

# Annual Report 2011–12





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# About us

Phillip Island Nature Parks (the Nature Parks) operates Australia's most popular natural wildlife attraction and manages important natural assets for Victoria and Australia.

The Nature Parks operates four main visitor attractions: the world-famous Penguin Parade, Koala Conservation Centre, Churchill Island Heritage Farm and the Nobbies Centre. Each attraction offers natural and wildlife experiences through quality infrastructure and tours.

We also manage many natural areas with visitor facilities such as boardwalks and beach access. In 2011–12, we welcomed a total of 790,454 visitors to our ticketed venues and an additional 307,007 people visited our free venue, the Nobbies Centre. Over 54% of our visitors were from overseas.

The Nature Parks was formed in 1996 to manage over 1,805 hectares of Crown Land on Phillip Island "for the conservation of areas of natural interest or beauty or of scientific, historic or archaeological interest". As a self-funded not-for-profit organisation, the Nature Parks uses profits generated from its tourism attractions to fund these conservation activities.

In the 15 years since its formation, the Nature Parks has achieved significant gains for the ecology of Phillip Island. Through our research and environmental management, habitats have been enhanced and pest plants and predators have been significantly reduced.

The Nature Parks cares for significant vegetation communities and populations of Little Penguins, Hooded Plovers, Short-tailed Shearwaters, international migratory birds and key mammal species including koalas and Australian fur seals. We acknowledge that the Crown Land managed by the Nature Parks forms part of the traditional lands of the Boon Wurrung and Bunurong people.

We are proud to be Phillip Island's largest employer with a diverse team that is committed to the success of the organisation.

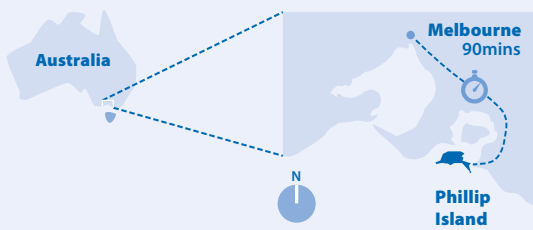
We are committed to working with our community and volunteers to ensure Phillip Island's environment and wildlife are protected for future generations.

# About us

## Our location



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



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

# About us

## Our mission

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

## Our vision

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

## Nature Parks strategic goals

The Nature Parks has six strategies for 2012 – 2017:

### 1 Planning

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

### 2 Conservation

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

### 3 Visitor attraction and experience

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

### 4 Community

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

### 5 Organisation

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

### 6 Governance

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

## Nature Parks values

### Communication

Being open and transparent, sharing ideas and being consultative.

### Growth and development

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

### Leadership and team work

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

### Respect and integrity

Treating people and our environment with fairness and integrity.

### Responsibility

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

### Sustainability

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

## Chair and CEO's message

The year had many highlights and positive outcomes for the environment, the community and Phillip Island. The Nature Parks continued to be the largest employer on Phillip Island and we demonstrated our commitment to further protecting our natural environment by increasing the funding of key scientific research, conservation, education and environmental initiatives.

We contributed over \$3.9 million to these endeavours during the year which was a great outcome in the difficult global economic climate. We were also pleased to achieve a net result of \$198,008, excluding a late adjustment of \$771,520 for the loss on revaluation of defined benefit superannuation liabilities, resulting in a net deficit of \$573,512. Maintaining a critical balance between our conservation and commercial activities was again a priority in our success.

We are again proud to report record visitor numbers of 790,454 across the Nature Parks. This is an increase of 1% in comparison to last year and an increase of 1.5% in visitors to the Penguin Parade. We maintained our status as Victoria's number one nature based tourism attraction with over 54% of our visitors being international.

The Nature Parks completed economic modeling of its operations for the 2010–11 reporting period with a credible result of \$125 million of economic contribution to the State of Victoria and boosting \$64 million directly into the Bass Coast Shire.

This was a significant planning year for the Nature Parks with the completion of our Strategic Plan 2012–2017. This Plan was finalised following extensive consultation with our staff, the local community and key stakeholders. This Plan outlines the major steps to be taken in the next five years towards achieving a bold vision for the future of the Nature Parks, offering an enhanced, authentic and diverse visitor experience founded on the highest conservation principles and supported by a contemporary governance framework.

Following approval of our Strategic Plan by the Minister we embarked on a program of developing sub plans for key activities that support the achievement of the goals outlined in our Strategic Plan, the main one of which was our Environment Plan 2012–2017. The Environment Plan's development drew upon the extensive understanding of the Nature Parks gained by our organisation over decades of scientific research and in field experience as well as extensive consultation. This process resulted in the most comprehensive evaluation of the current status, priority needs and potential threats to the Nature Parks' natural assets ever produced.

Another key strategic planning activity was the completion of a Master Plan for the Summerland Peninsula. This provides a 20-year vision for the Peninsula and underpins a compelling case to the State Government for additional public investment to allow the Nature Parks to capitalise upon the full potential of the Summerland Peninsula. The Summerland Peninsula Master Plan follows significant investment in the Summerland Estate buy-back program and would begin with the building of a new Penguin Parade Visitor Centre.

The development of a Reconciliation Action Plan during the year is a significant milestone in the Nature Parks' reconciliation journey. The Nature Parks is privileged to be entrusted with the care of several Aboriginal cultural sites across Phillip Island. This privilege brings with it a responsibility and a desire to acknowledge, celebrate and connect with Aboriginal and Torres Strait Islander culture.

Environmentally, major progress was made and recognition achieved. Significantly, no Little Penguins were killed by foxes on the Summerland Peninsula for the third year in a row and our fox eradication program achieved ultimate recognition through winning the National Banksia Environmental Foundation Award for Environmental Excellence and the Victorian Coastal Award for Excellence.

Additional work included the planting of nearly 70,000 new plants and over 4,000 hours of weed control across the Nature Parks.

A highlight of the year was the formal opening of our new Wildlife Rehabilitation Centre. This has the capacity to care for up to 1,500 Little Penguins in the event of an oil incident. Training workshops for oil incident response were hosted at the Centre. They were facilitated by Nature Parks staff with key Government agencies, volunteers and the community to ensure preparedness for any such incident.

Our commitment to community engagement continued and we are pleased to report further strengthening of our relationship with the community. A series of public meetings were held throughout the year in addition to regular meetings of our Community Advisory Committee and ongoing liaison with Bass Coast Shire Council and key community groups. Community interaction was further strengthened with the development and distribution of a Community Handbook and the holding of a Community Open Day. A community working group, led by the Nature Parks, prepared a submission to declare Phillip Island as a National Surfing Reserve. This is expected to be formalised in 2013 and will be the first of its kind in Victoria.

## Chair and CEO's message

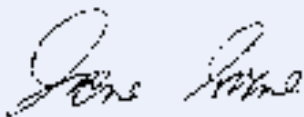
We continued to work with local traders and tourism organisations including Phillip Island Tourism and Business Association and Destination Phillip Island to attract more visitors and increase their stay on Phillip Island. A total of 86,606 Nature Parks '3 Parks Passes' were sold, benefiting the local community and increasing length of stay on Phillip Island.

We maintained our collaborations with key local tourism operators and continued joint ticketing initiatives. Our relationships with key agencies including Bass Coast Shire Council and Department of Sustainability and Environment were extremely successful with these partnerships delivering substantial benefits to our community and the environment.

Our Community, Environment, Education and Scientific and Research Advisory Committees supported our operations and initiatives and we thank them for their valuable contribution.

The significant achievements detailed in this report would not have been possible without the passion, dedication and cooperation of the Board, management team, staff, volunteers, community and sponsors. We thank them all sincerely and look forward to an important year where we will continue to protect and enhance Phillip Island and its unique ecosystems for future generations.

In accordance with the *Financial Management Act 1994*, we are pleased to present this Annual Report for the year ended 30 June 2012.



Dr. Irene Irvine, Chair



Matthew Jackson, CEO



# The year in review

## + Financial review

### Summary of financial results

The Nature Parks is a self-funded, not-for-profit organisation that relies on the success of its tourism attractions to deliver ongoing funding for social, environmental, conservation, research and education outcomes.

The tourism industry was dealt another tough year with the continued economic unrest across the globe. Despite the Nature Parks exceeding many of its business goals, a deficit of \$573,512 was recorded for the financial year. This result included a net surplus of \$198,008 that was offset by a loss of \$771,520 on the revaluation of a defined benefit superannuation liability.

### Tourism operations

Revenue from tourism operations increased by 2.7% on the previous year which is attributed to 4,797 additional visitors attending the Nature Parks' ticketed attractions. The Nature Parks also measures its performance based on spend per visitor (yield) which is based on the visitors' total spend whilst visiting each Nature Parks attraction. Overall, the Nature Parks achieved an increase in yield of 1.6% which was an outstanding result in the current climate, despite falling below the budgeted increase of 5.1%. The initiatives that contributed to this result included, increased contribution from the Nature Parks' internal commercial operations including Food and Beverage and Retail, an increase in premium tour attendance and growth in online bookings.

Visitor numbers to the Penguin Parade exceeded expectation with the primary growth from domestic markets. Visitation to Churchill Island and the Koala Conservation Centre were consistent with the previous financial year, while the Nobbies Centre had a modest growth in visitors.

The Nature Parks operates Retail stores in each of its tourism attractions. These stores capitalised on the increase in visitor numbers and achieved revenue growth of 4.1% on the previous financial year. Retail operations achieved all targets for the year including stock management, revenue growth, increase in yield and net result. The retail initiatives that have contributed to this result include the introduction of new product lines and improvements in the visual appeal and theming of each store.

The Nature Parks operates its own Food and Beverage outlets at the Penguin Parade, Koala Conservation Centre and a function facility at the Nobbies Centre. Revenue from Food and Beverage activities remained consistent with the previous financial year and were in line with budget. Plans were put in place during the year to improve the visual amenity of the café at the Penguin Parade which will also marginally increase the seating capacity. These plans were not executed during this year, however we look forward to seeing the café improvements in the 2012-13 financial year.

### Conservation, research and education activities

During the year the Nature Parks invested \$3,915,528 in conservation, research and education activities. Grants from Government bodies and other organisations contributed \$1,258,952 towards these activities. The most significant project that was funded from sources other than tourism operations was the Summerland Peninsula Regeneration Project. In 2010, the State Government committed \$3,353,000 to this project over a three year period which will conclude in the 2012-13 financial year. In 2011-12 the State Government contributed \$708,000 of the \$1,206,764 invested into this project.

### Significant changes in financial position

The Nature Parks completed some significant projects during the financial year, including the construction of the Wildlife Rehabilitation Centre and the removal of infrastructure from the Summerland Peninsula (including houses, power and other services). In the previous financial year current liabilities included balances owed for these projects, which were settled early in the financial year. These projects were the main contributor to the \$717,400 decrease in current liabilities – payables.

Employee provisions increased due to the revaluation of the Nature Parks' defined benefit superannuation fund, Vision Super. An actuarial review of this fund was conducted as at 31 December 2011 and \$771,520 was identified as the Nature Parks share of the funds deficit. The Nature Parks has accrued for this liability at balance date.

There were no other significant changes in the Nature Parks' financial position compared to the previous year.

# The year in review

## Comprehensive operating statement – five year summary

	2011-12	2010-11	2009-10	2008-09	2007-08
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Operating revenue</b>					
Sales revenue	6 587	6 401	5 462	5 771	5 680
Admissions revenue	9 895	9 635	8 813	8 461	8 062
<b>Total operating revenue</b>	<b>16 482</b>	<b>16 036</b>	<b>14 275</b>	<b>14 232</b>	<b>13 742</b>
<b>Other income</b>					
Interest	321	305	164	187	251
Other operating income	2 118	3 209	1 669	777	2 308
<b>Total other income</b>	<b>2 439</b>	<b>3 514</b>	<b>1 833</b>	<b>964</b>	<b>2 559</b>
<b>Operating expenditure</b>					
Employee benefits	(10 236)	(8 945)	(7 680)	(7 250)	(7 505)
Cost of Sales	(2 591)	(2 555)	(2 235)	(2 330)	(2 304)
Materials and supplies	(709)	(834)	(849)	(866)	(1 109)
Depreciation	(1 848)	(1 739)	(1 757)	(1 721)	(1 671)
Other operating expenses	(4 160)	(4 499)	(2 518)	(2 617)	(3 360)
<b>Total operating expenses from continuing activities</b>	<b>(19 544)</b>	<b>(18 572)</b>	<b>(15 039)</b>	<b>(14 784)</b>	<b>(15 950)</b>
Net gain/(loss) on non-financial assets	49	8	(213)	5	–
Total other economic flows included in net result	49	8	(213)	5	–
<b>Net result for the year</b>	<b>(574)</b>	<b>986</b>	<b>856</b>	<b>417</b>	<b>351</b>
Increase/(decrease) in Asset Revaluation Reserve	–	19 735	–	(1 702)	4 007
<b>Total comprehensive income for the year</b>	<b>(574)</b>	<b>20 721</b>	<b>856</b>	<b>(1 285)</b>	<b>4 358</b>

# The year in review

## + Planning

Phillip Island Nature Parks' vision is ambitious and exciting. This year, the steps required to achieve this vision were set out in detailed plans prepared in consultation with our community and key stakeholders.

Key Goal	Measure	Result
Outline the steps required to achieve the Nature Parks' vision	Complete the Nature Parks' Strategic Plan 2012–2017	Achieved 
	Develop a Master Plan for the future of the Summerland Peninsula	Achieved 
	Complete the Environment Plan 2012–2017 in consultation with community and stakeholders	Achieved 

### Strategic planning

The Nature Parks' overarching objective is to become a world leader in sustainable park management. In all that we do, we aim to be environmentally sustainable, financially viable and socially responsible.

This was a significant planning year for the Nature Parks with the completion of our Strategic Plan 2012–2017. This Plan was developed with extensive consultation with our staff, local community and key stakeholders. The Plan outlines the major steps to be taken in the next five years towards achieving a bold vision for the future of the Nature Parks, offering an enhanced, authentic and diverse visitor experience founded on the highest conservation principles and supported by a contemporary governance framework.

**A copy of the Strategic Plan 2012–2017 is available at [www.penguins.org.au](http://www.penguins.org.au)**

### Summerland Peninsula

In 2010, a 25-year program by successive Victorian Governments was completed with the buyback of the Summerland Estate – a residential development which had impacted significantly on the Summerland Peninsula and its Little Penguin colony to the point that the colony faced extinction. The former estate is now incorporated into the Nature Parks.

This presented the opportunity to create a world-class destination for recreation and ecotourism that showcased the way in which the Nature Parks together with the Victorian State Government were leading the way in the conservation and preservation of our natural assets.

To commence this process, in 2012 we completed a Master Plan for the Summerland Peninsula. This Plan provides a 20-year vision for the Summerland Peninsula and underpins a compelling case to the State Government for further public investment to allow the Nature Parks to deliver on the full potential of the Summerland Peninsula, beginning with the building of a new Penguin Parade Visitor Centre.

### Environment Plan 2012–2017

Our Environment Plan 2012–2017 draws on the extensive understanding of the Nature Parks developed by our organisation over decades of scientific research and in-field experience. The Plan was created with extensive consultation with our staff, specialist advisors and key stakeholders including the local community. The result is the most comprehensive evaluation of the current status, priority needs and potential threats to the Nature Parks' natural assets ever produced. The focus on the 'places' managed by the Nature Parks and the unique needs of each area has been a positive change from our previous planning methodologies.

**A copy of the Environment Plan 2012–2017 is available at [www.penguins.org.au](http://www.penguins.org.au)**

# The year in review

## + Conservation

### Sustainability

The Nature Parks' commitment to conservation and improving the natural environment in which it operates is the organisation's driving force. Our key challenge is to bring together our conservation and tourism activities and instill our commitment to the environment into all areas of operations. Once this is achieved, the Nature Parks is in a unique position to demonstrate its commitment to sustainable operations and influence over one million visitors each year.

Key Goal	Measure	Result
Integrate environmental sustainability principles into our organisation	Develop a carbon report to monitor emissions performance	Achieved ● ● ●
	10% reduction in carbon emissions	Achieved ● ● ●
	Implement Waste Management Strategy	In progress ● ● ●
	Incorporate sustainable purchasing principles	Achieved ● ● ●

### Carbon reporting and reduction targets

In the previous year the Nature Parks measured its carbon footprint and set a goal to reduce it by 10.8%. The measurement process identified that 87.8% of emissions were produced by two sources – electricity and waste. As a self-funded, not-for-profit organisation the Nature Parks must minimise its impact on the environment by reducing its emissions through efficiency programs rather than through the purchase of carbon offsets. The carbon reduction initiatives for 2011–12 were focused on these key emission sources.

The Nature Parks achieved a reduction in carbon emissions of 12.8%. This result is attributed to a reduction in electricity usage (8.2%), reduced travel (0.9%) and a decrease in LPG (0.7%) and unleaded fuel consumption. Reduction in electricity usage was achieved through a review of electrical assets which resulted in a number of high usage appliances being decommissioned and several appliances having timing devices installed.

Recommendations from a lighting audit conducted in 2010–11 were executed and further work has been done to move from halogen to LED lights wherever practical.

Resource	2011–12	2010–11
Electricity (CO <sup>2</sup> -e tonnes)	1,375.72	1,670.60
LPG (litres)	22,706.40	34,482.46
Fuel (litres)	61,925.70	65,572.54
Waste (m3)	1,806.87	1,645.50
Paper (kg)	1,351.89	1,508.93
Air travel (km)	334,597.00	438,070.00
Known emissions from other sources (CO <sup>2</sup> e tonnes)	15.67	9.74
<b>Total emissions (CO<sup>2</sup>e tonnes)</b>	<b>2,447.17</b>	<b>2,806.90</b>

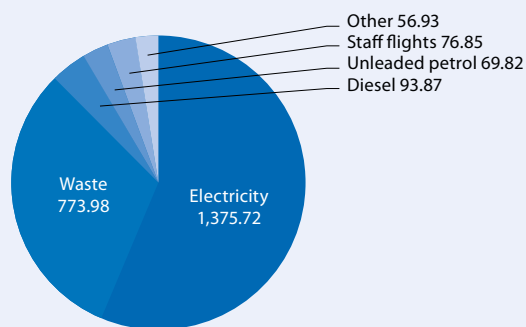


Figure 1 – CO<sup>2</sup> Emissions Sources (tonnes)

### Waste

A high volume of visitors and the operation of Food and Beverage and function facilities has resulted in waste being our second highest source of emissions. During last year an external waste audit was conducted across the organisation and key initiatives focused around improving the recycling facilities in public areas and developing an organic waste composting system. Solutions for both initiatives were trialed during the year with varied success. Investment was made towards public waste collection infrastructure to deliver recycling recommendations and initiatives and the Nature Parks is eager to see the results of this investment in the coming financial year.

## The year in review

### **Sustainable purchasing**

We identified that one of the areas we can make a reduction in our carbon emissions is to influence our suppliers. Sustainable purchasing has long been a principle that the Nature Parks has prioritised and in the current financial year further improvements to the Nature Parks' purchasing policy and process were undertaken. Staff were trained during the year to ensure that the sustainability obligations are front of mind in every transaction. The effects of this initiative cannot be directly measured in the Nature Parks' emissions report but we expect to see changes in the sustainable credibility of our suppliers and their products in coming years.






### **Towards 2012-13**

Our primary initiative in 2012-13 will be investment in renewable energy. The Nature Parks already has large scale solar energy production at the Nobbies Centre and is looking to expand this in the coming year by installing a solar energy solution at the Koala Conservation Centre. This investment, along with other energy saving measures planned for 2012-13, is expected to reduce emissions from electricity by up to 6.0%.

# The year in review

## Environment

Our research-led environmental management programs aim to protect Phillip Island's wildlife and environment for future generations. This year saw the transformation of the Summerland Peninsula with the removal of all housing estate infrastructure and the revegetation phase commenced. The opening of the Wildlife Rehabilitation Centre also cemented the Nature Parks' place as the hub for sea bird rescue and rehabilitation in Victoria.

Key Goal	Measure	Result
Return the natural values to key environmentally significant sites on Phillip Island	Complete the milestones of the Summerland Peninsula Rehabilitation Project	Achieved 
	Work with Bass Coast Shire Council to implement high quality environmental monitoring and protection at the former Rhyll Tip site	In progress 
Continue to protect our natural environment through directed, management and conservation based research	Successfully open and operate the new Wildlife Rehabilitation Centre	Achieved 
	Update the strategy for the elimination of foxes on Phillip Island in the next five years	In progress 
Improve the amenity of paths and tracks	Improve or build new access paths at Berry Beach, Right Point, Ventnor West and Pyramid Rock.	Achieved 

## Restoring environmentally significant sites

### Summerland Estate rehabilitation

All objectives for 2011–12 were completed.

Major activities included:

- 40,000 plants of local provenance grown in our nursery and purchased from the Barb Martin Bush Bank planted across the Summerland Peninsula.
- Over 80,000 tube stock put in the ground over the first two years of the project.
- 4,000 hours of weed control undertaken by staff and contractors. Works focused on removing grassy and woody weeds.
- A further 617 artificial penguin homes installed by volunteers to encourage penguin breeding.

## Rhyll transfer station site

The current Rhyll transfer station and the former Rhyll landfill waste site are positioned next to a Ramsar protected coastline. This piece of land has been a priority for ongoing protection and rehabilitation since it was handed to the Nature Parks for management. In the previous year the Nature Parks reached an agreement with the Bass Coast Shire Council to cease operations of Rhyll Transfer station by 30 June 2013. This year the Nature Parks has been working in collaboration with the Bass Coast Shire Council to ensure that the best environmental outcomes are achieved for the site now and into the future. We also provided support to Council relating to the revegetation strategy of this site with 5,440 seedlings planted during the year.

## Habitat regeneration

Revegetation projects were carried out at over 20 sites throughout the Nature Parks. Major sites included the former Summerland Estate and Penguin Parade, Fishers Wetland, Koala Conservation Centre, Ventnor Koala Reserve and the Rhyll Transfer Station.

Areas cleared of large invasions of woody weeds along the South Coast from Berry's Beach to the Colonnades continue to be revisited annually to prevent reinfestation. Moonah trees are being replanted aiding a complete naturalisation of key shearwater and shorebird habitats.

### Other activities included:

- Continued employment of a revegetation team of five with a major focus on the Summerland Peninsula Rehabilitation Project.
- Planting of over 68,000 indigenous seedlings (including over 55,000 propagated in our own nursery) across the Nature Parks and collection of over 15kg of indigenous seed from 20 plant species.
- Propagating seed or plant material from seven rare or threatened plant species for future revegetation projects and biodiversity enhancement of many sites. Much of our revegetation work was undertaken by volunteers, Coastcare and Friends groups.

## Wetlands and waterways

The eradication of weeds such as Bridal Creeper, Asparagus Fern and Kikuyu and fencing at the Ventnor Koala Reserve was supported by grants from Melbourne Water.

The eradication of Tall Wheat-grass at Fishers Wetland near Churchill Island continued throughout the year and 9,000 wetland and floodplain indigenous grassy vegetation species were planted. This work was supported by a grant from Melbourne Water.

Rabbit control, weed and feral animal eradication and fencing of saltmarsh areas along the northern Ramsar coastline of Phillip Island to assist revegetation works was funded by a Commonwealth 'Caring for our Country' grant in partnership with the Port Phillip and Western Port Catchment Management Authority.

Water quality monitoring of waterways continued monthly. Information will be shared with Melbourne Water to help establish the overall health of waterways in the southeast region.

# The year in review

Weed control of Kikuyu, Hore Hound, Apple of Sodom and Boxthorn at Swan and Green Lake continued to help reduce the spread of these very insidious species. Natural regeneration and planting of indigenous species will assist in increasing the biodiversity at these sites.

## Protecting our natural environment Pest animals

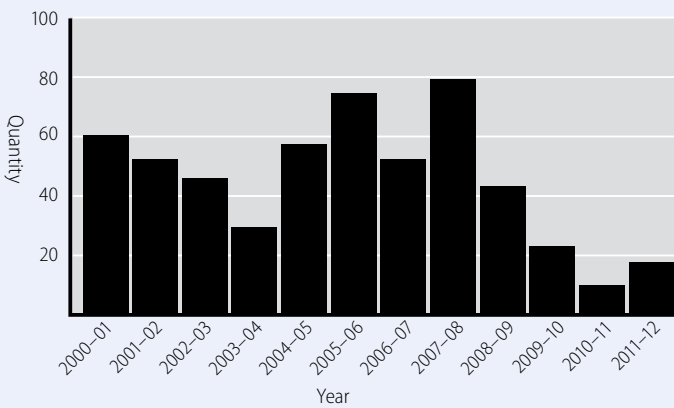
### Foxes

Significantly, no Little Penguins were killed by foxes on the Summerland Peninsula for the third year in a row. Our fox eradication program achieved ultimate recognition through winning the National Banksia Environmental Foundation Award for Environmental Excellence and the Victorian Coastal Award for Excellence.

Continued improvement to our fox eradication program is required to achieve a 'fox free Phillip Island'. The Nature Parks remains committed to the fox free target and will prioritise a review of this program in the coming year.

Other species benefiting from the fox eradication program include ground-nesting birds such as Cape Barren Geese, Purple Swamp hens, Masked Lapwings and Hooded Plovers.

As part of the fox eradication program, the Nature Parks is continuing to bait across private and public land on Phillip Island. Combined with trapping, spotlighting and den fumigation, the aim is to remove the remaining foxes in the near future. A total of 18 foxes were removed from Phillip Island over the year with 17 foxes baited and one shot spotlighting. This included a litter of six fox pups removed from the coastline near Surf Beach.

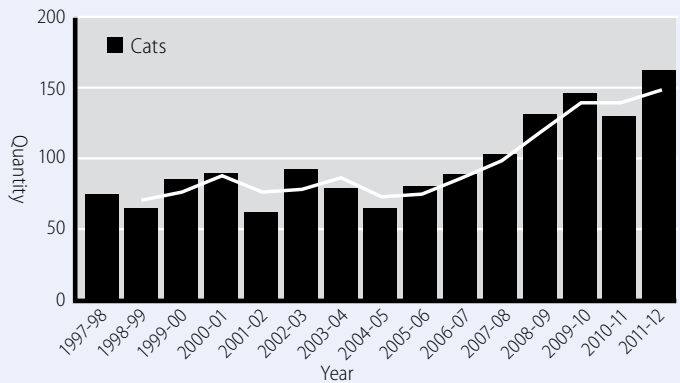


**Figure 2 Number of foxes culled 2000–2012**

One of the challenges with the project is detecting the few remaining foxes that are covering large distances in search of other foxes. These foxes have survived to date by avoiding our control techniques and are extremely wary of human presence. It is hoped that by utilising technology such as night vision equipment and DNA analysis these foxes can be located.

### Feral and roaming cats

The success of our fox control program is resulting in an increase in feral cat activity in the short term. A total of 163 feral and roaming cats were removed from the Nature Parks this year with a focus on protecting breeding areas of Little Penguins, Short-tailed Shearwaters and Hooded Plovers. This was supplemented by a project funded by a Commonwealth 'Caring for Our Country' grant to protect migratory shorebirds which live along the Western Port Ramsar coastline.



**Figure 3 Number of feral cats removed from the Nature Parks 1997–2012**

The improved result for 2011–12 highlights the importance of addressing the issue of responsible cat ownership on Phillip Island. The risk that cats pose to native fauna has been well documented and there is evidence of them eliminating birds and small mammals from other islands. They have also been known to transfer diseases such as toxoplasmosis to birds and mammals. It is therefore imperative that the Phillip Island community helps to protect Phillip Island's biodiversity by responsible pet management.

### Rabbits

Rabbit control occurred at several locations across the Nature Parks including the Western Port Ramsar coastline as part of the Ramsar Protection Project supported by 'Caring For Our Country'. Pindone baiting occurred over the drier months when feed was limited and was complemented with spotlight shooting and warren destruction. Outbreaks of myxomatosis were also observed earlier in 2012 and resulted in a dramatic reduction in localised areas.

# The year in review

## Pest plants

For the second consecutive year, the number of hours spent on weed control outperformed our previous year's results.

Additional resources increased our capacity for 2011–12 with a total of 4,191 hours spent on weed control excluding contractors' time (1,537 hours more than last year). The majority of hours (2,400) were completed on the Summerland Peninsula project, 500 hours on the northern coastline as part of the Ramsar project and 100 hours for the 'Good Neighbour' gorse project.

With another wet year, there was increased weed germination and growth, and there was often difficulty accessing sites. This caused the postponement of a number of prescribed burns. Despite this, many of the planned weed management and fire suppression objectives were achieved. The main boxthorn projects were the continuation of removing the large bushes in the Flynn's dunes, Woolshed Bight and adjacent to the Churchill Island Marine National Park.

## Emergency management

No emergency incidents were reported this year. Staff attended 'Operation Sea Dragon' a simulated oil spill exercise run by the Australian Maritime Safety Authority in Western Port. We also ran several Oil Wildlife Emergency Management training days for volunteers, Department of Sustainability and Environment and our own staff. Nature Parks staff attended meetings of the Western Port Oil Spill and Emergency Management Committee, Bass Coast Shire Council Community Safety and Events Advisory Committee and the Bass Coast Shire Municipal Fire Management Planning Committee.

## Wildlife rehabilitation

### Little Penguins

This year, 104 Little Penguins were admitted to the Wildlife Rehabilitation Centre. This is down from 131 in the previous year and is below the long-term yearly average of 133 admissions. Malnourishment continued to be the most frequently encountered injury of Little Penguins coming into care (59%). Consistent with other years, the second most common injury was cuts/abrasions and broken/damaged limbs (21%). Unfortunately many of these penguins had to be euthanased as their injuries were too severe.

The majority (87%) of Little Penguins that came into care were mature birds, (8%) juvenile, (4%) chicks and the remaining (1%) unknown.

A large number (37) of mature Little Penguins were admitted to the Wildlife Rehabilitation Centre during July 2011. Few survived as they were all extremely underweight and severely malnourished, mostly weighing around 600g (almost half of their average healthy weight).

## Other seabirds and wildlife

Our Wildlife Rehabilitation Centre treated 114 birds during the April – May fledging of juvenile Short-tailed Shearwaters. This was significantly higher than last year (31). A total of 43 birds were in very poor condition, suffering from malnourishment, and subsequently died in care. 39 birds were euthanised due to untreatable injuries and 46 were released.

A total of 249 animals, other than Little Penguins and Short-tailed Shearwaters were treated during the year. This is consistent with last year (234) and up from the long-term average of 170.

The wildlife rescue and transport volunteers continue to provide excellent support to the Wildlife Rehabilitation Centre by providing after hours rescue and care services, as well as providing advice to the public on Phillip Island. Their support helps to provide a 24-hour service.

## Significant species

### Hooded Plovers

A great year with a record number of chicks fledged across Phillip Island. Other activities included:

- From 37 nests 31 failed, 85 eggs laid, 25 chicks hatched and 12 fledged.
- All successful nests were on the north coast of Phillip Island.
- Egg loss was still a concern. To investigate these concerns further 11 cameras were deployed to monitor nests. It was noted that three nest failures were due to Water Rats and Little Ravens – both native species.
- A pair established a territory at Red Rocks (first nest in over 20 years) and successfully (with enormous effort from volunteers) fledged two chicks.
- Banding on Phillip Island continued.

The Nature Parks hosted the Victorian and South Australian Hooded Plover Workshop in May 2012 with over 100 people attending from the eastern states.

### Crested Terns

This year, breeding commenced by mid-October and 5,000 nests were counted in early December. Unfortunately, many chicks died of starvation and just over 1,100 were still alive by late December.

## Koala conservation

The total koala population within the protected habitat of the Koala Conservation Centre was 34. The four koalas born at the Centre during the previous year reached independence during the year. There were two confirmed births during 2011–12 bringing the total number of koalas born at the Koala Conservation Centre since it was established in 1991 to 103.

Throughout the year 31 reports of wild koalas were made (compared with 18 and 20 reports respectively in the previous two years). A count of Phillip Island's wild koala population was conducted in December and ten koalas were found. Based on this result, rangers estimate the total wild population on Phillip Island to be between 40 and 50 koalas.



# The year in review

## Improving amenity

### Grants

Successful and ongoing grants (in addition to the Summerland Peninsula Regeneration Project) during the year were:

- Commonwealth Government 'Caring for Our Country' (Regional Investment Fund) through the Port Phillip and Western Port Catchment Management Authority: 'Ramsar Protection Plan' – \$262,620 over three years. Partners include Parks Victoria, Mornington Peninsula Shire Council, City of Casey and the UNESCO Western Port Biosphere Foundation.
- Melbourne Water \$14,500 – new funding for the rehabilitation of wetlands on Phillip Island.
- Coastal Risk Mitigation Grant (DSE) \$5,430, to assist with refurbishment of the Pyramid Rock boardwalk.
- Good Neighbour Grant (DSE) to assist with Gorse control on Phillip Island's South Coast.
- Coastcare Victoria Community Grants (DSE) for the protection and enhancement of Short-tailed Shearwater habitat and Coastal Moonah Woodland \$15,000.

### Towards 2012–13

Our primary initiative in 2012–13 will be to implement the Environment Plan 2012–2017. This plan provides a comprehensive guide to the rehabilitation and protection of habitat and wildlife on Phillip Island. This will involve the development of a Nature Parks Access Policy and significant Key Area Plans for each Nature Parks precinct in consultation with the community and key stakeholders. The completion of the Summerland Estate rehabilitation project and the Rhyll Inlet restoration upon cessation of the current Transfer Station will ensure wildlife and habitats are protected for future generations.

# The year in review

## Research

The Nature Parks provides evidence-based research to guide the development of policy and wildlife management programs on Phillip Island. These programs often have applications in other locations regionally and internationally.

Goal	Measure	Result
Strengthen the Little Penguin population	Examine the effects of climate change on the survival and foraging of Little Penguins	Achieved ● ● ●
	Report on breeding success of Little Penguins in the 2011–12 breeding season	Achieved ● ● ●
	Work with Victoria University to refine the 'oiled bird cleaning process'	In progress ● ● ●
Enhance the scientific reputation of the Nature Parks	Produce more than 15 scientific papers in international peer-reviewed journals and supervise more than 10 honours & post-graduate students	Achieved ● ● ●
Management and conservation of Australian Fur Seals	Threat abatement research on disease, climate change, utility of Marine Protection Areas, interactions with fisheries successfully completed	Achieved ● ● ●
Management of Coastal Birds	Hooded Plover population continues to increase	Achieved ● ● ●
Provide a clear direction for the Conservation outcomes of the Nature Parks for the next five years	Complete the Research Plan 2012-2017	Achieved ● ● ●

## Strengthen the Little Penguin population

The Nature Parks is focused on maintaining a world-leading research program on Little Penguins. Research comprises long-term monitoring and innovative programs aimed at reducing threats and recognising future challenges for these birds. An integral part of our strategy is to maintain strong links with tertiary institutions through the supervision of postgraduate students.

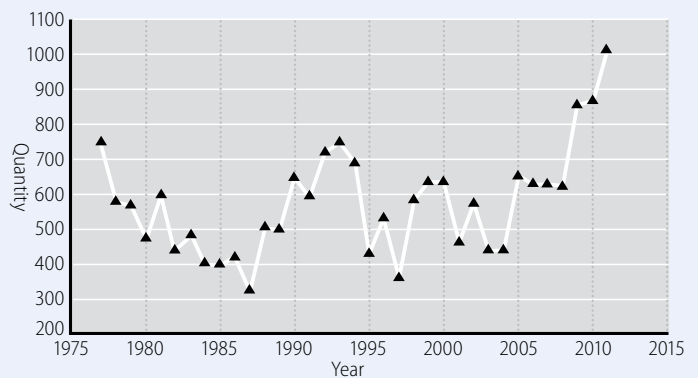
### Record numbers in the 44<sup>th</sup> year of monitoring Little Penguin breeding ecology

The Little Penguin colony is now one of the longest-running breeding studies of a bird species in Australia.

In 2011–12, the average annual number of penguins crossing the beach at the Penguin Parade (1,016) was by far the highest since nightly counting started 35 years ago. The long term average is 582 (Figure 4). This high number reflects both increased numbers of penguins at the Penguin Parade (and on the Summerland Peninsula) and that food was plentiful near the colony.

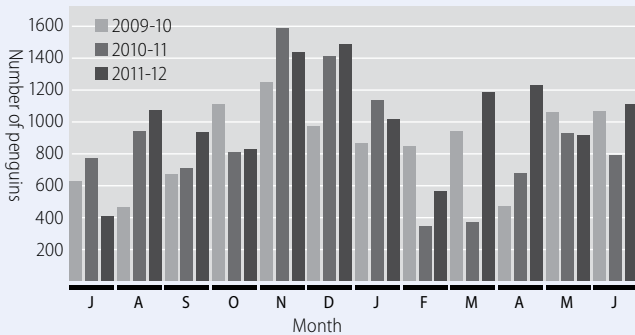
The seasonal pattern of penguin attendance remained somewhat predictable although substantially more penguins than normal crossed the beach during March and April. The usual post-breeding season drop-off in numbers was evident only in February. Obviously, food availability was sufficiently high close to Phillip Island during March and April for the penguins to remain near to the colony and to frequently return to land (Figure 5).

Breeding success was examined at six study sites around the Summerland Peninsula and 1.31 chicks fledged per pair which was above the long-term average of 0.96 (Figure 6). The average laying date of the first clutch was 20 September, similar to 15 September in 2009 and 16 September in 2010.

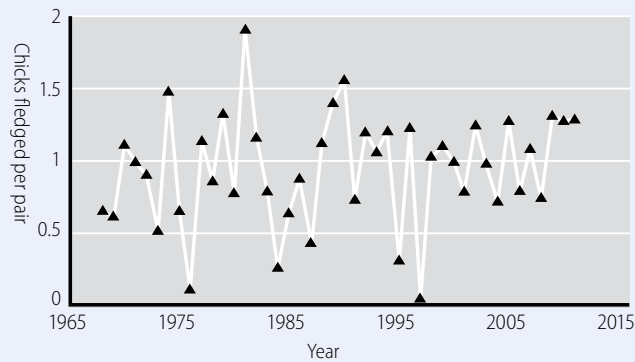


**Figure 4. The annual mean numbers of penguins crossing the Penguin Parade beach between 1977–78 and 2011–12.**

# The year in review



**Figure 5. Monthly mean numbers of penguins at the Penguin Parade: 2009–10 to 2011–12.**



**Figure 6. Annual breeding success, measured in terms of chicks raised per pair of penguins between 1968–69 to 2011–12.**

An improved method for estimating population size of burrowing seabirds was published this year. This research took advantage of the long-term, monitoring program to better define the window of time when population estimates for Little Penguins, based on burrow occupation, are most accurate. At Phillip Island, this window is from mid-November to early December.

## No effects found of Port Phillip channel deepening on Little Penguins

We worked with the Department of Sustainability and Environment to monitor the effect of the Port Phillip Bay Channel Deepening Project on Little Penguins at Phillip Island. As part of this four-year project, we employed a full-time technical officer. Using an automated weighing system, we monitored weights and attendance cycles of Little Penguins at the Penguin Parade. Little Penguins from Phillip Island forage extensively in Port Phillip Bay, particularly during winter and we used satellite telemetry to track penguins moving in and out of the bay during dredging operations. During and after the Channel Deepening Project, no unusual changes in body conditions of the penguins were recorded and the birds appeared undeterred by the dredging operations at the entrance to the bay.

## Predicting climate change impacts on Little Penguins

Monitoring of Little Penguins at Phillip Island has produced one of the best, long-term data sets available for recording and modeling climate change impacts on the marine environment in South-eastern Australia. Climate change is likely to see increased air and sea temperatures, more storms, changes to food webs, and inundation of some low-lying areas. Research published this year demonstrated that sea surface temperature strongly influences first year survival of Little Penguins but long-term implications of this remain unclear. First-year survival is higher when there are higher than average autumn temperatures but lower due to higher than average winter temperatures.

## Foraging ecology of Little Penguins

Research published this year emphasised the importance of the fish *Engraulis australis* (Anchovy) to Little Penguins at Victorian colonies. This fish is the only prey available to the penguins in large numbers year-round. Also published was an article by a PhD student indicating a possible relationship between a strong temperature gradient in the water column (a 'thermocline') and better foraging performance by Little Penguins.

## Innovative technology for cleaning oiled seabirds

This year, we continued to collaborate with Victoria University relating to magnetic particle technology for removal of oil from seabirds. Key outcomes were aimed at development of a portable in-field unit, and operational techniques. If successful, this project is likely to have great application for Little Penguins and seabirds on a global scale. Progress towards construction of portable units for de-oiling seabirds will continue next year.

# The year in review

## Enhance the scientific reputation of the Nature Parks

Credibility of all research projects is achieved through publication in peer reviewed journals. A full listing of publications for 2011–12 is provided on page 71. Collaborations, conference presentations, public talks and media avenues allow dissemination of research findings to our local community, Government departments, interest groups and the general public.

All research is conducted under the guidance and permission of an Animal Experimentation Ethics Committee and Wildlife Permits issued by the Department of Sustainability and Environment. We acknowledge the generous support of major research sponsors this year: BHP Billiton, Toyota and the Penguin Foundation, and the funding of a technical position by the Office of the Environmental Monitor.

## Management and conservation of Australian Fur Seals

### Foraging ecology of Australian Fur Seals

A publication this year reported on foraging trip strategies and habitat use by the female Australian Fur Seals from four major colonies. Seals from Seal Rocks foraged more broadly than did seals from colonies situated closer to the continental shelf. From a management perspective, there was minimal overlap between where females foraged and current marine reserves. Thus, key habitats for the seals currently receive minimal legislative protection.

### Disease assessment of Australian Fur Seals

One of the largest Australian Fur Seal colonies in the world is at the western end of Phillip Island at Seal Rocks. As part of our commitment to research-led management, we conducted research into disease issues in Australian fur seals in conjunction with Deakin University and Melbourne Zoo.

## Management of coastal birds – Hooded Plovers

Phillip Island has the only known increasing population of this species in the world. Past research into the threats facing Hooded Plovers on Phillip Island and the implementation of recommendations from this research have contributed to this tremendous outcome. The number of breeding birds on Phillip Island has quadrupled over the past 20 years. Current research by two PhD students from Deakin University and co-supervised by the Nature Parks is examining the feeding ecology of this species and the impact of predation by Little Ravens.

## Towards 2012–13

The Nature Parks research is guided by a Scientific and Research Advisory Committee comprising external scientists and Chaired by a Nature Parks Board member. This year the committee focused on assisting with development of a five-year research plan to align the research goals with those of the Nature Parks Strategic Plan 2012–2017. The implementation of this plan will be the key focus for the coming year and changes in research include a reduced focus on Australian Fur Seals, increased research on the marine ecosystem of Little Penguins and more terrestrial-based research on locally abundant species.

# The year in review

## + Visitor attraction and experience

Providing quality, immersive nature-based experiences of the Nature Parks' special places and wildlife in its natural habitat is central to our goals.

Key Goal	Measure	Result
Strengthen visitor attendance spend	Increase visitor numbers across all sites to achieve 784,490	Achieved 
	Increase spend per visitor (yield) by 5.1%	Not achieved 
Ensure our key conservation messages are visible in our products	Refresh the interpretations within the Penguin Parade Visitor Centre	In progress 
Prepare for future opportunities in online products and marketing tools	Provide a strategic 'online' strategy to the Board	Achieved 
Strengthen partnerships within the tourism industry to achieve mutually beneficial results for the Victorian Tourism Industry	Engage Tourism Victoria on a regular basis and strengthen our relationship	Achieved 
	Identify opportunities with other tourism providers (public and private) and engage in joint ticketing and promotions	Achieved 
Provide clear direction for Tourism operations for the next five years	Develop a Master Plan for the Summerland Peninsula to guide future investment opportunities	Achieved 
	Develop the Tourism and Marketing Plan for 2012-2017	Achieved 

### Visitation

#### Visitor numbers 2011-12

	Penguin Parade	Koala Conservation Centre	Churchill Island	Nobbies Centre	Total
2011-12	483,062	188,287	119,105	307,007	1,097,461
2010-11	476,059	189,623	119,975	299,312	1,084,969

Visitor numbers at all ticketed attractions was 1,097,461 visitors consisting of 54% international and 46% domestic. The increase in visitation is primarily attributed to the local domestic market and the Asian markets, which offset the declining visitation from international Western markets which have been negatively impacted by global economic conditions.

### International marketing activities

#### Activities for the international market this year included:

- Maintaining a Chinese representative based in Shanghai.
- Implementing integrated marketing campaigns including Chinese New Year, 'Penguins and Snow' joint package with Mt Baw Baw, 'Nature Crew' promotion, various promotions with key airline partners, major youth market promotion with STA UK and Singapore, Tourism Victoria and Tourism Australia.
- Increasing length of stay on Phillip Island by offering overnight stay packages and increasing product in key operators' itineraries.
- Joint packages with industry partners in Mornington Peninsula.
- Working in partnership and promoting Sydney Melbourne Touring Route and South East Touring Triangle.
- Partnerships with Melbourne Convention and Visitor Bureau and selected International Tour Operators which resulted in a substantial increase in the Asian incentive and conference market.
- Strong representation at major Tourism Victoria and Tourism Australia international sales missions, familiarisation programs and Australian Tourism Exchange.
- Improving our product knowledge in key Western markets by focusing on premium penguin viewing experiences for visitors.

### Domestic marketing activities

#### Activities for the domestic market this year included:

- Achieving an audience circulation of 40 million and a value of \$3 million through our national PR and media program. The Nature Parks featured in 10 major travel and leisure TV shows, all major metro newspapers, 12 major interstate media campaigns and numerous features in other media outlets.
- Promoting the '3 Parks Pass' as the preferred ticket type to increase awareness, length of stay on Phillip Island and visitor yields.
- Providing new viewing opportunities for visitors across our attractions and building our ecotourism brand. We achieved significant increases in premium tour capacity throughout the year and developed new and exciting volunteer packages, corporate team building experiences and education programs.

# The year in review

- Fully integrated sales and marketing promotions including a major winter promotion with local partners on the island, school holidays promotions, major summer promotion, Easter 3 Parks Pass promotion and ongoing website promotions.
- Continuing new family event concepts at Churchill Island – ‘Dads and Lads’, ‘Dads and Daughters’ and the Easter Fun Festival.
- Leveraging of major events in Melbourne such as Moomba Festival, Melbourne Marathon, Garden and Flower Show, Boat Show, Melbourne Royal Show to promote and increase the profile of the Nature Parks.
- Development of a new Local Pass as an affordable option for Bass Coast Shire residents.
- Building and enhancing relationships with local accommodation providers, Bass Coast Shire Visitor Information Centres and Federation Square and collaborating on cross promotions.

## Strengthening visitor yield

Yields from front gate admission fees increased by 2.1% and overall yields including Food and Beverage and Retail operations increased by 1.6%. This fell short of the targeted increase in yields partially due to the mix of products, with a higher volume of visitors attending the lower yielding attractions at the Koala Conservation Centre and Churchill Island. Visitor mix also contributed to this result as we experienced a decrease in visitors from Western markets who tend to be the higher yielding visitors.

## Promoting conservation messages

The Penguin Parade Visitor Centre refreshment commenced during the year. This project focuses on improving way-finding, traffic flow and in updating interpretive signage to better convey the Nature Parks’ conservation efforts with an increase in language content for foreign visitors. This initiative will significantly improve the visual amenity of the visitor centre and we look forward to the project completion in the coming year. Conservation messages have been incorporated in all marketing collateral, communication, media and public relations. Our premium tours which provide key conservation messages achieved increased attendance during the year.

## Enhancing online presence

The Nature Parks made significant improvements to its online presence during the year which commenced with the development of an online marketing strategy.

An iPhone App was developed to meet the needs of modern travellers. The application provides information about Phillip Island and Nature Parks’ natural attractions and ticketing information. Since its launch in October 2011 the application has received over 6,000 downloads. This application was the first stage of App developments planned for the Nature Parks in the coming years.

Phillip Island Nature Parks launched its new Chinese website [www.penguinsparade.com.cn](http://www.penguinsparade.com.cn) and it has been very active across online marketing activities specific to China – Sina, Weibo, Baidu.

Feedback from travel blog websites is a powerful marketing tool and the Nature Parks has taken steps to enhance the number of travel blogs received, including the introduction of free wi-fi within the Penguin Parade Visitor Centre. This has been a successful strategy with an exponential increase in blogs.

The Nature Parks commenced redevelopment of its primary website, [www.penguins.org.au](http://www.penguins.org.au) in 2012. The new website is an exciting development that will reflect the Nature Parks’ conservation values and will enhance communication with visitors and stakeholders. It is expected to be launched in late 2012.

## Developing partnerships

We maintained our close relationship with Tourism Victoria and the Penguin Parade was showcased in Victoria’s ‘China Tourism 2020’ strategy, which was launched during the year. We attended all Tourism Victoria and Tourism Australia sales missions and road shows as well as the Premier lead Victorian Super Trade Mission to India.

We maintained our strategic partnerships with Tourism Victoria, Tourism Australia, Melbourne Convention and Visitor Bureau, Victorian Tourism Industry Council, Australian Tourism Export Council, Destination Phillip Island, Phillip Island Tourism and Business Association and Bass Coast Shire Council.

Our Marketing Manager is the Chair of Destination Phillip Island and along with the CEO has an active role in the new Regional Tourism Board development.

Throughout the year we collaborated with local, regional and state attractions to promote regional tourism dispersal. Joint tickets and promotions were developed with Mt Baw Baw, Melbourne Cricket Ground, Zoos Victoria, Mornington Peninsula attractions, Puffing Billy, Eureka SkyDeck, accommodation providers and attractions on Phillip Island.

## Towards 2012–13

The Nature Parks Strategic Plan 2012–2017 sets our key long-term directions and establishes an exciting framework for the Nature Parks to become a securely positioned iconic conservation destination. During the year we also developed our Tourism and Marketing Plan 2012–2017 through workshops and consultation with Tourism Victoria and our significant partners. The Plan sets key objectives for future tourism product and market development, visitor services, promotion and communication, partnerships, interpretation and education.

# The year in review

## Education

Our award-winning education programs inspire students and visitors from around the world through exciting educational experiences in the Nature Parks' spectacular 'outdoor classroom'.

Key Goal	Measure	Result
Expand our reach by presenting to more students more often.	Increase student numbers and education tours by 20%	Achieved 
Strengthen partnerships with key organisations to broaden the depth of our education activities.	Provide content and input into the development of ecotourism courses in partnership with Chisholm Institute.	Achieved 
	Develop partnerships and secure three year funding agreement.	Achieved 
Provide a clear direction for the Conservation messaging of the Nature Parks for the next five years	Finalise the Education Plan 2012-2017.	Achieved 

The Nature Parks' education programs aim to increase knowledge and understanding about the work we do and encourage students and visitors to implement conservation actions in their own lives through hands-on programs and activities

This was an exciting year as the Nature Parks consolidated its domestic markets and experienced strong growth into the international student market.

For the first time, more students attended ranger talks rather than just visiting the Penguin Parade. This can be attributed to educators seeking out the best value in uncertain economic conditions, as well as the Nature Parks becoming more well-known for its delivery of quality education programs. A total of 29,655 students visited the Nature Parks with 67% attending the Penguin Parade. Yield from Education Tours increased by 37% and international student attendance to ranger-guided tours doubled.

## Expanding our reach

We are now working to expand our reach into the schools market around Australia and internationally through partnering with on-line content providers. This format will allow rangers to deliver video-conferencing sessions with students from anywhere in Australia. We have also doubled our reach into the international student market. Our attendance at key education events has allowed us to network with regional educators and be at the forefront of any advances in policy and development within the region.

## Coastal Ambassadors reunion

As part of the 10-year celebrations of the Coastal Ambassadors program, a reunion of past students and teachers was held. This important program encourages students to become ambassadors of the ocean and the environment in their local communities.

On the four day camp, students learn about environmental issues as well as develop leadership, communication and teamwork skills. Each student takes the lessons learnt from the program back to their school and local community. Teacher in-services are also held.

## Strengthening partnerships

The Nature Parks continued to work strategically with Chisholm Institute of TAFE under an existing Memorandum of Understanding.

## Vocational Graduate Certificate in Ecotourism Management

This new and exciting course was developed in partnership with the Nature Parks and Chisholm Institute. A pilot course was completed successfully, resulting in the first vocational graduate certificate qualification in Australia to combine the science of ecotourism with business management and feature project based learning (at the Nature Parks).

## Towards 2012-13

Our strategic planning process has developed a strong future direction with the completion of the Education Plan 2012 -2017. This plan details programs which provide two key objectives; strong conservation messages and higher yield. We will also continue to explore and expand the international student market. As well as developing other tours for the international market, our strengthening relationship with members of the Bunurong and Boon Wurrung community has allowed us to develop and deliver an indigenous heritage program.

# The year in review

## + Community

The local community has played a vital role in the evolution of the Nature Parks and continued to support the organisation it has become in 2011-12.

Key Goal	Measure	Result
Increase the depth and frequency of communication with the local community	Conduct the second annual Community Open Day to share and showcase the work of the Nature Parks	Achieved 
	Distribute a community handbook to share information about the Nature Parks' roles and responsibilities with Phillip Island residents	Achieved 
	Develop a Reconciliation Action Plan in connection with local indigenous groups	Achieved 
	Consult and share information with community and stakeholders in the development of the Strategic Plan 2012-2017, Environment Plan 2012-2017 and the Summerland Peninsula Master Plan	Achieved 

### Community engagement

Phillip Island Nature Parks is committed to community consultation and involvement. In 2011-12 the Nature Parks engaged a Community and Stakeholder Engagement Officer to further develop and improve community relations. This included facilitating community information sessions about planning processes and providing opportunities for involvement in the development of the Strategic Plan and Environment Plan. A new 'Community News' section to inform the community was created within the Nature Parks' website [www.penguins.org.au](http://www.penguins.org.au)

**Initiatives also included:**

#### Community open day

The second Community Open Day was held in March. On the day, over 1,000 local residents visited the Nature Parks free of charge to learn more about what we do and how they can be involved. A highlight of the Open Day was the formal launch of the Strategic Plan 2012-2017 by the Board and the Hon Ken Smith MP with community members.

#### Community handbook

A Community Handbook was developed and distributed to residents. The booklet contains information about the Nature Parks that is of interest to the community including the areas managed, the role of each department, information on living with wildlife and relevant contact details. A copy of the booklet is available at [www.penguins.org.au](http://www.penguins.org.au)

### Living with wildlife

A community workshop bringing together relevant authorities that deal with wildlife on Phillip Island was held in April. The workshop provided information and advice for residents such as who to call for help with injured wildlife and information about living with wildlife in their home, garden or farm.

### Phillip Island National Surfing Reserve

This year, the Nature Parks facilitated a community working group to establish a National Surfing Reserve for Phillip Island. National Surfing Reserves are 'iconic' places of intrinsic environmental, heritage, sporting and cultural value to a nation. The working group contains representatives from relevant groups and established a proposal for the areas to be contained within the Reserve and the reasons why. This was presented at a public meeting in June and accepted in principle by the National Surfing Reserves Board. This will be the first National Surfing Reserve in Victoria. More information can be found at [www.surfingreserves.org](http://www.surfingreserves.org).

### Indigenous affairs

The Nature Parks acknowledges the Boon Wurrung and Bunurong people as the traditional owners of the land on which the Nature Parks lies.

Through the year, a working group including staff, indigenous and community representatives worked to finalise a Reconciliation Action Plan for the Nature Parks. The Plan aims to publicly formalise the Nature Parks' contribution to reconciliation by identifying clear actions with realistic targets and was developed in consultation with indigenous representatives. The plan is also about embedding cultural change within the whole organisation through building good relationships, respecting the special contribution of Aboriginal and Torres Strait Islander peoples and creating opportunities. More information can be found at [www.reconciliation.org.au](http://www.reconciliation.org.au).

### Memorandum of Understanding with Bass Coast Shire Council

The Nature Parks renewed their MOU with Bass Coast Shire Council in 2010-11 and it continued to be implemented throughout the year. Under the agreement, Phillip Island Nature Parks' Chair of the Board and Bass Coast Shire Council Mayor or delegate meet monthly to discuss issues on a strategic level and both CEO's meet regularly for collaborative decision making on relevant issues.

There are many areas where both organisations recognise working together to achieve better efficiencies and outcomes for the local community and the environment in:

- Improved community consultation and public participation in the planning associated with conservation and public land management on Phillip Island.
- Better facilities and appropriate access across Phillip Island conservation and land management strategies and precincts.
- Better alignment of policies and procedures where there are mutual obligations.
- Better education strategies for the local community.
- Staff training and development planning and development in tourism and ecotourism.



# The year in review

## Cultural diversity

Over 50% of visitors to the Nature Parks are international and we cater for them with publications and audio information in up to 11 languages. Our signage uses international symbols and we acknowledge cultural celebrations and beliefs such as Chinese New Year and various religious observances.

## Young people

We provide special information and programs for young people including events, education programs, work experience and publications. We encourage employment of local young people in that we offer part time work supporting students to work on weekends and holidays, particularly over the busy summer period.

## Contributions from friends and volunteers

**During 2011–12 over 1,000 volunteer days were spent in the Nature Parks. Significant volunteer activities included:**

- Studies of resident and migratory shorebirds at Rhyll and Crested Terns at the Nobbies by the Victorian Wader Study Group (VWSG).
- Monthly monitoring of penguins by the Penguin Study Group .
- Seven habitat restoration days by Toyota, National Australia Bank and KPMG employees.
- Bird counts of key species including Cape Barren Geese, international waders, Hooded Plovers, gulls and wetland birds by volunteers including members of BirdLife Bass Coast and the VWSG.
- The volunteer Wildlife Rescue and Transport Group provided 24-hour rescue and transport to the Nature Parks' Wildlife Rehabilitation Centre. Volunteers and wildlife shelter trainees assisted with day-to-day activities.
- Monthly habitat days and koala counts by Friends of Koalas.
- Plant propagation, weed control, revegetation and habitat rehabilitation by International Student Volunteers
- Contribution to restoration projects, gardening, tree planting, signage and ongoing conservation and promotion of Churchill Island by Friends of Churchill Island Society.
- Churchill Island Guides wear period costumes and provide information to visitors. They also assist with events and help protect the historic collection from theft and damage.
- Cat trapping, nursery works, weed control, seed collection and planting by Tertiary Work Placement students from Holmesglen TAFE, Chisholm TAFE, Latrobe University, Monash University and Deakin University.
- Activities and Events Program volunteers assisted with school holiday activities programs.
- Local schools participated in revegetation and National Tree Day activities. Many other schools and colleges participated in revegetation, weeding and plant propagation, seed collection and beach cleaning activities.
- A total of 23 joint working bees, were held with Coast Action Groups (Sunderland Bay/Surf Beach, Smiths Beach, West Woolamai), Friends of the Koalas and Friends of Churchill Island.
- Valuable feedback was received from the Environment, Education, Community and Scientific advisory committees which assisted the Board and Nature Parks managers.

## Community inclusiveness

**The Nature Parks supported:**

- Bass Coast Landcare sponsored projects.
- Barbara Martin Bushbank through provision of a venue and services. The Bushbank produced thousands of indigenous plants and seedlings for revegetation projects across Phillip Island.
- Woolamai Beach Surf Life Saving Club to provide life saving services at Cape Woolamai beach during summer.
- Phillip Island Tourism and Business Association and Destination Phillip Island to bring more visitors to the region including Board representation by key Nature Parks managers.
- Visiting school groups.
- Sponsorship of key community events including Channel Challenge and Cowes Classic.
- Local businesses, contractors and suppliers to provide economic benefit.
- Local community sporting groups.
- South Gippsland Bass Coast Local Learning and Employment Network with engaging students in school and career pathways.
- Placements of 20 work experience students and four Duke of Edinburgh students.
- Visits by 12 Aboriginal students from Wonthaggi Secondary College.
- The Gippsland Youth Commitment through which we have a number of initiatives for supporting local youth including providing access to students of our facilities to assist in their learning of the outcomes of the organisation and what we are seeking to achieve.

## Towards 2012–13








The next year will provide exciting opportunities for our community and stakeholders to become involved in important planning for the future of the Nature Parks. The implementation of our Strategic Plan 2012–2017 will require further consultation and community and stakeholder engagement. The ongoing implementation of our Reconciliation Action Plan will be an important focus. The declaration of the Phillip Island National Surfing Reserve in 2013 will also be a highlight.

# The year in review

## + Organisation

### Our team

We need a skilled and confident workforce to deliver our future vision. We also need to establish the structures and processes which will support our staff and underpin our activities for years to come.

Goal	Measure	Result
Instill a culture of trust, appreciation and responsibility	Implement staff rewards program and assess effectiveness after a six month period.	Achieved 
	Implementation of action plan resulting from staff survey to improve morale and communication internally	Achieved 
Measure performance and implement integrated learning	Aim to increase staff survey response numbers from 47% to 70%	Not achieved 
	Conduct a skills audit for all Nature Parks staff	In progress 
Strengthen the safety culture and outcomes within the Nature Parks	Integrate the new Workplace Health and Safety Act and Regulations 2012 into Nature Parks' operations	In progress 
	Reduce incidents and lost time hours to staff across the operation by 25%	Not achieved 
Provide a clear direction for the development of our people for the next five years	Develop a three year Workforce Plan to support the new five year Strategic Plan 2012–2017	Achieved 

Our team drives our success and has diverse responsibilities that integrate environmental and tourism activities. This requires a flexible approach as to how we manage the relationships and priorities integral to achieving our goals. The contribution by our staff is acknowledged by the Board for the high level of commitment, integrity and responsibility across program delivery and customer experience.

### The right culture

Our organisational culture is undergoing change and this is being influenced by our new values. The six values: Communication; Growth and Development; Leadership and Teamwork; Respect and Integrity; Responsibility and Sustainability were developed by the Vision and Values Committee together with our staff, managers and the Board. The implementation of these values is an ongoing process enabling us to reflect on our communication, teamwork and leadership.

There has been a demonstrated shift in our culture with:

- 61% of staff participating in the 2012 Staff Survey (an increase of 14%), as well as 30% involvement in the development of follow up actions.
- Over 90% of staff involved in the skills assessment and recognition project.
- 95% of eligible staff voting for the Phillip Island Nature Parks Agreement 2010-2013.
- Growth in contribution to the business of the Vision and Values committee.

Underpinning our culture are policies and guidelines supporting our staff in their behaviours and building their confidence. We have developed a Social Media policy as well as revised and re-issued policies: Code of Conduct, Fraud Control, and Whistleblowers policy and procedure.

The 'Leading Light' rewards program was launched in October 2011 to recognise initiative, creativity, team contributions, leadership and continuous improvement across the organisation. After eight months of the program the resulting nominations are demonstrating the value and appreciation given to staff achievements by our team.

### Performance and learning

The education of our staff is integral to our business and this year a skills assessment and recognition project was undertaken for all staff to evaluate the skill and qualification levels in the organisation and to enhance the way in which we will continue to develop our workforce. This project has been undertaken through our partnership with the Chisholm Institute of TAFE demonstrating the valuable relationship with this vital community based sector.

This year development has focused on compliance training, including occupational health and safety, team development and communications. The process of addressing individual needs has commenced and will be ongoing.

We are proud to have sponsored 12 staff in completing qualifications that support the work of the organisation – five staff completed the Certificate IV in Tourism, four staff completed the Certificate IV in Retail and three staff completed the Vocational Graduate Certificate in Ecotourism. Of these, one was also awarded the Chisholm Bass Coast Trainee of the Year 2011.

# The year in review

## Occupational Health and Safety

Our environment is supportive, healthy and safe for all our staff and visitors. Our Health and Safety Committee includes representation from all areas of the organisation and drives initiatives to promote a healthy and safe workplace. During the year the following initiatives were implemented to improve the organisations safety culture:

- Launch of the 'Safety is in our nature' campaign and held safety activities in Work Safe week (October 2011).
- Free health checks for over 50 staff provided up to date assessments of overall health and a proactive approach to workplace audits across the organisation.
- The introduction of comprehensive Departmental OH&S plans giving managers the responsibility and accountability for managing OH&S in their departments. An employee assistance program was trialed in 2011 to provide support for our staff and their families. The Nature Parks consider this program a success and committed to extend the program for two years.
- Training was undertaken for high risk activities including the use of a chainsaw and manual handling. This was in addition to required OH&S compliance training.
- An external health and safety audit was undertaken to review the Nature Parks' compliance with Australian Standards (AS 4801–2001 Occupational Health and Safety Management Systems) which recommended only one improvement. This was an outstanding result that outlined our commitment to safety across the organisation.

The Nature Parks set itself an ambitious target to reduce lost time hours from injury by 25% during the year. Although this target was not met there was a decrease in lost time hours of 8.8% on last year and there was a noted improvement in the management of injuries to staff.

The number of incidents reported during the year increased by 9.8%, which was attributed to the increase in the number of proactive reports for hazards or near misses. This demonstrates that more safety risks are being identified and reported before they result in an injury, which is a reflection of the improvements in the organisations safety culture. This result has been complemented by a reduction in the number of visitor incidents during the year.

## Towards 2012–13

Providing a workplace that is energetic, rewards performance and provides opportunity is a challenge that is ongoing and will be driven by the Workforce Plan 2012–2017. The Plan supports our strategic imperatives ensuring that the workforce is confidently able to achieve the work that will enable us to meet the outcomes of the five year Strategic Plan.

Specific focus has been given to increasing our capacity to meet changing needs as well as to enriching our skills in providing outstanding experiences to a diverse customer base. Professional scientific development will be enhanced through a range of initiatives that will encourage relationships with other organisations and support leadership in our science.

## Workforce data

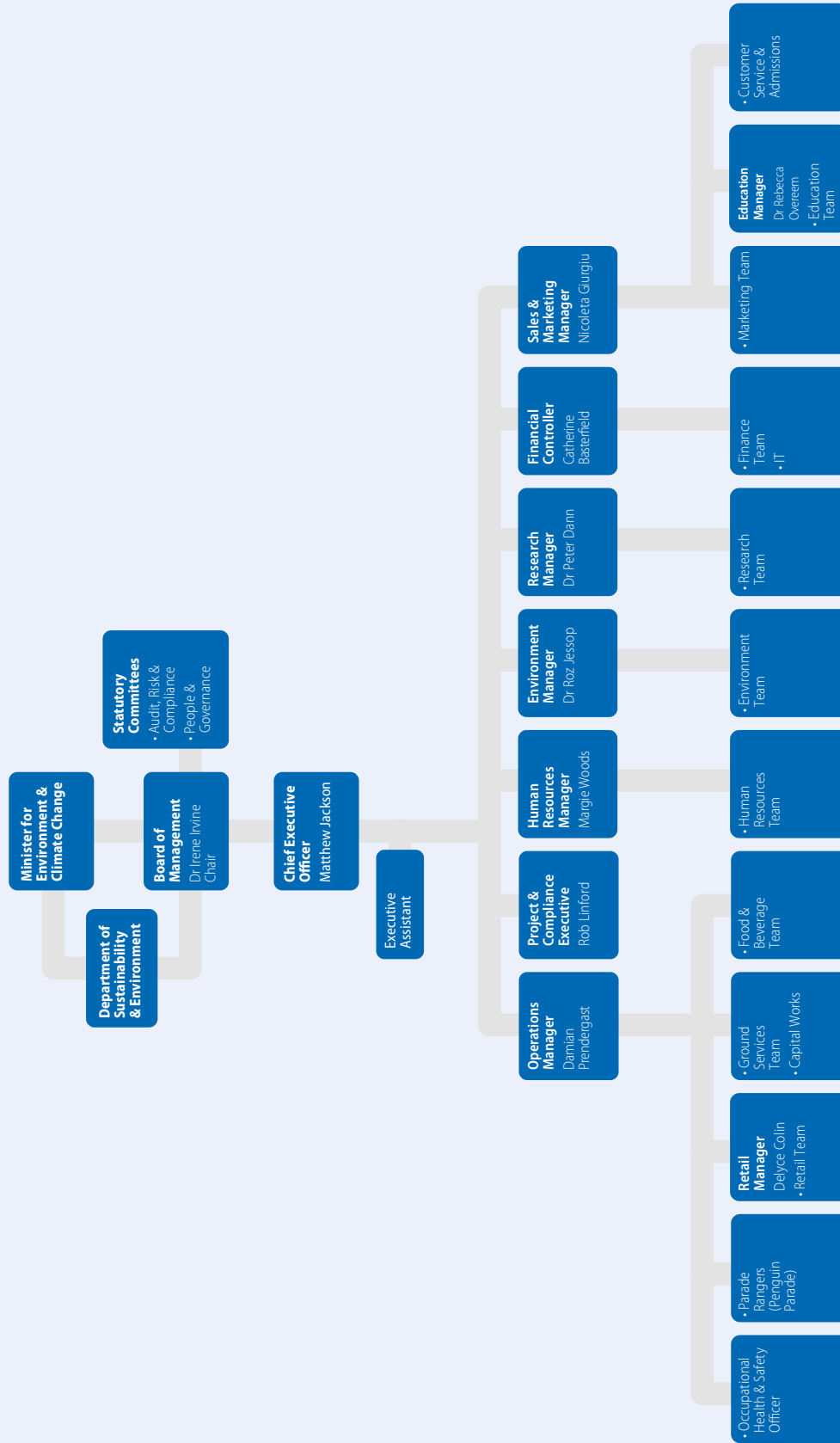
### The Nature Parks' workforce profile

Staff	2011–12	2010–11
Executive officers	5	5
Senior managers	5	5
Supervisors	11	10
Administration	16	15
Commercial	101	115
Field	49	40
Total	187	189
Male	77	81
Female	110	108

The gender representation at the Nature Parks is 59% female and 41% male.

# The year in review

## Organisational structure



# The year in review

## Board of management

### Objectives, functions, powers and duties

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

Our Board met 10 times this year to provide governance and strategic directions.

**Dr. Irene Irvine** (Chair) is a highly experienced senior executive and a company director widely respected for her strategic and innovative thinking. Prior to establishing her own consultancy she held a series of senior management positions in the education, not for profit, government and commercial sectors.

**Stella Axarlis AM** has extensive Board and business experience and is a strong advocate for the community and organisational excellence underpinned by good governance. In November 2011 Stella Axarlis was awarded the inaugural preeminent Lifetime Achievement Award. The award is presented to an individual who has an established history of distinguished service and who has made a lasting contribution to Vocational Education and Training.

**Jeff Floyd** is the CEO of Strategic Advisory and Facilitation Services Pty Ltd, a management and risk consulting business. He is an Adjunct Professor at Victoria University and has had a distinguished career as a CEO in both the public and private sectors; including extensive experience in environmental management and tourism.

**Kirsty Mawer** is a Fellow of the Australian Institute of Company Directors (FAICD) and has 15 years board experience across tourism, land management, and service industries, both public and private, with tenure as President and Chairman. She is highly regarded for expertise in governance, leadership development, stakeholder relations, strategic planning, and project and business management.

**Ralph Booth** is the Chairperson of Lake Mountain and Baw Baw Alpine Resorts and also a member of the Alpine Resorts Coordinating Council. He has founded several corporate advisory businesses and held a senior executive position for 13 years with the Department of Treasury and Finance.

**Dr. Catherin Bull AM** brings expertise in landscape, architecture, design and planning to the Board. She is Emeritus Professor of Landscape Architecture at The University of Melbourne and as an advocate for better development and spatial management, she advises governments and industry nationally on open space and urban design matters, chairing reviews and serving on juries.

### Board member attendance

Board members	Number of meetings eligible to attend	Number of meetings attended	Appointment date
Dr. Irene Irvine (Chair)	10	9	5 September 2009
Stella Axarlis AM	10	10	17 July 2003
Jeff Floyd	10	8	21 July 2010
Kirsty Mawer	10	9	5 September 2009
Ralph Booth	10	10	21 July 2010
Dr. Catherin Bull AM	10	6	5 September 2009

### Towards 2012-13

The Board's role and functions are complex and cover a range of issues. The Strategic Plan 2012-2017 recommends that an Issues Paper analysing the strengths and weaknesses of the current governance framework. This important exercise will be undertaken in 2012-13 and aims to improve and strengthen the Board's role into the future.

# Governance and compliance

## + Manner of establishment & relevant Minister

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

The Nature Parks is governed by a Board of Management established under the *Crown Land (Reserves) Act 1978*. The responsible Minister for the period from 1 July 2011 to 30 June 2012 was the Hon Ryan Smith MP, Minister for Environment and Climate Change.

## + Board committees

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

### Audit, Risk and Compliance Committee

Chair – Board of Management	Ralph Booth
Board of Management	Dr. Irene Irvine
Board of Management	Stella Axarlis AM

### People and Governance Committee

Chair – Board of Management	Dr. Irene Irvine
Board of Management	Kirsty Mawer
Board of Management	Stella Axarlis AM

### Project Monitoring Committee

Chair – Board of Management	Dr. Catherin Bull AM
Board of Management	Kirsty Mawer
Board of Management	Ralph Booth

## + Consultative committees

The Nature Parks has established a number of committees to provide a channel for communication with key stakeholders. These committees include:

### Community Advisory Committee

Chair – Board of Management	Stella Axarlis AM	
Board of Management	Kirsty Mawer	
Committee	Cr. Jane Daly	Pauline Taylor
	Patsy Hunt	Julia Nelson
	Stephen Fullarton	Margaret Hancock
	Deborah Holland	Pat Baird
	Gill Hardman (*appointed December 2011)	

### Environment Advisory Committee

Chair – Board of Management	Dr. Catherin Bull AM	
Committee	Penny Manning	Tim Ealey
	Nicola Tregear	Tania Maddigan
	Bessie Tyers	Louise Parsons
	Paul Smith	Alison Creighton (*appointed February 2012)
	Michael Cleeland	

### Education Advisory Committee

Chair – Board of Management	Stella Axarlis AM	
Board of Management	Kirsty Mawer	
Committee	Wendy Major	Jim Wilson
	Rob Higgins	Ric Pearce
	Donald Paproth	Linda Thompson
	Helen Lechte	Karen Bowker (*appointed February 2012)

### Scientific and Research Advisory Committee

Chair – Board of Management	Dr. Catherin Bull AM	
Board of Management	Kirsty Mawer	
Committee	Dr. Kath Handasyde	Adrian Moorrees
	Peter Menkhorst	Dr. Simon Goldsworthy
	Dr. Robin Lawson	Prof Ian Beveridge
	Dr. Stephen Swearer	

### Animal Experimentation and Ethics Committee

Chair – former Board member	Dr. Kath Handasyde	
Committee	Dr. Jennifer Hibble	
	Anne Davie	
	Clare Davis	
	Dr. Russell Watson	

The Animal Experimentation Ethics Committee (AEEC) is a statutory committee required to be convened by the Nature Parks to oversee the conduct of the organisation's activities with regards to the care and use of animals for scientific purposes.

# Governance and compliance

## + Compliance matters

### Risk management

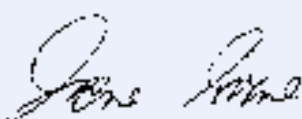
The Nature Parks has an Audit, Risk and Compliance Committee that meets quarterly to discuss risk management and other financial and compliance related matters. The Chief Executive Officer and Financial Controller attend these meetings. The Board and management have identified the major risks to the organisation and the assets it manages and documented detailed strategies to mitigate these risks. It is incumbent on the Board and staff to proactively identify and act upon risks as they arise – for themselves and visitors.

This year the Board undertook a facilitated strategic risk review and contracted Ernst & Young to provide advice on the Nature Parks' risk management processes. Findings from this review have been initiated.

Internal audits were conducted during the year to provide assurance over the Nature Parks' internal controls and processes. These audits are planned by the Audit, Risk and Compliance Committee and selected with reference to the risk of each activity. Fraud risk, financial controls, tax compliance, OH&S and building code compliance were all reviewed in the last 12 months. Findings from each review are actioned by management and monitored by the Board on the advice of the Audit, Risk and Compliance Committee.

I, Irene Irvine, certify that Phillip Island Nature Parks has risk management processes in place consistent with the Australian/New Zealand Risk Management Standard ISO 31001 2009 and an internal control system is in place that enables the executive to understand, manage and satisfactorily control risk exposures.

The Nature Parks' Board verifies this assurance and that the risk profile of Phillip Island Nature Parks has been critically reviewed within the last 12 months.



**Dr. Irene Irvine**

Chair, Phillip Island Nature Parks Board of Management



**Ralph Booth**

Audit, Risk & Compliance Committee Chair, Phillip Island Nature Parks Board of Management

### Industrial relations

Nature Parks' staff were employed under the Phillip Island Nature Parks' Agreement 2010–13 and the applicable union is the Australian Services Union. No Industrial Relations claims were applicable during the reporting period.

### Freedom of Information Act 1982

The *Freedom of Information Act* 1982 allows the public a right to access to documents held by the Nature Parks. The Nature Parks makes public information about our operations available by creating a general right of access to the information in a document or electronic form. All Freedom of Information requests are subject to a \$25.10 application fee.

There were no Freedom of Information requests during the reporting period.

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

Catherine Basterfield, Freedom of Information Officer  
Phillip Island Nature Parks  
PO Box 97, Cowes, Victoria 3922

A written response will be sent to the applicant in accordance with the Act.

### Privacy Act 2000

The Nature Parks is committed to ensuring that the Victorian *Information Privacy Act* 2000 is adhered to. This Act applies to all Nature Parks' operations including websites and emails. Our Privacy Policy is available to all staff, visitors and stakeholders as requested. A summary of the policy is also available on our website [www.penguins.org.au](http://www.penguins.org.au)

### Whistleblowers Protection Act 2001

The *Whistleblowers Protection Act* 2001 is designed to encourage and facilitate disclosures of improper conduct by public officers and public bodies and to provide protection for the persons who make disclosures.

There were no reports made under this Act during the reporting period.

The protected disclosure coordinator for the Nature Parks acts as an agent for the Authority to receive disclosures under the Act and applies the Department of Sustainability and Environment procedures in managing disclosures. Disclosures of improper conduct by the Authority or its employees may be made to:

Damian Prendergast  
Operations Manager  
Phillip Island Nature Parks  
PO Box 97, Cowes, Victoria 3922  
Email: [dprendergast@penguins.org.au](mailto:dprendergast@penguins.org.au)

The Ombudsman Victoria  
Level 22, 459 Collins Street, Melbourne, Victoria 3000  
Telephone: 03 9613 6222 Toll free: 1800 806 314  
Email: [ombudvic@ombudsman.vic.gov.au](mailto:ombudvic@ombudsman.vic.gov.au)

The Nature Parks' Whistleblowers policy is detailed in the appendix of this document.

# Governance and compliance

## National Competition Policy

Competitive neutrality seeks to enable fair competition between government and private sector businesses. Any advantages or disadvantages that government businesses may experience, simply as a result of government ownership, should be neutralised. Phillip Island Nature Parks continues to implement and apply this principle in its business undertakings.

## Building Act 1993

Phillip Island Nature Parks complies with building management provisions of the *Building Act* 1993. The Nature Parks' management ensures that all works requiring building approval have plans certified, works in progress inspected and Occupancy Permits issued by independent Building Surveyors engaged on a local job by job basis. The Nature Parks management ensures all building practitioners engaged on building works to be registered and maintain registration throughout the course of the works.

## Public Administration Act 2004

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

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

- Recruitment and Appointment Policy and Procedures
- Training and Development Policy and Procedures
- Employees' Performance and Development Review Policy and Procedures
- Termination and Settlement of Disputes Procedure
- Employee Equal Opportunity Procedure
- Code of Practice for Employees

## Major contracts

No contracts of over \$10 million were entered into in the reporting period.

## Consultancies over \$10,000

<b>Consultant</b>	<b>TRACT</b>
Project	Summerland Master Plan
Total approved project fee	\$420,683.50
Expenditure 2011–12	\$407,635
Future committed expenditure	NIL
<b>Consultant</b>	<b>Horizon 3</b>
Project	Strategic Plan (SP) and Environment Plan (EP) Preparation & consultation
Total approved project fee (SP)	\$50,160
Total approved project fee (EP)	\$59,740
Expenditure 2011–12	\$78,225
Future committed expenditure	NIL

<b>Consultant</b>	<b>Aurecon Australia</b>
Project	Building structural audit
Total approved project fee	\$73,273
Expenditure 2011–12	\$73,273
Future committed expenditure	NIL

<b>Consultant</b>	<b>Ernst &amp; Young</b>
Project	Strategic assessment and risk review
Total approved project fee	\$22,895
Expenditure 2011–12	\$22,895
Future committed expenditure	NIL

<b>Consultant</b>	<b>Cardno Victoria</b>
Project	Traffic and parking survey
Total approved project fee	\$11,200
Expenditure 2011–12	\$11,200
Future committed expenditure	NIL

<b>Consultant</b>	<b>Lambert &amp; Rehbein</b>
Project	Building Audit
Total approved project fee	\$11,114
Expenditure 2011–12	\$11,114
Future committed expenditure	NIL

## Consultancies under \$10,000

During the year the Nature Parks engaged four consultants for contracts under \$10,000 with total aggregate fees of \$29,791.

## Fee policy

Entry fees to Nature Parks' attractions are regulated under the *Crown Land Reserves Act* (1978) and increased by an average of 1.9% during the reporting period. Details of entry fees and tour product prices are available at [www.penguins.org.au](http://www.penguins.org.au).

## Statement of availability of other information

Publications are listed on pages 71–72 and research activities on pages 16–18 of this report. Marketing and promotion activities are detailed on pages 19–20.

## Subsequent events

There were no matters subsequent to the financial report being finalised that significantly affect the operating performance or financial position of the Nature Parks as at 30 June 2012 or its operations into the future.

## Victorian Industry Participation Policy Act 2003

The *Victorian Industry Participation Policy Act* 2003 (VIPP) requires public bodies and Departments to report on the implementation of the Act. Departments and public bodies are required to apply VIPP in all tenders over \$3 million in metropolitan Melbourne and \$1 million in regional Victoria.

The Nature Parks has not commenced or completed any contracts during 2011–12 to which VIPP applied.





# Phillip Island Nature Parks

## Financial statements 30 June 2012

### Comprehensive operating statement for the financial year ended 30 June 2012

	NOTES	2012	2011
		\$	\$
<b>Operating revenue</b>			
Sales	2	6,586,791	6,400,823
Admissions	2	9,894,711	9,634,785
<b>Total operating revenue</b>		<b>16,481,502</b>	<b>16,035,608</b>
<b>Other income</b>			
Interest	2	320,814	305,388
Other operating income	2	2,118,264	3,209,401
<b>Total other income</b>		<b>2,439,078</b>	<b>3,514,789</b>
<b>Expenses</b>			
Employee benefits		(10,236,107)	(8,945,215)
Cost of Sales		(2,590,568)	(2,554,278)
Materials and supplies		(709,388)	(833,890)
Depreciation and amortisation	8, 9	(1,847,691)	(1,739,429)
Other operating expenses	3b	(4,159,718)	(4,499,382)
<b>Total expenses</b>	<b>3a</b>	<b>(19,543,472)</b>	<b>(18,572,194)</b>
<b>Net result from operations</b>		<b>(622,892)</b>	<b>978,203</b>
<b>Other economic flow included in net result</b>			
Net gain/(loss) on non financial assets	4	49,380	7,628
<b>Net result for the year</b>		<b>(573,512)</b>	<b>985,831</b>
<b>Other non owner changes in equity</b>			
Changes in physical asset revaluation surplus		–	19,735,186
<b>Comprehensive result</b>		<b>(573,512)</b>	<b>20,721,017</b>

The comprehensive operating statement should be read in conjunction with the accompanying notes included on pages [36] to [56].

# Phillip Island Nature Parks

## Financial statements 30 June 2012

### Balance sheet as at 30 June 2012

	NOTES	2012	2011
		\$	\$
<b>Current Assets</b>			
Cash and cash equivalents	11(i), 17	7,817,762	7,501,089
Receivables	5, 17	567,202	822,370
Inventory	6	716,003	700,176
Other current assets	7	88,637	145,171
<b>Total current assets</b>		<b>9,189,604</b>	<b>9,168,806</b>
<b>Non-current assets</b>			
Property, plant and equipment	8	70,124,703	70,818,645
Intangibles	9	170,542	84,565
<b>Total non-current assets</b>		<b>70,295,245</b>	<b>70,903,210</b>
<b>Total assets</b>		<b>79,484,849</b>	<b>80,072,016</b>
<b>Current liabilities</b>			
Payables	10, 17	1,128,321	1,818,936
Employee provisions	13	2,072,682	1,433,321
<b>Total current liabilities</b>		<b>3,201,003</b>	<b>3,252,257</b>
<b>Non-current liabilities</b>			
Employee provisions	13	208,294	170,695
<b>Total non-current liabilities</b>		<b>208,294</b>	<b>170,695</b>
<b>Total liabilities</b>		<b>3,409,297</b>	<b>3,422,952</b>
<b>Net assets</b>		<b>76,075,552</b>	<b>76,649,064</b>
<b>Equity</b>			
Contributed capital	1(r)	29,759,634	29,759,634
Accumulated surplus		7,877,719	8,451,231
Asset revaluation reserve	1(s)	38,438,199	38,438,199
<b>Total equity</b>		<b>76,075,552</b>	<b>76,649,064</b>

The balance sheet should be read in conjunction with the accompanying notes included on pages [36] to [56].

# Phillip Island Nature Parks

## Financial statements 30 June 2012

### Statement of changes in equity for the financial year ended 30 June 2012

	Contributed Capital	Asset revaluation reserve	Accumulated surplus	Total equity
	\$	\$	\$	\$
<b>Balance at 30 June 2010</b>	28,881,619	18,703,013	7,465,400	55,050,032
Transactions with owner in its capacity as owner	878,015	–	–	878,015
Total comprehensive result	–	19,735,186	985,831	20,721,017
<b>Balance at 30 June 2011</b>	29,759,634	38,438,199	8,451,231	76,649,064
Transactions with owner in its capacity as owner	–	–	–	–
Total comprehensive result	–	–	(573,512)	(573,512)
<b>Balance at 30 June 2012</b>	29,759,634	38,438,199	7,877,719	76,075,552

The statement of changes in equity should be read in conjunction with the accompanying notes included on pages [36] to [56].

# Phillip Island Nature Parks

## Financial statements 30 June 2012

### Cash flow statement for the financial year ended 30 June 2012

	NOTES	2012	2011
		\$	\$
<b>Cash flows from operating activities</b>			
Receipts from customers and other entities (incl GST)		20,906,593	21,494,182
Payments to suppliers and other expenses (incl GST)		(10,934,528)	(10,143,231)
Interest received		287,674	305,388
Salaries and other payments to employees		(8,752,720)	(8,026,292)
Net cash flows from operating activities	11(ii)	1,507,019	3,630,047
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment	8	(1,164,689)	(1,883,781)
Payment for intangibles	9	(86,114)	(67,717)
Proceeds from property, plant and equipment	8	60,457	95,683
Net cash flows used in investing activities		(1,190,346)	(1,855,815)
<b>Cash flows from financing activities</b>			
Contributed capital from government		–	410,015
Net cash flows from financing activities		–	410,015
Net increase in cash and cash equivalents		316,673	2,184,247
Cash and cash equivalents at the beginning of the financial year		7,501,089	5,316,842
Cash and cash equivalents at the end of financial year	11(i)	7,817,762	7,501,089

The cash flow statement should be read in conjunction with the accompanying notes included on pages [36] to [56].

# Phillip Island Nature Parks

## Financial statements 30 June 2012

### 1 Summary of significant accounting policies

The annual financial statements of Phillip Island Nature Park Board of Management Incorporated are general purpose financial statements which have been prepared in accordance with the Financial Management Act 1994 and applicable Australian Accounting Standards, which includes interpretations (AAS's).

The financial report also complies with relevant Financial Reporting Directions (FRDS) issued by the Department of Treasury and Finance, and relevant Standing Directions (SD) authorised by the Minister for Finance.

The financial statements were authorised for issue by Matthew Jackson (Accountable Officer) on 29 August 2012.

#### a) Basis of preparation

The accrual basis of accounting has been applied in the preparation of 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.

These financial statements are presented in Australian dollars, the functional and presentation currency of Phillip Island Nature Park Board of Management Incorporated (the "Nature Park").

In the application of AAS's, management is required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period. Revisions to the estimates are recognised in the period of the revision and future periods if the revision affects both current and future periods. Judgements made by management in the application of AAS's that have significant effects on the financial statements. Estimates are disclosed throughout the notes of the financial statements.

The financial report has been prepared on a historical cost basis, except for the revaluation of certain non-current assets. Historical cost is based on the fair values of the consideration given in exchange for assets.

Accounting policies are selected and applied in a manner which ensures 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.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2012 and the comparative information presented for the year ended 30 June 2011.

### Comprehensive operating statement

Income and expenses in the comprehensive operating statement are classified according to whether or not they arise from 'transactions' or 'other economic flows'. This classification is consistent with the whole of government reporting format and is allowed under AASB 101 Presentation of financial statements.

'Transactions' and 'other economic flows' are defined by the Australian System of Government Finance Statistics: Concepts, Sources and Methods 2005 (Cat. No. 5514.0 published by the Australian Bureau of Statistics).

'Transactions' are those economic flows that are considered to arise as a result of policy decisions, usually interactions between two entities by mutual agreement. Transactions also include flows within 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. Transactions can be in kind (e.g. assets provided/given free of charge or for nominal consideration) or where the final consideration is cash.

'Other economic flows' are changes arising from market re-measurements. They include gains and losses from disposals, revaluations and impairments of non-current physical and intangible assets and actuarial gains and losses arising from defined benefit superannuation plans.

The net result is equivalent to profit or loss derived in accordance with AASs.

#### Balance sheet

Assets and liabilities are presented in liquidity order. Current and non-current assets and liabilities (those expected to be recovered or settled beyond 12 months) are disclosed in the notes, where relevant.

#### Statement of changes in equity

The statement of changes in equity presents reconciliations of each non-owner and owner equity opening balance at the beginning of the reporting period to the closing balance at the end of the reporting period. It also shows separately changes due to amounts recognised in the comprehensive result and amounts recognised in other comprehensive income related to other non-owner changes in equity.

#### Cash flow statement

Cash flows are classified according to whether or not they arise from operating activities, investing activities, or financing activities. This classification is consistent with requirements under AASB 107 Statement of cash flows.

#### b) Sales of Goods and Services

Revenue from the rendering of services, including tourism admissions, is recognised upon the delivery of the service to the customer.

Revenue from the sale of goods is recognised upon the delivery of goods to the customer.

# Phillip Island Nature Parks

## Financial statements 30 June 2012

### 1 Summary of significant accounting policies (continued)

#### c) Other income

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

Interest revenue includes interest received on cash at bank and bank term deposits. Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

Grants from third parties (including government departments) are recognised as income in the period in which the Nature Park gains control over the contribution. For reciprocal grant agreements that require the fulfilment of performance hurdles in exchange for cash, control over the cash is gained when the Nature Park satisfies the conditions of the agreement. Cash received from the grantor is recognised as a liability on the balance sheet until the agreement conditions have been satisfied.

For non-reciprocal grants, the Nature Park is deemed to have assumed control when the grant is received or receivable. Conditional grants may be reciprocal or non-reciprocal depending on the terms of the grant agreement.

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

#### d) Employee expenses

Employee expenses include superannuation expenses in respect of employee memberships in defined benefit or defined contribution superannuation plans.

The expense recognised for defined contribution superannuation plans is the employer contributions that are paid or payable in respect of employees who are members of these plans during the reporting period.

The amount charged to the comprehensive operating statement in respect of defined benefit superannuation plans represents the contributions made by the Nature Park to the superannuation plan in respect to the current services of employees. Superannuation contributions are made to the plans based on the relevant rules of each plan.

#### e) Maintenance and repairs

Plant and equipment and boardwalks are reviewed as part of a cyclical maintenance program. The costs of this maintenance are charged as expenses as incurred, except where they relate to the replacement of a component of an asset, in which case the costs are capitalised and depreciated in accordance with note 1(f). Other routine operating maintenance, repair costs and minor renewals are also charged as expenses as incurred.

#### f) Depreciation

All physical non current assets, with the exception of land, have limited useful lives and are depreciated. Depreciation is generally calculated on a straight line basis so as to write off the net cost or other revalued amount of each asset over its expected useful life to its estimated residual value.

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

The following estimated useful lives are used in the calculation of depreciation for the years ended 30 June 2012 and 30 June 2011.

Boardwalks	10 years
Buildings	40 years
Car Parks	20 years
Motor Vehicles	5 years
Furniture, Fittings & Equipment	5 years
Computer Hardware & Software	3 years

#### g) Impairment of assets

Property, plant and equipment and intangible assets are assessed annually for indicators of impairment. If there is an indicator of impairment, the assets concerned are tested as to whether their carrying value exceeds their possible recoverable amount. Where an asset's carrying value exceeds its recoverable amount, the difference is written off by a charge to the comprehensive operating statement except to the extent that the write down can be debited to an asset revaluation reserve amount applicable to that class of asset.

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

#### h) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand; cash in banks and deposits at call. Deposits that mature within 3 months of balance date are considered to be 'at call'.

#### i) Receivables

Receivables consist predominantly of trade debtors in relation to the provision of services. Receivables are recognised at fair value less an allowance for impairment. A provision for doubtful receivables is made when there is objective evidence that the debts will not be collected. Bad debts are written off when identified.

#### j) Other financial assets

Other financial assets are valued at cost and are classified between current and non-current assets based on the Nature Park's intention at balance date with respect to the timing of disposal of each investment. Interest revenue from other financial assets is brought into account when it is earned.

The Nature Park assesses at each balance sheet date whether a financial asset or group of financial assets is impaired.

# Phillip Island Nature Parks

## Financial statements 30 June 2012

### 1 Summary of significant accounting policies (continued)

#### k) Inventory

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

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

#### l) Property plant & equipment

All non-current physical assets are measured initially at cost and then subsequently measured at fair value less accumulated depreciation.

The fair value of motor vehicles, plant & equipment, furniture & fittings, computer hardware and computer software is normally determined by reference to the asset's depreciated cost. Depreciated historical cost is generally a reasonable proxy for depreciated replacement costs because of the short lives of the assets within these asset categories.

##### i) Revaluation

Non-current physical assets measured at fair value are revalued in accordance with FRD 103D issued by the Minister of Finance. This revaluation process normally occurs every five years based upon the asset's Government Purpose Classification. Revaluation increments or decrements arise from differences between carrying value and fair value.

Net revaluation increases (where the carrying amount of a class of assets is increased as a result of a revaluation) are recognised in other comprehensive income and accumulated in equity under the revaluation surplus, except that the net revaluation increase shall be recognised in the net result to the extent that it reverses a net revaluation decrease in respect of the same class of property, plant and equipment previously recognised as an expense (other economic flows) in the net result.

Net revaluation decreases are recognised immediately as expenses (other economic flows) in the net result, except that the net revaluation decrease shall be recognised in other comprehensive income to the extent that a credit balance exists in the revaluation surplus in respect of the same class of property, plant and equipment. The net revaluation decrease recognised in other comprehensive income reduces the amount accumulated in equity under revaluation surplus.

Revaluation increases and decreases relating to individual assets within a class of property, plant and equipment, are offset against one another within that class but are not offset in respect of assets in different classes. Any revaluation surplus is not transferred to accumulated funds on de-recognition of the relevant asset.

#### ii) Acquisitions of assets

The cost method of accounting is used for all acquisitions of assets. Cost is determined as the fair value of assets given up at the date of acquisition plus costs incidental to the acquisition.

#### m) Intangible assets

Purchased intangible assets are initially recognized at cost. Subsequently, intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses.

#### n) Payables

Payables consist predominantly of creditors and other sundry liabilities. Accounts payable represent liabilities for goods and services provided to the Nature Park prior to the end of the financial year that are unpaid, and arise when the Nature Park becomes obliged to make future payments in respect of the purchase of these goods and services.

Other liabilities included in payables mainly consist of unearned/prepaid income and services and fringe benefit payables.

#### o) Provisions

Provisions are recognised when there is a present obligation, a future sacrifice of economic benefits is probable and the amount of the provision can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

#### p) Employee benefits

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave for services rendered to the reporting date.

Employee benefit on-costs (payroll tax, workers compensation and superannuation) are recognised separately from provision for employee benefits.

##### i) Wages, salaries and annual leave

Liabilities for wages and salaries, including annual leave, are recognised in the provision for employee benefits.

Those liabilities which are expected to be settled within 12 months of reporting date are classified as current liabilities and measured at their nominal values.



# Phillip Island Nature Parks

## Financial statements 30 June 2012

### 1 Summary of significant accounting policies (continued)

#### p) Employee benefits (continued)

##### ii) Long service leave

Liability for long service leave (LSL) is recognised in the provision for employee benefits.

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

The components of this current LSL liability are measured at:

- Present value – component that is not expected to be settled within 12 months
- Nominal value – component that is expected to be settled within 12 months.
- Non-current liability – conditional LSL (representing less than 7 years continuous service) is disclosed as a non-current liability. There is an unconditional right to defer the settlement of the entitlement until the employee has completed the requisite years of service.

This non-current LSL liability is measured at present value.

Present value is calculated as the present value of expected future payments to be made. Consideration is given to the expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using a weighted average of indicative mid rates for selected commonwealth government securities.

#### q) Comparative figures

Where applicable, comparative figures have been restated to aid comparison.

#### r) Contributed capital

Additions to net assets which have been designated as contribution by the Victorian State Government are recognised as contributed capital.

#### s) Asset revaluation reserve

The asset revaluation reserve arises on the revaluation of non current physical assets.

#### t) Changes in accounting policy

There have been no changes to accounting policies during the year ended 30 June 2012.

#### u) Goods and services tax (GST)

Income, expenses and assets are recognised net of the amount of associated GST, unless the GST is not recoverable from the taxation authority. In this case it is recognised as part of the acquisition cost of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

Cash flows are presented on a gross basis. The GST component of cash flows arising from investing or financing activities which are recoverable from or payable to, the taxation authority, are presented as operating cash flow.

#### v) Rounding

Amounts in the financial report have been rounded to the nearest dollar, unless otherwise stated. Figures in the financial statement may not equate due to rounding.

#### w) Foreign currency

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

#### x) Events after reporting date

Assets, liabilities or expenses arise from past transactions or other past events. Adjustments are made to amounts recognised in the financial statements for events which occur after the reporting period and before the date the financial statements are authorised for issue, where those events provide information about conditions which existed in the reporting period. Note disclosure is made about events between the end of the reporting period and the date the financial statements are authorised for issue where the events relate to conditions which arose after the end of the reporting period and which may have a material impact on the results subsequent reporting periods.

#### y) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2012 reporting period. The Department of Treasury and Finance assesses the impact of these new standards and advises departments and other entities of their applicability and early adoption where applicable.

# Phillip Island Nature Parks

## Financial statements 30 June 2012

### 1 Summary of significant accounting policies (continued)

#### y) New accounting standards and interpretations (continued)

As at 30 June 2012, the following standards and interpretations (applicable to the Nature Park) had been issued but were not mandatory for financial year ending 30 June 2012. The Nature Park has not, and does not intend to, adopt these standards early.

Standard/Interpretation	Summary	Applicable for annual reporting periods beginning	Impact on public sector entity financial statements
AASB 9 Financial instruments	This standard simplifies requirements for the classification and measurement of financial assets resulting from Phase 1 of the IASB's project to replace IAS 39 Financial Instruments: Recognition and Measurement (AASB 139 Financial Instruments: Recognition and Measurement).	1 Jan 2013	Detail of impact is still being assessed.
AASB 13 Fair Value Measurement	This Standard outlines the requirements for measuring the fair value of assets and liabilities and replaces the existing fair value definition and guidance in other AASs. AASB 13 includes a 'fair value hierarchy' which ranks the valuation technique inputs into three levels using unadjusted quoted prices in active markets for identical assets or liabilities; other observable inputs; and unobservable inputs.	1 Jan 2013	Disclosure for fair value measurements using unobservable inputs are relatively onerous compared to disclosure for fair value measurements using observable inputs. Consequently, the Standard may increase the disclosures for public sector entities that have assets measured using depreciated replacement cost.
AASB 119 Employee Benefits	In this revised Standard for defined benefit superannuation plans, there is a change to the methodology in the calculation of superannuation expenses, in particular there is now a change in the split between superannuation interest expense (classified as transactions) and actuarial gains and losses (classified as 'Other economic flows – other movements in equity') reported on the comprehensive operating statement.	1 Jan 2013	Not-for-profit entities are not permitted to apply this Standard prior to the mandatory application date. While the total superannuation expense is unchanged, the revised methodology is expected to have a negative impact on the net result from transactions of the general government sector and for those few Victorian public sector entities that report superannuation defined benefit plans.
AASB 1053 Application of Tiers of Australian Accounting Standards	This Standard establishes a differential financial reporting framework consisting of two tiers of reporting requirements for preparing general purpose financial statements.	1 July 2013	The Victorian Government is currently considering the impacts of Reduced Disclosure Requirements (RDRs) for certain public sector entities and has not decided if RDRs will be implemented in the Victorian public sector.
AASB 2010–2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements	This Standard makes amendments to many Australian Accounting Standards, including Interpretations, to introduce reduced disclosure requirements to the pronouncements for application by certain types of entities.	1 July 2013	Detail of impact is still being assessed.
AASB 2011–8 Amendments to Australian Accounting Standards arising from AASB 13 [AASB 1, 2, 3, 4, 5, 7, 9, 2009–11, 2010–7, 101, 102, 108, 110, 116, 117, 118, 119, 120, 121, 128, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 & 1038 and Interpretations 2, 4, 12, 13, 14, 17, 19, 131 & 132]	This amending Standard makes consequential changes to a range of Standards and Interpretations arising from the issuance of AASB 13. In particular, this Standard replaces the existing definition and guidance of fair value measurements in other Australian Accounting Standards and Interpretations.	1 Jan 2013	Disclosures for fair value measurements using unobservable inputs is potentially onerous, and may increase disclosures for assets measured using depreciated replacement cost.
AASB 2011–10 Amendments to Australian Accounting Standards arising from AASB 119 (September 2011) [AASB 1, AASB 8, AASB 101, AASB 124, AASB 134, AASB 1049 & AASB 2011–8 and Interpretation 14]	This Standard makes consequential changes to a range of other Australian Accounting Standards and Interpretations arising from the issuance of AASB 119 Employee Benefits.	1 Jan 2013	No significant impact is expected from these consequential amendments on entity reporting.
AASB 2011–11 Amendments to AASB 119 (September 2011) arising from Reduced Disclosure Requirements	This Standard makes amendments to AASB 119 Employee Benefits (September 2011), to incorporate reduced disclosure requirements into the Standard for entities applying Tier 2 requirements in preparing general purpose financial statements.	1 July 2013	The Victorian Government is currently considering the impacts of Reduced Disclosure Requirements (RDRs) and has not decided if RDRs will be implemented in the Victorian public sector.
2012–1 Amendments to Australian Accounting Standards – Fair Value Measurement – Reduced Disclosure Requirements [AASB 3, AASB 7, AASB 13, AASB 140 & AASB 141]	This amending Standard prescribes the reduced disclosure requirements in a number of Australian Accounting Standards as a consequence of the issuance of AASB 13 Fair Value Measurement.	1 July 2013	As the Victorian whole of government and the general government (GG) sector are subject to Tier 1 reporting requirements (refer to AASB 1053 Application of Tiers of Australian Accounting Standards), the reduced disclosure requirements included in AASB 2012–1 will not affect the financial reporting for Victorian whole of government and GG sector.

# Phillip Island Nature Parks

## Financial statements 30 June 2012

### 2 Operating revenue and other income

	2012	2011
	\$	\$
<b>Sales</b>		
Food and beverage sales	2,478,966	2,451,689
Retail and souvenir sales (including photography)	4,107,825	3,949,134
<b>Total sales</b>	<b>6,586,791</b>	<b>6,400,823</b>
<b>Admissions</b>	<b>9,894,711</b>	<b>9,634,785</b>
<b>Interest</b>		
Interest from cash at bank	320,814	305,388
<b>Total interest revenue</b>	<b>302,814</b>	<b>305,388</b>
<b>Other operating income</b>		
Rental income	76,031	46,988
Donation, grant and sponsorship	281,588	387,165
Grants from government authorities	1,027,394	1,888,212
Proceeds from insurance claims	41,098	95,000
Miscellaneous income	692,153	792,036
<b>Total other operating income</b>	<b>2,118,264</b>	<b>3,209,401</b>

### 3 (a) Expenses from operating activities

	2012	2011
	\$	\$
<b>By function</b>		
Penguin Parade	5,522,862	5,287,093
Nobbies	2,000,010	2,157,234
Churchill Island	839,020	728,862
Koala Conservation Centre	1,010,916	975,350
Grounds services	908,643	755,546
Environment	2,793,196	2,993,763
Research	652,261	652,118
Education	470,071	372,806
Marketing	1,253,872	1,278,579
Parkwide administration	4,092,621	3,370,843
<b>Total expenses from operating activities</b>	<b>19,543,472</b>	<b>18,572,194</b>

# Phillip Island Nature Parks

## Financial statements 30 June 2012

### 3 (b) Other operating expenses

	2012	2011
	\$	\$
Advertising	270,083	288,684
Audit fees (refer note 12)	40,244	143,062
Bank charges	103,450	101,043
Conferences	14,035	21,522
Consultants	801,609	473,536
Contractors	1,296,152	1,745,144
Entertainment	20,656	31,015
Fringe benefits tax	26,118	25,692
Motor vehicle expenses	139,999	137,460
Repairs & maintenance	212,690	262,739
Utilities	220,489	214,676
Training	66,488	88,657
Telephone	89,193	98,580
Travel & accommodation	120,529	142,091
Doubtful debts	7,806	(6,172)
Miscellaneous expenses	730,177	731,653
<b>Total other operating expenses</b>	<b>4,159,718</b>	<b>4,499,382</b>

### 4 Other economic flows included in net result

	2012	2011
	\$	\$
Net gain/(loss) on non-financial assets		
Net gain on disposal of property plant and equipment	49,380	7,628
<b>Total net gain/(loss) on non financial assets</b>	<b>49,380</b>	<b>7,628</b>

### 5 Receivables

	2012	2011
	\$	\$
Trade debtors	478,485	629,481
(Less) provision for doubtful debts	(22,654)	(15,537)
	455,831	613,944
Sundry debtors	111,371	208,426
<b>Total receivables</b>	<b>567,202</b>	<b>822,370</b>

# Phillip Island Nature Parks

## Financial statements 30 June 2012

### 5 Receivables (continued)

#### (a) Movement in provision for doubtful debts

	2012	2011
	\$	\$
Balance at the beginning of the year	(15,537)	(28,117)
Amounts written off during the year	689	6,408
(Increase)/decrease in allowance recognised in profit or loss	(7,806)	6,172
<b>Balance at end of the year</b>	<b>(22,654)</b>	<b>(15,537)</b>

### 6 Inventory

Inventory		
Penguin Parade	431,943	441,286
Koala Conservation Centre	71,463	60,420
Nobbies	145,037	144,965
Churchill Island	89,358	84,780
<b>Total inventory at cost</b>	<b>737,801</b>	<b>731,451</b>
(Less) provision for inventory obsolescence	(21,798)	(31,275)
<b>Total inventory</b>	<b>716,003</b>	<b>700,176</b>

#### 6 (a) Movement in provision for inventory obsolescence

Balance at the beginning of the year	(31,275)	(34,368)
Amounts written off during the year	7,859	9,644
Decrease/(increase) in provision recognised in profit or loss	1,618	(6,551)
<b>Balance at end of the year</b>	<b>(21,798)</b>	<b>(31,275)</b>

### 7 Other current assets

Prepayments	88,637	145,171
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# Phillip Island Nature Parks

## Financial statements 30 June 2012

### 8 Property, plant and equipment

	Crown land	Buildings	Boardwalks	Car Parks	Motor vehicles	Furniture & fittings	Plant & equipment	Computer hardware	Work in progress	Total property, plant & equipment
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>2012</b>										
<b>At cost</b>	-	1,152,746	573,494	478,102	1,012,268	1,625,772	4,692,416	1,443,089	238,164	11,216,051
Less accumulated depreciation and impairment	-	(52,929)	(66,143)	(55,741)	(516,171)	(1,406,059)	(4,224,071)	(1,174,236)	-	(7,495,350)
<b>Total</b>	-	1,099,817	507,351	422,361	496,097	219,713	468,345	268,853	238,164	3,720,701
<b>At Valuation</b>	42,376,000	21,243,700	893,300	2,700,000	-	-	-	-	-	67,213,000
Less accumulated depreciation and impairment	-	(557,375)	(77,778)	(173,845)	-	-	-	-	-	(808,998)
<b>Total</b>	42,376,000	20,686,325	815,522	2,526,155	-	-	-	-	-	66,404,002
<b>Total property, plant and equipment</b>	42,376,000	21,786,142	1,322,873	2,948,516	496,097	219,713	468,345	268,853	238,164	70,124,703
<b>2011</b>										
<b>At cost</b>	-	446,863	353,115	263,206	956,578	1,571,941	4,542,585	1,238,675	945,277	10,318,240
Less accumulated depreciation and impairment	-	(26,489)	(17,510)	(34,011)	(519,461)	(1,290,459)	(3,729,492)	(1,054,373)	-	(6,671,795)
<b>Total</b>	-	420,374	335,605	229,195	437,117	281,482	813,093	184,302	945,277	3,646,445
<b>At Valuation</b>	42,376,000	21,243,700	893,300	2,700,000	-	-	-	-	-	67,213,000
Less accumulated depreciation and impairment	-	-	-	(40,800)	-	-	-	-	-	(40,800)
<b>Total</b>	42,376,000	21,243,700	893,300	2,659,200	-	-	-	-	-	67,172,200
<b>Total property, plant and equipment</b>	42,376,000	21,664,074	1,228,905	2,888,395	437,117	281,482	813,093	184,302	945,277	70,818,645

# Phillip Island Nature Parks

## Financial statements 30 June 2012

### 8 Property, plant and equipment (continued)

	Crown land	Buildings	Boardwalks	Car Parks	Motor vehicles	Furniture & fittings	Plant & equipment	Computer hardware	Work in progress	Total property, plant & equipment
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>2012</b>										
Carrying amount as at 1/07/11	42,376,000	21,664,074	1,228,905	2,888,395	437,117	281,482	813,093	184,302	945,277	70,818,645
Additions	-	39,179	164,280	157,084	228,238	53,831	159,728	158,467	203,882	1,164,689
Transfer from work in progress	-	666,705	56,098	57,812	-	-	-	49,987	(910,995)	(80,393)
Revaluation	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	(10,746)	-	-	(331)	-	(11,077)
Impairments	-	-	-	-	-	-	-	-	-	-
Depreciation and amortisation expense	-	(583,816)	(126,410)	(154,775)	(158,512)	(115,600)	(504,476)	(123,572)	-	(1,767,161)
<b>Carrying amount as at 30/06/12</b>	<b>42,376,000</b>	<b>21,786,142</b>	<b>1,322,873</b>	<b>2,948,516</b>	<b>496,097</b>	<b>219,713</b>	<b>468,345</b>	<b>268,853</b>	<b>238,164</b>	<b>70,124,703</b>
<b>2011</b>										
Carrying amount as at 1/07/10	32,329,957	12,672,718	607,059	2,297,777	350,932	285,316	1,248,927	127,608	573,401	50,493,695
Additions	468,000	46,146	115,325	42,164	301,204	142,250	159,724	153,630	923,338	2,351,781
Transfer from work in progress	-	273,665	237,791	19,300	-	-	-	20,706	(551,462)	-
Revaluation	9,578,043	9,102,534	379,832	674,778	-	-	-	-	-	19,735,187
Disposals	-	-	-	-	(77,717)	(6,541)	(1,114)	(2,683)	-	(88,055)
Impairments	-	-	-	-	-	-	-	-	-	-
Depreciation and amortisation expense	-	(430,989)	(111,102)	(145,624)	(137,302)	(139,543)	(594,444)	(114,959)	-	(1,673,963)
<b>Carrying amount as at 30/06/11</b>	<b>42,376,000</b>	<b>21,664,074</b>	<b>1,228,905</b>	<b>2,888,395</b>	<b>437,117</b>	<b>281,482</b>	<b>813,093</b>	<b>184,302</b>	<b>945,277</b>	<b>70,818,645</b>

# Phillip Island Nature Parks

## Financial statements 30 June 2012

### 8 Property, Plant and Equipment (continued)

- a) An independent valuation of Crown Land, buildings, boardwalks and car parks was performed in accordance with FRD103D in the financial year ended 30 June 2011. The valuation was conducted by Patel Dore Valuers Pty Ltd (Certified Practising Valuers) on instructions received from the Valuer-General Victoria (VGV). Assets were valued on the basis of market value by reference to the amounts for which assets could be exchanged between knowledgeable willing parties in an arm's length transaction.

Revaluation adjustments have been recognised as a result of the fair value assessment.

The fair value of motor vehicles, plant & equipment, furniture & fittings, computer hardware and computer software was determined by reference to the asset's depreciated cost. In accordance with FRD103D, depreciated cost is used to approximate fair value where there is no evidence to suggest that a reliable market based fair value exists for these assets.

### b) Profit / (Loss) on Sale of Assets

	2012	2011
	\$	\$
Gross proceeds of assets sold	60,457	95,683
Less book value of assets sold	(11,077)	(88,055)
<b>Gain / (loss) on sale of assets</b>	<b>49,380</b>	<b>7,628</b>

### 9 Intangible Assets

	2012	2011
	\$	\$
At cost	830,044	696,020
Less accumulated amortisation and impairment	(659,502)	(611,455)
<b>Total intangible assets</b>	<b>170,542</b>	<b>84,565</b>
<b>2012</b>		
Carrying amount at beginning of period	84,565	82,314
Additions	86,114	67,717
Transfer from work in progress	80,393	–
Revaluation	–	–
Disposals	–	–
Impairments	–	–
Amortisation expense	(80,530)	(65,466)
<b>Carrying amount at end of period</b>	<b>170,542</b>	<b>84,565</b>

### 10 Payables

	2012	2011
	\$	\$
Trade creditors	521,390	1,129,915
Accrued expenses	406,626	563,884
GST	200,305	125,137
<b>Total payables</b>	<b>1,128,321</b>	<b>1,818,936</b>



# Phillip Island Nature Parks

## Financial statements 30 June 2012

### 11 Cash flow information

#### (i) Reconciliation of cash

Cash at the end of the financial year as shown in the Cash Flow Statement is reconciled to the related items in the Balance Sheet as follows:

	2012	2011
	\$	\$
Cash on hand	38,010	38,000
Cash at bank	5,779,752	7,463,089
Term Deposits at call	2,000,000	–
<b>Total cash and cash equivalents</b>	<b>7,817,762</b>	<b>7,501,089</b>

#### (ii) Reconciliation of net cash provided by operating activities to net result for the year

	2012	2011
	\$	\$
Net result for the year	(573,512)	985,831
Net (gain) from sale of assets	(49,380)	(7,628)
Depreciation and amortisation of non current assets	1,847,691	1,739,429
Increase (decrease) in creditors & accruals	(690,615)	765,364
Decrease (increase) in receivables & other current assets	311,702	(278,305)
Decrease (increase) in inventory	(15,827)	(117,655)
Increase (decrease) in employee provisions	676,960	543,011
<b>Net cash provided by operating activities</b>	<b>1,507,019</b>	<b>3,630,047</b>

### 12 Auditor's remuneration

Total amounts receivable by the Auditors of the Phillip Island Nature Park Board of Management Inc. for:

	2012	2011
	\$	\$
External Audit – Victorian Auditor General	15,000	14,400
Internal Audit – Oakton	26,306	53,662
Internal Audit – HLB Mann Judd	4,000	–
Internal Audit – Deloitte	(5,062)	75,000
<b>Total auditor's remuneration</b>	<b>40,244</b>	<b>143,062</b>

# Phillip Island Nature Parks

## Financial statements 30 June 2012

### 13 Provisions

Employee benefits	2012	2011
	\$	\$
<b>Current</b>		
Employee benefits		
Unconditional and expected to be settled within 12 months	595,114	482,834
Unconditional and expected to be settled after 12 months	201,869	158,239
	<b>796,983</b>	<b>641,073</b>
Provisions related to employee benefits on-costs		
Unconditional and expected to be settled within 12 months	107,915	80,163
Unconditional and expected to be settled after 12 months	37,808	27,091
	<b>145,723</b>	<b>107,254</b>
Superannuation	777,852	171,315
Accrued wages	352,124	513,679
<b>Total current employee benefits</b>	<b>2,072,682</b>	<b>1,433,321</b>
<b>Non-current</b>		
Conditional long service leave	175,437	145,743
Provisions related to employee benefit on-costs	32,857	24,952
<b>Total non-current employee benefits</b>	<b>208,294</b>	<b>170,695</b>
<b>Total employee benefits</b>	<b>2,280,976</b>	<b>1,604,016</b>

### 13 a) Employee benefits and related on-costs

	2012	2011
	\$	\$
<b>Current employee benefits</b>		
Annual leave entitlements	441,085	372,896
Unconditional long service leave entitlements	355,898	268,177
Superannuation	777,852	171,315
Accrued wages	352,124	513,679
<b>Total current employee benefits</b>	<b>1,926,959</b>	<b>1,326,067</b>
Non-current employee benefits		
Conditional long service leave entitlements	175,437	145,743
<b>Total non-current employee benefits</b>	<b>175,437</b>	<b>145,743</b>
<b>On Costs</b>		
Current on-costs	145,723	107,254
Non-current on-costs	32,857	24,952
<b>Total on-costs</b>	<b>178,580</b>	<b>132,206</b>
<b>Total employee benefits and related on-costs</b>	<b>2,280,976</b>	<b>1,604,016</b>

# Phillip Island Nature Parks

## Financial statements 30 June 2012

### 13 Provisions (continued)

#### 13 a) Employee benefits and related on-costs (continued)

The following assumptions were adopted in measuring the present value of the long service leave liability.

	Long Service Leave	Annual Leave	Super-annuation	Accrued Wages	Total Provisions
	\$	\$	\$	\$	\$
Closing balance at 30 June 2011	484,785	434,237	171,315	513,679	1,604,016
Payments	(59,167)	(465,958)	(171,315)	(513,679)	(1,210,119)
Increase in provision	205,230	551,873	777,852	352,124	1,887,079
<b>Closing balance at 30 June 2012</b>	<b>630,848</b>	<b>520,152</b>	<b>777,852</b>	<b>352,124</b>	<b>2,280,976</b>

The following assumptions were adopted in measuring the present value of the long service leave liability.

	2012	2011
Weighted average discount rate	3.06%	5.29%
Weighted average terms to settlement	13.0 years	13.0 years

### 14 Responsible persons and related party disclosures

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

#### Responsible Minister

The Hon. Ryan Smith MP, Minister for Environment and Climate Change.

#### Accountable officer

Matthew Jackson, Chief Executive Officer

#### Board members

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

- Dr. Irene Irvine (appointed 5 September 2009)
- Stella Axarlis AM (appointed 17 July 2003)
- Kirsty Mawer (appointed 5 September 2009)
- Dr. Catherin Bull AM (appointed 5 September 2009)
- Jeff Floyd (appointed 21 July 2010)
- Ralph Booth (appointed 21 July 2010)

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

Phillip Island Nature Parks has a Related Party relationship with the Penguin Foundation Limited due to the Accountable Officer and Research Manager volunteering their time to hold a Board position with the Foundation. During 2011-12, the Nature Parks received \$100,000 from the Penguin Foundation Limited and also provided volunteer administrative support to the Foundation.

# Phillip Island Nature Parks

## Financial statements 30 June 2012

### 14 Responsible persons and related party disclosures (continued)

#### Remuneration

##### (i) Accountable officer

Total remuneration received or receivable by the accountable officer in connection with the management of the Nature Park during the reporting period was in the range: \$230,000 – \$239,999 (2011: \$230,000 – \$239,999)

Matthew Jackson occupied the position as Chief Executive Officer for the full financial year

##### (ii) Board members

Members' remuneration received or due and receivable was \$60,000 (2011: \$65,250).

The following table shows the number of members of the board receiving gross remuneration from the Nature Park in the range stated:

#### Remuneration bands of responsible persons

	2012	2011
\$0 to \$9,999	5	7
\$10,000 to \$19,999	1	1
Total Number	6	8

There were no transactions outside the normal course of business during the financial year to report as related party transactions.

##### (iii) Amounts relating to the Ministers are reported in the financial statements of the department of premier and cabinet.

### 15 Contingent liabilities

The board is not aware of any material threatened or existing legal actions or other contingencies between Phillip Island Nature Park Board of Management Inc and third parties as at 30 June 2012.

### 16 Superannuation

The Nature Park makes employer superannuation contributions in respect of its employees to the Local Authorities Superannuation Fund (the Fund). Obligations for contributions are recognised as an expense in profit or loss when they are due. The Fund has two categories of membership, accumulation and defined benefit, each of which is funded differently.

The Fund's accumulation category, Vision Super Saver, receives both employer and employee contributions on a progressive basis.

Employer contributions are normally based on a fixed percentage of employee earnings in accordance with the superannuation guarantee legislation (9% in 2011-12 and 2010-11). No further liability accrues to the employer as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

The Fund's defined benefit plan is a multi-employer sponsored plan. As the plan's assets and liabilities are pooled and are not allocated by employer, the actuary is unable to reliably allocate benefit liabilities, assets and costs between employers. As provided under paragraph 32(b) of AASB 119, the Nature Park does not use defined benefit accounting for these contributions.

Fund surplus or deficit (i.e. the difference between Fund assets and liabilities) are calculated differently for funding purposes (i.e. calculating required contributions) and for the calculation of accrued benefits as required in AAS 25 to provide the values needed for the AASB 119 disclosure an organisation's financial statements. AAS 25 requires that the present value of the benefit liability which is calculated in respect of membership completed at the calculation date makes no allowance for future benefits that may accrue.

The Nature Park makes employer contributions to the defined benefit category of the Fund at rates determined by the trustee on advice of the Fund's actuary. On the basis of the results of the most recent full actuarial investigation conducted by the Fund's actuary as at 31 December 2011, the Nature Park makes the following contributions:-

- 9.25% of member's salaries (2011 : 9.25%)
- The difference between resignation and retrenchment benefits paid to any retrenched employees, plus contribution tax (same as previous year)

The Local Authority Superannuation Fund latest actuarial investigation conducted 31 December 2011, identified an unfunded liability of \$453 million excluding the contributions tax in the defined benefit fund of which we are a member. The Nature Park was made aware of the expected shortfall though the year and was informed formally of their share of the shortfall on 31 July 2012, which amount to \$771,520. The Nature Park has elected to pay this shortfall by lump sum prior to the due date of 1 July 2013. The Nature Park has accounted for this short fall in the Comprehensive Income Statement in Employee Benefits and in the Balance Sheet in Current Employee Benefits (Note 13).

The Fund's liability for accrued benefits was determined by the Actuary at 31 December 2011 pursuant to the requirements of Australian Accounting Standard Board AAS25 follow:

# Phillip Island Nature Parks

## Financial statements 30 June 2012

### 16 Superannuation (continued)

31 Dec 2011	\$'000
	\$
Net market value of assets	4,315,324
Accrued Benefit	4,642,133
Difference between Assets & Accrued Benefits	(326,809)
Vested Benefits (Minimum sum which must be paid to Members when they leave the fund)	4,838,503

The financial assumptions used to calculate the accrued benefits for the defined benefit category of the Fund were:

Net investment returns	7.50% p.a
Salary inflation	4.25% p.a
Price inflation	2.75% p.a

Employer superannuation contributions made by the Nature Park were:

	2012	2011
	\$	\$
Accumulation Funds (Vision Super)	526,802	465,913
Accumulation Funds (Other)	275,975	265,094
Defined Benefit Fund (Vision Super)	85,563	91,086
<b>Total Employer Superannuation Contributions</b>	<b>888,340</b>	<b>822,093</b>

### 17 Financial instruments

#### (a) Categorisation of financial instruments

	Notes	Category	2012 Carrying Amount	2011 Carrying Amount
			\$	\$
<b>Financial assets</b>				
Cash assets	11	Cash & cash equivalents	7,817,762	7,501,089
Receivables	5	Loans & receivables	567,202	822,370
<b>Total financial assets</b>			<b>8,384,964</b>	<b>8,323,459</b>
<b>Financial liabilities</b>				
Payables	10	Financial liabilities measured at amortised costs	1,128,321	1,818,936
<b>Total financial liabilities</b>			<b>1,128,321</b>	<b>1,818,936</b>
<b>Net financial assets</b>			<b>7,256,643</b>	<b>6,504,523</b>

# Phillip Island Nature Parks

## Financial statements 30 June 2012

### 17 Financial instruments (continued)

#### (b) Interest rate risk

The Nature Park's exposure to interest rate risk and the effective weighted average interest rate for each class of financial asset and liability is set out below:

	Notes	Floating interest rate \$	Non-interest bearing \$	2011-12 Total \$	2010-11 Total \$
<b>Financial assets</b>					
Cash assets	11	7,779,752	38,010	7,817,762	7,501,089
Receivables	5	–	567,202	567,202	822,370
<b>Total financial assets</b>		<b>7,779,752</b>	<b>605,212</b>	<b>8,384,964</b>	<b>8,323,459</b>
<b>Financial liabilities</b>					
Payables	10	–	1,128,321	1,128,321	1,818,936
<b>Total financial liabilities</b>		<b>–</b>	<b>1,128,321</b>	<b>1,128,321</b>	<b>1,818,936</b>
<b>Net financial assets</b>		<b>7,779,752</b>	<b>(523,109)</b>	<b>7,256,643</b>	<b>6,504,523</b>

#### The weighted average interest rate for each class of asset is:

Floating Interest Rate 4.10% (2011: 4.66%)

Phillip Island Nature Park adopts a policy of allowing 30 day credit on trading accounts and paying creditors in full within 30 days of month end.

#### (c) Sensitivity disclosure analysis

Taking into account past performance and future expectations a 1% increase or decrease in interest rates is reasonably possible over the next 12 months. The effect on cash assets would be an increase or decrease in fair value of \$77,798 (2011: \$74,631).

#### (d) Foreign currency risk

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

#### (e) Credit risk exposure

Credit risk represents the loss that would be recognised if counter parties failed to perform as contracted. Maximum exposure to credit risk is the carrying amount of financial assets.

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

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

There are no financial assets that have had their terms renegotiated so as to prevent them from being past due or impaired, and they are stated at the carrying amounts as indicated. The following table discloses the ageing only of financial assets that are past due but not impaired:

	Notes	Carrying amount \$	Not past due and not impaired \$	Past due but not impaired Less than 1 month \$	Impaired financial assets 1-3 months \$	3 months – 1 year \$	1-5 years \$	Impaired financial assets \$
2012								
Cash assets	11	7,817,762	7,817,762	–	–	–	–	–
Receivables	5	567,202	558,466	8,736	–	–	–	22,654
		8,384,964	8,376,228	8,736	–	–	–	22,654
2011								
Cash assets	11	7,501,089	7,801,089	–	–	–	–	–
Receivables	5	822,370	811,710	10,660	–	–	–	15,537
		8,323,459	8,312,799	10,660	–	–	–	15,537

# Phillip Island Nature Parks

## Financial statements 30 June 2012

### 17 Financial instruments (continued)

#### (f) Liquidity risk exposure

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

The Nature Park adopts a policy of paying creditors within 30 days of month end. Maximum exposure to liquidity risk is the carrying amount of financial liabilities, which have a maturity of less than one (1) month based on contractual undiscounted cash flows.

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

### 18 Commitments

The Nature Park received funding for specific purposes from various sources throughout the financial year. This funding is recognised as a liability on the balance sheet until it is utilised as prescribed in the funding agreement. At 30 June 2012 The Nature Park is committed to utilising \$172,352 (2011:\$178,339) in accordance with such agreements.

### 19 Subsequent Events

The Board of Management are not aware of any circumstances that have arisen since 30 June 2012 that have significantly affected or may significantly affect the Nature Park's operations in financial years subsequent to 30 June 2012.

### 20 Glossary of terms and style conventions

#### Glossary

##### Actuarial gains or losses on superannuation defined benefit plans

Actuarial gains or losses reflect movements in the superannuation liability resulting from differences between the assumptions used to calculate the superannuation expense from transactions and actual experience.

##### Amortisation

Amortisation is the expense which 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.

##### Biological assets

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

##### Borrowings

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

##### Comprehensive result

The net result of all items of income and expense recognised for the period. It is the aggregate of operating result and other non-owner movements in equity.

##### Capital asset charge

The capital asset charge represents the opportunity cost of capital invested in the nonfinancial physical assets used in the provision of outputs.

##### Commitments

Commitments include those operating, capital and other outsourcing commitments arising from noncancellable contractual or statutory sources.

##### Current grants

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

##### Depreciation

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

The effective interest method is 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 instrument, or, where appropriate, a shorter period to the net carrying amount of the financial asset or financial liability.

##### Employee benefits expenses

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 payments

Ex gratia payment is the gratuitous payment of money where no legal obligation exists.

# Phillip Island Nature Parks

## Financial statements 30 June 2012

### 20 Glossary of terms and style conventions (continued)

#### Financial asset

A financial asset is any asset that is:

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

#### Financial instrument

A 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 assets or liabilities that are not contractual (such as statutory receivables or payables that arise as a result of statutory requirements imposed by governments) are not financial instruments.

#### Financial liability

A financial liability is any liability that is:

- (a) A contractual obligation:
  - (i) To deliver cash or another financial asset to another entity; or
  - (ii) To exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity; or
- (b) A contract that will or may be settled in the entity's own equity instruments and is:
  - (i) A non-derivative for which the entity is or may be obliged to deliver a variable number of the entity's own equity instruments; or
  - (ii) 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

Depending on the context of the sentence where the term 'financial statements' is used, it may include only the main financial statements (i.e. comprehensive operating statement, balance sheet, cash flow statements, and statement of changes in equity); or it may also be used to replace the old term 'financial report' under the revised AASB 101 (September 2007), which means it may include the main financial statements and the notes.

#### Grants and other transfers

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

While grants to governments may result in the provision of some goods or services to the transferor, they do not give the transferor a claim to receive directly benefits of approximately equal value. For this reason, grants are referred to by the AASB as involuntary transfers and are termed nonreciprocal 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

The 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 which are mainly non-market in nature, those which are largely for collective consumption by the community and those which involve the transfer or redistribution of income. These services are financed mainly through taxes, or other compulsory levies and user charges.



# Phillip Island Nature Parks

## Financial statements 30 June 2012

### 20 Glossary of terms and style conventions (continued)

#### **Intangible produced assets**

Refer to produced assets in this glossary.

#### **Intangible non-produced assets**

Refer to non-produced asset in this glossary.

#### **Interest expense**

Costs incurred in connection with the borrowing of funds includes interest on bank overdrafts and shortterm and longterm borrowings, amortisation of discounts or premiums relating to borrowings, interest component of finance leases repayments, and the increase in financial liabilities and nonemployee provisions due to the unwinding of discounts to reflect the passage of time.

#### **Interest income**

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

#### **Investment properties**

Investment properties represent 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**

Joint ventures are contractual arrangements between the Department and one or more other parties to undertake an economic activity that is subject to joint control. 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).

#### **Net acquisition of nonfinancial assets (from transactions)**

Purchases (and other acquisitions) of nonfinancial assets less sales (or disposals) of nonfinancial assets less depreciation plus changes in inventories and other movements in nonfinancial assets. It includes only those increases or decreases in nonfinancial assets resulting from transactions and therefore excludes writeoffs, impairment writedowns and revaluations.

#### **Net result**

Net result is a measure of financial performance of the operations for the period. It is the net result of items of income, gains and expenses (including losses) recognised for the period, excluding those that are classified as 'other nonowner changes in equity'.

#### **Net result from transactions/net operating balance**

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

#### **Net worth**

Assets less liabilities, which is an economic measure of wealth.

#### **Nonfinancial assets**

Nonfinancial assets are all assets that are not 'financial assets'. It includes inventories, land, buildings, infrastructure, road networks, land under roads, plant and equipment, investment properties, cultural and heritage assets, intangible and biological assets.

#### **Non-produced assets**

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.

#### **Non-profit institution**

A legal or social entity that is created for the purpose of producing or distributing goods and services but is not permitted to be a source of income, profit or other financial gain for the units that establish, control or finance it.

## 20 Glossary of terms and style conventions (continued)

### Other economic flows

Other economic flows are changes in the volume or value of an asset or liability that do not result from transactions. It includes:

- gains and losses from disposals, revaluations and impairments of nonfinancial physical and intangible assets;
  - actuarial gains and losses arising from defined benefit superannuation plans;
  - fair value changes of financial instruments and agricultural assets; and
  - depletion of natural assets (nonproduced) from their use or removal.
- In simple terms, other economic flows are changes arising from market remeasurements.

### Payables

Includes short and long term trade debt and accounts payable, grants, taxes and interest payable.

### Produced assets

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).

### Receivables

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

### Sales of goods and services

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

### Supplies and services

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

### Transactions

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 within 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

## INDEPENDENT AUDITOR'S REPORT

### To the Board Members, Phillip Island Nature Parks

#### *The Financial Report*

The accompanying financial report for the year ended 30 June 2012 of the Phillip Island Nature Parks which comprises the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement, notes comprising a summary of significant accounting policies and other explanatory information, and the statutory declaration has been audited.

#### *The Board Members' Responsibility for the Financial Report*

The Board Members of the Phillip Island Nature Parks are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards, and the financial reporting requirements of the *Financial Management Act 1994*, and for such internal control as the Board Members determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibility*

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit, which has been conducted in accordance with Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, consideration is given to the internal control relevant to the entity's preparation and fair presentation of the financial report 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 entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Board Members, as well as evaluating the overall presentation of the financial report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

## Independent Auditor's Report (continued)

### *Independence*

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised. In conducting the audit, the Auditor-General, his staff and delegates complied with all applicable independence requirements of the Australian accounting profession.

### *Opinion*

In my opinion, the financial report presents fairly, in all material respects, the financial position of the Phillip Island Nature Parks as at 30 June 2012 and of its financial performance and its cash flows for the year then ended in accordance with applicable Australian Accounting Standards, and the financial reporting requirements of the *Financial Management Act 1994*.

### *Matters Relating to the Electronic Publication of the Audited Financial Report*

This auditor's report relates to the financial report of the Phillip Island Nature Parks for the year ended 30 June 2012 included both in the Phillip Island Nature Parks' annual report and on the website. The Board Members of the Phillip Island Nature Parks are responsible for the integrity of the Phillip Island Nature Parks' website. I have not been engaged to report on the integrity of the Phillip Island Nature Parks' website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in the website version of the financial report.

MELBOURNE  
29 August 2012

*Per* T. D. R. Pearson  
D D R Pearson  
Auditor-General

## Statutory declaration

We certify that the attached financial statements for the Phillip Island Nature Parks have been prepared in accordance with Standing Direction 4.2 of the Financial Management Act 1994, applicable Financial Reporting Directions, Australian Accounting Standards, 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 to and forming part of financial statements, presents fairly the financial transactions during the year ended 30 June 2012 and financial position of the Phillip Island Nature Parks as at 30 June 2012.

We are not aware of any circumstance which would render any particulars included in the financial statements to be misleading or inaccurate.

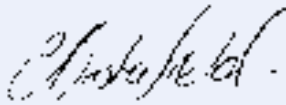
We authorise the attached financial statements for issue on 29 August 2012.

On behalf of the Phillip Island Nature Park Board of Management Inc:



**Matthew Jackson**

Chief Executive Officer (Accountable Officer)  
Phillip Island  
29 August 2012



**Catherine Basterfield**

Financial Controller (Chief Finance and Accountable Officer)  
Phillip Island  
29 August 2012



**Dr. Irene Irvine**

Chair Phillip Island Nature Park (Board of Management)  
Melbourne  
29 August 2012

# Appendices

# Appendices

## + **Whistleblowers Protection Act 2001**

### **Phillip Island Nature Parks Policy & Procedures**

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## 1. Statement of support to whistleblowers

Phillip Island Nature Parks (Nature Parks) is committed to the aims and objectives of the Whistleblowers Protection Act 2001 (the Act). It does not tolerate improper conduct by its employees, officers or members, nor the taking of reprisals against those who come forward to disclose such conduct.

The Nature Parks values 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.

## 2. Purpose of these procedures

These procedures establish a system for reporting disclosures of improper conduct or detrimental action by the Nature Parks or its employees. The system enables such disclosures to be made to the protected disclosure coordinator or to one of the nominated protected disclosure officers. Disclosures may be made by employees or by members of the public.

These procedures are designed to complement normal communication channels between supervisors and employees. Employees are encouraged to continue to raise appropriate matters at any time with their supervisors/managers. As an alternative, employees may make a disclosure of improper conduct or detrimental action under the Act in accordance with these procedures.

These procedures do not preclude any person for using alternative Nature Parks reporting processes for any matter. Only disclosures to a Protected Disclosure Officer will be dealt with in accordance with these procedures.

## 3. Objects of the Act

The Whistleblowers Protection Act 2001 commenced operation on 1 January 2002. The purpose of the Act is to encourage and facilitate the making of disclosures of improper conduct by public officers and public bodies. The Act provides protection to whistleblowers that make disclosures in accordance with the Act, and establishes a system for the matters disclosed to be investigated and rectifying action to be taken.

## 4. Definitions of key terms

Three key concepts in the reporting system are improper conduct, corrupt conduct and detrimental action. Definitions of these terms are set out below.

## 4.1 Improper conduct

A disclosure may be made about improper conduct by a public body or public official. Improper conduct means conduct that is corrupt, a substantial mismanagement of public resources, or conduct involving substantial risk to public health or safety or to the environment. The conduct must be serious enough to constitute, if proved, a criminal offence or reasonable grounds for dismissal.

### Examples

To avoid closure of a town's only industry, an environmental health officer ignores or conceals evidence of illegal dumping of waste.

An agricultural officer delays or declines imposing quarantine to allow a financially distressed farmer to sell diseased stock.

A building inspector tolerates poor practices and structural defects in the work of a leading local builder.

See 4.2 below for specific examples of corrupt conduct.

## 4.2 Corrupt conduct

**Corrupt conduct means:**

- Conduct of any person (whether or not a public official) that adversely affects the honest performance of a public officer's or public body's functions;
- The performance of a public officer's functions dishonestly or with inappropriate partiality;
- Conduct of a public officer, former public officer or a public body that amounts to a breach of public trust;
- Conduct by a public officer, former public officer or a public body that amounts to the misuse of information or material acquired in the course of the performance of their official functions; or
- A conspiracy or attempt to engage in the above conduct.

### Examples

A public officer takes a bribe or receives a payment other than his or her wages or salary in exchange for the discharge of a public duty.

A public officer favours unmeritorious applications for jobs or permits by friends and relatives.

A public officer sells confidential information.

## 4.3 Detrimental action

**The Act makes it an offence for a person to take detrimental action against a person in reprisal for a protected disclosure.**

**Detrimental action includes:**

- Action causing injury, loss or damage;
- Intimidation or harassment; and
- Discrimination, disadvantage or adverse treatment in relation to a person's employment, career, profession, trade or business, including the taking of disciplinary action.



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## Examples

A public body refuses a deserved promotion of a person who makes a disclosure.

A public body demotes, transfers, isolates in the workplace or changes the duties of a whistleblower due to the making of a disclosure.

A person threatens, abuses or carries out other forms of harassment directly or indirectly against the whistleblower, his or her family or friends.

A public body discriminates against the whistleblower or his or her family and associates in subsequent applications for jobs, permits or tenders.

## 5. The reporting system

### 5.1 Contact persons within the Nature Parks

Disclosures of improper conduct or detrimental action by the Nature Parks or its employee's may be made to the following officers:

The protected disclosure coordinator:

#### **Damian Prendergast**

Operations Manager  
Phillip Island Nature Parks  
Ventnor Rd, Cowes 3922  
Ph: 5951 2821  
Email: dprendergast@penguins.org.au

The protected disclosure officers:

#### **Judy Tough**

Administration Officer  
Phillip Island Nature Parks  
Ventnor Rd, Cowes 3922  
Ph: 5951 2815  
Email: jtough@penguins.org.au

#### **John Evans**

Ranger  
Phillip Island Nature Parks  
Ventnor Rd, Cowes 3922  
Ph: 5951 2829  
Email: jevans@penguins.org.au

#### **Maureen Magill**

Team Leader Retail  
Phillip Island Nature Parks  
Ventnor Rd, Cowes 3922  
Ph: 5951 2829  
Email: mmagill@penguins.org.au

All correspondence, phone calls and emails from internal or external whistleblowers will be referred to the protected disclosure coordinator.

Where a person is contemplating making a disclosure and is concerned about approaching the protected disclosure coordinator or a protected disclosure officer in the workplace, he or she can call the relevant officer and request a meeting in a discreet location away from the workplace.

The Protected Disclosure Coordinator shall arrange to meet with the Protected Disclosure Officers 2 times per year to review the reporting process and maintain currency of knowledge. The Protected Disclosure Coordinator shall also review the list of the Disclosure Officers to ensure they are up to date and advised to staff.

### 5.2 Alternative contact persons

A disclosure about improper conduct or detrimental action by the Nature Parks or its employees may also be made directly to the Ombudsman:

#### **The Ombudsman Victoria**

Level 3 (South Tower), 459 Collins St Melbourne Vic 3000  
Telephone: (03) 9613 6222  
Toll Free: 1800 806 314; Fax: 9614 0246; DX26  
Internet: [www.ombudsman.vic.gov.au](http://www.ombudsman.vic.gov.au)  
Email: [ombudvic@ombudsman.vic.gov.au](mailto:ombudvic@ombudsman.vic.gov.au)

The following table sets out where disclosures about persons other than employees of the Nature Parks should be made.

Person who is the subject of the disclosure	Person/body to whom the disclosure must be made
Employee of a public body	That public body or the Ombudsman
Member of Parliament (Legislative Assembly)	Speaker of the Legislative Assembly
Member of Parliament (Legislative Council)	President of the Legislative Council
Councillor	The Ombudsman
Chief Commissioner of Police	The Ombudsman or Deputy Ombudsman
Member of the police force	The Ombudsman, Deputy Ombudsman or Chief Commissioner of Police

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## 6. Roles and responsibilities

### 6.1 Employees

Employees are encouraged to report known or suspected incidences of improper conduct or detrimental action in accordance with these procedures.

All employees of the Nature Parks have an important role to play in supporting those who have made a legitimate disclosure. They must refrain from any activity that is, or could be perceived to be, victimisation or harassment of a person who makes a disclosure. Furthermore, they should protect and maintain the confidentiality of a person they know or suspect to have made a disclosure.

### 6.2 Protected disclosure officers

**Protected disclosure officers will:**

- Be a contact point for general advice about the operation of the Act for any person wishing to make a disclosure about improper conduct or detrimental action;
- Make arrangements for a disclosure to be made privately and discreetly and, if necessary, away from the workplace;
- Receive any disclosure made orally or in writing (from internal and external whistleblowers);
- Commit to writing any disclosure made orally;
- Impartially assess the allegation and determine whether it is a disclosure made in accordance with Part 2 of the Act (that is, 'a protected disclosure');
- Take all necessary steps to ensure the identity of the whistleblower and the identity of the person who is the subject of the disclosure are kept confidential; and
- Forward all disclosures and supporting evidence to the protected disclosure coordinator.

### 6.3 Protected disclosure coordinator

**The protected disclosure coordinator has a central 'clearinghouse' role in the internal reporting system. He or she will:**

- Receive all disclosures forwarded from the protected disclosure officers;
- Receive all phone calls, emails and letters from members of the public or employees seeking to make a disclosure;
- Impartially assess each disclosure to determine whether it is a public interest disclosure;
- Refer all public interest disclosures to the Ombudsman;
- Be responsible for carrying out, or appointing an investigator to carry out, an investigation referred to the the Nature Parks by the Ombudsman;
- Be responsible for overseeing and coordinating an investigation where an investigator has been appointed;
- Appoint a welfare manager, in conjunction with the current Employee Assistance Program provider to support the whistleblower and to protect him or her from any reprisals;

- Advise the whistleblower of the progress of an investigation into the disclosed matter;
- Establish and manage a confidential filing system;
- Collate and publish statistics on disclosures made;
- Take all necessary steps to ensure the identity of the whistleblower and the identity of the person who is the subject of the disclosure are kept confidential; and
- Liaise with the Chief Executive Officer of the the Nature Parks.

### 6.4 Investigator

The investigator will be responsible for carrying out an internal investigation into a disclosure where the Ombudsman has referred a matter to the Nature Parks. An investigator may be a person from within an organisation or a consultant engaged for that purpose.

### 6.5 Welfare Manager

**The welfare manager is responsible for looking after the general welfare of the whistleblower. The welfare manager will:**

- Examine the immediate welfare and protection needs of a whistleblower who has made a disclosure and seek to foster a supportive work environment;
- Advise the whistleblower of the legislative and administrative protections available to him or her;
- Listen and respond to any concerns of harassment, intimidation or victimisation in reprisal for making disclosure; and
- Ensure the expectations of the whistleblower are realistic.

## 7. Confidentiality

The Nature Parks will take all reasonable steps to protect the identity of the whistleblower. Maintaining confidentiality is crucial in ensuring reprisals are not made against a whistleblower.

The Act requires any person who receives information due to the handling or investigation of a protected disclosure, not to disclose that information except in certain limited circumstances. Disclosure of information in breach of section 22 constitutes an offence that is punishable by a maximum fine of 60 penalty units (\$6000) or six months imprisonment or both.

**The circumstances in which a person may disclose information obtained about a protected disclosure include:**

- Where exercising the functions of the public body under the Act;
- When making a report or recommendation under the Act;
- When publishing statistics in the annual report of a public body; and
- In criminal proceedings for certain offences in the Act.

However, the Act prohibits the inclusion of particulars in any report or recommendation that is likely to lead to the identification of the whistleblower. The Act also prohibits the identification of the person who is the subject of the disclosure in any particulars included in an annual report.

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The Nature Park will ensure all files, whether paper or electronic, are kept in a secure room and can only be accessed by the protected disclosure coordinator, protected disclosure officer, the investigator or welfare manager (in relation to welfare matters). All printed material will be kept in files that are clearly marked as a Whistleblower Protection Act matter, and warn of the criminal penalties that apply to any unauthorised divulging information concerning a protected disclosure. All electronic files will be produced and stored on a stand-alone computer and be given password protection. Backup files will be kept on floppy disc. All materials relevant to an investigation, such as tapes from interviews, will also be stored securely with the whistleblower files.

**The Nature Park will not email documents relevant to a whistleblower matter and will ensure all phone calls and meetings are conducted in private.**

## 8. Collating and publishing statistics

The protected disclosure coordinator will establish a secure register to record the information required to be published in the annual report, and to generally keep account of the status of whistleblower disclosures. The register will be confidential and will not record any information that may identify the whistleblower.

**The register will contain the following information:**

- The number and types of disclosures made to the Nature Parks during the year;
- The number of disclosures referred to the Ombudsman for determination as to whether they are public interest disclosures;
- The number and types of disclosed matters referred to the Nature Parks by the Ombudsman for investigation;
- The number and types of disclosures referred by the Nature Parks to the Ombudsman for investigation;
- The number and types of investigations taken over from the Nature Parks by the Ombudsman;
- The number of requests made by a whistleblower to the Ombudsman to take over an investigation by the Nature Parks;
- The number and types of disclosed matters that the Nature Parks has declined to investigate;
- The number and types of disclosed matters that were substantiated upon investigation and the action taken on completion of the investigation; and
- Any recommendations made by the Ombudsman that relate to the public body.

## 9. Receiving and assessing disclosures

### 9.1 Has the disclosure been made in accordance with Part 2 of the Act?

Where a disclosure has been received by the protected disclosure officer or by the protected disclosure coordinator, he or she will assess whether the disclosure has been made in accordance with Part 2 of the Act and is, therefore, a protected disclosure.

#### 9.1.1 Has the disclosure been made to the appropriate person?

For the disclosure to be responded to by the Nature Park, it must concern an employee, member or officer of the Nature Park. If the disclosure concerns an employee, officer or member of another public body, the person who has made the disclosure must be advised of the correct person or body to whom the disclosure should be directed. (See the table in 5.2). If the disclosure has been made anonymously, it should be referred to the Ombudsman.

#### 9.1.2 Does the disclosure contain the essential elements of a protected disclosure?

**To be a protected disclosure, a disclosure must satisfy the following criteria:**

- Did a natural person (that is, an individual person rather than a corporation) make the disclosure?
- Does the disclosure relate to conduct of the Nature Parks or public officer acting in their official capacity?
- Is the alleged conduct either improper conduct or detrimental action taken against a person in reprisal for making a protected disclosure?
- Does the person making a disclosure have reasonable grounds for believing the alleged conduct has occurred?

Where a disclosure is assessed to be a protected disclosure, it is referred to the protected disclosure coordinator. The protected disclosure coordinator will determine whether the disclosure is a public interest disclosure.

Where a disclosure is assessed not to be a protected disclosure, the matter does not need to be dealt with under the Act. The protected disclosure officer will decide how the matter should be responded to in consultation with the protected disclosure coordinator.

#### 9.2 Is the disclosure a public interest disclosure?

Where the protected disclosure officer or coordinator has received a disclosure that has been assessed to be a protected disclosure, the protected disclosure coordinator will determine whether the disclosure amounts to a public interest disclosure. This assessment will be made within 45 days of the receipt of the disclosure.

**In reaching a conclusion as to whether a protected disclosure is a public interest disclosure, the protected disclosure coordinator will consider whether the disclosure shows, or tends to show, that the person to whom the disclosure relates:**

- Has engaged, is engaging or proposes to engage in improper conduct in his or her capacity as a public officer; or
- Has taken, is taking or proposes to take detrimental action in reprisal for the making of the protected disclosure.

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**Where the protected disclosure coordinator concludes that the disclosure amounts to a public interest disclosure, he or she will:**

- 1 Notify the person who made the disclosure of that conclusion; and
- 2 Refer the disclosure to the Ombudsman for formal determination as to whether it is indeed a public interest disclosure.

**Where the protected disclosure coordinator concludes that the disclosure is not a public interest disclosure, he or she will:**

- 1 Notify the person who made the disclosure of that conclusion; and
- 2 Advise that person that he or she may request the Nature Parks to refer the disclosure to the Ombudsman for a formal determination as to whether the disclosure is a public interest disclosure, and that this request must be made within 28 days of the notification.

In either case, the protected disclosure coordinator will make the notification and the referral within 14 days of the conclusion being reached by the Nature Parks. Notification to the whistleblower is not necessary where the disclosure has been made anonymously.

Where the Protected Disclosure Officer is in any doubt about whether the disclosure is in the public interest the matter should be referred directly to the Ombudsman for advice.

## 10. Investigations

### 10.1 Introduction

Where the Ombudsman refers a protected disclosure to the Nature Park for investigation, the protected disclosure coordinator will appoint an investigator to carry out the investigation.

**The objectives of an investigation will be:**

- To collate information relating to the allegation as quickly as possible. This may involve taking steps to protect or preserve documents, materials and equipment;
- To consider the information collected and to draw conclusions objectively and impartially;
- To maintain procedural fairness in the treatment of witnesses and the person who is the subject of the disclosure; and
- To make recommendations arising from the conclusions drawn concerning remedial or other appropriate action.

### 10.2 Terms of reference

Before commencing an investigation, the protected disclosure coordinator will draw up terms of reference and obtain authorisation for those terms by the chief executive officer. The terms of reference will set a date by which the investigation report is to be concluded, and will describe the resources available to the investigator to complete the investigation within the time set. The protected disclosure coordinator may approve, if reasonable, an extension of time requested by the investigator. The terms of reference will require the investigator to make regular reports to the protected disclosure coordinator who, in turn, is to keep the Ombudsman informed of general progress.

### 10.3 Investigation plan

**The investigator will prepare an investigation plan for approval by the protected disclosure coordinator. The plan will list the issues to be substantiated and describe the avenue of inquiry. It will address the following issues:**

- What is being alleged?
- What are the possible findings or offences?
- What are the facts in issue?
- How is the inquiry to be conducted?
- What resources are required?

**At the commencement of the investigation, the whistleblower should be:**

- Notified by the investigator that he or she has been appointed to conduct the investigation;
- Asked to clarify any matters; and
- Provide any additional material he or she might have.
- The investigator will be sensitive to the whistleblower's possible fear of reprisals and will be aware of the statutory protections provided to the whistleblower.

### 10.4 Natural justice

The principles of natural justice will be followed in any investigation of a public interest disclosure. The principles of natural justice concern procedural fairness and ensure a fair decision is reached by an objective decision maker. Maintaining procedural fairness protects the rights of individuals and enhances public confidence in the process.

**The Nature Park will have regard to the following issues in ensuring procedural fairness:**

- The person who is the subject of the disclosure is entitled to know the allegations made against him or her and must be given the right to respond. (This does not mean the person must be advised of the allegation as soon as the disclosure is received or the investigation has commenced);
- If the investigator is contemplating making a report adverse to the interests of any person, that person should be given the opportunity to put forward further material that may influence the outcome of the report and that person's defence should be fairly set out in the report;
- All relevant parties to a matter should be heard and all submissions should be considered;
- A decision should not be made until all reasonable inquiries have been made;
- The investigator or any decision maker should not have a personal or direct interest in the matter being investigated;
- All proceedings must be carried out fairly and without bias. Care should be taken to exclude perceived bias from the process; and
- The investigator must be impartial in assessing the credibility of the whistleblowers and any witnesses. Where appropriate, conclusions as to credibility should be included in the investigation report.

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## 10.5 Conduct of the investigation

The investigator will make contemporaneous notes of all discussions and phone calls, and all interviews with witnesses will be taped. All information gathered in an investigation will be stored securely. Interviews will be conducted in private and the investigator will take all reasonable steps to protect the identity of the whistleblower. Where disclosure of the identity of the whistleblower cannot be avoided, due to the nature of the allegations, the investigator will warn the whistleblower and his or her welfare manager of this probability.

It is in the discretion of the investigator to allow any witness to have legal or other representation or support during an interview. If a witness has a special need for legal representation or support, permission should be granted.

## 10.6 Referral of an investigation to the Ombudsman

**The protected disclosure coordinator will make a decision regarding the referral of an investigation to the Ombudsman where, on the advice of the investigator:**

- The investigation is being obstructed by, for example, the non-cooperation of key witnesses; or
- The investigation has revealed conduct that may constitute a criminal offence.

## 10.7 Reporting requirements

The protected disclosure coordinator will ensure the whistleblower is kept regularly informed concerning the handling of a protected disclosure and an investigation.

The protected disclosure coordinator will report to the Ombudsman about the progress of an investigation.

Where the Ombudsman or the whistleblower requests information about the progress of an investigation, that information will be provided within 28 days of the date of the request.

## 11. Action taken after an investigation

### 11.1 Investigator's final report

**At the conclusion of the investigation, the investigator will submit a written report of his or her findings to the protected disclosure coordinator. The report will contain:**

- The allegation/s;
- An account of all relevant information received and, if the investigator has rejected evidence as being unreliable, the reasons for this opinion being formed;
- The conclusions reached and the basis for them; and
- Any recommendations arising from the conclusions.

**Where the investigator has found that the conduct disclosed by the whistleblower has occurred recommendations made by the investigator will include:**

- The steps that need to be taken by the Nature Park to prevent the conduct from continuing or occurring in the future; and
- Any action that should be taken by the Nature Park to remedy any harm or loss arising from the conduct. This action may include bringing disciplinary proceedings against the person responsible for the conduct, and referring the matter to an appropriate authority for further consideration.

**The report will be accompanied by:**

- The transcript or other record of any oral evidence taken, including tape recordings; and
- All documents, statements or other exhibits received by the officer and accepted as evidence during the course of the investigation.

Where the investigator's report is to include an adverse comment against any person, that person will be given the opportunity to respond and his or her defence will be fairly included in the report.

The report will not disclose particulars likely to lead to the identification of the whistleblower.

## 11.2 Action to be taken

If the protected disclosure coordinator is satisfied that the investigation has found that the disclosed conduct has occurred, he or she will recommend to the chief executive officer the action that must be taken to prevent the conduct from continuing or occurring in the future. The protected disclosure coordinator may also recommend that action be taken to remedy any harm or loss arising from the conduct.

The protected disclosure coordinator will provide a written report setting out the findings of the investigation and any remedial steps taken to the Ombudsman, the whistleblower and the responsible Minister. Where the investigation concludes that the disclosed conduct did not occur, the protected disclosure coordinator will report these findings to the Ombudsman and to the whistleblower.

## 12. Managing the welfare of the whistleblower

### 12.1 Commitment to protecting whistleblowers

The Nature Park is committed to the protection of genuine whistleblowers against detrimental action taken in reprisal for the making of protected disclosures. The protected disclosure coordinator is responsible for ensuring whistleblowers are protected from direct and indirect detrimental action, and that the culture of the workplace is supportive of protected disclosures being made.

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## **The protected disclosure coordinator will appoint a welfare manager to all whistleblowers who have made a protected disclosure. The welfare manager will:**

- Examine the immediate welfare and protection needs of a whistleblower who has made a disclosure and, where the whistleblower is an employee, seek to foster a supportive work environment;
- Advise the whistleblower of the legislative and administrative protections available to him or her;
- Listen and respond to any concerns of harassment, intimidation or victimisation in reprisal for making disclosure;
- Keep a contemporaneous record of all aspects of the case management of the whistleblower including all contact and follow-up action; and
- Ensure the expectations of the whistleblower are realistic.

All employees will be advised that it is an offence for a person to take detrimental action in reprisal for a protected disclosure. The maximum penalty is a fine of 240 penalty units (\$24,000) or two years imprisonment or both. The taking of detrimental action in breach of this provision can also be grounds for making a disclosure under the Act and can result in an investigation.

### **Detrimental action includes:**

- Causing injury, loss or damage;
- Intimidation or harassment; and
- Discrimination, disadvantage or adverse treatment in relation to a person's employment, career, profession, trade or business (including the taking of disciplinary action).

## **12.2 Keeping the whistleblower informed**

The protected disclosure coordinator will ensure the whistleblower is kept informed of action taken in relation to his or her disclosure, and the time frames that apply. The whistleblower will be informed of the objectives of an investigation, the findings of an investigation, and the steps taken by the Nature Park to address any improper conduct that has been found to have occurred. The whistleblower will be given reasons for decisions made by the Nature Park in relation to a protected disclosure. All communication with the whistleblower will be in plain English.

## **12.3 Occurrence of detrimental action**

### **If a whistleblower reports an incident of harassment, discrimination or adverse treatment that would amount to detrimental action taken in reprisal for the making of the disclosure, the welfare manager will:**

- Record details of the incident;
- Advise the whistleblower of his or her rights under the Act; and
- Advise the protected disclosure coordinator or chief executive officer of the detrimental action.

The taking of detrimental action in reprisal for the making of a disclosure can be an offence against the Act as well as grounds for making a further disclosure. Where such detrimental action is reported, the protected disclosure coordinator will assess the report as a new disclosure under the Act. Where the protected disclosure coordinator is satisfied that the disclosure is a public interest disclosure, he or she will refer it to the Ombudsman. If the Ombudsman subsequently determines the matter to be a public interest disclosure, the Ombudsman may investigate the matter or refer it to another body for investigation as outlined in the Act.

## **12.4 Whistleblowers implicated in improper conduct**

Where a person who makes a disclosure is implicated in misconduct, the Nature Park will handle the disclosure and protect the whistleblower from reprisals in accordance with the Act, the Ombudsman's guidelines and these procedures. The Nature Park acknowledges that the act of whistleblowing should not shield whistleblowers from the reasonable consequences flowing from any involvement in improper conduct. Section 17 of the Act specifically provides that a person's liability for his or her own conduct is not affected by the person's disclosure of that conduct under the Act. However, in some circumstances, an admission may be a mitigating factor when considering disciplinary or other action.

The chief executive officer will make the final decision on the advice of the protected disclosure coordinator as to whether disciplinary or other action will be taken against a whistleblower. Where disciplinary or other action relates to conduct that is the subject of the whistleblower's disclosure, the disciplinary or other action will only be taken after the disclosed matter has been appropriately dealt with.

### **In all cases where disciplinary or other action is being contemplated, the chief executive officer must be satisfied that it has been clearly demonstrated that:**

- The intention to proceed with disciplinary action is not causally connected to the making of the disclosure (as opposed to the content of the disclosure or other available information);
- There are good and sufficient grounds that would fully justify action against any non-whistleblower in the same circumstances; and
- There are good and sufficient grounds that justify exercising any discretion to institute disciplinary or other action.

The protected disclosure coordinator will thoroughly document the process including recording the reasons why the disciplinary or other action is being taken, and the reasons why the action is not in retribution for the making of the disclosure. The protected disclosure coordinator will clearly advise the whistleblower of the proposed action to be taken, and of any mitigating factors that have been taken into account.

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## 13. Management of the person against whom a disclosure has been made

The Nature Park recognises that employees against whom disclosures are made must also be supported during the handling and investigation of disclosures. The Nature Park will take all reasonable steps to ensure the confidentiality of the person who is the subject of the disclosure during the assessment and investigation process. Where investigations do not substantiate disclosures, the fact that the investigation has been carried out, the results of the investigation, and the identity of the person who is the subject of the disclosure will remain confidential.

**The protected disclosure coordinator will ensure the person who is the subject of any disclosure investigated by or on behalf of a Nature Parks is:**

- Informed as to the substance of the allegations;
- Given the opportunity to answer the allegations before a final decision is made;
- Informed as to the substance of any adverse comment that may be included in any report arising from the investigation; and has
- His or her defence set out fairly in any report.

Where the allegations in a disclosure have been investigated, and the person who is the subject of the disclosure is aware of the allegations or the fact of the investigation, the protected disclosure coordinator will formally advise the person who is the subject of the disclosure of the outcome of the investigation.

The Nature Park will give its full support to a person who is the subject of a disclosure where the allegations contained in a disclosure are clearly wrong or unsubstantiated. If the matter has been publicly disclosed, the chief executive officer of the Nature Park will consider any request by that person to issue a statement of support setting out that the allegations were clearly wrong or unsubstantiated.

## 14. Criminal offences

**The Nature Park will ensure officers appointed to handle protected disclosures and all other employees are aware of the following offences created by the Act:**

- 1 It is an offence for a person to take detrimental action against a person in reprisal for a protected disclosure being made. The Act provides a maximum penalty of a fine of 240 penalty units (\$24,000) or two years imprisonment or both.
- 2 It is an offence for a person to divulge information obtained as a result of the handling or investigation of a protected disclosure without legislative authority. The Act provides a maximum penalty of 60 penalty units (\$6,000) or six months imprisonment or both.
- 3 It is an offence for a person to obstruct the Ombudsman in performing his responsibilities under the Act. The Act provides a maximum penalty of 240 penalty units (\$24,000) or two years imprisonment or both.
- 4 It is an offence for a person to knowingly provide false information under the Act with the intention that it be acted on as a disclosed matter. The Act provides a maximum penalty of 240 penalty units (\$24,000) or two years imprisonment or both.

## 15. Review

These procedures will be reviewed annually to ensure they meet the objectives of the Act and accord with the Ombudsman's guidelines.

# Appendices

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<i>Whistleblowers Protection Act 2001</i>		
<i>Victorian Industry Participation Policy Act 2003</i>		
Notes: Recommended, but not mandatory <b>FRD</b> – Financial Reporting Direction <b>SD</b> – Standing Direction		



# Appendices

## + Publications

### Little Penguins

Chambers, L. E., Devney, C., Congdon, B. C., Dunlop, N., Woehler, E. J. and **Dann, P.** (2011). Observed and predicted impacts of climate on Australian seabirds. *Emu* 111, 235–251.

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Saraux, C., **Chiaradia, A.**, Le Maho Y and Ropert-Coudert, Y. (2011) Everybody needs somebody: unequal parental effort in Little Penguins. *Behavioral Ecology*: 22(4): 837–845

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Sidhu, L.A., **Dann, P.**, Chambers, L. and Catchpole, E.A. (2012). Seasonal ocean temperature and the survival of first-year Little Penguins *Eudyptula minor* in south-eastern Australia. *Marine Ecology Progress Series* 454, 263–272.

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- De Tores, P. J., **Sutherland, D. R.**, Clarke, J. R., Hill, R. F., Garretson, S. W., Bloomfield, L., Strümpher, L., Glen, A. S. and Cruz, J. (2011). Assessment of risks to non–target species from an encapsulated toxin in a bait proposed for control of feral cats. *Wildlife Research* 38, 39–50.
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# Thank you

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