



ANNUAL REPORT 2021-22



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

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

Contents

ABOUT US	3	OUR VISITOR EXPERIENCE	26
Our business	3	Visitor numbers	26
Our location	4	New experiences and highlights	26
Vision and values	5	Our attractions	28
Our future directions	5	Education and engagement	28
CHAIR AND CEO REPORT	6	OUR COMMUNITY	30
OUR ACHIEVEMENTS	8	Community engagement	30
OUR REPORT OF OPERATIONS	10	Inclusive community	31
FINANCIAL SUMMARY	12	Surfing community	31
OUR ENVIRONMENT AND CONSERVATION ACTIVITIES	14	OUR PEOPLE	32
Cultural heritage and conservation	14	Our inspired team	32
Protecting Little Penguins	15	Enhance employee experience and engagement	32
Keeping our koalas healthy	16	Volunteers	32
Transforming landscapes	16	Organisation culture and capability	33
Protecting our precious RAMSAR coastline	17	Health & safety	33
Creating our island haven	17	Our organisation structure	34
Research led conservation	19	Our workforce data	35
Wildlife rehabilitation	21	GOVERNANCE	36
Conservation volunteering	21	Our Board	36
SUSTAINABLE FUTURE	22	Board Subcommittees	38
Reducing emissions	22	Advisory Committees	39
Reducing waste	22	COMPLIANCE	40
Conserving water	23	FINANCIAL REVIEW	43
Sustainable design and construction	23	APPENDICES	95
Climate change risk	23	Disclosure index	96
Carbon dioxide sequestration	23	Publications and Theses completed	97
OUR PROJECTS	24	Thank you	99
Future projects	24		
Investing in our infrastructure	24		

ISSN 2201-2842

This report is available at www.penguins.org.au

© State of Victoria, Phillip Island Nature Parks 2022. This publication is copyright. No part may be reproduced by any process except in accordance with the provisions of the *Copyright Act 1968*.

About us

OUR BUSINESS

Phillip Island Nature Parks (the Nature Parks) is a unique conservation organisation that provides nature-based tourism experiences on Phillip Island (Millowl). The Nature Parks was created by the State Government in 1996 for the conservation of areas of natural interest or beauty or of scientific, historic or archaeological interest.

The Crown Land we are privileged to manage forms part of the traditional lands of the Bunurong People and is called Millowl (Phillip Island). We are an organisation committed to reconciliation and we recognise that the Land, Waters and Sea are of spiritual, cultural and economic importance to Aboriginal and/or Torres Strait Islander Peoples.

Since the Nature Parks was created, Phillip Island's environment and wildlife have flourished. The Summerland Peninsula is restored, securing habitat for Little Penguins, Eastern Barred Bandicoots and seabirds creating a majestic canvas for a truly world-class visitor experience.

The visitor experience across our island home offers distinctive opportunities to immerse in nature, interact with wildlife and connect to its history and culture. The experience includes four main visitor attractions: the world-renowned Penguin Parade, Koala Conservation Reserve, Churchill Island and the Antarctic Journey at the Nobbies Centre. Linking our attractions is a network of reserves and beaches where visitors can wander along spectacular trails, boardwalks and viewing platforms to encounter wildlife and enjoy dramatic views of wild, wide-open spaces.

We undertake extensive conservation programs on Phillip Island, which are future-focused, and research led, our visitor experience programs are designed to echo key messages from our research and to foster environmental change and inspire action. Our Little Penguin, seabird and seal research programs continue to provide a model of conservation excellence and contribute to our understanding of key global issues such as climate change impacts and species conservation.

Our conservation activities and research are funded through our nature-based tourism experiences, in addition to the ongoing financial support from the Victorian State Government. This funding model has been the key to our success, enabling us to invest in programs to ensure Phillip Island's environment and wildlife are protected for future generations. Our business is recovering from the impacts of COVID-19, and across 2021-22, the Nature Parks was supported by the Victorian State Government.



Our location

PARKS AND RESERVES

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



KOALA CONSERVATION RESERVE

Close koala viewing in natural habitat.

2020-21 - 63,698 visitors
2021-22 - 68,708 visitors



ANTARCTIC JOURNEY

Immersive exhibition and boardwalks.

2020-21 - 48,999 visitors
2021-22 - 52,967 visitors



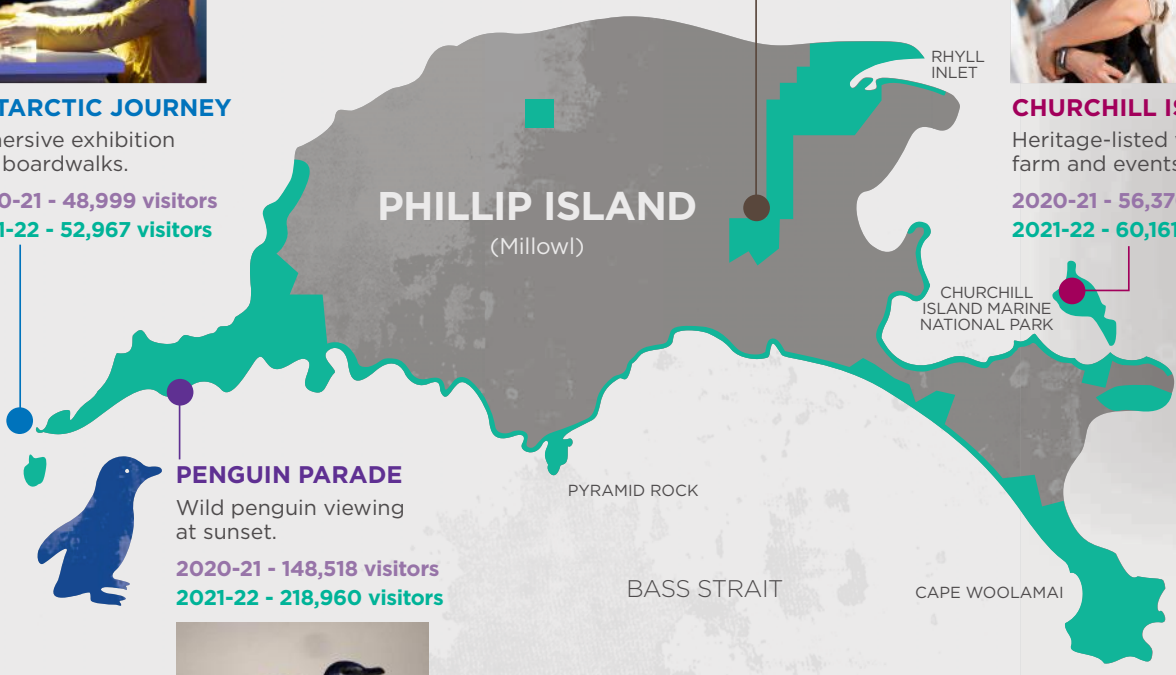
WESTERN PORT
(Warrnmarin)
(RAMSAR Wetland and unesco Biosphere)



CHURCHILL ISLAND

Heritage-listed working farm and events.

2020-21 - 56,370 visitors
2021-22 - 60,161 visitors



PENGUIN PARADE

Wild penguin viewing at sunset.

2020-21 - 148,518 visitors
2021-22 - 218,960 visitors



■ Phillip Island Nature Parks

..... Route from Melbourne

Maps not to scale



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

This is why we are here – Our purpose

To protect nature for wildlife and inspire people to act.

This is what we want to be – Our vision

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

Our key programs

Following the extraordinary challenges of the COVID-19 pandemic, the Nature Parks' operating environment shifted significantly. In response, we re-evaluated our priorities and refocused on the programs that would help us recover, whilst still achieving our purpose and vision.

This year, we focused on recovery priorities within our Strategic Plan 2021-23 that would help our organisation recover from the COVID-19 pandemic and return to a position of growth. Our programs focused on building a sustainable future to ensure that the reserves we care for, and the visitor experiences we offer, continue to thrive.

Our key strategies on our recovery were to:

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

Our values

**NATURE
CONSERVATION
IS PARAMOUNT**

**ENGAGING
EXPERIENCES**

**FUTURE
FOCUSED**

**DELIVERING
OUTCOMES
TOGETHER**

Chair and CEO report

This was a year that began with familiar challenges; though it transitioned into one of hope as Victoria and then Australia re-opened to visitors.

We are, once again, extremely proud to report on a year of achievement, as we began the process of our organisation's recovery and continued to strive towards achieving our vision. This was made possible by the support of the Victorian State Government and the dedication and resilience of our people.

The year began under challenging circumstances as we managed the ongoing impacts of the COVID-19 pandemic. This included closures of our tourism business and limited visitor capacity at the Penguin Parade, along with restrictions for interstate and metropolitan Melbourne travellers. We applied the resilience and practice we had developed in previous years to navigate through this time. The new year of 2022 became more positive, as COVID-19 Safe Principles were eased and then removed, resulting in an increase in travel confidence from visitors across all states of Australia. When international borders reopened in February, we were able to welcome visitors from around the world to our iconic attraction once again.

These developments buoyed our spirits and were reflected in our business operations with an exciting and very welcome increase in visitor numbers and a return to doing what we love most – sharing unique wildlife experiences with the world. This new chapter in our recovery journey allowed us to plan for the future with renewed optimism.

Overall, we were delighted to provide memorable experiences for 415,130 paid visitors to our attractions. We also continued to maintain the beaches and reserves we are privileged to manage to provide further recreational opportunities for our community and visitors.

We are proud to have invested \$4.2 million into conservation, research and ecotourism activities, partially funded by \$0.4 million in grants from government bodies and other organisations.

We thank the Hon Lily D'Ambrosio MP and the Victorian State Government for their continued support to enable the Nature Parks to continue operating under a letter of comfort. We are also indebted to them for their ongoing commitment to the Nature Parks' vision through providing financial support for operations.

In May, we hosted the Victorian Premier, the Hon Daniel Andrews MP at the Penguin Parade. He announced funding of \$5 million for stage one of the Penguin Parade Boardwalks and Stands Redevelopment project. This project will help to revitalise the penguin viewing areas and play a part in rebuilding our future. We look forward to successfully delivering this important project for the State Government and our community. Improving our visitor experience will be a further positive step towards Victoria's regional tourism recovery and help grow and maintain our tourism and conservation contributions to Victoria and Australia.

Little Penguins remained the heroes of our story. The decade of the 2020s marks one hundred years of formal penguin viewing by visitors on the Summerland Peninsula. This proud history was acknowledged at an event in October with the Hon Lily D'Ambrosio MP, Traditional Owners, long-time associates, and relatives of Penguin Parade founders.

The penguins' popularity was also on show as the Nature Parks won the gold award for Tourism Innovation and Resilience in Regional Victoria, at the Victorian Tourism Business Awards, sponsored by the Victorian Tourism Industry Council (VTIC) and City of Melbourne. The award recognised the phenomenon of the penguin livestream that brought joy to millions across the world. We were also honoured that the Summerland Peninsula was listed in the New York Times list of 52 places for travelers to visit in 2022.

The penguins were not only popular but prolific with a record 5,219 Little Penguins coming ashore in one night at the Penguin Parade in April – the highest number recorded since counting began in 1968.

The Little Penguins gained more admiration when we hosted *Southern Ocean Live* on ABC TV broadcast from the Penguin Parade visitor centre in June. They were also the focus of the *Meet the Penguins* one-hour documentary broadcast on ABC TV in June.

We celebrated Dr Peter Dann who retired from his position of Research Director after more than 40 years of service to our organisation. Peter was responsible for developing and implementing the first Little Penguin research programs and is internationally renowned for his ongoing research into their protection and for helping to bring them back from the possibility of extinction on the island.

The Nature Parks acknowledges the Traditional Owners of Phillip Island (Millowl), the Bunurong, and is committed to working together for reconciliation and healing. This is part of our daily business and our commitment remained strong across the year. Together, we worked towards completing the actions for the year from our *Reconciliation Action Plan 2019-22*, participated in events and developed our first Aboriginal and Torres Strait Islander Employment Strategy.

We remain incredibly grateful for the support of the local community and for the Nature Parks' extensive community of valued stakeholders. Our advisory committees continued via online and face-to-face meetings, and members contributed their valued input into our operations and initiatives.

Chair and CEO report

We were happy to be able to host our 11th annual Community Open Day in March with over 3,233 local community members enjoying free entry and engaging with our team, volunteers and community supporters.

Conservation is core to our business, and we continue to maintain this commitment and to drive strong progress across important initiatives.

- Our regular five-year census of the Little Penguin population on the Summerland Peninsula revealed that the population has grown from 32,000 to 40,000 penguins.
- The breeding success of the vulnerable Hooded Plover was excellent with the second-highest number of fledglings in 30 years of monitoring.
- Eastern Barred Bandicoots are thriving and spreading across Phillip Island (Millow), which is now home to the largest wild population of this species. This milestone conservation program resulted in the status of the species being improved from critically endangered to endangered in Victoria.
- One koala joey was born in the wild and one koala that had survived the 2019 bushfires fathered a joey within the Koala Conservation Reserve.
- Our community supported the launch of the *Phillip Island (Millow) Wildlife Plan* to work together to manage abundant wildlife in a united community effort. The plan was developed in partnership with the Department of Environment, Land, Water and Planning and Bass Coast Shire Council.
- The community was integral in a campaign to support the annual migration of the Short-tailed Shearwaters.
- Passionate citizen scientists contributed to seal conservation through the Seal Spotter program and many other programs through the Nature Parks' volunteer program.

Excellence in delivering visitor experiences is also central to our mission and we proudly became Australia's first sensory certified tourism attraction, offering safe spaces across our four sites, thanks to our partnership with KultureCity, a leading non-profit organisation, recognised internationally for driving change in the community for those with sensory needs. We were also honored to be inducted into the Ecotourism Hall of Fame.

Across the organisation, we continued to build capacity through the *Leading the Way* framework to enhance our organisation's health, safety and wellbeing culture.

The Nature Parks' Board Members supported the organisation through sharing their diverse range of skills and experiences to provide sound governance and to drive the Nature Parks towards a new strategic direction. The Board's skills were complemented by several external members contributing to our committees with skills in risk management, cyber security, tourism and financial management. We are thankful for the vital role the Board and its committees have played during challenging times.

We sincerely thank all Nature Parks' Board Members for their optimism, support and dedication through an extraordinary time, and we thank our stakeholders and community for their ongoing support.

We are grateful to the Department of Environment, Land, Water and Planning for its steadfast support and advice on a range of issues relating to the COVID-19 pandemic, financial management, environment and land management. This important relationship for the Nature Parks has never been stronger.

The positive events of this year provide us with an optimistic outlook and the ability to plan for new initiatives with confidence. We acknowledge our incredible team of passionate people whose dedication continues to shine. We thank them for their resilience and support as they have not faltered in striving to achieve our purpose to protect nature for wildlife and inspire people to act.

In accordance with the *Financial Management Act 1994*, we are pleased to present Phillip Island Nature Parks' Annual Report for the year ending 30 June 2022.

Kevin Love
Board Chair

Catherine Basterfield
Chief Executive Officer

Our achievements

Conservation excellence



The conservation status of Eastern Barred Bandicoots was improved from Critically Endangered to Endangered.

25 Hooded Plover chicks hatched from 29 nests and 14 successfully fledged.

Our team restored 13.8 hectares of habitat with 14,233 plants and 586.4 hectares of weed control.

Barb Martin Bushbank propagated 610,000 plants and propagated 13 new species.



Two breeding pairs of Bush Stone-curlews reside at the Koala Conservation Reserve for future release back to the wild.

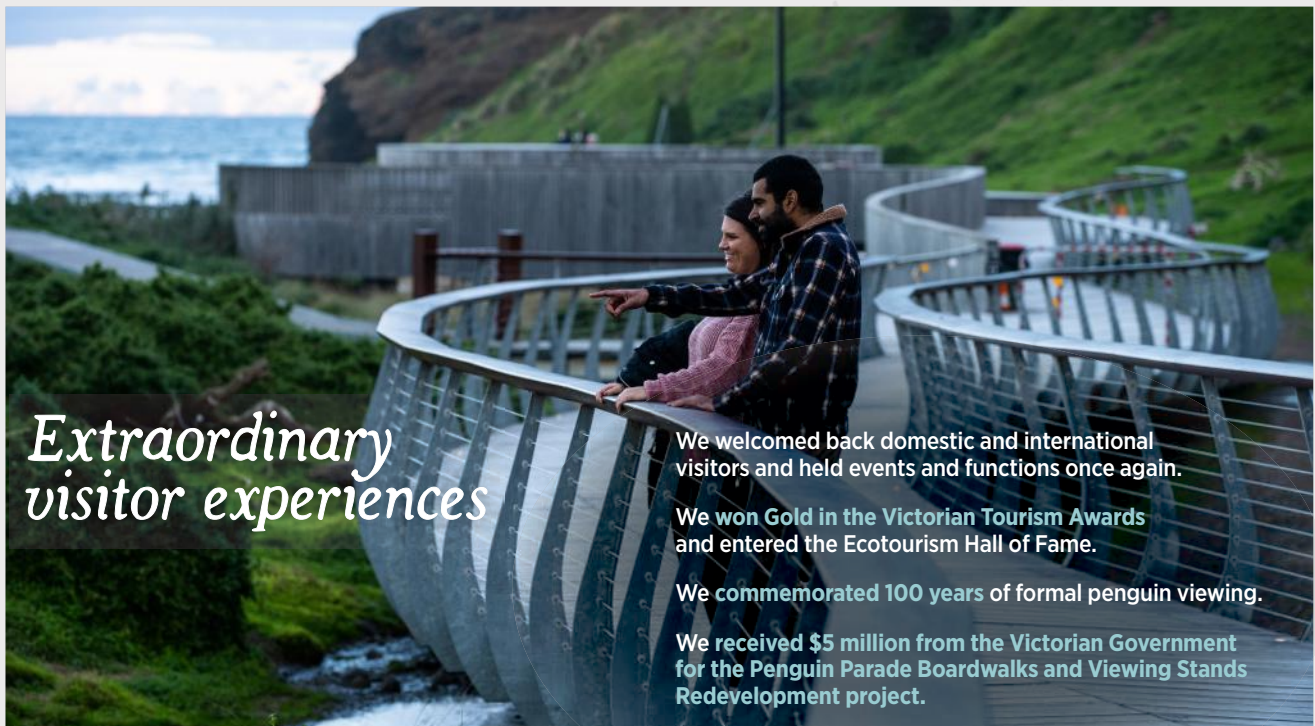


Little Penguins are thriving with a record 5,219 penguins crossing the beach in one night, a year-round average of 1,493 per night and 1.1 chicks produced per pair.



The first evidence of a fox on Phillip Island (Mallowl) in seven years was confirmed - our team, including conservation dogs, located and removed the fox.

Extraordinary visitor experiences



We welcomed back domestic and international visitors and held events and functions once again.

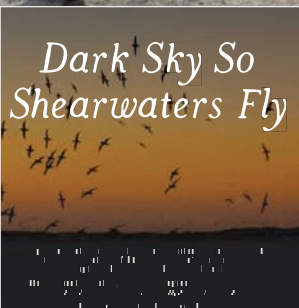
We won Gold in the Victorian Tourism Awards and entered the Ecotourism Hall of Fame.

We commemorated 100 years of formal penguin viewing.

We received \$5 million from the Victorian Government for the Penguin Parade Boardwalks and Viewing Stands Redevelopment project.



Our achievements Community partnerships



We supported our community to live with wildlife through the **Phillip Island (Mollwll) Wildlife Plan**, **Sharing our Beaches campaign** and over 25 businesses supporting **Dark Sky So Shearwaters Fly**.



We maintained our commitment to reconciliation by **completing actions from our Reconciliation Action Plan 2019 - 2022**, hosting National Sorry Day.



We supported **264 volunteers** to contribute **15,081 hours** and recorded a **94% satisfaction rate** when surveyed.



Over **3,233** locals attended our **Community Open Day** in March.



Agile organisation, inspired people

We continued to be **Phillip Island's (Mollwll's) largest employer**.

We continued to **strive towards our desired work culture through new values and workforce realignment**.



Sustainability

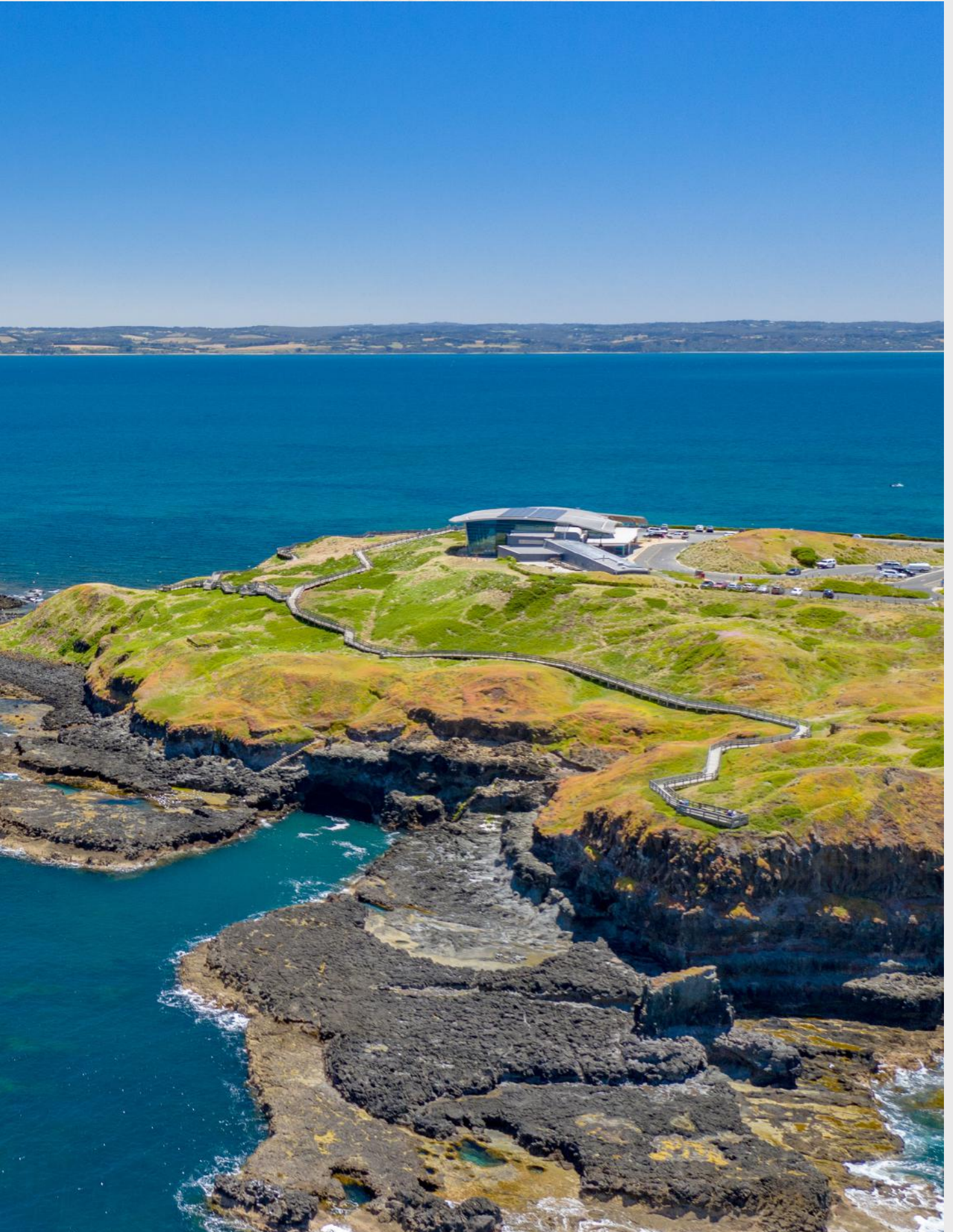
We **invested \$4.2 million** into **conservation, research and education** activities.

We achieved **95% of retail products being single-use plastic free**.

Report of operations

OUR YEAR IN REVIEW





Financial summary

Paramount to the Nature Parks' success is ensuring that our conservation values are reflected in all aspects of our operations as the organisation strives for financial and environmental sustainability. The Nature Parks relies on the success of its tourism attractions to deliver ongoing funding for conservation, the community, and education programs.

The Nature Parks acknowledges the continued support and contribution of the Victorian State Government of \$1.5 million this year in funding support as the Nature Parks recovers from the impacts of COVID-19 Safe Principles. This follows its contribution in the previous year of \$4.4 million.

SUMMARY OF FINANCIAL RESULTS

The financial year 2021-22 continued to be a unique and challenging year for the Nature Parks. Unprecedented closures and restrictions in response to COVID Safe Settings continued to impact our tourism and conservation activities and created exceptional economic uncertainty, which, continues to have wide-ranging impacts for the Nature Parks, as well as the broader community of Phillip Island (Millowl). Despite these challenges, we remained focused on our recovery and were supported throughout 2021-22 by the Victorian State Government.

Site attractions were closed for a fifth of the year and when opened, operated with greatly reduced capacity. This resulted in immediate and material impacts to the Nature Parks', and a sustained loss of revenue. The Nature Parks tourism operations achieved 415,130 paid visitors to its sites, a 30.7% increase compared with 2020-21. Management continued to manage operational activities to mitigate the adverse impact on the business whilst supporting the workforce throughout this challenging time. The Nature Parks realised \$8.6 million in revenue excluding Government funding, \$3.3 million greater than 2020-21, but \$9.2 million less than 2019-20 and \$16.3 million less than 2018-19.

To ensure the Nature Parks' ongoing financial sustainability, all non-critical expenditure was limited, and non-essential priorities deferred. Following the easing of COVID Safe Principles the Nature Parks were able to resume much of its conservation activities and welcomed more guests back to each of the attractions. With this came greater investment in operational

activities when compared with 2020-21, and as a result of this resumption of activity, the Nature Parks' other expenditure increased for the reporting period by 29.5% versus 2020-21, however this was still 6.6% less versus 2019-20 and 22.1% less than 2018-19.

The Nature Parks considers the operating result ('net result from transactions') to be the appropriate measure of financial performance that can be directly attributable to operations. This measure excludes the effects of asset revaluations which are outside the organisation's control. The Nature Parks' net cash flow from operations was a deficit of \$5.2 million, (\$1.3 million less than prior year) and \$1.5 million was contributed by the State Government by way of funding support in relation to financial impacts resulting from COVID Safe Principles.

Despite the ongoing challenges faced by the organisation this financial year, the Nature Parks continue to plan for the future. Throughout the pandemic and beyond, the Nature Parks has made managerial estimates and forecasts as to the likelihood of returning visitors, revenue and expenditures.

Based on the commitment by the Victorian State Government to support the Nature Parks in meeting its current and future obligations as and when they fall due until November 2023, the Board has formed the view that the Nature Parks can continue as a going concern.

This year has challenged the business, and we thank the Victorian State Government for its ongoing support to enable the Nature Parks to continue working to create a better future for Phillip Island's (Millowl's) wildlife, natural environment and the community.

TOURISM OPERATIONS

The Nature Parks' tourism operations continued to be impacted due to COVID Safe Principles and associated travel and operating restrictions, however recovered strongly in the second half of the financial year when compared with prior year. Total tourism revenue was 62.0% greater than 2020-21 and 51.9% less than 2019-20. There was a 30.7% increase in visitors to our ticketed attractions, which is 44.3% less than 2019-20. The COVID Safe Principles and subsequent site closures at the start of the financial year had a direct impact on retail and food and beverage services, however retail services also achieved 48.7% increase in revenue compared with the prior year. In the absence of a returning international tourism market that pre-COVID represented 53.7% of the total Nature Parks paid visitation, the Nature Parks has achieved strong growth and market-capture in the domestic tourism market, with an estimated increase in total domestic visitation of 16.1% versus 2018-19. The Nature Parks is focused on maintaining the domestic market growth achieved in 2021-22 which will be complemented by a returning international tourism market in the years to come.

Despite the ongoing challenges faced by the organisation this financial year, the Nature Parks continue to plan for the future.

CONSERVATION, RESEARCH AND EDUCATION PROGRAMS

The Nature Parks invested \$4.2 million across 2021-22 into conservation, research and education activities, partially funded by \$0.4 million in grants from government bodies and other organisations, including 0.2 million in funding from the Federal Government from the Supporting Australia's Exhibiting Zoos and Aquariums (SAEZA) program.

SIGNIFICANT CHANGES IN FINANCIAL POSITION

The Nature Parks received \$1.5 million funding support from the Victorian State Government in the form of cash during the year. The Nature Parks received commitment from the Victorian State Government to support the Nature Parks throughout the crisis and through recovery until November 2023. The Nature Parks' revenue was \$3.3 million greater than the prior year but \$9.2 million less than 2019-20, excluding State Government funding support. Overall

expenditure was increased as a result of resuming conservation and tourism activities however, these continue to be constrained based on changing market conditions as a result of COVID-19 implications when compared with 2018-20 financial years.

The Nature Parks' sites have been impacted by COVID Safe Principles and subsequent site closures. The Nature Parks will, however, continue to work with the Victorian State Government in managing the circumstances and subsequent credit, liquidity and market risks.

At the time of writing, the impact of the COVID-19 pandemic continues to disrupt the tourism industry, in particular international visitors, in addition to the Nature Parks reducing the attraction operating hours throughout July as a result of the continuing impacts of COVID-19. The immediate impacts of these are not reasonably measurable. No other matters or circumstances have arisen since the end of the financial year which significantly affected or may affect the operations of the Nature Parks, the results of the operations or the position of the Nature Parks in future financial years.

COMPREHENSIVE OPERATING STATEMENT

For the financial year ended 30 June 2022

(\$ thousand)

	NOTES	2022	2021	2020	2019	2018
Continuing Operations			\$	\$	\$	\$
Income from transactions						
Supply of services and sale of goods	2.1.1	8,564	5,285	17,793	24,821	25,245
Grants, Donation and Sponsorship	2.1.2	1,860	4,963	4,917	706	733
Other income	2.1.4	172	176	646	1,481	2,662
Total income from transactions		10,596	10,424	23,356	27,008	28,640
Expenses from transactions						
Employee expenses	3.1.1	(11,206)	(11,072)	(12,721)	(12,286)	(13,254)
Cost of sales	3.2	(744)	(577)	(1,711)	(2,148)	(2,322)
Depreciation and amortisation	4.1.2	(3,771)	(3,797)	(3,996)	(6,865)	(4,509)
Other operating expenses	3.3	(5,464)	(4,218)	(5,851)	(7,010)	(6,890)
Total expenses from transactions		(21,185)	(19,664)	(24,279)	(28,309)	(26,975)
Net result from transactions (net operating balance)		(10,589)	(9,240)	(923)	(1,300)	1,666
Other economic flows included in net result						
Net (loss)/gain on non-financial assets		116	(26)	16	(125)	141
Total other economic flows included in net result		116	(26)	16	(125)	141
Net result		(10,473)	(9,266)	(907)	(1,425)	1,807
Other economic flows - other comprehensive income:						
Items that will not be reclassified to net result						
Changes in physical asset revaluation surplus	8.2	-	(7,646)	7,949	(28)	6,473
Total other economic flows - other comprehensive income		-	(7,646)	7,949	(28)	6,473
Comprehensive result		(10,473)	(16,912)	7,042	(1,452)	8,280

Our environment and conservation activities

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

Our long-term conservation vision is outlined in our *30-Year Conservation Vision – Beyond the Horizon* and implemented through our *5-Year Conservation Plan 2019-2023* and *Threatened Species Plan*. The significant planning, research and fieldwork undertaken on Phillip Island (Millowl) over the past year to strengthen our position as an island haven for threatened species, along with protecting existing habitat and wildlife under our care, has been profound. Despite the past 12-months presenting numerous challenges, we have been able to lay significant foundations and continue our conservation success.

Highlights include:

- Approval of the Nature Parks' first *Animal Welfare Charter* to demonstrate our commitment to all animals under our care.
- Working in partnership with the Department of Environment, Land, Water and Planning, agriculture representatives, Bass Coast Shire Council and working closely with the Bunurong Land Council Aboriginal Corporation, to release the *Phillip Island (Millowl) Wildlife Plan*.
- Collaborating with key stakeholders to undertake a study on the effects of the mange treatment, fluralaner (Bravecto), on koalas.
- Publishing over 20 scientific papers to support our marine and wildlife conservation outcomes. A full list of publications can be found on page 98.

CULTURAL HERITAGE AND CONSERVATION

We acknowledge the Traditional Owners of the land we are privileged to manage, the Bunurong.

- Across the year, we received Cultural Heritage Permits for conservation and infrastructure projects including weed removal and revegetation and restoration of beach access points. We worked with the Registered Aboriginal Party (RAP) for Phillip Island (Millowl), the Bunurong Land Council Aboriginal Corporation, to revegetate areas at the Penguin Parade and maintain the Short-tailed Shearwater habitat at Cape Woolamai. Throughout both projects, cultural heritage sites were found and recorded.
- We continued to work towards developing an Aboriginal Cultural Heritage Land Management Agreement (ACHLMA) with the Bunurong Land Council Aboriginal Corporation.
- We completed the development of a Community Dancing Circle at Scenic Estate Reserve, which includes both Bass Coast Shire Council and Nature Parks' managed land. The circle has been used by local Traditional Owners for traditional dance and youth education. The plans for revegetation with a focus on significant species for the Bunurong community have commenced. This is a great example of reconciliation driven by self-determination.



PROTECTING LITTLE PENGUINS

The 2021-22 penguin breeding season was longer than average – starting in September and finishing in mid-April. It was also positive with records being set and is due to the increasing penguin population, conservation efforts and the La Niña weather patterns bringing penguin food close to shore.

- A nightly average of 1,493 Little Penguins crossed the beach at the Penguin Parade in 2021-22. This is a 5% increase from the previous season (Figure 1).
- A record total of 5,219 penguins crossed the Penguin Parade beach in one evening in May. This is the highest average nightly number ever recorded. (Figure 1).
- An average of 1.1 chicks fledged per pair, down from 1.8 last year but slightly above the long-term average of 1 chick per pair. (Figure 2)
- A third weighbridge was installed on the Summerland Peninsula with the support of the Penguin Foundation and sponsored by the Bank of Melbourne. The weighbridges automatically collect the weights of each individual Little Penguin arriving or departing the colony.
- The average weights of Little Penguins crossing the weighbridge were above average for the entire 2021-22 period. (Figure 3)

Figure 1: The nightly average of Little Penguins crossing the Penguin Parade beach 1980 - 2022.

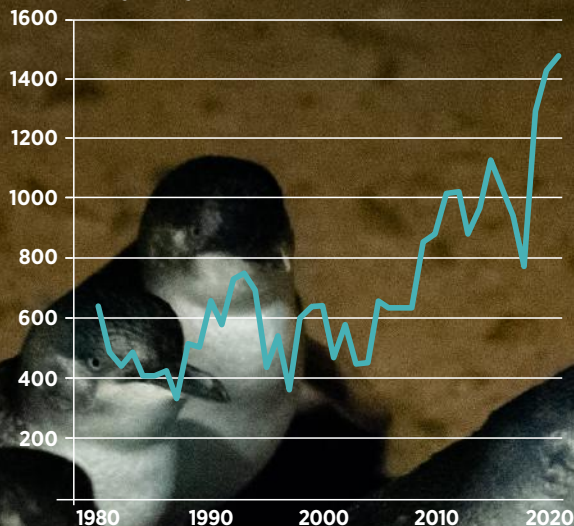


Figure 3: Nightly average Little Penguin weights

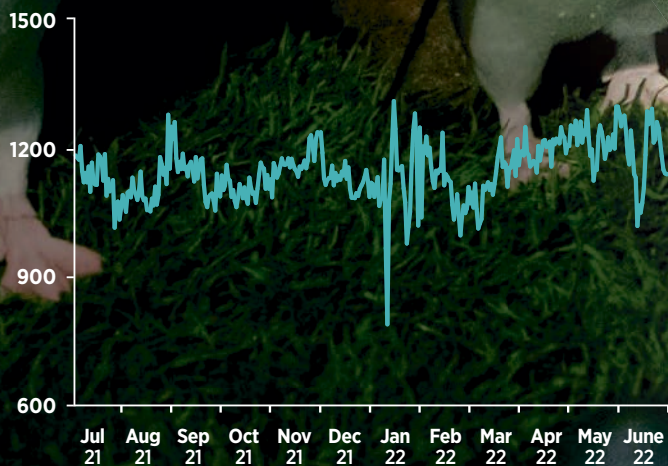
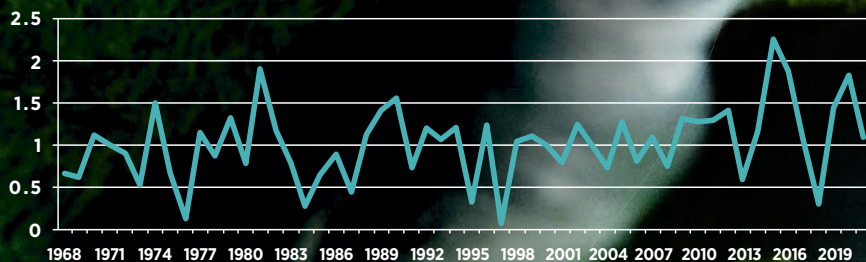


Figure 2: Average number of Little Penguin chicks fledged per pair 1968 - 2022



KEEPING OUR KOALAS HEALTHY

Koalas from the Koala Conservation Reserve were involved in a study on the effects of the mange treatment, fluralaner (Bravecto) in conjunction with the University of Sydney, University of Tasmania and Zoos Victoria. Analysis of blood samples to date indicate that fluralaner (Bravecto) is a viable medication to be used in koalas. If the final review of the study is conclusive, the next stage will be to progress the study to Koalas in the wild.

KOALA CONSERVATION RESERVE

- The Koala Conservation Reserve supported 17 resident koalas across the year. This included one young male from Healesville Sanctuary.
- Work is currently underway on a new enclosure in the reserve's woodland to house three koalas that are presently chlamydia free, with hopes that they will successfully breed.



TRANSFORMING LANDSCAPES

HABITAT WORKS

Due to COVID Safe Settings (in the first half of the year), our conservation 'super-team' was once again deployed to assist with conservation work and helped achieve impressive results.

This team was a major factor in delivering outcomes for weed control, revegetation and managing firebreaks.

Our team rehabilitated **13.8** hectares of habitat, including the planting of **14,233** plants. Weed control was carried out across **586.4** hectares.

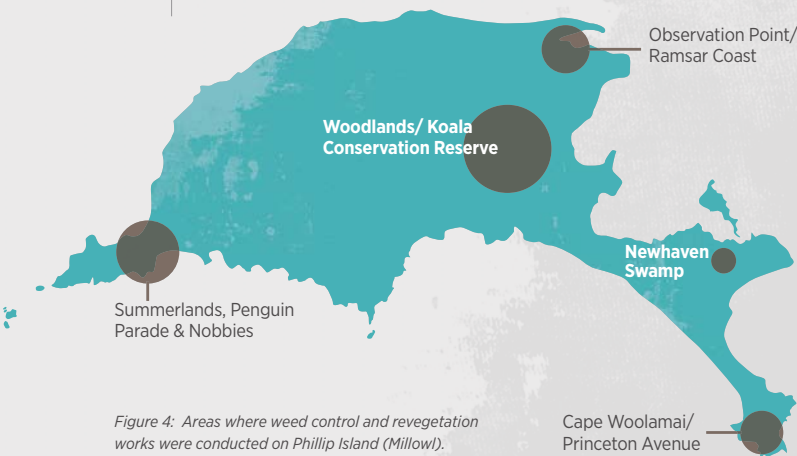


Figure 4: Areas where weed control and revegetation works were conducted on Phillip Island (Millow).

BARB MARTIN BUSHBANK

The native plant nursery located at the Koala Conservation Reserve reopened as COVID Safe Principles relaxed and our focus turned once again to retail sales and supplying the Nature Parks with large-scale plant orders.

During the financial year, the Bushbank propagated **110,000** plants for the purposes of:

65,000
Nature Parks' revegetation programs.

32,500
'Grow to Order' customers.

12,500
Barb Martin Bushbank retail sales.

24,500
Stocks.

The team introduced 13 new species to be grown in the nursery with a focus on the propagation of Victorian rare or threatened species, including Currantwood (*Monotoca glauca*) and Salt Lawrenceia (*Lawrenca spicata*) which is functionally extinct on Phillip Island (Millow).

The nursery continued to be supported by:
58 volunteers contributing **3,155** hours.

112 hours contributed by students

38 hours contributed by the group volunteer program

PROTECTING OUR PRECIOUS RAMSAR COASTLINE

The internationally significant wetlands of the Western Port Ramsar site support over 250 bird species including 102 species of migrating waterbirds each year.

Thanks to funding from the Australian Government's National Landcare Program and Melbourne Water and the Port Phillip and Westernport Catchment Management Authority, ongoing efforts to control the threats of pest plants and animals along our Ramsar coastline continued to maintain and enhance habitat for shore nesting and migratory birds. Monitoring and surveying also continued to gather estimations on feral cat numbers and identify potential new pest plant infestations.

In 2021-22 works included:

1,377 hours of conservation work by Nature Parks' staff, volunteers and contractors to reduce threats to the Western Port Ramsar Coastline.

3,342 trap nights spent targeting feral cats at Observation Point and Rhyll Inlet.

50 remote cameras deployed across Observation Point and Rhyll Inlet to monitor cat activity.

249 hectares treated for weeds

500 Spinifex planted to support dunes for shorebirds



CREATING OUR ISLAND HAVEN

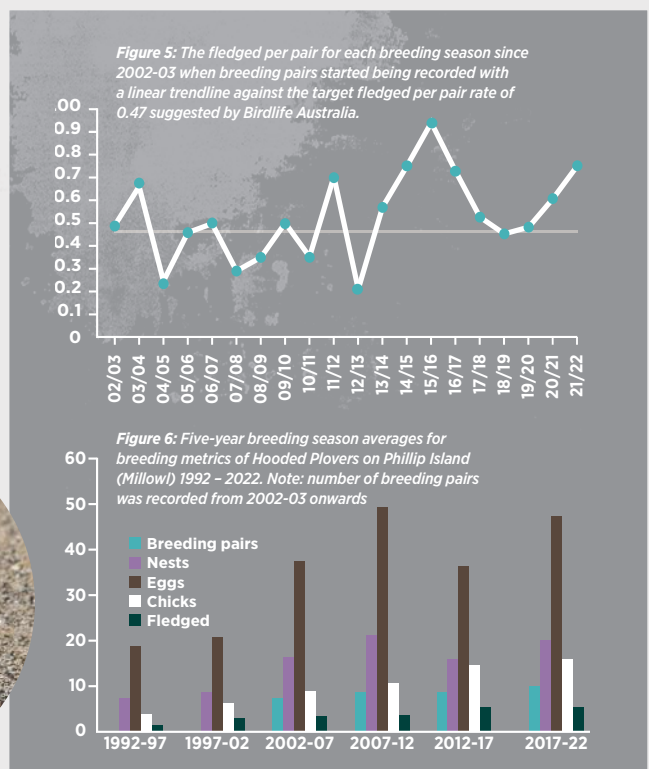
Our *30-Year Conservation Vision-Beyond the Horizon* and *Threatened Species Plan* support our commitment to create safe havens so that we can bring threatened species back from the brink and achieve a feral-cat-free Phillip Island (Millowly).

HOODED PLOVERS

This year we celebrated our 30th year of continuous Hooded Plover monitoring along with the hatching of the 600th chick since monitoring began. We are proud of the community's effort to create and maintain a haven for this vulnerable shorebird on Phillip Island (Millowly).

Highlights include:

- 19 breeding pairs laid 70 eggs across 29 nests, producing 25 chicks.
- 25 chicks hatched and 14 survived to fledge successfully from seven nests. This is the second-highest number of fledglings in 30 years of monitoring.
- Fledged per pair rate of 0.74 - the third highest since monitoring began in 1992.
- Four camera traps were strategically placed at four nests. While no direct nest failure evidence was recorded, they did record predator activity at nest sites that correlated with the failure of eggs. The cameras also captured instances of natural events such as tidal inundation, rain events, refuge intrusion and successful guarding behaviours from the adults.



EASTERN BARRED BANDICOOTS

Eastern Barred Bandicoots are thriving on Phillip Island (Millowl), which is now home to the largest wild population of this species. This milestone conservation program resulted in the status of the species being re-evaluated from critically endangered to endangered in Victoria.

- The Eastern Barred Bandicoot populations have successfully established on Phillip Island (Millowl) with recorded sightings up to ten kilometres beyond the original release site at Summerland Peninsula. We thank the local community for reporting their sightings of this endangered species.
- This year, a research project commenced by introducing five mainland and Tasmanian hybrid bandicoots to Churchill Island. The aim of the project was to understand the rate of successful integration of Eastern Barred Bandicoots and their genes into established populations. This will begin the process of 'genetic rescue' to increase genetic diversity in this inbred species.
- In addition to monitoring local Eastern Barred Bandicoot populations, we supported research and reintroduction of the species on French Island.

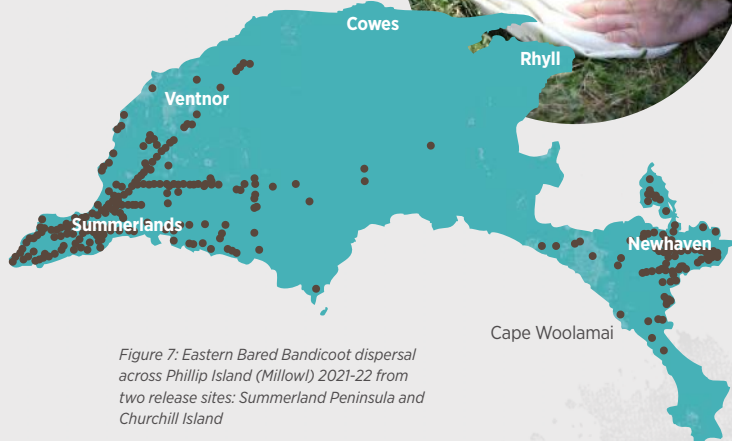
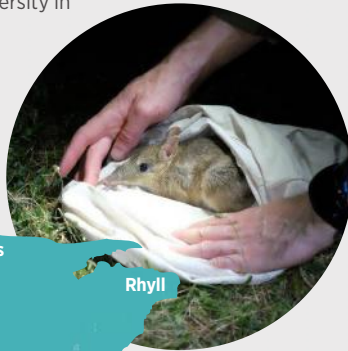
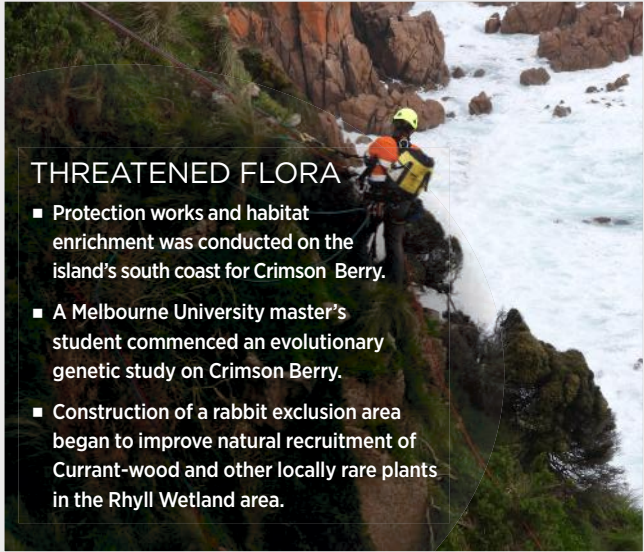


Figure 7: Eastern Barred Bandicoot dispersal across Phillip Island (Millowl) 2021-22 from two release sites: Summerland Peninsula and Churchill Island

BUSH STONE-CURLEWS

- Our application for a wild release of Bush Stone-curlews was approved and is expected to take place on Phillip Island (Millowl) in 2023.
- The Koala Conservation Reserve became home to four critically endangered Bush Stone-curlews that were housed in specially designed aviaries for the purpose of captive breeding for wild release and visitor engagement.
- We undertook a visitor attitudes survey on Bush Stone-curlews, which returned positive results, with over 96% of respondents wanting to see Bush Stone-curlews return to the island.



THREATENED FLORA

- Protection works and habitat enrichment was conducted on the island's south coast for Crimson Berry.
- A Melbourne University master's student commenced an evolutionary genetic study on Crimson Berry.
- Construction of a rabbit exclusion area began to improve natural recruitment of Currant-wood and other locally rare plants in the Rhyll Wetland area.

FIGHTING FOXES AND FERAL CATS

- Two mainland fox baiting programs removed an estimated 110 foxes from the Anderson Peninsula on the mainland and surrounding areas in a collaborative program between Parks Victoria, local landholders and the Nature Parks. This was to ensure a 'buffer-zone' is maintained to minimise the risk of foxes re-invading Phillip Island (Millowl).
- In early May, the first evidence of a fox on Phillip Island (Millowl) in seven years was confirmed. Ongoing surveillance and control programs located and removed the fox.
- Conservation dogs Jazz, Marbee and Milly surveyed 105 kilometers across the island and 82 kilometers on the mainland for evidence of foxes. They were also deployed to locate evidence of feral cats.
- The first GPS tracking study of feral cats was undertaken on Summerland Peninsula. Results will contribute to our understanding of feral cat behaviour and help evaluate our current camera monitoring programs.
- A total of 76 feral cats were caught over 9,059 trap nights.



RESEARCH LED CONSERVATION

LITTLE PENGUINS

POPULATION CENSUS

Since 1984 the number of breeding Little Penguins across the Summerland Peninsula colony has been monitored every three to five years. The first estimates in 1984 suggested there were about 12,000 breeding penguins. This grew to about 35,000 by the late 1990s, dropped to about 30,000 in 2010, but has risen again to an estimated 40,000 by 2020. The growth coincides with admirable conservation efforts including the removal of 176 houses and restoring habitat, which has enabled the penguins to 'reclaim' the peninsula. Furthermore, strong recruitment in the last 10-15 years has been due to increased ocean temperature and early breeding onset.

LITTLE PENGUIN TRACKING 2021-22

Tracking penguins provides crucial information on where they feed and how can we protect these areas in the future. In collaboration with the French National Research Council, we have been tracking penguins since 2010. In the 2021-22 penguin breeding season, 42 birds were deployed with data loggers throughout the three breeding stages. Incubation and guard stage birds were sampled concurrently due to many nests hatching before deployment began.

During incubation, birds travelled up to 100 kilometers from the Penguin Parade, foraging out in Bass Strait and along the southern coast as far east as Walkerville.

Guard birds, travelled less than 50 kilometers from the Penguin Parade, foraging close to the southern coast of Phillip Island (Millowl), towards Cape Woolamai. During post-guard, birds travelled less than 70 kilometers from the colony, foraging in Bass Strait and along the coast near Kilcunda, Wonthaggi and Cape Patterson.

FOLLOWING PENGUINS FROM HATCHING TO DEATH

The research team completed a study on the Little Penguin colony, which was published in *Ecological Monographs*, a top ecological journal from the Ecological Society of America.

Over two decades, the study tracked 463 Little Penguins across 19 breeding seasons and revealed that the penguins prefer to pair with partners in the same age bracket. Age is an important factor in penguins' lives. Penguins gain experience with age and improve their breeding performance from ages two to five by laying earlier and foraging better. When they reach age 16, individual performances start to decline, they lay later, bring back less food from their foraging trips and change partners and nests more often, all resulting in fewer chicks being produced.

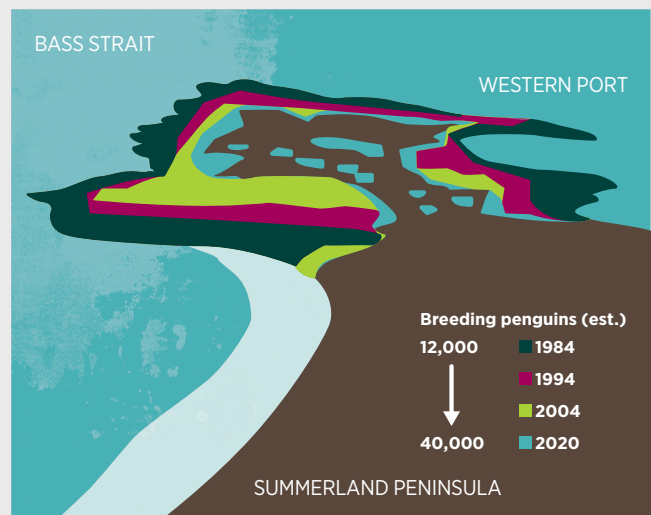
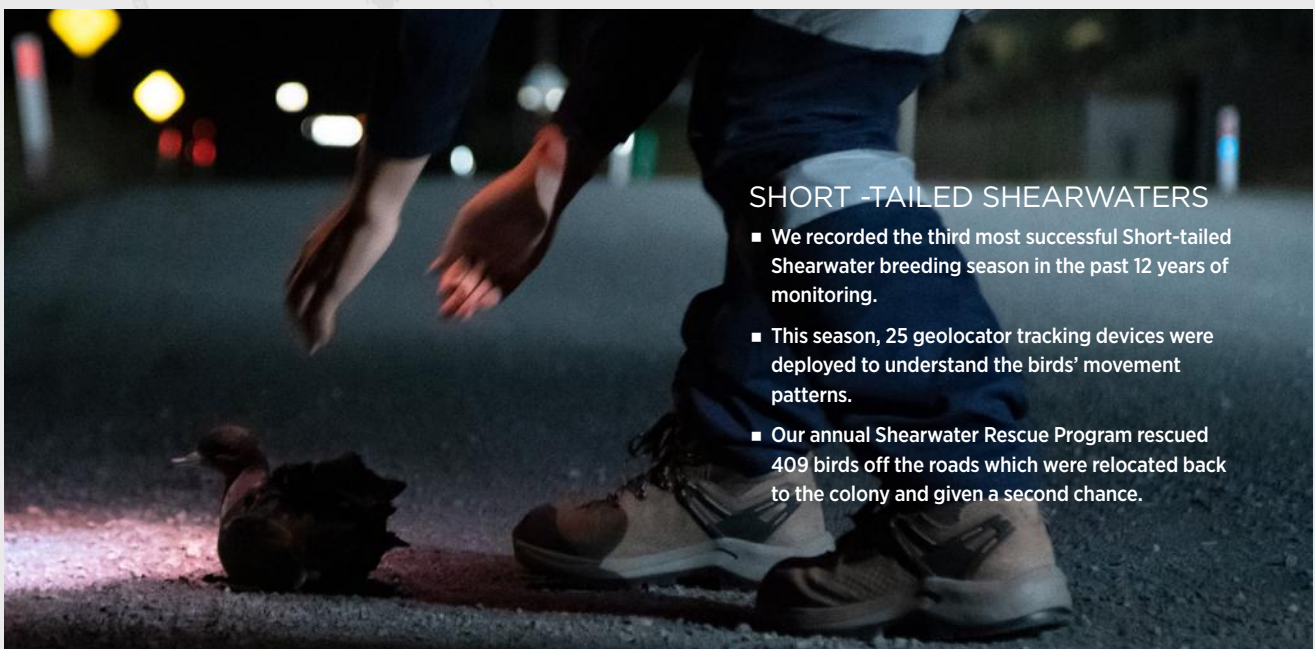


Figure 8: Penguin population on the Summerland Peninsula 1994 – 2020.



SHORT -TAILED SHEARWATERS

- We recorded the third most successful Short-tailed Shearwater breeding season in the past 12 years of monitoring.
- This season, 25 geolocator tracking devices were deployed to understand the birds' movement patterns.
- Our annual Shearwater Rescue Program rescued 409 birds off the roads which were relocated back to the colony and given a second chance.

AUSTRALIAN FUR SEALS

SEALSPOTTER

Our fifth birthday celebration of the Annual SealSpotter Challenge, an online citizen science project, once again invited people to count images of Australian Fur Seals on Seal Rocks and The Skerries, that were captured in drone surveys during the breeding season (Nov – Dec 2021).

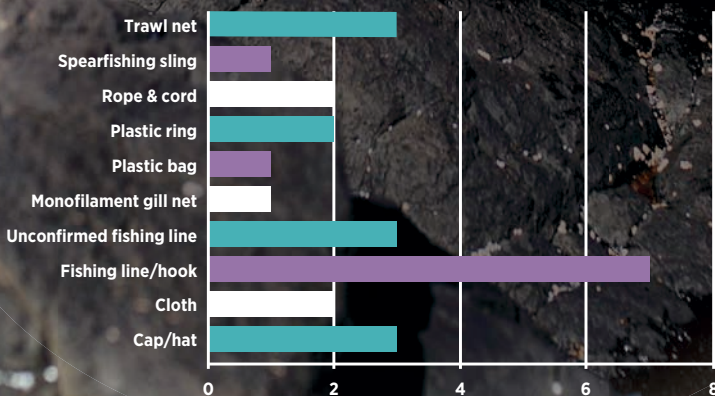
In June 2022, 124 citizen scientists from 15 countries around the world counted 165,514 seals from 13,789 images.

ENTANGLEMENTS

- Four research visits were held to Seal Rocks throughout the year.
- Researchers observed 30 seals with entanglements or scars left from past entanglements (Figure 9).
- Of the 23 entangled seals observed, 11 were captured and released (48%).



Figure 9: Material type and number of entangled Australian Fur Seals seen with that material at Seal Rocks during research visits in 2021-22.



WILDLIFE REHABILITATION

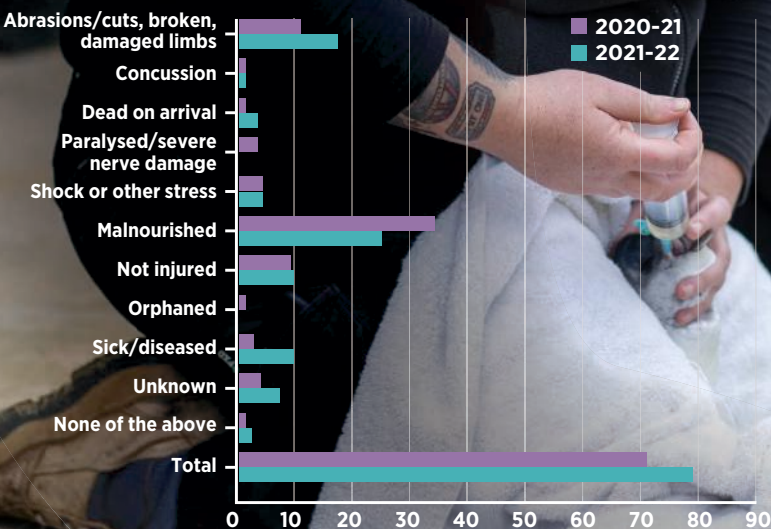
The Nature Parks operates a wildlife rescue, advice and rehabilitation centre for seabirds and other native wildlife.

We continued our ongoing partnership with Wildlife Victoria which coordinated after-hours wildlife rescues on the island and Zoos Victoria Veterinary Group and Gippsland Veterinary Group assisted with veterinary services.

In 2021-22, the Wildlife Clinic team:

- Responded to over 1,910 calls for wildlife rescues and advice.
- Cared for 79 Little Penguins (71 in 2020-21) and rescued and cared for 155 other native animals from 65 different species (550 in 2020-21).

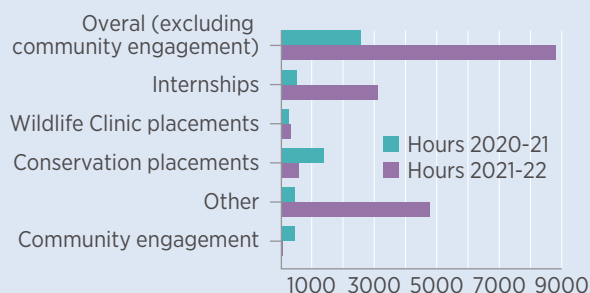
Figure 10: Reasons for Little Penguins coming into care 2021-22.



CONSERVATION VOLUNTEERING

Our valued volunteers are an important part of the Conservation team and its achievements. Volunteers assisted in many activities such as at the Barb Martin Bush Bank and in the Wildlife Clinic. We were delighted to record a 3.4% increase in volunteer participation in conservation activities and thank everyone for their passion and enthusiasm.

Figure 11: Conservation Volunteer participation 2021-22



Sustainable future

The Nature Parks is committed to the conservation and protection of Phillip Island’s (Mallowl’s) natural environment. Our dedicated team is passionate about improving our environmental sustainability performance and minimising the environmental impact of our operations.

REDUCING EMISSIONS

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

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

Greenhouse gas and carbon dioxide emissions from electricity and fuels were consistent with 2020-21 results. The estimated reduction of greenhouse gas emission was 30.6% in 2021-22 vs 2019-20 compared with 33.1% in 2020-21 vs 2019-20 and the estimated reduction of carbon dioxide was 26.9% in 2021-22 vs 2019-20 compared with 36.3% in 2020-21 vs 2019-20. This is in part due to reduced usage of electricity and fuels due to efficiencies created by our investment in solar energy across all sites along with limited operations due to COVID Safe Principles.

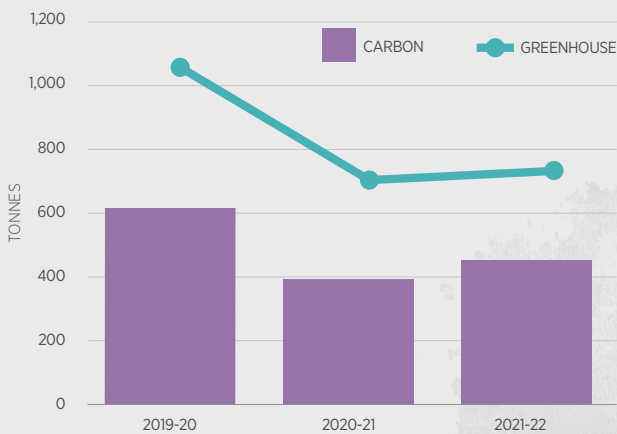


Figure 12: Estimated greenhouse gas and carbon dioxide emissions from fuel and electricity services

REDUCING WASTE

- We are committed to our goal of becoming waste neutral, diverting waste from landfill and contributing to reduced greenhouse gas emissions.

Our Procurement Framework promotes sustainability for our suppliers, clients, team and community. Our achievements included:

80% of retail products have sustainable packaging and single-use plastics have been removed from all retail spaces and packaging.

100% plastic bottle and single-use plastic-free in all food and beverage outlets.

95% of retail products are single-use plastic-free as we have greater control on product selection and presentation.

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

Our commitment to achieving high goals for local procurement in our food and beverage operations includes:

- 40% of menu ingredients are sourced locally.
- We offer sustainably sourced seafood and inform people about how we can still enjoy seafood without impacting marine ecosystems.

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

- Encouraging staff to reduce environmental impacts through behaviour change.
- Recycling all office-based paper waste and reducing printing for meetings.
- Recognising the environmental impacts of the textile industry and donating old uniforms to overseas initiatives to enable their re-use for park rangers in developing countries.

SUSTAINABLE DESIGN AND CONSTRUCTION

After the successful launch of the sustainably focused Penguin Parade visitor centre, our project team continued to keep sustainability and environmentally sound practices at the forefront of all design, procurement and construction activities by:

- Ensuring new capital works incorporate environmentally sustainable principles.
- Making environmentally sound purchasing decisions for capital items and consumables.

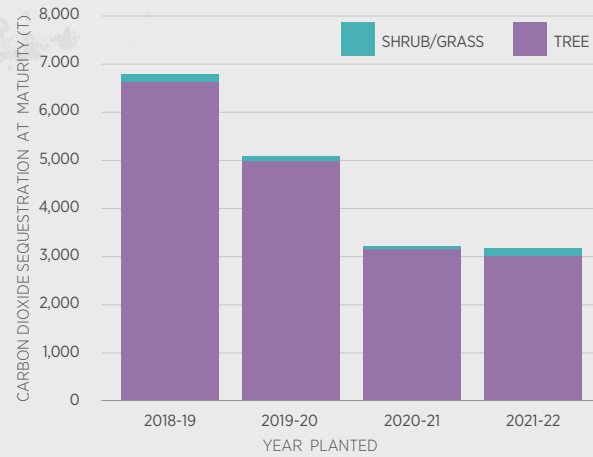
CLIMATE CHANGE RISK

In recognition of the globally escalating climate crisis, we developed and continue to monitor our climate change risk to assist us in mitigating impacts of climate change to our organisation.

CARBON DIOXIDE SEQUESTRATION

Each year, we undertake significant revegetation programs across the island, enabling us to calculate the carbon dioxide sequestration of these plantings. In 2021-22 plantings will sequester 3,253 tonnes (lifetime total) of carbon dioxide from the atmosphere once the plants reach maturity (based on the assumption that 70% of planted plants reach maturity).

Figure 13: Nature Parks' carbon dioxide sequestration 2017-2022



Our projects

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

Across 2021-22 we continued to invest in capital projects and in upgrading infrastructure to improve safety and visitor experiences for our community and visitors.

FUTURE PROJECTS

PENGUIN PARADE BOARDWALKS AND VIEWING STANDS REDEVELOPMENT

- We received \$5 million in funding from the Victorian State Government, through its Regional Tourism Investment Fund for the Penguin Parade Boardwalks and Viewing Stands Redevelopment. This project will help to revitalise the penguin viewing areas and improve the viewing experience for our visitors.
- Concept plans for the project were completed in 2019 and progressed to detailed designs in 2021. The funding will enable the progression of the first stage of the project.

SUMMERLAND PENINSULA TRAILS

- The plan to develop a series of walking trails on the Summerland Peninsula underwent further development and planning to ensure this project would be shovel ready.
- Cultural heritage and flora and fauna assessments have been completed, which will inform the detailed designs and help mark out preferred trail pathways.



Artists impression of the Penguin Parade Boardwalks and Viewing Stands Redevelopment project

INVESTING IN OUR INFRASTRUCTURE

FORREST CAVES STAIRS STRENGTHENING

- Works were conducted to stabilise the staircase to the beach from Forrest Caves car park following ongoing coastal erosion. This will ensure the community has safe access while protecting important environmental and cultural heritage.

COWES-RHYLL TRAIL UPGRADE

- Discussions with Bass Coast Shire Council commenced regarding a partnership to upgrade 700 meters of the Cowes-Ryhill Trail.
- Planning progressed to widen boardwalks and paths to provide a shared trail.

PYRAMID ROCK TOILET REPLACEMENT

- Planning and design for the replacement of the existing toilet amenity at Pyramid Rock continued.



Artists impression of the Penguin Parade Boardwalks and Viewing Stands Redevelopment project

Our visitor experience

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

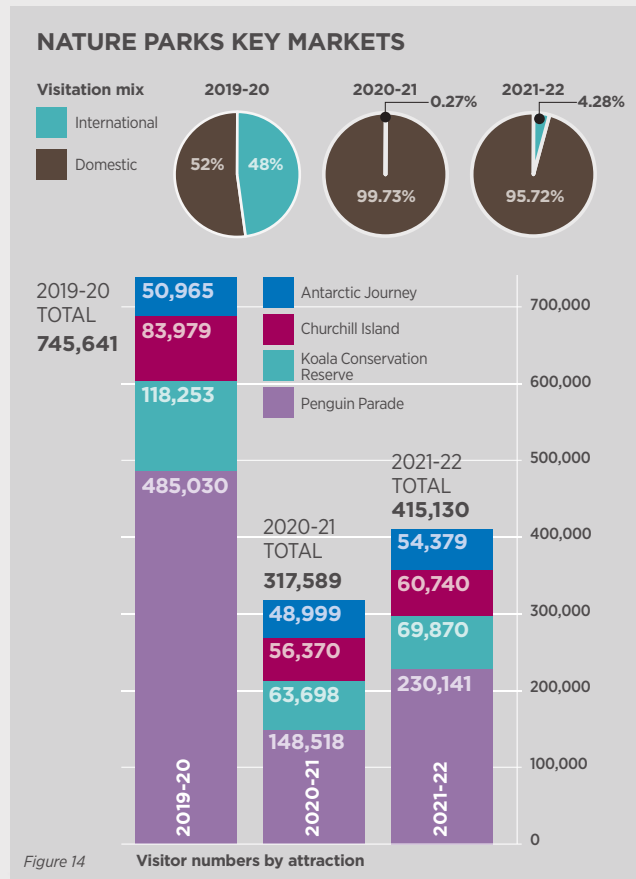
Despite ongoing challenges and impacts resulting from the COVID-19 pandemic, we began to see a return of visitors in the second half of the year. In total, our paid attractions were closed for an average 72 days. We continued to operate under COVID Safe Principles and capacity restrictions ceased on 19 November 2021, however, vaccine mandates continued. Due to changing customer expectations regarding crowds, we made the decision to limit Penguin Parade visitor numbers to 2,500. This strategy was well received by our visitors and our staff.

Visitation across all sites continued to be lower than pre-pandemic numbers, and the Penguin Parade remained our most popular attraction (Figure 14).

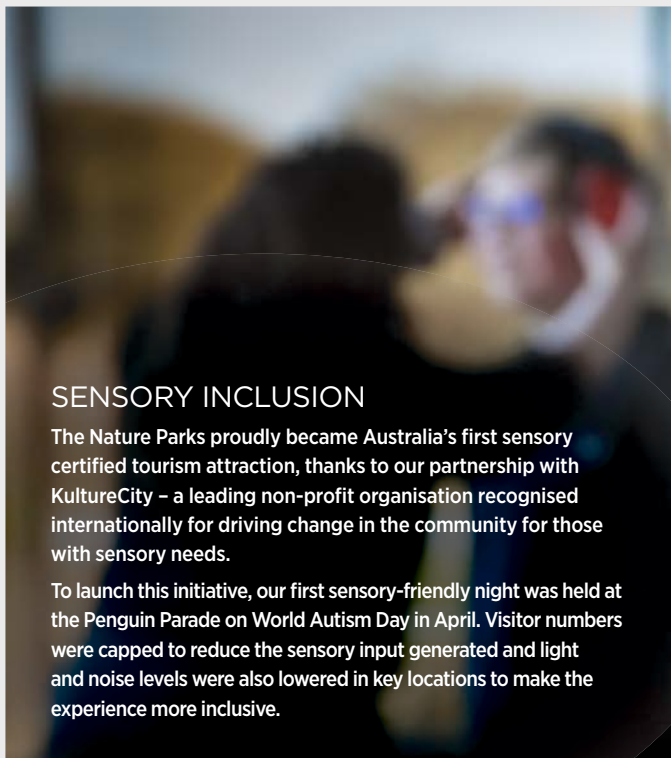
This year, we focused on creating opportunities in the weddings, events and functions space. We hosted 23 functions during the year across our sites. We made preparations for the transfer of our food and beverage services, getting ready to farewell Delaware North and welcome Create Catering.

VISITOR NUMBERS

As borders re-opened and restrictions lifted in early 2022, we were delighted to welcome visitors from across Australia and international markets. This resulted in an estimated mix of 4.28% international and 95.72% domestic visitation (Figure 14).



HIGHLIGHTS & NEW EXPERIENCES



SENSORY INCLUSION

The Nature Parks proudly became Australia's first sensory certified tourism attraction, thanks to our partnership with KultureCity – a leading non-profit organisation recognised internationally for driving change in the community for those with sensory needs.

To launch this initiative, our first sensory-friendly night was held at the Penguin Parade on World Autism Day in April. Visitor numbers were capped to reduce the sensory input generated and light and noise levels were also lowered in key locations to make the experience more inclusive.



AWARDS & ACCOLADES

We were proud to be recognised by our industry peers, with success in:

- Ecotourism Australia *Hall of Fame* - 2021
- Victorian Tourism Awards 2022
 - Gold – City of Melbourne Innovation and Resilience Award
 - Bronze - Eco Tourism 2021
 - Bronze – Major Attractions 2021

FAMILY WILDLIFE TOUR

Using information from our market segment research, we reviewed the *Little Wonders Tour* and created the *Family Wildlife Tour*, with adjustments to tailor the product to our domestic market segments. The tour performed well with 83% of total tickets sold over the first three months of availability and 97% of tickets sold over the Easter school holiday period. The tour informs visitors about the native wildlife that live on Phillip Island (Mallowl) and how they can help to act for nature using the Connect/Understand/Act model.

PUBLIC RELATIONS / CELEBRATIONS

Although attractions were closed for an average 72 days, we continued to stay well connected with community all over the world to ensure our conservation story inspired people to actively protect the environment. Our mission was to enhance our engagement through our digital platforms and create public relations opportunities to ensure our brand was positioned for growth and opportunity.

- In late October, we were delighted to come together as one and welcome back all Victorians. Over the Melbourne Cup long weekend, the Penguin Parade was sold out for three consecutive nights following the end of an extended period of COVID-19 Safe Settings.
- In November, our operations returned to full service, with interstate and some international visitors travelling again. In late November, we held our 100-year celebration of formal penguin viewing hosted by the Hon Lily D'Ambrosio MP and Member for Bass Jordan Crugnale MP. Traditional Owners, Phillip Island Nature Parks' staff, relatives of the founders and local families came together to celebrate this significant milestone.
- In January, the story of the Summerland Peninsula was one of only two Australian locations to be included in the *New York Times 52 Destinations for a Changed World* which has an estimated 15 million readers. The list highlights places around the globe where travellers can be part of the solution.
- We conducted successful social media campaigns for the Short-tailed Shearwater migration and *SeaSpotter* projects.
- We worked with Northern Pictures to produce *Southern Ocean Live* for ABC TV, which screened from the Penguin Parade visitor centre on the night of the winter solstice to over one million viewers. The program was co-hosted by Hamish Macdonald and Dr Ann Jones and featured one of our own team members, Paula Wasiak. *Meet the Penguins* was the second part of the project. The 60-minute documentary featured Little Penguins at the Phillip Island (Mallowl) and St Kilda colonies. Hosted by Dr Ann Jones and again featuring Paula Wasiak, it showcased our research work and attracted a further one million viewers.
- For the first time since 2019, Tourism Australia hosted their international premier event, Australian Tourism Exchange (ATE) in Sydney. The Nature Parks attended and reconnected with travel agents from over 30 countries.
- In June we were proud to honour the extraordinary career of Dr Peter Dann, who retired after 42 years devoted to the conservation of Little Penguins. The story received coverage in *The Age*, on ABC TV and front page of the Phillip Island and San Remo Advertiser.



Dr Peter Dann was instrumental in saving Phillip Island's (Mallowl's) last remaining penguin colony from extinction through a series of world-first initiatives and long-term research. It is now the world's largest Little Penguin colony.

Over the past four decades, Peter excelled in the academic field, contributing enormous knowledge for not only penguins, but broader seabird conservation, land management solutions, ecotourism, marine modelling, climate change and developing a revolutionary method of treating oil-affected wildlife in the field.

*Peter has contributed significantly to the ornithological community through representation on many committees, including *Birds Australia* of which he is an honorary fellow. He has published over 200 papers and book chapters and edited a book on penguin ecology and management, ensuring a major legacy for ecology in Australia and beyond.*



OUR ATTRACTIONS

PENGUIN PARADE

- The Penguin Parade's vehicle and pedestrian entrances were improved with the installation of wayfinding and informational signage.
- A trial of allowing no-flash photography and video commenced in June 2022. Prior to this, light loggers were placed in key areas along the boardwalks to collect data on occurrence of a flash, and the same data will be collected over the six-week trial period.
- School holiday activities showcased the issue of marine debris and its impact on wildlife. Children created artworks using red, black and yellow plastics collected from local beaches, and they are now displayed as part of the *Welcome to Country* sculpture, as per the artist's purpose for this artwork.

CHURCHILL ISLAND

- In January, over 4,000 patrons attended Ocean Sounds, a two-day music festival.
- We hosted 12 weddings and special events, with five couples saying *I do* on spectacular Churchill Island. A number of special events also took place including Christmas and birthday parties and Sunday Summer Music Sessions.
- Planning and permissions for the development of a new themed play area commenced.
- A dedicated space for younger visitors was set up within the visitor centre, with the installation of a hands-on activity zone.
- We introduced new animals for visitors to enjoy, including a pair of donkeys and pony. Visitors were delighted to view and photograph six highland calves born across the year.
- With our partners Friends of Churchill Island Society (FOCIS), we took

part in the Australian Heritage Festival. The restoration of the Tippy Wagon is almost complete, and we also documented folders donated by the Schulz family who were residents of Churchill Island from 1970 – 1993.

- The Friends of Churchill Island Society relaunched the book *Churchill Island: History and Her Story* third edition.

KOALA CONSERVATION RESERVE

NEW THREATENED SPECIES DISPLAY

With support from The Penguin Foundation, a new display of endangered Bush Stone-curlews was introduced at the Koala Conservation Reserve. We created interpretive content and experiences to inform visitors about the importance of this species to Bunurong Traditional Owners and the biodiversity of Phillip Island (Millowl).

BUSHFIRE KOALAS

A special-purpose enclosure was built with funding from WWF Australia following the Victorian bushfires, to provide a natural environment for severely injured koalas to recover before the last step of their release into the wild.



EDUCATION AND ENGAGEMENT

- In 2021-22, 5,238 students enjoyed ranger-delivered learning experiences across our attractions in addition to general admission at Churchill Island and the Koala Conservation Reserve.
- Across all attractions, 23,761 students visited the Nature Parks' attractions and participated in self-guided experiences.
- We continued to be a key partner for the Department of Environment, Land, Water and Planning's *Victorian Nature Festival* and created a video showcasing reserves and walking trails and a podcast. This content received a total of 48,742 impressions and 501 engagements. We also ran a festival edition of Penguin Live TV, with a reach of 24,464 and which was cross-streamed by nine festival partner agencies.
- We ran face-to-face family events at Churchill Island, which engaged over 100 family groups across three days.
- We maintained relationships with key partners, Department of Education Strategic Partnership Program, Inspiring Victoria and Zoos Victoria to support the delivery of conservation-based learning experiences, holiday programs and local and statewide events.
- We developed a more effective school booking process including integration with our ticketing system, which will enable greater visibility of bookings, efficiencies in reporting, and monitoring of financial outcomes for future planning.

- We continued to implement COVID Safe Principles across all activities, updating risk assessments to ensure compliance with our COVID Safe Workplace Plan.
- Marketing to schools moved to self-guided experiences with simplified curriculum links and an opportunity to add ranger-led learning experiences. Resources to support self-guided groups were developed for each attraction.
- We developed and delivered successful school holiday programs and community events with conservation-themed activities for the local community and domestic visitors.



VISITOR SATISFACTION PROGRAM

Feedback from visitors through our Visitor Satisfaction Program contributes valuable insights into their experiences and perceptions.

- Data from daily, onsite and anonymous surveys enabled us to identify our areas of success, opportunities for improvement and understand visitor perceptions.
- Results reveal 76% of visitors would recommend the experience to others and seeing wildlife in its natural habitat, getting outdoors and visiting an eco-certified attraction were the top three factors influencing visitors' decision to visit the Nature Parks.

VISITATION DATA SURVEY RESULTS

3% of total respondents in both surveys were Bass Coast residents

MAY 2021

11th - 16th and 22nd (647 surveys)

SUMMER HOLIDAYS

2021/22 December 8th - January 23rd (177 surveys)

OVERALL INSIGHTS

Customer Satisfaction Score - **4.34/5**



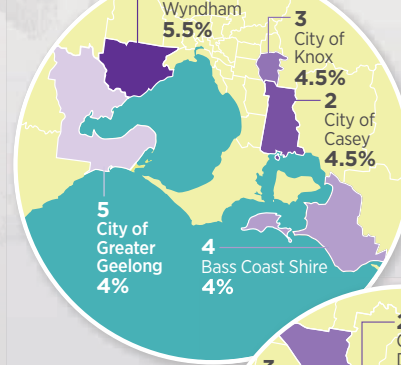
75.66% of visitors would recommend the experience to someone

Review sentiment is **'Very Good'**

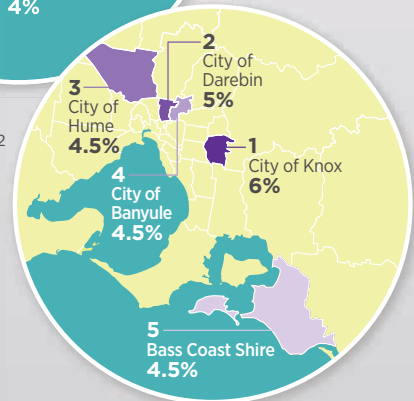
Figure 15: Summary of visitor satisfaction survey

TOP FIVE VICTORIAN LGAS

MAY 2021



SUMMER 2021-22



NATURE PARKS' EXPERIENCES VISITATION INTENTIONS

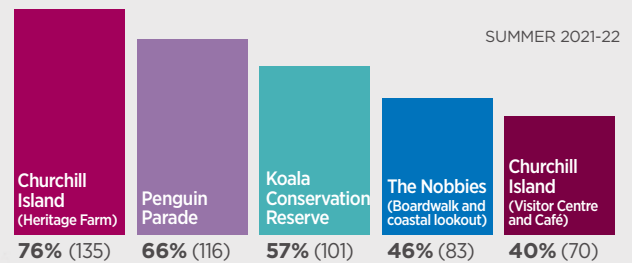
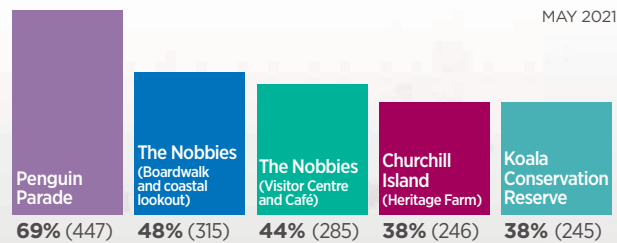
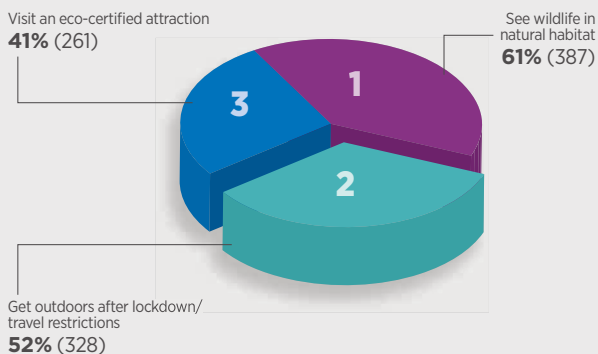


Figure 16 & 17: Nature Parks' Experiences Visitation Intentions (May 2021 and Summer 2021-22)

TOP 3 FACTORS INFLUENCING VISITORS DECISION TO VISIT NATURE PARKS

MAY 2021



SUMMER 2021-22

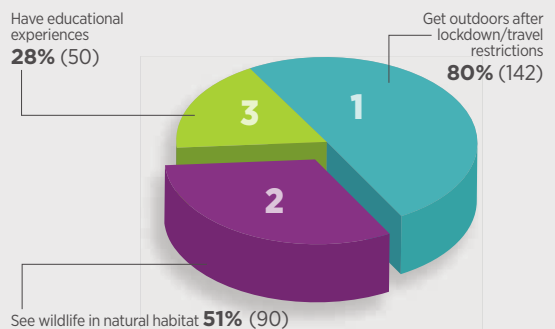


Figure 18 & 19: Top 3 Factors Influencing Visitors Decision to Visit Nature Parks (May 2021 and Summer 2021-22)

Our community

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

COMMUNITY ENGAGEMENT

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

- We partnered with Bass Coast Shire Council and Bass Coast Dog Owners Association to deliver the *Sharing Our Beaches* campaign. Through beach signage, local media stories and social media, these campaigns aimed to promote responsible dog ownership and the use of our beaches for all, including wildlife.
- The community continued to provide feedback to the next phase of the *Phillip Island (Mollw)* *Wildlife Plan* following its official launch and establishment of governance arrangements to oversee the plan's implementation, monitoring and review in partnership with the community and partners.
- We implemented the inaugural *Dark Sky So Shearwaters Fly* campaign, achieving fantastic levels of community support and engagement. A total of 25 local business became official campaign partners, signing up to "turn off for take off" by turning out their lights over key dates during the great migration period. This



campaign attracted substantial media attention including multiple interviews on radio and television with our research team.

- We welcomed over 3,233 locals to our 11th annual Community Open Day in March. The day included an official Clean Up Australia Day event, conservation dog demonstrations, and ranger-led activities attended by hundreds of local community members.





INCLUSIVE COMMUNITY

We are committed to reconciliation and recognition with Aboriginal and/or Torres Strait Islander Peoples. It is part of our work every day, and we celebrate the progress and achievements across the year:

- We were proud that our Board now includes a First Nations voice with the appointment of Patrice Mahoney OAM, who is also co-chair of both our Reconciliation Advisory Committee and the Community and Environment Advisory Committee.
- The Reconciliation Advisory Committee implemented actions for the year from our organisation's third *Reconciliation Action Plan 2019-22*. This plan, endorsed by national body Reconciliation Australia, includes 25 actions under the focus areas of Relationships, Respect and Opportunities. A key action for the year was working towards our employment targets.
- Our relationship with the Bunurong Land Council Aboriginal Corporation, the region's registered Aboriginal Party, continued through our work with several conservation and capital projects.
- We maintained a key role in the Bass Coast Reconciliation Network and we are proud to have contributed to the following achievements:
 - Reviewed strategic priorities for the next two years and developed an action plan to continue collaboration on projects driven by community members.
 - Hosted National Sorry Day 2022 and planned the Bridge Walk for Reconciliation in July and NAIDOC Week celebrations.
- Our *Reconciliation Action Plan 2019-22* and ongoing RAP updates, news and events are available at www.penguins.org.au/reconciliation.

INFORMING OUR COMMUNITY

We increased the frequency of messaging including regular updates on social media, online events, website, local newspapers, weekly radio interviews with the ABC, regular newsletters to key stakeholders and local drop-in sessions for specific projects. Our quarterly *Know Your Nature Parks* together with an annual *Living with Wildlife* pieces were published by local media in print and online.

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

INVOLVING OUR COMMUNITY

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

SURFING COMMUNITY

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

The annual Surfing Tag Team Challenge event was held in early April and was a huge success with teams of all ages and categories battling it out at Cape Woolamai. We look forward to the 2023 event as we mark ten years since the establishment of the Surfing Reserve.

Our people

The Nature Parks boasts a skilled and passionate team that values the Nature Parks' conservation vision. Our success is our people.

OUR INSPIRED TEAM

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

- Our focus was on greater alignment within our workforce by establishing new values and development opportunities for our people leaders.
- We continued our work on cultivating the culture we would like to create into the future and the required organisational structure and resources to develop this culture.
- Our organisational structure review process commenced. The aim was to align our resources to our strategic priorities, and adapt our organisation to meet future needs. This resulted in dissolving the Education and Gate Ranger teams. Both had performed a valued role in the organisation across many years and we thanked all the departing team members for their contribution.

ENHANCED EMPLOYEE EXPERIENCE AND ENGAGEMENT

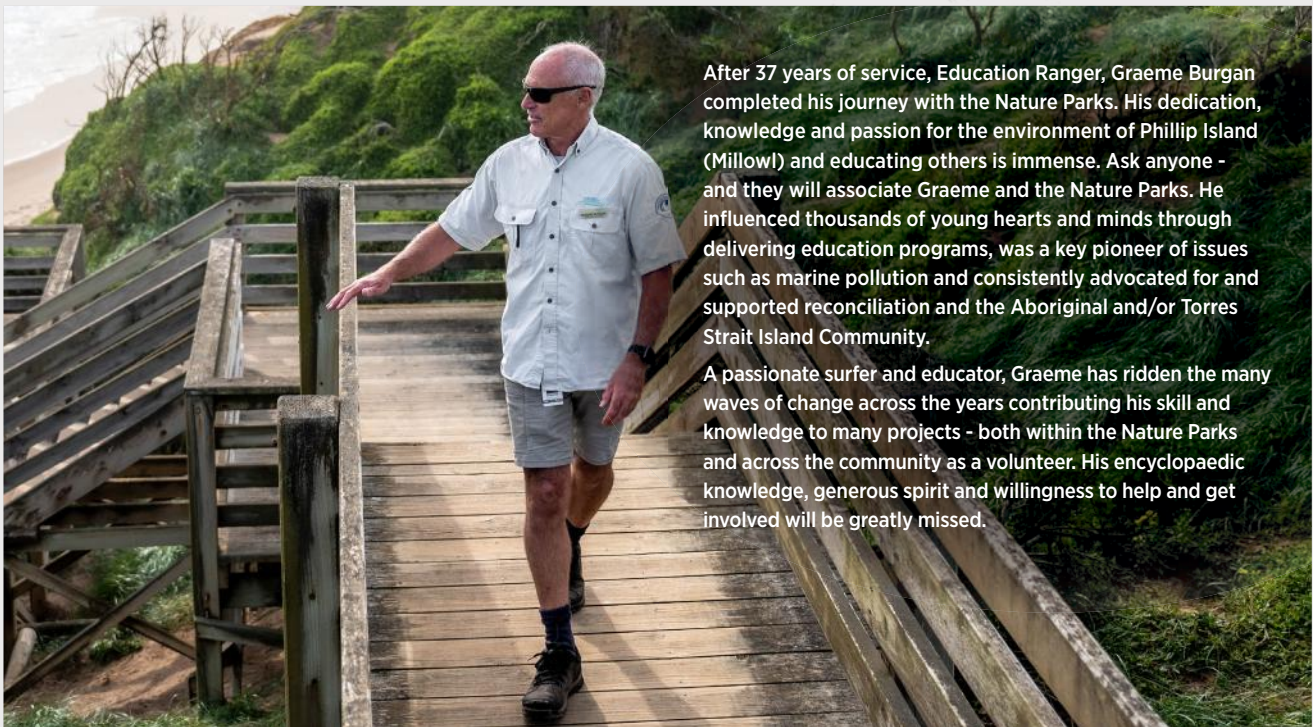
- Our Enterprise Agreement was negotiated with a renewed focus on skills attraction and retention, resource mobility, skills uplift, career progression, work life balance and gender equality.
- Learning and development programs focused on upskilling employees in a range of areas including capabilities in new ways of working, occupational health and safety programs, and system improvements.

- Staff wellbeing remained a key focus, which was ever more important while continuing to work under COVID Safe Principles.

VOLUNTEERS

Volunteers are an important and valued part of our team and we are indebted to their contribution across the organisation. Across the year:

- We maintained 264 volunteers and attracted 107 new volunteers to our organisation.
- Volunteers donated 15,081 hours of their time (average of 57.1 per volunteer) to a range of key programs and activities across our sites and land areas in visitor experience and conservation. We introduced a new volunteer program *Curlew Custodians* to support our threatened species program.
- We launched our *Volunteer Strategy*, implemented our first VCAL work placements, commenced a partnership with the Woolamai Beach Surf Life Saving Club, and with volunteer expertise, restored the Churchill Island Tipping Dray.
- Our volunteer program was nominated for the Volunteering Victoria award – COVID-19 Resilience and was successful in receiving a Parks Victoria Volunteering Innovation Grant for our youth volunteering project – Building a Brighter Future.
- Our volunteer survey results indicated 94% of volunteers are very satisfied with their role.



After 37 years of service, Education Ranger, Graeme Borgan completed his journey with the Nature Parks. His dedication, knowledge and passion for the environment of Phillip Island (Millowl) and educating others is immense. Ask anyone - and they will associate Graeme and the Nature Parks. He influenced thousands of young hearts and minds through delivering education programs, was a key pioneer of issues such as marine pollution and consistently advocated for and supported reconciliation and the Aboriginal and/or Torres Strait Island Community.

A passionate surfer and educator, Graeme has ridden the many waves of change across the years contributing his skill and knowledge to many projects - both within the Nature Parks and across the community as a volunteer. His encyclopaedic knowledge, generous spirit and willingness to help and get involved will be greatly missed.

ORGANISATION CULTURE AND CAPABILITY

We are committed to fostering a positive and inclusive culture to reflect the values and objectives of the Nature Parks, the public sector, our employees and the broader community. Across the year, we:

- Developed and launched new organisational values to support us into the future.
- Shared the development of our first *Aboriginal Employment Strategy*.
- Created our first *Gender Equality Action Plan* to continue building strong foundations for promoting gender diversity and inclusion and measuring our progress towards becoming a culturally safe workplace.
- Shared the results of the organisational surveys completed in June 2021.

HEALTH & SAFETY

In the past year, Nature Parks' safety culture underwent a pivotal transformation via the Victorian Government's *Leading the Way* framework. A well-resourced safety team, supported by the Board and senior management, has focused on managing, maintaining, and continuously improving existing safety functions, to increase compliance, better support staff and ensure *safety is in our nature*.

ORGANISATION COMMITMENT

- We continue to embed workplace safety into our culture by developing key performance indicators for health and safety for our leaders.
- We invested in leadership safety training to enhance leadership capability and improve our organisation's performance.
- Our *COVID-19 Safe Workplace Plan* continued to be reviewed and updated to ensure the safety of our staff and visitors was maintained in accordance with public health measures.
- Our Health and Safety Committee met monthly to ensure consultation and provide a robust and proactive forum to manage our workplace health and safety as a team.
- A training needs analysis was conducted to align departmental training needs with strategic objectives. A planning tool was developed to map our organisation's training needs across the next five years.
- Organisational survey results indicated a moderate safety climate with a strong focus on improvement.

SAFETY RISK MANAGEMENT

- Our Contractor Management System, Safety Risk Management System and Permit to Work Procedure for High Risk Work were reviewed and updated to support *Leading the Way* initiatives to simplify the function of eliminating or controlling hazards and focus on compliance and practicality.
- A Risk Assessment Gap Analysis was undertaken and a plan has been developed to close the gap by developing risk assessments for all activities that currently do not have one.
- A *Take 5 'Stop, Look, Think, Act'* about safety was trialled and implemented to encourage staff to think about safety before they undertake any activities that have potential to cause harm.

EMERGENCY RESPONSE

- The way emergency evacuations and training is undertaken was revitalised to enable staff confidence in emergency management.

INCIDENT AND HAZARD MANAGEMENT

- A Serious Incident Alert and flow chart was created and implemented across the organisation to ensure timely response, support for our staff and that lessons learnt are captured and continuous improvement is implemented to prevent incidents from reoccurring.
- A Conflict Resolution and Occupational Violence and Aggression Scale was created, defined and established in consultation with staff, with procedures to provide guidance and support to affected persons.
- Further training and wider access to the hazard and reporting system was provided.
- A total of 188 incidents and 105 hazards were recorded. Of these, two resulted in new Workcover/lost time injury claims. The number of reports has more than halved from the previous year (five reported in 2020-21) because of COVID Safe Settings and the effects of implementing the *Leading the Way* safety initiatives.
- Five staff were supported through work related injuries or illnesses that occurred during the reporting period.

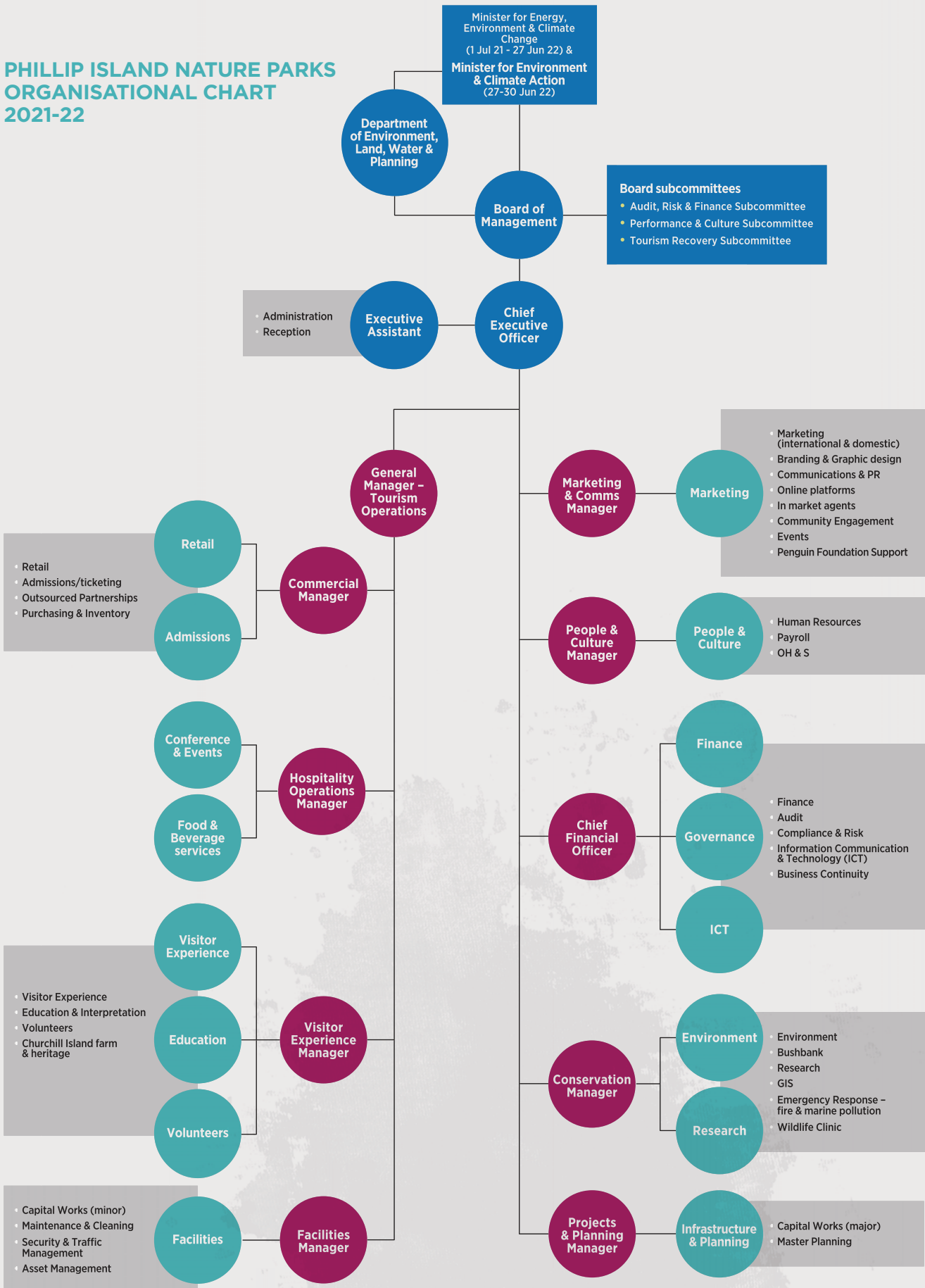
HEALTH AND SAFETY MANAGEMENT SYSTEMS

- The Safety Risk Management System and procedure was reviewed and updated to provide a set of efficient tools to simplify the function of eliminating or controlling hazards.
- The OHS Management System continues to be updated to reflect the *Leading the Way* initiatives that have been implemented.
- Risk categories and data-capturing mechanisms have been reviewed and updated to improve data quality and reporting for incidents and hazards.
- A Health and Safety hub for staff has been created to provide easy access to health and safety tools and systems.

DEFINED AND ACCURATE REPORTING MEASURES

- Health and safety dashboards were improved for use in department meetings to effectively communicate trends and mitigation measures to staff.
- *Leading the Way* Lead and Lag indicators have been defined to provide a wholistic overview of health and safety in the organisation.

PHILLIP ISLAND NATURE PARKS ORGANISATIONAL CHART 2021-22



OUR WORKFORCE

Phillip Island Nature Parks'
Workforce Profile

DEMOGRAPHIC DATA

	JUN-22						JUN-21							
	All employees		Ongoing			Fixed term and Casual		All employees		Ongoing			Fixed term and Casual	
	Number (headcount)	FTE	Full Time (headcount)	Part Time (headcount)	FTE	Number (headcount)	FTE	Number (headcount)	FTE	Full Time (headcount)	Part Time (headcount)	FTE	Number (headcount)	FTE
Gender														
Women	100	59.7	23	53	40.4	24	19.4	100	58.8	30	54	47.3	16	11.5
Men	69	53.6	36	22	42.6	11	11	70	56.4	41	20	47.4	9	9
Self-described	1	1	1	-	1	-	-	-	-	-	-	-	-	-
Age														
15-24	6	3.1	-	4	1.3	2	1.9	1	0.4	-	-	-	1	0.4
25-34	36	23.4	12	15	16.6	9	6.9	35	24.8	18	14	21.8	3	3
35-44	38	26.1	10	18	16.5	10	9.6	40	27.9	13	17	18.7	10	9.2
45-54	44	35.1	22	11	25.3	11	9.8	37	28.8	20	11	24.3	6	4.5
55-64	31	19.9	13	16	18.6	2	1.3	43	26.8	17	22	24.4	4	2.4
65+	15	6.8	3	11	5.8	1	1	14	6.5	3	10	5.5	1	1
Classification														
Grades 1-6	159	103.3	60	75	84	24	19.4	161	106.2	72	74	95.7	15	10.5
1	68	28.3	14	49	24.8	5	3.5	69	29.2	18	45	26.9	6	2.3
2	13	5.3	1	11	4.7	1	0.6	12	4.5	-	12	4.5	-	-
3	13	11.5	6	2	7.3	5	4.3	18	16.8	13	2	13.8	3	3
4	23	20.1	13	4	14.9	6	5.2	25	21	16	8	20.8	1	0.2
5	9	6.6	3	4	5.4	2	1.2	5	3.4	1	3	2.4	1	1
6	5	4.5	3	2	4.5	-	-	5	4.5	3	2	4.5	-	-
NEX	28	27.1	20	3	22.5	5	4.6	27	26.8	21	2	22.8	4	4
Senior employees	11	11	-	-	-	11	11	9	9	-	-	-	9	9
Senior Manager	5	5	-	-	-	5	5	4	4	-	-	-	4	4
Executives	6	6	-	-	-	6	6	5	5	-	-	-	5	5
Total employees	170	114.3	60	75	84	35	30.4	170	115.2	72	74	95.7	24	11.3

Governance

Phillip Island Nature Park Board of Management Inc. (the Nature Parks) was established by the State Government in 1996 and is the only 'Nature Park' in Victoria. The 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 Nature Parks' Board is responsible for the overall governance of the organisation. The Board directs and monitors the business of the Nature Parks and is accountable to the relevant Minister as noted below. The Board delegates day-to-day responsibility for operations and administration to the Chief Executive Officer. The Executive exercises various statutory and regulatory powers delegated by the Board and Ministers and the Secretary to the Department of Environment, Land, Water and Planning.

The responsible Minister for the period from 1 July 2021 to 27 June 2022 was the Hon Lily D'Ambrosio MP, Minister for Energy, Environment and Climate Change and from 27 June 2022 to 30 June 2022 the Hon Lily D'Ambrosio MP, Minister for Environment and Climate Action.

OUR BOARD

OBJECTIVES, FUNCTIONS, POWERS AND DUTIES

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

BOARD MEMBER ATTENDANCE

The Board met for eight regular Board meetings and one additional meeting during the year to provide governance, leadership and strategic direction to the Nature Parks.

BOARD MEMBER	ATTENDANCE (regular meeting)	ATTENDANCE (irregular meeting)
KEVIN LOVE (Chair)	8	1
DR DANIELLE AULDIST	7	1
DR GEOFF WESCOTT	8	1
JANE FOLEY	7	1
JANE JOBE	8	1
MICHAELA SALVATO	8	1
PATRICE MAHONEY OAM	7	1

BOARD MEMBERS

KEVIN LOVE

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

He then moved to the Department of Sustainability and Environment as Deputy Secretary, and led significant institutional and organisational reform, had responsibility for the State's public land estates and assets and established himself as a national leader in natural resource and marine and coastal management policy.

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

Kevin has been a Board Member since 9 August 2013.

DR DANIELLE AULDIST

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

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

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

Danielle has been a Board Member since 5 September 2015.

DR GEOFF WESCOTT

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

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

Geoff has been a Board Member since 1 July 2021.

JANE FOLEY

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

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

Jane has been a Board Member since 1 July 2018.

JANE JOBE

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

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

Jane has been a Board Member since 1 July 2021.

MICHAELA SALVATO

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

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

Michaela has been a Board Member since 1 July 2018.

PATRICE MAHONEY

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

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

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

Patrice has been a Board Member since 1 July 2021.



BOARD SUBCOMMITTEES

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

ASSET PLANNING SUBCOMMITTEE

This subcommittee provided recommendations to the Board regarding key decision making and assisted Management with risks and technical expertise on strategic projects, asset management and ICT.

With the completion of major capital projects it oversaw, and by direction of the Board, this subcommittee ceased in August 2021.

AUDIT RISK AND FINANCE SUBCOMMITTEE

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

- Michaela Salvato (Chair and independent member)
- Dr Danielle Auldish (independent member)
- Jane Jobe (independent member)
- Kevin Love (independent member)
- Helen Adair (external independent member)
- John Rundell (external independent member)

GOVERNANCE SUBCOMMITTEE

This subcommittee provided advice regarding the effective governance of the organisation through overseeing and monitoring the Nature Parks' key governance frameworks and charters.

By direction of the Board, this subcommittee was incorporated into the Performance and Culture Committee in August 2021.

PERFORMANCE AND CULTURE SUBCOMMITTEE

This subcommittee monitors, advises and makes recommendations to the Board regarding recruitment and retention, performance management, remuneration and succession planning. It advises on strategic workforce planning and implements and monitors organisational culture and Board performance.

The subcommittee fulfilled its role this year through review of key policies and processes, providing strategic direction and supporting Management in its negotiation of a new Enterprise Agreement, driving change in Occupational Health and Safety by supporting the implementation of the State Government *Leading the Way* safety initiative and supporting the Chief Executive Officer to create a successful and functional organisation structure with reimagined values.

- Dr Danielle Auldish (Chair)
- Dr Geoff Wescott
- Jane Foley
- Patrice Mahoney OAM

TOURISM RECOVERY SUBCOMMITTEE

In response to significant impacts to the Nature Parks' tourism operations and financial sustainability from the COVID-19 pandemic, this subcommittee was created in 2021. This subcommittee supports the organisation through its tourism recovery, monitoring progress against the *Future Directions*, assisting in the development of a Visitor Research Strategy, guiding product development and marketing initiatives and overseeing advocacy strategy.

This year, the subcommittee contributed strategic advice to the Sales and Marketing Strategy and advocacy direction to assist the Nature Parks in obtaining funding for key capital projects.

- Jane Foley (Chair)
- Dr Geoff Wescott
- Michaela Salvato
- Charles Davidson (external independent member)



ADVISORY COMMITTEES

The Nature Parks has established several advisory committees to provide a channel for two-way communication between the Board, key stakeholders and our community. We are grateful for their time, expertise and support over the year.

ANIMAL ETHICS COMMITTEE

This statutory committee is required to be convened by the Nature Parks to oversee the conduct of activities regarding the care and use of animals for scientific purposes and oversee all animal welfare in the Nature Parks. The committee fulfilled its function this year through providing expert guidance towards the Nature Parks' draft *Animal Welfare Charter* and contributing to the organisations draft *Euthanasia Policy*.

In 2022, the committee farewelled a long-serving committee member Clare Davis, who generously donated over 20 years expertise to the committee. We thank the professionals on our Animal Ethics Committee for contributing their valuable time to assist the Nature Parks in ensuring the delivery of our conservation programs and ensuring the highest standards of animal welfare are upheld in all Nature Parks activities.

- The Committee is chaired by Dr Jenny Hibble.

COMMUNITY AND ENVIRONMENT ADVISORY COMMITTEE

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

The committee fulfilled its role this year in advising on the next phase of the *Phillip Island (Morrow) Wildlife Plan* following its official launch and providing feedback and supporting the governance arrangements of the plan's implementation. The committee provided support to the *Dark Sky So Shearwaters Fly* campaign, helping to share key messages through their own networks and contributing to the success of the campaign.

- The Committee held a total of three meetings across the reporting period, all held on Phillip Island (Morrow).
- The committee is co-chaired by Jane Jobe and Patrice Mahoney OAM (Board Members).

RECONCILIATION ADVISORY COMMITTEE

This committee was established in October 2017 to further the Nature Parks' commitment to reconciliation and recognition in line with our Reconciliation Action Plan 2019-2023. We are indebted to the Community members who contribute their time and knowledge and provide the Nature Parks with significant understanding and delivery of outcomes around issues affecting Traditional Owners and the Aboriginal and/or Torres Strait Islander Community and ways of working together.

The committee fulfilled its function this year through implementing RAP actions, holding events to further reconciliation, contributing to interpretation and art projects, developing protocols and supporting the development of the Nature Parks' Aboriginal Employment Strategy.

- The committee held a total of four meetings across the reporting period.
- The Committee is co-chaired by Kevin Love and Patrice Mahoney OAM (Board Members).

SCIENTIFIC AND RESEARCH ADVISORY COMMITTEE

This advisory committee guides the Board on all aspects of scientific research and research-led conservation management of key species and ecosystems. The expertise within the committee enables it to highlight issues for the attention of the Board. The committee fulfilled its function this year by:

- Progressing actions in the *5-Year Conservation Plan*.
- Providing feedback into the Nature Parks draft *Animal Welfare Charter* and *Phillip Island (Morrow) Wildlife Plan*.
- Advising Nature Parks on research projects relating to the health of seals and koalas.
- Providing specialist field expertise into the health of woodland habitat at the Koala Conservation Reserve and training Nature Parks Conservation staff in the biodiversity and conservation of macro fungi for the purposes of future threatened species reintroductions.

We thank these experts for donating their time to assist the Nature Parks in improving the effectiveness and impact of its conservation work.

- Two meetings were held in the reporting period.
- Throughout the reporting period the committee was chaired by Dr Danielle Auld. The committee draws on the technical expertise of eight independent members.

Compliance

ATTESTATION FOR FINANCIAL MANAGEMENT COMPLIANCE WITH MINISTERIAL STANDING DIRECTION 5.1.4

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

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

Kevin Love

Board Chair
24 November 2022

EMPLOYMENT AND CONDUCT PRINCIPLES

Nature Parks' staff are employed under the *Phillip Island Nature Parks Agreement 2021-2024* and the applicable union is the Australian Services Union and work in accordance with the Nature Parks' Code of Conduct and employment policies that include recruitment, equal opportunity, anti-discrimination, anti-harassment and bullying, gifts, benefits and hospitality, conflict of interest and occupational health and safety.

Building capacity of our workforce is strengthened by our recruitment frameworks and learning and development strategy enabling us to continue to grow within the changing environment.

LOCAL JOBS FIRST

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

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

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

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

During 2021-22, the Nature Parks did not commence or complete any projects valued at \$1 million or more.

GOVERNMENT ADVERTISING EXPENDITURE

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

No government advertising expenditure was incurred by the Nature Parks during the reporting period.

CONSULTANCY EXPENDITURE

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

In 2021-22, there were twelve consultancies where the total fees payable to the consultants were \$10,000 or greater. The total expenditure incurred during the year in relation to these consultancies is \$0.3 million (excluding GST). Details of individual consultancies are outlined below:

(\$ thousand)

Consultant	Purpose of consultancy	Total approved project fee (excl. GST)	Expenditure 2021-22 (excl. GST)	Future expenditure (excl. GST)
		\$	\$	\$
Bunurong Land Council	Cultural Heritage consultation	30	19	40
Cupla	Organisational values review	20	20	-
Dugay & Co Pty Ltd	Cultural Heritage consultation	45	16	29
Ecology & Heritage Partners Pty Ltd	Flora and Fauna assessments	10	10	-
Ernst & Young	Business Case development	99	99	-
Future Food Retail Food Planners Pty Ltd	Food & Beverage consultants	19	19	-
GHD Pty Ltd	Asset Management consultants	55	50	-
Golder Associates Pty Ltd	Geotechnical assessment	41	41	-
Indigenous Employment Partners Ltd	Employment strategy consultants	29	29	-
Obliqua Pty Ltd	Fire management plan consultants	15	15	10
Pitcher Partners Consulting Pty Ltd	Compliance consulting	10	10	-
United Workplace Solutions Pty Ltd	Industrial Relations consulting	20	20	14
		393	348	93

Details of consultancies under \$10 000

In 2021-22, there were five consultancies engaged, where the total fees payable to the individual consultancies was less than \$10,000. The total expenditure incurred during the year in relation to these consultancies was \$21,900 (excl. GST).

INFORMATION AND COMMUNICATION TECHNOLOGY EXPENDITURE

Details of information and communication technology (ICT) expenditure

For the 2021-22 reporting period, the Nature Parks had a total ICT expenditure of \$1,502 with the details shown below.

(\$ thousand)

ICT expenditure related to projects to create or enhance ICT capabilities			
Business as Usual (BAU) ICT expenditure	Non-Business as Usual (non-BAU) ICT expenditure	Operational expenditure	Capital expenditure
(Total)	(Total = Operational expenditure and capital expenditure)		
1,233	268	1,229	273

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

DISCLOSURE OF MAJOR CONTRACTS

During the year ended 30 June 2022 the Nature Parks did not enter into any contracts greater than \$10 million in value.

FREEDOM OF INFORMATION ACT 1982

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

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

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

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

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

MAKING A REQUEST

FOI requests can be lodged online at www.foi.vic.gov.au. An application fee of \$30.10 applies. Access charges may also be payable if the document pool is large, and the search for material time consuming.

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

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

REQUESTS FOR DOCUMENTS IN THE POSSESSION OF THE NATURE PARKS SHOULD BE ADDRESSED TO:

Freedom of Information Officer

Phillip Island Nature Parks
PO Box 97
Cowes, Victoria 3922

FOI STATISTICS/TIMELINESS

During 2021-22, the Nature Parks did not receive any FOI requests.

FURTHER INFORMATION

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

COMPLIANCE WITH THE BUILDING ACT 1993

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

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

There were no major projects undertaken by the Nature Parks over \$50,000 in value in 2021-22.

COMPETITIVE NEUTRALITY POLICY

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

COMPLIANCE WITH THE PUBLIC INTEREST DISCLOSURES ACT 2012

The *Public Interest Disclosures Act 2012* encourages and assists people in making disclosures of improper conduct by public officers and public bodies. The Act provides protection to people who make disclosures in accordance with the Act and establishes a system for the matters disclosed to be investigated and rectifying action to be taken.

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

The Nature Parks will take all reasonable steps to protect people who make such disclosures from any detrimental action in reprisal for making the disclosure. It will also afford natural justice to the person who is the subject of the disclosure to the extent it is legally possible.

REPORTING PROCEDURES

Disclosures of improper conduct or detrimental action by the Nature Parks or any of its employees may be made directly to the Independent Broad-based Anti-corruption Commission (IBAC):

Level 1, North Tower, 459 Collins Street
Melbourne, VIC 3000
Phone 1300 735 135
www.ibac.vic.gov.au

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

FURTHER INFORMATION

The Public Interest Disclosure Policy and Procedures, which outline the system for reporting disclosures of improper conduct or detrimental action by the Nature Parks or any of its employees and/or officers, are available on the Nature Parks website www.penguins.org.au. The number of disclosures made in 2021-22 is shown below.

DISCLOSURES UNDER THE PUBLIC INTEREST DISCLOSURES ACT 2012

	2021-22 number	2020-21 number
The number of disclosures made by an individual to the Nature Parks and notified to the Independent Broad-based Anti-corruption Commission		
Assessable disclosures	0	0

COMPLIANCE WITH THE DISABILITY ACT 2006

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

During the year, the Nature Parks worked on finalising its *Accessibility Action Plan* which will serve to lead the Nature Parks' actions in diversity and inclusion by building our commitment to supporting and enhancing the experience and rights of all people.

ADDITIONAL INFORMATION AVAILABLE ON REQUEST

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

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

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

SOCIAL PROCUREMENT

The Nature Parks is fully committed to support the Victorian State Government's directions under the Social Procurement Framework and recognise that the Nature Parks play a key role in advancing social and sustainable outcomes for Victorians.

In September 2019, the Nature Parks developed a Sustainability and Social Procurement Strategy to enable a strategic agency-wide approach to how we will deliver social and sustainable outcomes through procurement in accordance with the Social Procurement Framework (SPF) and beyond. During 2021-22, the Nature Parks implemented changes to its supplier request process to enable the capture of key social procurement metrics at the point of engaging with suppliers. This improvement will allow the Nature Parks to more readily measure and report on social procurement outcomes, partner with key suppliers with shared values and support greater awareness within the community around key social procurement initiatives.

In that strategy, the Nature Parks prioritised the following SPF objectives:

Objective	Outcome Sought	SPF Reporting Metric
Environmentally sustainable outputs and business practices	<ul style="list-style-type: none"> ■ Project-specific requirements to use sustainable resources and to manage waste and pollution ■ Use of recycled content in construction works ■ Adoption of sustainable business practices by suppliers to the Victorian Government 	<ul style="list-style-type: none"> ■ Total number of contracts entered into with Victorian Government suppliers that have clauses relating to <ol style="list-style-type: none"> I. sustainable resources, II. management of waste and pollution, III. recycled content in construction works, IV. environmentally sustainable business practices
Supporting safe and fair workplaces	<ul style="list-style-type: none"> ■ Purchasing from suppliers that comply with industrial relations laws and promote secure employment 	<ul style="list-style-type: none"> ■ Number of Victorian Government or other suppliers who attest to compliance with the Supplier Code of Conduct
Opportunities for Victorian Aboriginal people Sustainable Victorian social enterprises and Aboriginal business sectors	<ul style="list-style-type: none"> ■ Employment of Victorian Aboriginal people by suppliers to the Victorian Government ■ Purchasing from Victorian Aboriginal businesses and/or social enterprises 	<ul style="list-style-type: none"> ■ Number of suppliers that employ Victorian Aboriginal people ■ Number of Victorian Aboriginal businesses and/or social enterprises engaged ■ Total expenditure with Victorian Aboriginal businesses

Financial review



PHILLIP ISLAND NATURE PARKS – FINANCIAL STATEMENTS

How this report is structured

Phillip Island Nature Parks (Nature Parks) has presented its audited general-purpose financial statements for the financial year ended 30 June 2022 in the following structure to provide users with the information about the Nature Parks stewardship of resources entrusted to it.

Financial statements	Comprehensive operating statement	49	
	Balance sheet	50	
	Cash flow statement	51	
	Statement of changes in equity	52	
Notes to the financial statements	1. About this report	53	
	The basis on which the financial statements have been prepared and compliance with reporting regulations.		
	2. Funding delivery of our services	55	
	Income and Revenue recognised from taxes, grants, sales of goods and services and other sources		
	2.1	Income from transactions	56
	3. The cost of delivering services	59	
	Operating expenses of the Nature Parks		
	3.1	Expenses incurred in delivery of services	56
	3.2	Cost of Sales	61
	3.3	Other operating expense	62
4. Key assets available to support output delivery	63		
Land, property, investment properties, biological assets, intangible assets, investments accounted for using the equity method, investments and other financial assets, and acquisition and disposal of entities			
4.1	Total property, plant and equipment	63	

**Notes to the
financial
statements
(continued)**

5. Other assets and liabilities	68
Working capital balances, and other key assets and liabilities	
5.1 Receivables	69
5.2 Payables	70
5.3 Contract Liabilities	70
5.4 Inventories	71
6. Financing our operations	72
Borrowings, cash flow information, leases and assets pledged as security	
6.1 Borrowings	73
6.2 Leases	73
6.3 Cash flow information and balances	75
6.4 Commitments for expenditure	76
7. Risks, contingencies and valuation judgements	77
Financial risk management, contingent assets and liabilities as well as fair value determination	
7.1 Financial instruments specific disclosures	77
7.2 Contingent assets and contingent liabilities	82
7.3 Fair value determination	82
8. Other disclosures	85
8.1 Ex gratia expenses	86
8.2 Reserves	86
8.3 Responsible persons	86
8.4 Remuneration of executives	87
8.5 Related parties	87
8.6 Remuneration of auditors	88
8.7 Subsequent events	88
8.8 Going Concern	88
8.9 Other accounting policies	89
8.10 Australian Accounting Standards issued that are not yet effective	89
8.11 Glossary of technical terms	90
8.12 Style conventions	94

DECLARATION IN THE FINANCIAL STATEMENTS

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

We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2022 and financial position of the Nature Parks at 30 June 2022.

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

We authorise the attached financial statements for issue on 24 November 2022



C Simonds

Chief Finance Officer

Phillip Island Nature Parks
24 November 2022



C Basterfield

Chief Executive Officer
Accountable Officer

Phillip Island Nature Parks
24 November 2022



K Love

Chair

Phillip Island Nature Parks Board of Management

24 November 2022



Independent Auditor's Report

To the Board of the Phillip Island Nature Parks

Opinion	<p>I have audited the financial report of the Phillip Island Nature Parks (the nature parks) which comprises the:</p> <ul style="list-style-type: none">• balance sheet as at 30 June 2022• comprehensive operating statement for the year then ended• statement of changes in equity for the year then ended• cash flow statement for the year then ended• notes to the financial statements, including significant accounting policies• declaration in the financial statements. <p>In my opinion, the financial report presents fairly, in all material respects, the financial position of the nature parks as at 30 June 2022 and its financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the nature parks in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Board's responsibilities for the financial report	<p>The Board of the nature parks is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Financial Management Act 1994</i>, and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Board is responsible for assessing the nature parks' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

Auditor's responsibilities for the audit of the financial report

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

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

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

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

MELBOURNE
29 November 2022



Paul Martin
as delegate for the Auditor-General of Victoria

Comprehensive operating statement

For the financial year ended 30 June 2022

(\$ thousand)

	NOTES	2022	2021
Continuing Operations			\$
Income from transactions			
Supply of services and sale of goods	2.1.1	8,564	5,285
Grants, Donation and Sponsorship	2.1.2	1,860	4,963
Other income	2.1.4	172	176
Total income from transactions		10,596	10,424
Expenses from transactions			
Employee expenses	3.1.1	(11,206)	(11,072)
Cost of sales	3.2	(744)	(577)
Depreciation and amortisation	4.1.2	(3,771)	(3,797)
Other operating expenses	3.3	(5,464)	(4,218)
Total expenses from transactions		(21,185)	(19,664)
Net result from transactions (net operating balance)		(10,589)	(9,240)
Other economic flows included in net result			
Net (loss)/gain on non-financial assets		116	(26)
Total other economic flows included in net result		116	(26)
Net result		(10,473)	(9,266)
Other economic flows - other comprehensive income:			
Items that will not be reclassified to net result			
Changes in physical asset revaluation surplus	8.2	-	(7,646)
Total other economic flows - other comprehensive income		-	(7,646)
Comprehensive result		(10,473)	(16,912)

The accompanying notes form part of these financial statements.

Balance sheet

As at 30 June 2022

(\$ thousand)

	NOTES	2022	2021
Assets		\$	\$
Financial assets			
Cash and deposits	6.3	4,771	10,924
Receivables	5.1	239	125
Total financial assets		5,010	11,049
Non-financial assets			
Inventories	5.4	245	449
Property, plant and equipment	4.1	138,445	141,237
Other non-financial assets		205	195
Total non-financial assets		138,895	141,881
Total assets		143,905	152,930
Liabilities			
Payables	5.2	1,214	979
Contract Liabilities	5.3	1,595	381
Lease Liability	6.1	1,072	1,094
Employee related provisions	3.1.2	2,277	2,257
Total liabilities		6,158	4,711
Net assets		137,747	148,219
Equity			
Accumulated surplus/(deficit)		(418)	10,055
Physical asset revaluation surplus	8.2	60,172	60,172
Contributed capital	8.9	77,993	77,993
Net worth		137,747	148,219

The accompanying notes form part of these financial statements.

Cash flow statement

For the financial year ended 30 June 2022

(\$ thousand)

	NOTES	2022	2021
Cash flows from operating activities		\$	\$
Receipts from customers and other entities		10,012	6,680
Receipts from Government		1,470	4,400
Interest received		7	12
Payments to suppliers and other expenses		(5,156)	(4,087)
Payments to employees		(11,206)	(10,737)
Goods and services tax paid from the ATO		(352)	(205)
Net cash flows from operating activities	6.3.1	(5,225)	(3,937)
Cash flows from investing activities			
Payments for property, plant and equipment		(840)	(454)
Payments for intangibles		-	(7)
Proceeds from property, plant and equipment		116	-
Net cash flows used in investing activities		(724)	(461)
Cash flows from financing activities			
Payment of borrowings and Principal portion of Lease Liability		(204)	(149)
Net cash flows from financing activities		(204)	(149)
Net decrease in cash and cash equivalents		(6,153)	(4,547)
Cash and cash equivalents at beginning of financial year		10,924	15,471
Cash and cash equivalents at end of financial year	6.3	4,771	10,924

The accompanying notes form part of these financial statements.

Statement of changes in equity

For the financial year ended 30 June 2022

(\$ thousand)

	NOTES	PHYSICAL ASSET REVALUATION SURPLUS	ACCUMULATED SURPLUS/(DEFICIT)	CONTRIBUTIONS BY OWNER	TOTAL
		\$	\$	\$	\$
Balance at 1 July 2020		67,818	19,321	77,993	165,132
Net result from continuing operations		-	(9,266)	-	(9,266)
Other comprehensive income for the year		(7,646)	-	-	(7,646)
Balance at 30 June 2021		60,172	10,055	77,993	148,219
Net result from continuing operations		-	(10,473)	-	(10,473)
Balance at 30 June 2022		60,172	(418)	77,993	137,747

The accompanying notes form part of these financial statement.

1 ABOUT THIS REPORT

The financial statements cover the Phillip Island Nature Parks Board of Management (Nature Parks) as an individual reporting entity.

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

Its principal address is:

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

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

Basis of preparation

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

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

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

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

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

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

Revisions to accounting estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision. Judgements and assumptions made by management in applying AAS that have significant effects on the financial statements and estimates are disclosed in the notes under the heading: 'Significant judgement or estimates.'

COVID-19 created unprecedented economic uncertainty and continues to have wide ranging impacts for the Nature Parks as well as the broader community of Phillip Island. Site attractions were closed for a total of 46 days and operated at times with greatly reduced capacity. This has resulted in immediate and material impacts to the Nature Parks and a sustained loss of revenue. Management took operational steps to mitigate the adverse impact on the business whilst supporting the workforce throughout this challenging time. The Nature Parks realised \$8.5M in revenue excluding Government funding, \$3.0M greater than 2021, \$16.4M less than 2019. The Nature Parks other operating expenditure increased 28.2% versus 2021 and decreased 23.4% versus 2019 reporting period.

The Nature Parks has received a letter from the Victorian State Government guaranteeing that the Nature Parks will be able to meet its financial liabilities until November 2023 and has, to date provided funding support of \$10.3M, consisting of, \$4.4M received June 2020, \$4.4M received August 2020 and \$1.5M received June 2022. This support ensures the Nature Parks can continue to meet its current and future obligations as and when they fall due. The Board has formed the view that the Nature Parks can continue to meet its commitments as a going concern for the foreseeable future.

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

- Supply of services and sale of goods
Disclosure regarding the impact of the site attraction closures because of COVID-19 on the supply of services and sale of goods are detailed in note 2.1.1
- Grants from government
Disclosure of the funding support provided by the Victorian State Government in response to COVID-19 as detailed in note 2.1.2
- Cost of sales
Disclosure of the impact of site closures due to COVID-19 and the impact to cost of sales is detailed in note 3.2
- Operating expenses
Disclosure regarding the impact of COVID-19 on the Nature Parks operating expenditure is detailed in note 3.3
- Receivables and expected credit loss provision
Disclosure relating to managerial judgment and assumption on the receivables and expected credit loss provision is detailed in note 5.1
- Payables
Disclosure to the changes to payment term conditions in response to COVID-19 are detailed in note 5.2
- Going concern
The Department of Environment, Land, Water and Planning has provided confirmation that it will continue to provide the Nature Parks adequate cash flow support to meet its current and future obligations as and when they fall due for a period up to November 2023 by way of a Letter of Comfort. On that basis, the financial statements have been prepared on a going concern basis, detailed in note 8.7
- Subsequent events
Management's judgements and assumptions relating to subsequent events are disclosed in note 8.7

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

Compliance information

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

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

2 FUNDING DELIVERY OF OUR SERVICES

Introduction

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

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

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

Significant judgement: Grants revenue

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

Structure

2.1	Income from transactions	56
-----	--------------------------------	----

2.1 Income from transactions

2.1.1 Sale of goods and services

(\$ thousand)

	NOTES	2022	2021
		\$	\$
Supply of services - Admissions		6,802	4,022
Sale of goods - Retail and souvenirs		1,762	1,262
Total supply of services and sale of goods		8,564	5,285

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

The Nature Parks' tourism operations were significantly impacted as a result of the continuing impacts of COVID-19 and subsequent travel restrictions. Total tourism revenue was 55.5% greater than prior year and 65.8% less than 2019. There was an overall increase in visitors to the Nature Parks' ticketed attractions 30.7% versus 2021 and 62.9% decrease versus 2019. The site restrictions and subsequent closures had a direct impact on the supply of services – admissions and sale of goods – retail and souvenirs. This is reflected in only a modest increase in cost of sales as per note 3.2.

Performance obligations and revenue recognition policies

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

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

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

For contracts that permit the customer to return an item, revenue is recognised to the extent it is highly probable that a significant cumulative reversal will not occur as our revenue policy is generally non-refundable. Therefore, the amount of revenue recognised is adjusted for the expected returns, which are estimated based on the historical data. In these circumstances, a refund liability and a right to recover returned goods asset are recognised. The right to recover the returned goods asset is measured at the former carrying amount of the inventory less any expected costs to recover goods. The Nature Parks reviews its estimate of expected returns at each reporting date and considers likely returns and refunds accordingly, as 30 June 2022 no refund liability obligation was present. There has been no change in the recognition of revenue from the sale of goods as a result of the adoption of AASB 15.

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

2.1.2 Grants

(\$ thousand)

	NOTES	2022	2021
		\$	\$
Grants from Government		1,470	4,400
Other grants, donations and sponsorship		390	563
Total grant income		1,860	4,963

Grants recognised under AASB 1058

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

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

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

The Nature Parks received State Government financial support \$1.5M was received June 2022 to mitigate the impact of COVID-19 and ensure the ongoing operations of the Nature Parks.

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

This exception applies to a transfer that:

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

The Nature Parks received State Government funding through the Department of Jobs, Precincts and Regions of \$1.0M 2021-22 for the construction of a non-financial asset. This has been recognised under AASB 1058 as a liability until the terms of the agreement for the construction of the non-financial asset are satisfied.

Grants recognised under AASB 15

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

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

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

2.1.4 Other income

(\$ thousand)

	NOTES	2022	2021
		\$	\$
Interest received		7	12
Educations tours and school camps		46	38
Rental income		63	62
Miscellaneous income		56	63
Total other income		172	176

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

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

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

3 THE COST OF DELIVERING SERVICES

Introduction

This section provides an account of the expenses incurred by the Phillip Island Nature Parks (Nature Parks) in delivering services and outputs. In Section 2, the funds that enable the provision of services were disclosed and in this note the cost associated with provision of services are recorded. Section 4 discloses aggregated information in relation to the income and expenses by output.

Structure

3.1	Expenses incurred in delivery of services	.60
3.2	Cost of Sales.....	61
3.3	Other operating expenses	62

3.1 Expenses incurred in delivery of services

3.1.1 Employee benefits in the comprehensive operating statement

(\$ thousand)

	NOTES	2022	2021
		\$	\$
Salaries and wages		9,017	8,760
Payroll tax and Workcover		264	329
Superannuation		975	932
Movement in annual leave and long service leave provisions		950	1,050
Total employee expenses		11,206	11,072

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

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

3.1.2 Employee benefits in the balance sheet

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

(\$ thousand)

	NOTES	2022	2021
		\$	\$
Current provisions			
Annual leave			
Unconditional and expected to settle within 12 months		624	619
Long service leave			
Unconditional and expected to settle within 12 months		209	251
Unconditional and expected to settle after 12 months		671	647
Provisions for on costs			
Unconditional and expected to settle within 12 months		109	111
Unconditional and expected to settle after 12 months		90	84
Accrued wages		348	309
Total current provisions for employee benefits		2,051	2,021

Reconciliation of movement in on-cost provision

(\$ thousand)

	2022	2021
	\$	\$
Opening balance	222	204
Additional provisions recognised	104	113
Reduction arising from payments	(100)	(95)
Closing balance	226	222
Current	199	194
Non-current	27	27

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

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

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

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

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

Unconditional LSL is disclosed as a current liability; even where the Nature Parks does not expect to settle the liability within 12 months because it will not have the unconditional right to defer the settlement of the entitlement should an employee take leave within 12 months.

The components of this current LSL liability are measured at:

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

Conditional LSL is disclosed as a non-current liability. There is a conditional right to defer the settlement of the entitlement until the employee has completed the requisite years of service. This non-current LSL is measured at present value.

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

3.1.3 Superannuation contributions

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

(\$ thousand)

	Rate		Paid contribution for the year		Contribution outstanding at year end	
	2022	2021	2022	2021	2022	2021
	%	%	\$	\$	\$	\$
Accumulated Funds (Vision)	10.00	9.50	487	479	-	-
Accumulated Funds (Other)	10.00	9.50	664	603	-	-
Defined Benefits Fund (Vision) ^(a)	10.00	9.50	14	8	-	-
Total			1,166	1,090	-	-

Note:

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

3.2 Cost of Sales

(\$ thousand)

	2022	2021
	\$	\$
Cost of sales - Retail and souvenirs	744	577
Total cost of sales	744	577

Cost of sales: When inventories are sold, the carrying amounts of those inventories are recognised as an expense in the period in which the related income is recognised. The amount of any write down of inventories to net realisable value and all losses of inventories shall be recognised as an expense in the period the write down or loss occurs.

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

3.3 Other operating expenses

(\$ thousand)

	2022	2021
	\$	\$
Advertising	167	342
Bank Charges	153	136
Consultants & other advice	358	199
Contractors	2,240	1,393
Doubtful debt	26	(113)
Fringe benefits tax	25	50
Insurance (excluding motor vehicle)	135	121
Lease expense	6	10
Legal expenses	62	46
Materials and supplies	410	381
Motor vehicle expenses	162	128
Memberships, licences and commissions	550	353
Repairs and maintenance	276	176
Utilities	292	289
Training	185	63
Telephone and internet	166	139
Travel and entertainment	60	55
Miscellaneous expense	191	450
Total other operating expenses	5,464	4,218

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

As a result of increased days-of trade and reduced restrictions as a result COVID-19 versus prior year, other operating expenditure increased \$1.2M versus prior year.

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

4 KEY ASSETS AVAILABLE TO SUPPORT OUTPUT DELIVERY

Introduction

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

Significant judgement: Fair value measurement

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

Structure

4.1 Total property, plant and equipment.....63

4.1 Total property, plant and equipment

(\$ thousand)

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

(\$ thousand)

	Gross carrying amount 2021	Accumulated depreciation 2021	Net carrying amount 2021
	\$	\$	\$
Land at fair value	58,946	-	58,946
Buildings at fair value	80,901	(6,230)	74,671
ROU Buildings at fair value	1,212	(264)	948
Boardwalks at fair value	2,633	(887)	1,746
Car parks at fair value	1,975	(507)	1,468
Motor vehicles at fair value	1,530	(1,309)	220
Furniture and fittings at fair value	2,142	(1,178)	965
Plant and equipment at fair value	3,443	(2,649)	795
ROU Plant and equipment at fair value	142	(35)	107
Computer hardware at fair value	1,027	(701)	326
Leasehold improvements at fair value	961	(123)	839
Work in progress at cost	207	-	207
Net carrying amount	155,119	(13,882)	141,237

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

(\$ thousand)

	Gross carrying amount 2022	Accumulated depreciation 2022	Net carrying amount 2022
	\$	\$	\$
Buildings at fair value	1,310	(429)	881
Plant and equipment at fair value	184	(74)	110
Net carrying amount	1,494	(503)	990

(\$ thousand)

	Gross carrying amount 2021	Accumulated depreciation 2021	Net carrying amount 2021
	\$	\$	\$
Buildings at fair value	1,212	(264)	948
Plant and equipment at fair value	142	(35)	107
Net carrying amount	1,354	(299)	1,055

(\$ thousand)

	Buildings	Plant and Equipment
	\$	\$
Opening balance - 1 July 2021	948	106
Additions	98	42
Disposals	-	-
Depreciation	(165)	(39)
Closing balance - 30 June 2022	881	110

Note:

- (a) This balance represents the initial recognition of right-of-use assets recorded on the balance sheet on 1 July 2019 along with the transfer from finance lease assets (recognised under AASB 117 at 30 June 2019) to right-of-use assets (recognised under AASB 16 at 1 July 2019).

(\$ thousand)

	Buildings	Plant and Equipment
	\$	\$
Opening balance - 1 July 2020	1,080	-
Additions	-	142
Disposals	-	-
Depreciation	(132)	(36)
Closing balance - 30 June 2021	948	106

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

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

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

Right-of-use asset – Subsequent measurement

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

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

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

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

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

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

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

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

Impairment of property, plant and equipment

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

4.1.2 Depreciation and amortisation

Charge for the period (\$ thousand)

	2022	2021
	\$	\$
Depreciation		
Buildings	2,217	2,095
Boardwalks	170	191
Car parks	91	104
Motor vehicles	129	153
Furniture and fittings	306	327
Plant and equipment	235	228
Leasehold Improvements	64	64
Computer hardware	356	239
Total depreciation	3,568	3,402
Amortisation		
Software	-	226
Right of use Asset	203	168
Total amortisation	203	394
Total depreciation and amortisation	3,771	3,797

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

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

(years)

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

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

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

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

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

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

(\$ thousand)

	Crown Land	Buildings	Boardwalks	Car parks	Motor vehicles	Furniture & fittings	Plant & equipment	Computer hardware	Leasehold improvements	Work in progress	Total property, plant & equipment
2022	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Carrying amount as at 1 July 2021	58,946	75,619	1,746	1,468	220	965	901	326	839	207	141,237
Additions	-	124	36	-	211	16	128	273	-	191	980
Depreciation and amortisation expense	-	(2,417)	(170)	(91)	(128)	(306)	(237)	(357)	(65)	-	(3,771)
Carrying amount as at 30 June 2022	58,946	73,326	1,612	1,377	303	675	792	242	774	398	138,445

Notes:

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

(\$ thousand)

	Crown Land	Buildings	Boardwalks	Car parks	Motor vehicles	Furniture & fittings	Plant & equipment	Computer hardware	Leasehold improvements	Work in progress	Total property, plant & equipment
2021	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Carrying amount as at 1 July 2020	69,094	75,884	1,608	1,294	358	1,238	952	487	903	41	151,860
Additions	-	21	48	-	15	55	188	81	-	207	614
Transfer from work in progress	-	-	-	-	-	-	41	-	-	(41)	-
Disposals	-	(80)	-	(13)	-	(1)	(16)	(3)	-	-	(114)
Revaluation	(10,148)	2,022	281	292	-	-	-	-	-	-	(7,553)
Depreciation and amortisation expense	-	(2,227)	(191)	(104)	(153)	(327)	(264)	(239)	(64)	-	(3,570)
Carrying amount as at 30 June 2021^(b)	58,946	75,619	1,746	1,468	220	965	901	326	839	207	141,237

5 OTHER ASSETS AND LIABILITIES

Introduction

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

Structure

5.1	Receivables.....	69
5.2	Payables	70
5.3	Contract Liabilities	70
5.4	Inventories	71

5.1 Receivables

(\$ thousand)

	2022	2021
Contractual	\$	\$
Sale of goods and services	443	284
Allowance for impairment losses of contractual receivables	(213)	(235)
Other receivables	9	30
Total contractual receivables	239	79
Statutory		
GST credit recoverable	-	47
Total statutory receivables	-	47
Represented by		
Current receivables	239	125

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

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

In 2019-20 financial year, the Nature Parks recognised an increase in allowance of expected credit losses of contractual receivables because of COVID-19. The increase in allowance recognises that due to the immediate and direct impact of COVID-19 on many of the Nature Parks tourism partners, management made specific judgements related to the likelihood of recovery of funds. The expected credit loss allowance was adjusted down 2020-21 and again in 2021-22 financial year acknowledging the reduction in exposure to outstanding debtor account balances.

Details about the Nature Parks impairment policies, the Nature Parks exposure to credit risk and the calculation of the loss allowance are set out in Note 7.1.2.

5.2 Payables

(\$ thousand)

	2022	2021
Contractual	\$	\$
Supplies and services	252	120
Accrued expenses	850	859
Total contractual payables	1,102	979
Statutory		
GST Payable	111	-
FBT payable	-	-
Superannuation payable	-	-
Total statutory payables	111	-
Represented by		
Current payables	1,214	979

Payables consist of:

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

Payables for supplies and services have an average credit period of 30 days. In response to COVID-19, the Nature Parks committed to complying with the Victorian State Government Economic Survival and Jobs Package announced 22 March 2020. In supporting this initiative, the Nature Parks took immediate action to ensure that payables for suppliers and services were paid within five business days where possible. This direction was eased 2022 financial year, and as a result the Nature Parks reverted to payables to suppliers paid on average 30-day terms.

The following table discloses the maturity of contractual financial liabilities.

(\$ thousand)

	Carrying amount	Nominal amount	Maturity dates			
			Less than 1 month	1-3 months	3 months - 1 year	1-5 years
2022	\$	\$	\$	\$	\$	\$
Payables	1,102	1,102	1,056	38	8	-
Total payables	1,102	1,102	1,056	38	8	-
2021						
Payables	979	979	862	57	60	-
Total payables	979	979	862	57	60	-

5.3 Contract Liabilities

(\$ thousand)

	2022	2021
Contract Liabilities		
Opening balance	381	119
Add: Payments received for performance obligations yet to be completed during the period	236	106
Add: Grant consideration for sufficiently specific performance obligations received during the year	1,476	660
Less: Revenue recognised in the reporting period for completion of a performance obligation	(106)	-
Less: Grant revenue for sufficiently specific performance obligations works recognised consistent with the performance obligations met during the year	(392)	(504)
Total contract liabilities	1,595	381
Represented by		
Current contract liabilities	1,595	381

Contract liabilities include consideration received in advance from customers in respect of ticket purchasing. Invoices are raised once the tickets been booked and paid. The balance of contract liabilities was significantly higher than 30 June 2021 as there was ease of COVID and higher confidence on travelling. A large number of advances were received for forward bookings yet to visit.

In Addition, grant consideration was also received from Department of Jobs, Precincts and Regions, Department of Environment, Land, Water & Planning, Penguin Foundation, Australian Trade and Investment Commission and NSW Wildlife Information Rescue and Education Service Inc to support Conservation activities. Grant income is when the Nature Parks satisfies the performance obligation by providing the relevant services to the relevant parties. The remaining grant revenue is recognized when the services are rendered in the following year.

5.4 Inventories

(\$ thousand)

	2022	2021
	\$	\$
Current inventories		
Inventories held for sale at cost		
Penguin Parade	107	309
Koala Conservation Reserve	30	40
Nobbies	41	74
Churchill Island	96	87
Total current inventories	274	511
Less provision for inventory obsolescence	(29)	(62)
Total inventories	245	449

Inventory is measured at the lower of cost and net realisable value. Cost has been assigned to inventory on a first in first out basis. Where inventories are acquired for no cost or nominal consideration, they are measured at current replacement cost at the date of acquisition.

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

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

Movement in the provision for inventory obsolescence

(\$ thousand)

	2022	2021
	\$	\$
Balance at the beginning of the year	(62)	(34)
Increase in provision recognised in profit or loss	33	(28)
Balance at end of the year	(29)	(62)

6 HOW WE FINANCED OUR OPERATIONS

Introduction

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

This section includes disclosures of balances that are financial instruments (such as borrowings and cash balances). Notes 8.1 and 8.3 provide additional, specific financial instrument disclosures.

Structure

6.1	Borrowings	73
6.2	Leases.....	73
6.3	Cash flow information and balances.....	75
6.4	Commitments for expenditure	76

6.1 Borrowings

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

	(\$ thousand)	
	2022	2021
Current borrowings	\$	\$
Lease liabilities ^(a)	177	155
Total current borrowings	177	155
Non current borrowings		
Lease liabilities	895	938
Total non current borrowings	895	938
Total borrowings	1,072	1,094

Notes:

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

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

	(\$ thousand)	
	2022	2021
	\$	\$
Interest expense on lease liabilities	41	43
Total interest expense	41	43

Interest expense is recognised in the period in which it is incurred. The Nature Parks recognises borrowing costs immediately as an expense, even where they are directly attributable to the acquisition, construction or production of a qualifying asset.

6.2 Leases

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

The Nature Parks leasing activities

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

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

6.2.1 Right-of-use Assets

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

6.2.2 Amounts recognised in the Comprehensive Operating Statement

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

	(\$ thousand)	
	2022	2021
	\$	\$
Interest expense on lease liabilities	41	43
Expenses relating to leases of low -value assets	7	10
Total amount recognised in the statement of comprehensive statement	48	52

6.2.3 Amounts recognised in the Statement of Cashflows

The following amounts are recognised in the Statement of Cashflows for the year ending 30 June 2022 relating to leases.

(\$ thousand)

	2022	2021
	\$	\$
Total cash outflow for leases	210	202

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

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

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

Separation of lease and non-lease components

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

Recognition and measurement of leases as a lessee

Lease Liability – initial measurement

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

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

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

Lease Liability – subsequent measurement

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

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

Short-term leases and leases of low-value assets

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

Presentation of right-of-use assets and lease liabilities

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

6.3 Cash flow information and balances

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

(\$ thousand)

	2022	2021
	\$	\$
Cash on hand	5	5
Cash at bank - trading account	2,274	9,422
Cash at bank - major project	1,592	598
Cash at bank - defined benefits contingency fund	900	899
Balance as per cash flow statement	4,771	10,924

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

(\$ thousand)

	2022	2021
	\$	\$
Net result for the period	(10,473)	(9,266)
Non-cash movements		
(Gain)/Loss on sale or disposal of non-current assets	(116)	26
Depreciation of non-current assets	3,568	3,797
Amortisation of Right of Use assets	203	-
Other non-cash movements	42	-
Movements in assets and liabilities		
(Decrease)/Increase in receivables & other current assets	(114)	32
Decrease in inventory	205	379
Increase in payables	225	379
Increase in contract liabilities	1,214	381
Increase in employee provisions	21	335
Net cash outflows from operating activities	(5,225)	(3,937)

6.4 Commitments for expenditure

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

6.4.1 Total commitments payable

(\$ thousand)

Nominal amounts 2022	Less than 1			Total
	year	1 - 5 years	5+ years	
	\$	\$	\$	\$
Capital expenditure commitments payable	-	-	-	-
Operating lease commitments payable ^(a)	7	-	-	7
Total commitments (inclusive of GST)	7	-	-	7
Less GST recoverable	100	400	-	1
Total commitments (exclusive of GST)	(93)	(400)	-	6
2021				
Capital expenditure commitments payable	-	-	-	-
Operating lease commitments payable	10	-	-	10
Total commitments (inclusive of GST)	10	-	-	10
Less GST recoverable	-	-	-	1
Total commitments (exclusive of GST)	-	-	-	9

Notes:

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

7 RISKS, CONTINGENCIES AND VALUATION JUDGEMENTS

Introduction

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

Structure

7.1	Financial instruments specific disclosures	77
7.2	Contingent assets and contingent liabilities	82
7.3	Fair value determination	82

7.1 Financial instruments specific disclosures

Introduction

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

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

Categories of financial assets

Financial assets at amortised cost

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

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

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

The Nature Parks recognises the following assets in this category:

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

Categories of financial liabilities

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

- payables (excluding statutory payables); and
- borrowings (including lease liabilities).

7.1.1 Financial instruments: Categorisation

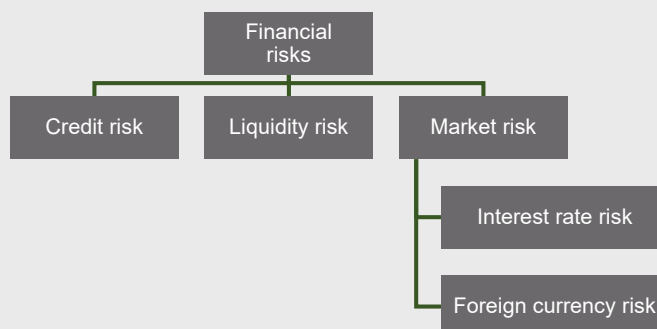
(\$ thousand)

2022	Cash and Deposits	Financial assets at amortised cost (AC)	Financial liabilities at amortised cost (AC)	Total
Contractual financial assets	\$	\$	\$	\$
Cash and deposits	4,771	-	-	4,771
Receivables				
Sale of goods and services	-	230	-	230
Other receivables	-	9	-	9
Total contractual financial assets	4,771	239	-	5,010
Contractual financial liabilities				
Payables	-	-	2,698	2,698
Total contractual financial liabilities	-	-	2,698	2,698

(\$ thousand)

2021	Cash and Deposits	Financial assets at amortised cost (AC)	Financial liabilities at amortised cost (AC)	Total
Contractual financial assets	\$	\$	\$	\$
Cash and deposits	10,924	-	-	10,924
Receivables				
Sale of goods and services	-	49	-	49
Other receivables	-	30	-	30
Total contractual financial assets	10,924	79	-	11,003
Contractual financial liabilities				
Payables	-	-	1,360	1,360
Total contractual financial liabilities	-	-	1,360	1,360

7.1.2 Financial risk management objectives and policies



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

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised, with respect to each class of financial asset, financial liability and equity instrument above are disclosed in Note 8.3 to the financial statements.

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

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

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

Financial instruments: Credit risk

Credit risk refers to the possibility that a borrower will default on its financial obligations as and when they fall due. The Nature Parks exposure to credit risk arises from the potential default of a counter party on their contractual obligations resulting in financial loss to the Nature Parks. Credit risk is measured at fair value and is monitored on a regular basis.

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

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

Provision of impairment for contractual financial assets is recognised when there is objective evidence that the Nature Parks will not be able to collect a receivable. Objective evidence includes financial difficulties of the debtor, default payments, debts that are more than 60 days overdue, and changes in debtor credit ratings.

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

There has been no material change to the Nature Parks credit risk profile in 2021-22 as a result of COVID-19. This is reflected in the revised provision for doubtful debts.

Impairment of financial assets under AASB 9

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

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

Contractual receivables at amortised cost

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

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

(\$ thousand)

30-Jun-22	Current	Less than 1 month	1-2 months	2 months & over	Total
Expected loss rate	1.19%		4.08%	97.71%	
Gross Carrying amount of contractual receivables	153	-	77	212	443
Loss allowance	2	-	3	208	213

01-Jul-21	Current	Less than 1 month	1-2 months	2 months & over	Total
Expected loss rate	1.19%		4.08%	99.94%	
Gross Carrying amount of contractual receivables	21	-	29	234	284
Loss allowance	-	-	1	234	235

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

(\$ thousand)

	2022	2021
Balance at the beginning of the year	(235)	(441)
Decrease/(increase) in provision recognised in net result	22	206
Balance at the end of the year	(213)	(235)

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

In prior years, a provision for doubtful debts is recognised when there is objective evidence that the debts may not be collected and bad debts are written off when identified. A provision is made for estimated irrecoverable amounts from the sale of goods when there is objective evidence that an individual receivable is impaired. Bad debts are considered as written off by mutual consent.

Financial instruments: Liquidity risk

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

The Nature Parks is exposed to liquidity risk mainly through the financial liabilities as disclosed in the carrying amount of financial liabilities, which have a maturity of less than one month based on contractual undiscounted cash flows. The Nature Parks manages its liquidity risk by:

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

The Nature Parks exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk. The Nature Parks is wholly dependent on the continued financial support of the State Government and in particular, the Department of Environment, Land, Water and Planning.

Financial instruments: Market risk

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

Interest rate risk

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

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

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

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

Interest rate exposure of financial instruments (\$ thousand)

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

(\$ thousand)

2021	Weighted average interest rate	Carrying amount	Fixed interest rate	Variable interest rate	Non-interest bearing
	%	\$	\$	\$	\$
Financial assets					
Cash and deposits	0.03	10,924	-	10,919	6
Receivables	-	79	-	-	79
Total financial assets		11,003	-	10,919	84
Financial liabilities					
Payables	-	979	-	-	979
Total financial liabilities		979	-	-	979

Interest rate risk sensitivity

Considering 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 \$47,568 (2021: \$55,593)

Foreign currency risk

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

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

7.2 Contingent assets and contingent liabilities

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

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

The Nature Parks is not aware of any material threatened or existing legal actions or other contingencies between Phillip Island Nature Parks Board of Management Inc. and third parties as at 30 June 2022 (2021: NIL)

7.3 Fair value determination

Significant judgement: Fair value measurements of assets and liabilities

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

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

The following assets and liabilities are carried at fair value:

- financial assets and liabilities at fair value through operating result; and
- land, buildings, infrastructure, plant and equipment

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

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

Fair value hierarchy

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

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

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

How this section is structured

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

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

This section is divided between disclosures in connection with fair value determination for financial instruments (refer to Note 8.3.1) and non-financial physical assets (refer to Note 8.3.2).

7.3.1 Fair value determination of financial assets and liabilities

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

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

The Nature Parks currently holds a range of financial instruments that are recorded in the financial statements where the carrying amounts approximate to fair value, due to their short-term nature or with the expectation that they will be paid in full by the end of the 2021-22 reporting period.

These financial instruments include:

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

Financial assets and liabilities measured at fair value ^(a)

(\$ thousand)

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

2021	Carrying amount as at 30 June 2021	Fair value measurement at end of reporting period using:		
		Level 1	Level 2	Level 3
	\$	\$	\$	\$
Specialised land at fair value	58,946	-	-	58,946
Specialised building at fair value	75,619	-	-	75,619
Boardwalks at fair value	1,746	-	-	1,746
Car parks at fair value	1,468	-	-	1,468
Motor vehicles at fair value	220	-	-	220
Furniture and fittings at fair value	965	-	-	965
Plant & equipment at fair value	901	-	-	901
Leasehold Improvements at fair value	839	-	-	839
Computer hardware at fair value	326	-	-	326

There have been no transfers between levels during the period.

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

There were no changes in valuation techniques throughout the period to 30 June 2022.

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

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

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

An independent valuation of the Nature Parks specialised land and specialised buildings was performed by the Valuer-General Victoria. The valuation was performed using the market approach adjusted for CSO. The effective date of the valuation is 30 June 2021.

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

An independent valuation of the Nature Parks car parks and boardwalks was performed by the Valuer General Victoria. The valuation was performed based on the depreciated replacement cost of the assets. The effective date of the valuation is 30 June 2021.

Reconciliation of Level 3 fair value movements

(\$ thousand)

2022	Specialised land	Specialised buildings	Boardwalks	Car parks	Motor vehicles	Furniture and fittings	Plant and equipment	Leasehold improvements	Computer hardware
Opening balance	58,946	75,619	1,746	1,468	220	965	901	839	326
Additions	-	124	36	-	211	16	128	-	273
Depreciation	-	(2,417)	(170)	(91)	(129)	(306)	(238)	(64)	(356)
Disposal	-	-	-	-	-	-	-	-	-
Subtotal	58,946	73,326	1,612	1,377	302	675	791	775	243
Revaluation	-	-	-	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-	-	-	-
Closing balance	58,946	73,326	1,612	1,377	302	675	791	775	243

2021	Specialised land	Specialised buildings	Boardwalks	Car parks	Motor vehicles	Furniture and fittings	Plant and equipment	Leasehold improvements	Computer hardware
Opening balance	69,094	75,884	1,608	1,294	358	1,238	952	903	487
Additions	-	21	48	-	15	55	229	-	81
Depreciation	-	(2,227)	(191)	(104)	(153)	(327)	(264)	(64)	(239)
Disposal	-	(80)	-	(13)	-	(1)	(16)	-	(3)
Subtotal	69,094	73,597	1,465	1,176	220	965	901	839	326
Revaluation	(10,148)	2,022	281	292	-	-	-	-	-
Subtotal	(10,148)	2,022	281	292	-	-	-	-	-
Closing balance	58,946	75,619	1,746	1,468	220	965	901	839	326

8 OTHER DISCLOSURES

Introduction

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

Structure

8.1	Ex gratia expenses	86
8.2	Reserves.....	86
8.3	Responsible persons	86
8.4	Remuneration of executives	86
8.5	Related parties.....	88
8.6	Remuneration of auditors.....	88
8.7	Subsequent events	88
8.8	Going Concern.....	88
8.9	Other accounting policies.....	89
8.10	Australian Accounting Standards issued that are not yet effective.....	89
8.11	Glossary of technical terms.....	90
8.12	Style conventions.....	94

8.1 Ex gratia expenses

Ex gratia expenses are the voluntary payments of money or other non-monetary benefit (e.g. a write off) that is not made either to acquire goods, services or other benefits for the entity or to meet a legal liability, or to settle or resolve a possible legal liability of or claim against the entity. The Nature Parks is not aware of any ex-gratia expenses at the time of finalising the annual report (2021: \$0)

8.2 Reserves

(\$ thousand)

	2022	2021
Physical asset revaluation surplus	\$	\$
Balance at beginning of financial year	60,172	67,818
Revaluation increments/(decrements)	-	(7,646)
Balance at end of financial year	60,172	60,172
Net changes in reserves	-	(7,646)

8.3 Responsible persons

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

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

Responsible Minister

Minister for Environment and Climate Action - Hon Lily D'Ambrosio MP 1 July 2020 to 30 June 2022

Accountable Officer

Catherine Basterfield, Chief Executive Officer 1 July 2020 to 30 June 2022

Board Members

- Kevin Love, Board Chair 1 July 2020 to 30 June 2022
- Dr Danielle Auldist, Board Member 1 July 2020 to 30 June 2022
- Jane Foley, Board Member 1 July 2020 to 30 June 2022
- Michaela Salvato, Board Member 1 July 2020 to 30 June 2022
- Jane Jobe, Board Member 1 July 2021 to 30 June 2022
- Dr Geoff Wescott, Board Member 1 July 2021 to 30 June 2022
- Patrice Mahoney, Board Member 1 July 2021 to 30 June 2022

Remuneration

Remuneration received or receivable by the Accountable Officer in connection with the management of the Nature Parks during the reporting period was in the range: \$260 000–269 999 (2021: \$260 000–269 999).

8.4 Remuneration of executives

Remuneration of executives

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

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

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

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

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

(\$ thousand)

Remuneration of executive officers	2022	2021
	\$	\$
Short-term employee benefits	908	895
Post-employment benefits	82	77
Other long-term benefits	20	21
Total remunerations^(a)	1,009	992
Total number of executives	6	6
Total annualised employee equivalents	6	6

8.5 Related parties

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

Related parties of the Nature Parks include:

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

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

Significant transactions with government-related entities

The Nature Parks received funding from the State of Victoria of \$1.5 million (2021: \$4.4M) as funding assistance as a result of declining revenues to support ongoing employment of operational costs of the Nature Parks. This was solely due to the COVID-19 pandemic and resulting impacts on revenue generating tourism attractions. The Nature Parks have received a funding commitment from the State of Victoria, Department of Jobs, Precincts and Regions of \$5.0M towards the development of the Penguin Parade boardwalks. \$1.0M received 2021-22, with the balance to be paid 2022-23 on completion of the development which has been treated as a contract liability (note 5.3). The Nature Parks has received a combined contribution from the Department of Environment, Land, Water and Planning \$211K towards animal and costal management initiatives. The Nature Parks has paid the Department of Environment, Land, Water and Planning a total of \$104K during the 2021-22 financial year representing \$75K return of undelivered grant funding, purchase of personal protective equipment and \$24K relating to costs for the asset valuation.

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

Remuneration of key management personnel

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

(\$ thousand)

Compensation of KMPs	2022	2021
	\$	\$
Short-term employee benefits	374	374
Post-employment benefits	36	34
Other long-term benefits	6	5
Total remunerations^(a)	416	413

Notes:

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

Transactions and balances with key management personnel and other related parties

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

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

The Nature Parks also has a related party relationship with the Penguin Foundation due to the Accountable Officer and Director of Research volunteering their time to hold Board positions with the Foundation.

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

8.6 Remuneration of auditors

(\$ thousand)

Remuneration of Auditors	2022	2021
	\$	\$
Victorian Auditor General's Office	21	21
Total remuneration of auditors	21	21

8.7 Subsequent events

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

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

The continuing uncertainty and challenges caused by the COVID-19 pandemic, including the likelihood of unplanned events, reduction in revenue earnings and the uncertain duration of the current environment have resulted in managerial assessment and forecasts as to the future business expectations. In July 2021, the Victorian State Government announced Stage 4 restrictions which were lifted that same month, but reinstated August 2021 and remained in place until October 2021. These restrictions contributed to revenue foregone and a slower recovery of commercial tourism operations. At the time of writing the impact of COVID-19 pandemic continues to impact the tourism industry, in particular international visitors, in addition to the Nature Parks reducing the attraction opening days as a result of the continuing impacts of COVID-19. The immediate impacts of these is not reasonably measurable.

It has been necessary throughout the pandemic for the Nature Parks to make managerial estimates and forecasts as to the likelihood of returning visitors, revenue and expenditures. It is anticipated that revenue earnings will be significantly lower in 2022-23 due to travel restrictions, economic climate and consumer confidence and sentiment. The impact of the pandemic is expected to have a substantial impact on revenue.

8.8 Going Concern

Operations of the Nature Parks was impacted due to disruptions caused by COVID-19 casting significant uncertainty on the entities financial ability to continue to deliver services.

The Nature Parks continues to monitor the financial and non-financial impacts of COVID-19 on its operations and cashflow and has put in place appropriate mitigation strategies such as reducing all non-critical expenditure and committing to the retention and deployment of tourism staff into conservation, land management, research and business services within the business and broader public sector. However, due to the continuing nature of this event and the material uncertainty that exists, it is not possible to quantify the full economic impact at present. To mitigate this risk, the Department of Environment, Land, Water and Planning has provided a Letter of Comfort to the Nature Parks, to provide a level of assurance that financial assistance will be made available for the entity to continue as a going concern. The Nature Parks is working closely with the Department of Environment, Land, Water and Planning to ensure that an appropriate funding model is developed to continue its operations.

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

- Minimising non-essential operating expenditure while maintaining core activities as required;
- Complying with current and future workforce management policies as determined by government;
- Drawing down on existing fund sources (unless their use is restricted, tied or committed to Phillip Island Nature Parks activities, projects or capital expenditure); and
- Providing cash flow forecasts and other information to support the application of these conditions and any funding requests to the Department of Environment, Land, Water and Planning (DELWP) and the Department of Treasury and Finance.

8.9 Other accounting policies

Contributions by owners

(\$ thousand)

	2022	2021
Contribution by owners	\$	\$
Balance at beginning of financial year	77,993	77,993
Capital contribution by State	-	-
Balance at end of financial year	77,993	77,993

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

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

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

8.10 Australian Accounting Standards issued that are not yet effective

Certain new and revised accounting standards have been issued but are not effective for the 2021-22 reporting period, which may result in potential impacts on public sector reporting for future reporting periods.

- *AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current*

This Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. It initially applied to annual reporting periods beginning on or after 1 January 2022 with earlier application permitted however the AASB has recently issued *AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date* to defer the application by one year to periods beginning on or after 1 January 2023. The Nature Parks will not early adopt the Standard.

The Nature Parks is in the process of analysing the impacts of this Standard. However, it is not anticipated to have a material impact.

Several other amending standards and AASB interpretations have been issued that apply to future reporting periods but are considered to have limited impact on the Nature Parks reporting.

- *AASB 17 Insurance Contracts.*
- *AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments.*
- *AASB 2020-2 Amendments to Australian Accounting Standards – Removal of Special Purpose Financial Statements for Certain For-Profit Private Sector Entities.*
- *AASB 2021-5 Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction.*
- *AASB 2021-6 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards.*
- *AASB 2020-7 Amendments to Australian Accounting Standards – Covid-19-Rent Related Concessions: Tier 2 Disclosures.*

8.11 Glossary of technical terms

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Financial asset is any asset that is:

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

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

Financial liability is any liability that is:

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

Financial statements in the Model report comprises:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

8.12 Style conventions

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

The notation used in the tables is as follows:

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

The financial statements and notes are presented based on the illustration for a government department in the *2020-21 Model Report for Victorian Government Departments*. The presentation of other disclosures is generally consistent with the other disclosures made in earlier publications of the Nature Parks annual reports.

Appendices



Disclosure index

Phillip Island Nature Parks' Annual Report 2021-22 is prepared in accordance with all relevant Victorian legislations and pronouncements. This index has been prepared to facilitate identification of the Nature Park's compliance with statutory disclosure requirements.

Legislation	Requirement	Page no.
STANDING DIRECTIONS AND FINANCIAL REPORTING DIRECTIONS		
REPORT OF OPERATIONS		
Charter and purpose		
MRO	Vision, Mission, Values	5
FRD 22I	Manner of establishment and the relevant Ministers	36 and 86
FRD 22I	Purpose, functions, powers and duties	36
FRD 8D	Departmental objectives, indicators and outputs	6-7
FRD 22I	Key initiatives and projects	8-9
FRD 22I	Nature and range of services provided	3
Management and structure		
FRD 22I	Organisational structure	34
Financial and other information		
FRD 22I and FRD 27C	Performance against output performance measures	6-7 and 10-35
FRD 8D	Budget portfolio outcomes	12-13
FRD 10A	Disclosure index	96
FRD 12B	Disclosure of major contracts	41
FRD 15E	Executive officer disclosures	40 and 86
FRD 22I	Employment and conduct principles	40
FRD 22I	Occupational health and safety policy	33
FRD 22I and FRD 27C	Summary of the financial results for the year	13
FRD 22I and FRD 27C	Significant changes in financial position during the year	13
FRD 22I	Five-year financial summary	13
FRD 22I	Major changes or factors affecting performance	12-13
MRO	Capital Projects	24
MRO	Disclosure of grants and transfer payments	56
FRD 22I	Subsequent events	88
FRD 22I	Application and operation of <i>Freedom of Information Act 1982</i>	41
FRD 22I	Compliance with building and maintenance provisions of <i>Building Act 1993</i>	41
FRD 22I	Statement on National Competition Policy	41
FRD 22I	Competitive Neutrality Policy page	41
FRD 22I	Application and operation of the <i>Public Interest Disclosures Act 2012</i>	42
FRD 22I	Details of consultancies over \$10 000	40
FRD 22I	Details of consultancies under \$10 000	40
FRD 22I	Disclosure of government advertising expenditure	40
FRD 22I	Disclosure of ICT expenditure	41
FRD 22I	Statement of availability of other information	42
FRD 24D	Reporting of office-based environmental impacts	22
FRD 25D	Local Jobs First	40
FRD 22I and FRD 29C	Workforce Data disclosures	35
SPF	SPF Reporting Guidelines - Social Procurement Framework	40
FRD 22I	Asset Management Accountability Framework (AMAF) maturity assessment	42
SD 5.2	Specific requirements under Standing Direction 5.2	-
Compliance attestation and declaration		
SD 5.4.1	Attestation for compliance with Ministerial Standing Direction	40
SD 5.2.3	Declaration in report of operations	7
FINANCIAL STATEMENTS		
Declaration		
SD 5.2.2	Declaration in financial statements	46
Other requirements under Standing Directions 5.2		
SD 5.2.1(a)	Compliance with Australian accounting standards and other authoritative pronouncements	46
SD 5.2.1(a)	Compliance with Standing Directions	46
SD 5.2.1(b)	Compliance with Model Financial Report	46
Other disclosures as required by FRDs in notes to the financial statements (a)		
FRD 9B	Departmental Disclosure of Administered Assets and Liabilities by Activity	63
FRD 11A	Disclosure of Ex gratia Expenses	86
FRD 13	Disclosure of Parliamentary Appropriations	89
FRD 21C	Disclosures of Responsible Persons, Executive Officers and other Personnel (Contractors with Significant Management Responsibilities) in the Financial Report	40 and 86
FRD 103H	Non-Financial Physical Assets	63
FRD 110A	Cash Flow Statements	51
FRD 112D	Defined Benefit Superannuation Obligations	60-61
FRD 114C	Financial Instruments - general government entities and public non-financial corporations	77
<i>Note:</i>		
(a) References to FRDs have been removed from the Disclosure Index if the specific FRDs do not contain requirements that are in the nature of disclosure.		
Legislation		
	<i>Freedom of Information Act 1982</i>	41
	<i>Building Act 1993</i>	41
	<i>Public Interest Disclosures Act 2012</i>	42
	<i>Disability Act 2006</i>	42
	<i>Local Jobs First Act 2003</i>	41
	<i>Financial Management Act 1994</i>	40

Publications 2021-22

The Nature Parks' research scientists contribute to global studies in large collaboration initiatives, attracting collaborators and students from all continents. In 2021-22, the team mentored one post doctoral researcher, 12 PhD candidates, three Masters candidates and three Honours students and celebrated the publication of over 20 scientific publications in peer reviewed journals. A full listing of publications and theses completed can be found at www.penguins.org.au/conservation/research/publications

Nature Parks staff in bold

2022

Fulham, M., McDougall, F., Power, M., **McIntosh R.R.** and Gray, R. (2022). Carriage of antibiotic resistant bacteria in endangered and declining Australian pinniped pups. *PLoS ONE* 17(1):e0258978.

Gardner B.R., Stenos J., Hufschmid J., Arnould J.P.Y., **McIntosh R.R.**, Tadeballi M., Tolpinrud A., Marena M., Lynch M. and Stent A. (2022) An Old Pathogen in a New Environment—Implications of *Coxiella burnetii* in Australian Fur Seals (*Arctocephalus pusillus doriferus*). *Frontiers in Marine Science*. 9:809075.

Gao, J., Kennedy D. M., Konlechner T. M., McSweeney S., **Chiaradia A.** and McGuirk M. (2022). Changes in the vegetation cover of transgressive dune fields: A case study in Cape Woolamai, Victoria. *Earth Surface Processes and Landforms* 47(3): 778-792.

Goldsworthy, S. D., Page, B., Hamer, D. J., Lowther, A. D., Shaughnessy, P. D., Hindell, M., Burch, P., Costa, D. P., Fowler, S. L., Peters, K., **McIntosh, R. R.** et al. (2022). Assessment of Australian sea lion bycatch mortality in a gillnet fishery, and implementation and evaluation of an effective mitigation strategy. *Frontiers in Marine Science*. 9:799102.

Joly, N. B., **Chiaradia A.**, Georges J. Y. and Saraux C. (2022). Environmental effects on foraging performance in little penguins: a matter of phenology and short-term variability. *Marine Ecology Progress Series* 692: 151-168.

Kusmanoff, A. M., **McIntosh R.R.**, Boag S. and Bekessy S. A. (2022). 'Bins on Boats', a behaviourally-based intervention to curb marine pollution in Bass Strait, Australia. *Conservation Science and Practice*: e12659.

Lewis, P. J., Lashko A., **Chiaradia A.**, Allinson G., Shimeta J. and Emmerson L. (2022). New and legacy persistent organic pollutants (POPs) in breeding seabirds from the East Antarctic. *Environmental Pollution* 309: 119734.

McIntosh R.R., Sorrell K.J., Thalmann S., Mitchell A., Gray R., **Schinagl H.**, et al. (2022) Sustained reduction in numbers of Australian fur seal pups: Implications for future population monitoring. *PLoS ONE* 17(3): e0265610.

Pirotta, V., **McIntosh R.R.**, Gray R., Marsh H. and Lynch M. (2022). Marine Mammals. *Wildlife Research in Australia. Practical and Applied Methods*. B. Smith, H. Waudby, C. Alberthsen and J. Hampton, CSIRO Publishing: 465-477.

Reinhold, S. L., Goldsworthy S. D. G., Arnould J. P. Y., Gillanders B. M., Connell S. and **McIntosh R.R.** (2022). Tracing seal predation back to the source colony of their penguin prey: a trace element and stable isotope analysis. *Frontiers in Marine Science* 9: 813106.

Rendall, A.R., **Sutherland, D.R.**, Cooke, R. and White J.G. (2022). Does the foraging ecology of feral cats change after the eradication of foxes?. *Biol Invasions*: 10.1007/s10530-021-02718-x.

Saraux, C. and **Chiaradia, A.** (2022). Age-related breeding success in little penguins: a result of selection and ontogenetic changes in foraging and phenology. *Ecological Monographs* 92(1):e01495.

2021

Amélineau, F., Saraux C., Ropert-Coudert Y., Kato A., Hobson K. A., Raymond B., Zimmer I. and **Chiaradia A.** (2021). Intra- and inter-individual changes in little penguin diving and isotopic composition over the breeding season. *Marine Biology* 168(5): 62.

Barreau E., Kato A., **Chiaradia A.**, Ropert-Coudert Y. (2021). The consequences of chaos: Foraging activity of a marine predator remains impacted several days after the end of a storm. *PLoS ONE* 16(7): e0254269

Fischer, M., Stillfried, M., Coulson, G., **Sutherland, D.R.**, Kramer-Schadt, S. and Di Stefano, J. (2021). Spatial and temporal responses of swamp wallabies to roads in a human-modified landscape. *Wildlife Biology* 2021. DOI: wlb.00691

Kirkwood, R.J., and **R.R. McIntosh**. 2021. Australian Fur Seal: Adapting to Coexist in a Shared Ecosystem. Pages 585-619 in C. Campagna and R. Harcourt, editors. *Ethology and Behavioral Ecology of Otariids and the Odobenid*. Springer Nature Switzerland.

Publications 2021-22 continued

- Lees, D., Cardilini, A., Sherman, C., **Dann, P.** and Weston, M. (2021). Adult capture on the nest does not affect hatching success of Masked Lapwing *Vanellus miles* eggs on a fox-free island. *Wildlife Research* 48: 361-365.
- Lundbäck, I. C., McDougall, F., **Dann, P.**, Slip, D., Gray, R. and Power, M. L. (2021). Into the sea: antimicrobial resistance determinants in the microbiota of little penguins (*Eudyptula minor*). *Infection, Genetics and Evolution* 88:104697.
- McGuirk, M. T., D. M. Kennedy, T. Konlechner and **A. Chiaradia** (2021). Quantifying Changes in Surface Elevation in Conjunction with Growth Characteristics of Incipient and Foredune Vegetation. *Journal of Coastal Research* 37(1): 216-224.
- McIntosh, R. R.**, and B. J. Pitcher. 2021. The Enigmatic Life History of the Australian Sea Lion. Pages 557-585 in C. Campagna and R. Harcourt, editors. *Ethology and Behavioral Ecology of Otariids and the Odobenid*. Springer Nature Switzerland.
- Ramírez, F., **Chiaradia A.**, O'Leary D. A. and Reina R. D. (2021). Making the most of the old age: Autumn breeding as an extra reproductive investment in older seabirds. *Ecology and Evolution*. 11, Issue 10, 5393-5401
- Rendall AR, **Sutherland DR**, Baker CM, Raymond B, Cooke R, White JG. (2021). Managing ecosystems in a sea of uncertainty: invasive species management and assisted colonizations. *Ecological Applications* 31:e02306. DOI: 10.1002/eap.2306.
- Rendall, A. R., Webb, V., **Sutherland, D. R.**, White, J. G., Renwick, L., and Cooke, R. (2021). Where wildlife and traffic collide: Roadkill rates change through time in a wildlife-tourism hotspot. *Global Ecology and Conservation* 27, e01530.
- Sydeaman, W. J., D. S. Schoeman, S. A. Thompson, B. A. Hoover, M. García-Reyes, F. Daunt, P. Agnew, T. Anker-Nilssen, C. Barbraud, R. Barrett, P. H. Becker, E. Bell, P. D. Boersma, S. Bouwhuis, B. Cannell, R. J. M. Crawford, **P. Dann**, K. Delord, G. Elliott, K. E. Erikstad, E. Flint, R. W. Furness, M. P. Harris, S. Hatch, K. Hilwig, J. T. Hinke, J. Jahncke, J. A. Mills, T. K. Reiertsen, H. Renner, R. B. Sherley, C. Surman, G. Taylor, J. A. Thayer, P. N. Trathan, E. Velarde, K. Walker, S. Wanless, P. Warzybok and Y. Watanuki (2021). Hemispheric asymmetry in ocean change and the productivity of ecosystem sentinels. *Science* 372(6545): 980-983.
- Tan LXL, van Dongen WFD, Sherman CDH, Ekanayake KB, **Dann P**, Sutherland DR, Weston MA. (2021). Transmission of a novel predatory behaviour is not restricted to kin. *Biological Invasions*: 23: 2473-2484.
- Taylor, R., Coetsee, A. L., Doyle, R. E., **Sutherland, D. R.**, and Parrott, M. L. (2021). Sniffing out danger: rapid antipredator training of an endangered marsupial. *Australian mammalogy*. doi: 10.1071/am20048.
- Taylor, S., Terkildsen M., Stevenson G., de Araujo J., Yu C., Yates A., **McIntosh R.R.** and Gray R. (2021). Per and polyfluoroalkyl substances (PFAS) at high concentrations in neonatal Australian pinnipeds. *Science of The Total Environment* 786: 147446.

Thank you

For over 25 years, the Nature Parks' achievements have been a tribute to the generous and loyal support of our supporters, community and colleagues. We are indebted to our many volunteers who dedicate their time and efforts.

Particular thanks go to the following organisations and volunteer groups for their exceptional support in 2021-22:

Our community

Barb Martin Bushbank
Bass Coast Specialist School
Better Beef Group – Phillip Island
BirdLife Australia
BirdLife Bass Coast
Boomerang Bags
Friends of Churchill Island Society Inc.
Friends of Scenic Estate Reserve
Hooded Plover Watch
Local landholders
Local schools
Newhaven Coast Care
Penguin Foundation
Phillip Island and District Historical Society
Phillip Island Boardriders Club
Phillip Island Conservation Society
Phillip Island Integrated Transport Study Group
Phillip Island Landcare Group
Phillip Island National Surfing Reserve Community Working Group
Phillip Island Nature Parks volunteers
Phillip Island Progress Association
Preserve Westernport Action Group
Rhyll Coast Action
San Remo Traders and Business Association
Smith's Beachcombers Association
Surf Beach Sunderland Bay Coast Care Group
Ventnor Coast Care Association
Victorian Wader Study Group Inc.
Wildlife foster carers and shelter operators
Woolamai Beach Surf Life Saving Club

Our partners

Bass Coast Health
Bass Coast Landcare Network
Bass Coast Reconciliation Network
Bass Coast Shire Council
Bass Coast South Gippsland Reconciliation Group
Bunurong Land Council Aboriginal Corporation
Country Fire Authority (CFA)
Delaware North
Destination Gippsland
Destination Phillip Island
Melbourne Water
Newhaven, Wonthaggi and Cowes Veterinary Clinics
Phillip Island Business Network
Port Phillip and Westernport Catchment Management Authority (until 31/12/2021)
South Gippsland Bass Coast Local Learning Network
State Emergency Services (Cowes)
The many Phillip Island businesses that partner with us to deliver positive experiences for our visitors
Tourism Australia
Victorian Tourism Industry Council
Visit Victoria
Westernport Water
Wildlife Coast Cruises
Wildlife Victoria
WWF Australia
Yowengarra Bun Wurrung Balug Clans Aboriginal Corporation
Zoos Victoria

Thank you

Our collaborating organisations

Australian Academy of Science
Australian Antarctic Division
Australian Geographic
Birdlife Australia
Centre d'Etudes Biologiques de Chizé (France)
CESAR
Chisholm Institute
Conservation Planning Specialist Group (CPSG) Australasia
Conservation Volunteers Australia
CSIRO
Deakin University
Disney Foundation
Ecological Horizons
Ecotourism Australia
Estacion Ecologica de Doñana (Spain)
Federation University
Flinders University
Greening Australia
Heritage Victoria
Institut Pluridisciplinaire Hubert Curien (France)
Institut de Ciencias del Mar (Spain)
Juro Pty Ltd
IUCN Penguin Specialist Group
La Trobe University
Kids Teaching Kids Program
Melbourne Water
Macquarie University
Marie Curie Award, European Union
Melbourne Convention Bureau
Monash University
Moonlit Sanctuary
Museum Victoria
National Trust of Australia (Victoria)
National Centre for Coasts and Climate

Netherlands Institute of Ecology
Office of the Threatened Species Commissioner
Parks Victoria
Pinniped Entanglement Group
Port Phillip and Western Port Catchment Management Authority
Victorian Ornithological Research Group Inc.
Reconciliation Australia
Regional Roads Victoria
RMIT University
RF McLaughlin
RSPCA
Royal Botanic Gardens
Savannah Guides
Sheppard Associates
South Australian Research and Development Institute
South East Trawl Fishing Industry Association
Surfing Victoria
Sustainability Victoria
The Andrews Foundation
The University of Melbourne
Tiverton Rothwell Partnering (new name for Mount Rothwell)
Trust for Nature
Tourism Australia
Universidad de Barcelona (Spain)
Universite de Strasbourg (France)
University of Adelaide
University of Otago
University of Paris Sud (France)
University of Queensland
University of Sydney
University of Tasmania
University of Western Australia
Victoria University

Major supporters

Bank of Melbourne
Department of Economic Development, Jobs, Transport and Resources (Regional Development Victoria)
Department of Education and Training (Victoria)
Department of Environment, Land, Water and Planning
Google
Helen McPherson Smith Trust
Penguin Foundation
RACV
Visit Victoria
WWF Australia

Our vision

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



Gold Winner
2021 VICTORIAN
TOURISM AWARDS



Bronze Winner
2021 VICTORIAN
TOURISM AWARDS

Little Wonders
PENGUIN
PARADE



Antarctic Journey
NOBBIES OCEAN
DISCOVERY



Time Unwinds
CHURCHILL
ISLAND



Bushland Escape
KOALA CONSERVATION
RESERVE



Phillip Island
**NATURE
PARKS**

PO Box 97 Cowes, Victoria 3922 Australia
T +61 3 5951 2800
E info@penguins.org.au

Phillip Island Nature Parks
Annual Report 2021-22 is available online
www.penguins.org.au
#PhillipislandNP

