHNICAL TERMS (CONTINUED)

Service concession arrangement is a contract effective during the reporting period between a grantor and an operator in which:

- the operator has the right of access to the service concession asset (or assets) to provide public services on behalf of the grantor for a specified period of time.
- the operator is responsible for at least some of the management of the public services provided through the asset and does not act merely as an agent on behalf of the grantor.
- the operator is compensated for its services over the period of the service concession arrangement.

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 Nature Parks.

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
- 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.

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

The financial statements and notes are presented based on the illustration for a government department in the 2022-23 *Model Report for Victorian Government Departments*. The presentation of other disclosures is generally consistent with the other disclosures made in earlier publications of the Nature Parks annual reports.

Appendices



DISCLOSURE INDEX

The annual report of the Phillip Island Nature Parks is prepared in accordance with all relevant Victorian legislations and pronouncements. This index has been prepared to facilitate identification of the Nature Parks compliance with statutory disclosure requirements.

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PUBLICATIONS 2022-23

The Nature Parks research scientists contribute to global studies in large collaboration initiatives, attracting collaborators and students from all continents.

In 2022-23, the team mentored three post-doctoral researchers, 12 PhD Candidates, two Masters Candidates and five Honours students and celebrated the publication of over 19 scientific publications including book chapters and articles in peer reviewed journals.

Nature Parks staff in bold

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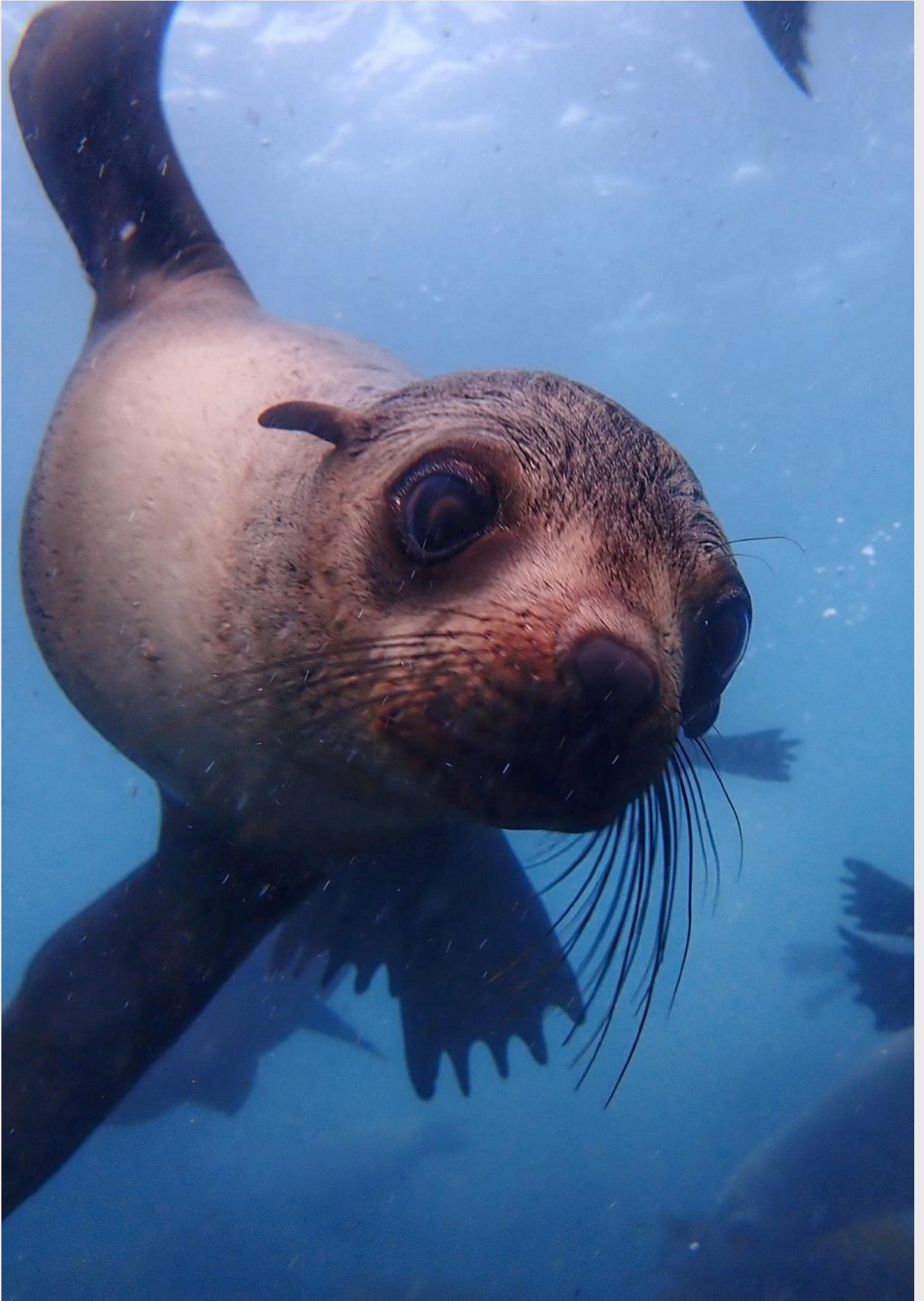
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A full listing of publications and theses completed can be found at: www.penguins.org.au/conservation/research/publications



THANK YOU

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Barb Martin Bushbank Nursery
Bass Coast Landcare Network
BirdLife Bass Coast
Friends of Churchill Island Society Inc.
Friends of Scenic Estate Reserve
Local landholders
Local schools
National Trust (Bass Coast Branch)
Newhaven Coast Action Group
Penguin Foundation
Phillip Island and District Historical Society
Phillip Island Bass Coast Dog Owners Association
Phillip Island Business Network
Phillip Island Boardriders Club
Phillip Island Conservation Society
Phillip Island Integrated Transport Study Group
Phillip Island Landcare Group
Phillip Island National Surfing Reserve Community Working Group
Phillip Island Nature Parks volunteers
Phillip Island Progress Association
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Rhyll Coast Action
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Surf Beach Sunderland Bay Coast Care Group
Ventnor Coast Care Association
Victorian Wader Study Group Inc.
Wildlife foster carers and shelter operators
Woolamai Beach Surf Life Saving Club

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Bass Coast Shire Council
Bass Coast South Gippsland Reconciliation Group
Bunurong Land Council Aboriginal Corporation
Country Fire Authority (CFA)
Destination Gippsland
Destination Phillip Island
Melbourne Water
Newhaven, Wonthaggi and Cowes Veterinary Clinics
Phillip Island Business Network
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The many Phillip Island (Millowl) businesses that partner with us to deliver positive experiences for our visitors
Tourism Australia
Victorian Tourism Industry Council
Visit Victoria
Westernport Water
Wildlife Coast Cruises
Wildlife Victoria
WWF Australia
Zoos Victoria

THANK YOU

Our collaborating organisations

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South East Trawl Fishing Industry Association

Surfing Victoria

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Swedish University of Agricultural Sciences

The Andrews Foundation

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Tiverton Rothwell Partnering (new name for Mount Rothwell)

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ACCREDITATION AND AWARDS

Nature Parks is committed to benchmarking its operations and has been recognised in the following recent programs:

AWARDS:

- 2022 Hall of Fame status with Ecotourism Australia
- 2022 Trip Advisor Travellers Choice Award – top 10%
- 2022 Silver Winner Victorian Tourism Awards – Ecotourism Category



Silver Winner
2022 Victorian
Tourism Awards

ACCREDITATION:

- 2022 Hall of Fame Advanced Ecotourism Accreditation for all attractions and tours
- Eco-Guide Accreditation for staff
- Museum Accreditation for Churchill Island
- Respect Our Culture (ROC) Certification through Ecotourism Australia

www.penguins.org.au/about/about-us/awards



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