

# ANNUAL REPORT 2023-24



*Phillip Island*  
**NATURE  
PARKS**

[penguins.org.au](http://penguins.org.au)





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

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

Front cover: detail by Lenna Scholtmeyer, Bunurong artist, from the Yarning Circle project at the Koala Conservation Reserve.

This page: Possum cloak.





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# About us

## Our business

**Phillip Island Nature Parks (the Nature Parks) is a unique conservation organisation that stands at the forefront of nature-based tourism experiences in Australia. Revenue raised through ecotourism is invested into research-led conservation and land management.**

The Nature Parks was created by the Victorian Government in 1996 to conserve areas of natural interest or beauty, or of scientific, historic or archaeological interest. This unique environment is part of the UNESCO Western Port Biosphere Reserve, and the northern coastline is a Ramsar-listed wetland of international importance.

We are immensely privileged to manage land on Phillip Island (Morrow), which forms part of the traditional lands of the Bunurong. We are deeply committed to reconciliation and recognise the land, waters and sea are of profound spiritual, cultural and economic importance to Aboriginal and Torres Strait Islander peoples.

Over the years, our dedication to pest management and biodiversity recovery has helped wildlife to flourish. Through the restoration of the Summerland Peninsula and eradication of foxes, we have secured vital habitat for little penguins, Eastern barred bandicoots and seabirds, strengthening our role as an island haven, and creating exceptional visitor experiences.

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

Our innovative research is the foundation from which our conservation and education programs are designed, echoing important conservation messages with our visitors, and fostering a deeper understanding of the significance of global issues like climate change and biodiversity loss.

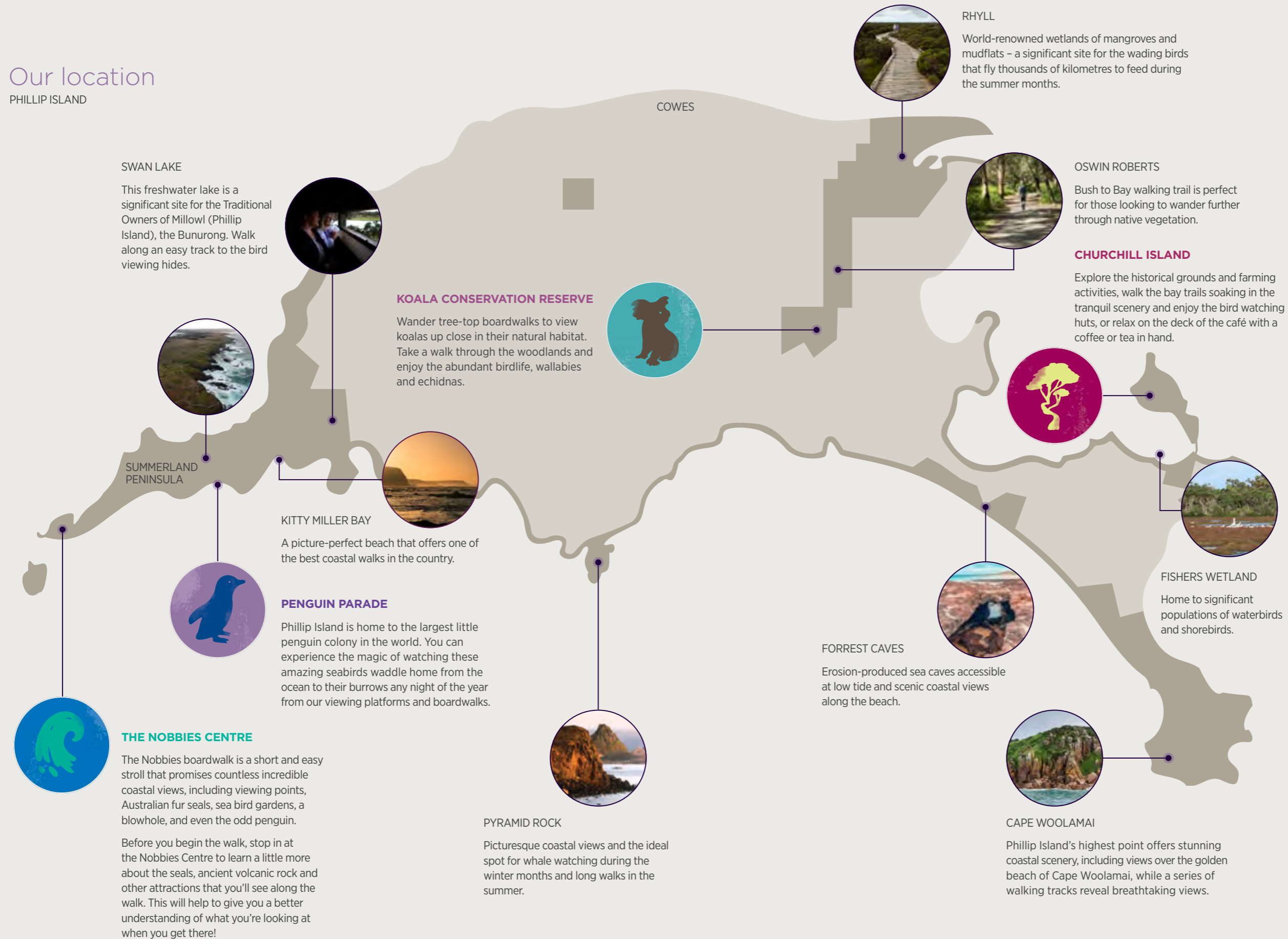
We are excited to continue our journey, as we harmonise conservation and ecotourism, making a positive impact on both the environment and the lives of those who explore its beauty. Together, we are shaping a sustainable future for Phillip Island (Morrow) including its environment, its wildlife and its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

Eastern barred bandicoot health check.



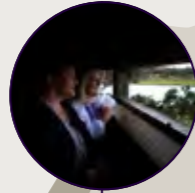
## Our location

PHILLIP ISLAND



### SWAN LAKE

This freshwater lake is a significant site for the Traditional Owners of Millowl (Phillip Island), the Bunurong. Walk along an easy track to the bird viewing hides.

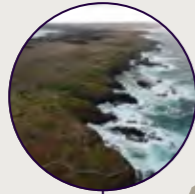


### KOALA CONSERVATION RESERVE

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



### SUMMERLAND PENINSULA



### KITTY MILLER BAY

A picture-perfect beach that offers one of the best coastal walks in the country.



### PENGUIN PARADE

Phillip Island is home to the largest little penguin colony in the world. You can experience the magic of watching these amazing seabirds waddle home from the ocean to their burrows any night of the year from our viewing platforms and boardwalks.



### THE NOBBIES CENTRE

The Nobbies boardwalk is a short and easy stroll that promises countless incredible coastal views, including viewing points, Australian fur seals, sea bird gardens, a blowhole, and even the odd penguin.

Before you begin the walk, stop in at the Nobbies Centre to learn a little more about the seals, ancient volcanic rock and other attractions that you'll see along the walk. This will help to give you a better understanding of what you're looking at when you get there!



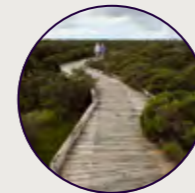
### PYRAMID ROCK

Picturesque coastal views and the ideal spot for whale watching during the winter months and long walks in the summer.



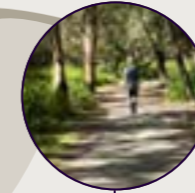
### RHYLL

World-renowned wetlands of mangroves and mudflats – a significant site for the wading birds that fly thousands of kilometres to feed during the summer months.



### OSWIN ROBERTS

Bush to Bay walking trail is perfect for those looking to wander further through native vegetation.



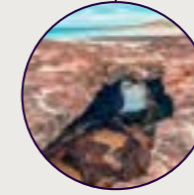
### CHURCHILL ISLAND

Explore the historical grounds and farming activities, walk the bay trails soaking in the tranquil scenery and enjoy the bird watching huts, or relax on the deck of the café with a coffee or tea in hand.



### FORREST CAVES

Erosion-produced sea caves accessible at low tide and scenic coastal views along the beach.



### CAPE WOOLAMAI

Phillip Island's highest point offers stunning coastal scenery, including views over the golden beach of Cape Woolamai, while a series of walking tracks reveal breathtaking views.



### FISHERS WETLAND

Home to significant populations of waterbirds and shorebirds.



This is why we are here

## Our purpose

To protect nature for wildlife and inspire people to act.



This is what we want to be

## Our vision

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



## Our values

- Nature conservation is paramount
- Engaging experiences
- Future-focused
- Delivering outcomes together



## Our key programs



This year, we continued progressing activities and programs to deliver priority initiatives in our *Future Directions Summary 2022-2024*. Our key strategies comprised the following:

- Deliver high priorities from the *5-Year Conservation Plan* and *30-Year Conservation Vision*
- New products for new and future markets
- A new approach to marketing and sales
- Identify alternative funding sources
- Business improvement
- Foster a safe and inclusive culture
- Community connection on Millowl





Visitors enjoying the Koala Conservation Reserve trails.

## Chair and CEO report

**This year, we were delighted to see domestic visitors continuing to holiday locally and support our attractions, while international visitors returned in strong numbers, far exceeding performance expectations.**

We saw strong visitor numbers from the start of the year leading up to a record run of almost three weeks of sell-out nights for Victoria's much-loved Penguin Parade over summer – our strongest summer season in years. The little wonders that waddle ashore each sunset won us the silver award in the Major Tourist Attractions Category at the prestigious Victorian Tourism Awards. The award recognises our unique ability to combine first class ecotourism with successful conservation thanks to the tireless efforts of our entire team. Churchill Island hosted a sold-out Ocean Sounds festival in January to a crowd of 5,000 and held a new Bandicoot Discovery Tour over five nights in March. Meanwhile, the Koala Conservation Reserve was teeming with overseas visitors who were excited to see three koala joeys – our first koala 'baby boom' in 13 years.

In January, we bid farewell to the Antarctic Journey attraction at the Nobbies Centre due to recurring technical issues. Since 2015, the Antarctic Journey has taken many visitors on an interactive educational journey through the great Southern Ocean.

Overall, we provided memorable experiences for over one million paying visitors at our attractions, an 18% increase from the previous year. The Victorian State Government continued to support us to pursue our vision for Phillip Island (Morrowl) to become a place where conservation and ecotourism excellence inspire people to actively protect the environment.

This year, the Victorian State Government provided \$8.0 million in support for the replacement of critical infrastructure, which will help ensure that services at the Penguin Parade, the Nobbies and other reserve locations can continue without interruption.

Conservation remains at the heart of our organisation. We continued to invest and innovate in conservation, while connecting with our community. We continued to maintain reserves and beaches, providing more recreational opportunities for our community and visitors. We invested \$4.6 million into land management, conservation and research activities, partially funded by \$0.6 million in grants from government bodies and other organisations.

Our leadership team and the Board revised our business plan to adapt to the new and changing environment, with a greater focus on critical asset renewal, workforce development and business system improvements. During the year, we restructured our organisation to better achieve our conservation vision, support growth across the organisation and ensure we could resource our revised plan. We have achieved efficiencies through our streamlined operations and are well positioned to scale up resources as we continue to grow.

We began building the first phase of the 'Penguin Parade Boardwalks and Viewing Stands Redevelopment' project thanks to a \$5.0 million Victorian State Government grant. This is a big milestone in delivering our long-term vision to create a holistic 'Summerland Wildlife Experience' to immerse visitors in nature across the unique Peninsula. The future stages needed to fully refresh and replace the Penguin Parade boardwalks and stands remain a very high priority.

Our *Threatened Species Report 2023* celebrated collaborative efforts between the Nature Parks, the Bunurong Land Council Aboriginal Corporation, the community, our key partners, and expert researchers in successfully achieving outstanding results for threatened flora and fauna on Phillip Island (Morrowl) and for Victoria. Highlights included signing a memorandum of understanding with Odonata to recover bush stone-curlew in south-eastern Victoria and the increase in Eastern barred bandicoots since their initial release on Phillip Island (Morrowl) seven years ago.

Phillip Island's (Morrowl's) little penguins continue to thrive despite facing some setbacks early in the breeding season, with the population now estimated at 37,000 across the Summerland Peninsula. The colony will benefit for decades to come with significant progress made to protect the peninsula from the threats of bushfire and heatwaves through the 'Future-Proofing Little Penguins' project, thanks to funding from the Victorian State Government, the Penguin Foundation and National Australia Bank (NAB).

Much of the conservation work we do can only be achieved with the ongoing support of our whole community. This year, the 'Sharing our Shores' campaign, delivered in partnership with Bass Coast Shire Council to raise awareness about better protecting nesting shorebirds, was deemed a success, with support for the cause and compliance on beaches demonstrated in the peak period. We also saw a further 14 businesses join the 'Dark Sky so Shearwaters Fly' campaign to help ensure a safe start to the migration of the short-tailed shearwaters. Awareness and support are continuing for these critical conservation programs, and we are thrilled by the collective action demonstrated by our community.

The Nature Parks acknowledges the Traditional Owners of Phillip Island (Morrowl), the Bunurong. We are committed to working together for reconciliation and healing as part of our daily business. Staff and leaders attended cultural awareness and cultural safety training, and we continued to consult on the actions and deliverables in our fourth *Reconciliation Action Plan (Stretch)* for 2024–26. Together, we worked towards initiatives such as the 'Yarning Circle' project and celebrated several reconciliation events in collaboration with the Bass Coast Reconciliation Network.

We are extremely grateful for the ongoing support of the local Phillip Island (Morrowl) community and a huge contingent of valued stakeholders. Advisory committees continued to meet throughout the year to guide our approach to many of our operations and initiatives, while helping us to better represent stakeholder sentiments.

As always, our vast achievements rely on the hard work and dedication of every person on our team. We are proud to be supported by dedicated staff, volunteers, contractors, partner organisations and community groups, who each play a role in the success of the Nature Parks. We thank them for their passion and output.

We are grateful to the Department of Energy, Environment and Climate Action (DEECA) for its steadfast support and advice on financial, environmental and land management issues. This important relationship for the Nature Parks remains strong.

We acknowledge the dedication and commitment of board members who have provided diligent guidance and counsel throughout the year.

In accordance with the *Financial Management Act 1994*, we are pleased to present the Phillip Island Nature Parks Annual Report for the year ending 30 June 2024.

*Kevin Love*

Kevin Love  
Board Chair

*Catherine Basterfield*

Catherine Basterfield  
Chief Executive Officer









# Conservation

We are proud to continue a long legacy of research-led conservation programs which are made possible by our many collaborators and partners. We are grateful for our strong partnerships with government agencies, key partner organisations, corporate sponsors and the Penguin Foundation for their contributions to our conservation and research.

## KEY ACHIEVEMENTS

The endangered **Eastern barred bandicoot continues to thrive** with ongoing growth in numbers on the island, since the initial release of the species on Phillip Island (Mallowl) seven years ago.

Efforts to **future-proof little penguin habitat** continue to progress (see 'Future-Proofing Little Penguins' on page 21).

A **sailing drone** spent its first season **monitoring marine waters** for fish availability, temperature and other environmental conditions that influence penguin feeding patterns.

Veterinary scientists from the University of Melbourne released ***A Disease Risk Assessment for Little Penguins***, setting future directions for managing disease risks in our little penguin population.

The Nature Parks benefited from external **in-kind contributions** for 2023–24, through postdoctoral fellowships and student contributions.

We celebrated the publication of over **14 scientific publications**, including book chapters and articles in peer-reviewed journals and supervised three postdoctoral fellows, 14 PhD candidates, one master's student, four honours students and 18 research students.

Penguins waddling to their burrows.



# Wildlife

## Little penguins

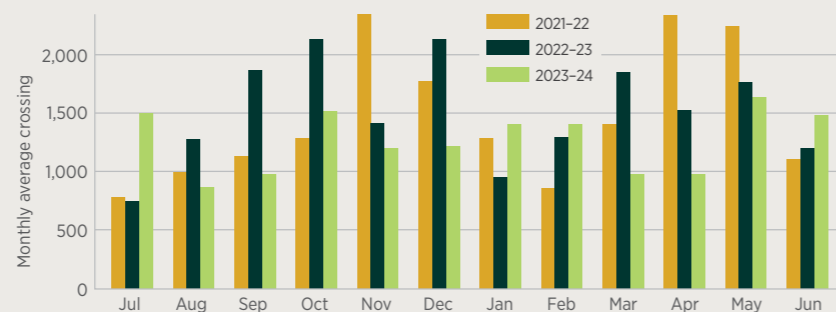
In 2023–24, we saw an unprecedented surge in ocean temperature and a strong El Niño event impacting global weather. The little penguin breeding season saw challenges like irregular parental care and extended foraging trips, causing food shortages and elevated chick mortality. Despite these setbacks, the resilient little penguins were able to boost the fledgling success of the season with a rare second clutch (breeding twice in one season).

The little penguins averaged one chick per breeding pair and average penguin weight exceeded long-term averages. Understanding the little penguin's lifecycle highlights the critical role of continuous monitoring and data collection in guiding conservation efforts and safeguarding the species for the future.

A nightly average of 1,379 little penguins crossed the beach at the Penguin Parade in 2023–24. This is 5.87% lower than the number of 1,465 penguins per night in 2022–23 (Figure 1).

Penguin monitoring showed that penguins travelled even further than in previous years. One penguin was recorded passing by Wilsons Promontory – the longest trip we've recorded to date during a breeding season.

Figure 1: The average number of penguins crossing the Penguin Parade beach each month



**1,379**  
nightly average of little penguins crossing the beach



**1,181g**  
above average weight



**1.0**  
chick per pair fledged on average



An up-close view from the premium Underground Viewing space at the Parade.

## Penguin research projects in 2023–24

Our Research team continued to study the lifecycle of little penguins and the impacts of climate change while also contributing to global penguin conservation efforts.

### Sailing drone endures challenging conditions to complete its first season

Our sailing drone completed its first season, clocking up 3,000 km during 35 trips along the Bunurong coast and collecting 1.5 TB of data on the food supply of little penguins. The Victorian Fisheries Authority played a pivotal role, helping us with several deployments and retrievals without payment. The data is now ready to be analysed in a collaborative effort between echosounder analysis experts from France, Sweden and Monaco.

### Penguin research projects snapshot

Our sailing drone travelled **3,000 kilometres** during **35** trips along the Bunurong coast

### Penguin resilience at navigating anthropause

We analysed 11 breeding seasons of little penguins to see if reduced human activity (anthropause) during COVID-19 restrictions affected the penguins. Surprisingly, short-term anthropause had minimal impact, but increased marine traffic (unrelated to COVID) negatively impacts foraging efficiency. The long-term data shows the resilience of penguins to pandemic-related disruptions, emphasising the greater influence of environmental changes on their behaviour.

### Understanding climate and human stressors on global penguin hotspots

This international collaboration assessed global threat impacts by combining penguin occurrence data with climate-driven changes, industrial fisheries and human disturbances.

The areas with the greatest impacts on penguins are the coast of Peru, the Patagonian Shelf, the Benguela region, and the coasts of Australia and New Zealand. Some of these pressures can be offset by local conservation efforts, such as those at Phillip Island (Millow), where we have the largest colony of little penguins in the world.

### Showcasing research at the International Penguin Conference

We showcased research papers on little penguins and their survival in changing environmental conditions at the 11<sup>th</sup> International Penguin Conference in Chile in September 2023. Topics covered factors affecting penguins, new techniques for studying their behaviour, and promoting global conservation efforts in the face of climate change and human impacts.

We collected **1.5 TB** of data on the food supply of little penguins

We analysed **11** breeding seasons to see if reduced human activity (anthropause) during COVID-19 restrictions affected the penguins



## Koalas

Sixteen koalas reside at the Koala Conservation Reserve, including three joeys born this year. We also provided critical care for two koalas from Healesville Sanctuary, one of which was successfully released.

Six of our intensive care enclosures were updated with new infrastructure to support the rehabilitation of sick, injured and critically ill koalas under the 'koala intensive care unit refurbishment' project, funded by the Penguin Foundation.



**3** new joeys over the past year



**16** koalas reside at the Koala Conservation Reserve



**6** intensive care enclosures were updated with new infrastructure



The Nature Parks ranger and Parks Victoria ranger collecting crimson berry seeds at Wilsons Promontory.

## Threatened species

With the eradication of foxes, Phillip Island (Millowl) has become an island haven for threatened species. A big part of our role is to research, monitor and implement strategies that will allow species at risk to recover.

### Bush stone-curlew

In 2023-24, we continued to strengthen our threatened species programs, signing a Memorandum of Understanding with Odonata in June 2023 to recover bush stone-curlew in south-eastern Victoria. The agreement includes developing a recovery plan and enables collaboration on the reintroduction and management of wildlife populations across several reserves in south-eastern Australia.

### Eastern barred bandicoot

Since their release in 2017, the endangered Eastern barred bandicoots have continued spreading across the island, with the population now thought to be in the thousands. We monitor the population twice a year to check their health and estimate numbers.

### Threatened flora

A thriving floral community is essential to creating an island haven for threatened fauna. We use exclusion fencing and weed removal to reduce pressure on threatened flora species, while also safeguarding endangered plant species by propagating from diminishing wild specimens and reintroducing them into local ecosystems.

### Barb Martin Bushbank nursery

Our native plant nursery, Barb Martin Bushbank, produced large numbers of rare and threatened listed flora in 2023-24. We also worked with rangers from Parks Victoria to trial different ways to save the Critically Endangered crimson berry.

## Hooded plovers

Hooded plovers (*Thinornis cucullatus cucullatus*) are a priority species listed in the Department of Climate Change, Energy, the Environment and Water (DCCEEW) *Threatened Species Strategy Action Plan 2022-2032*. The 2023-24 hooded plover breeding season resulted in 10 fledglings from 12 pairs – almost as high as the previous 10-year average of 11.3, despite six fewer pairs. The fledged per pair rate was 0.83 (almost one chick per pair), exceeding the BirdLife Australia benchmark of 0.5 (Figure 2).

Roughly half of all plover nests fail with no known cause, and we continue to monitor them to determine causes of nest failure for future management.

Figure 2: Hooded plover fledging per pair from 2002-03 to 2023-24



A fairy tern tending its clutch of eggs at Observation Point.

## Fairy terns

The Nature Parks is working with Birdlife Australia and Bunurong Land Council Aboriginal Corporation to reduce threats and improve breeding success of fairy terns at Observation Point with funding from DEECA and co-investment from the Nature Parks, Penguin Foundation and Melbourne Water. In 2023-24, 30 cameras were installed with AI technology to send live alerts when feral cats were in the area. Coastal weeds were also removed and replaced with indigenous species to enhance nesting habitat.

The last successful breeding season for fairy terns at Observation Point in 2019-20 resulted in 31 pairs of adults raising 49 chicks. In late 2023, around 10 pairs of fairy terns began breeding with three early nests established. Unfortunately, the nests were lost due to extreme high tides and storm surges. Despite this loss, hope remains that the fairy terns will return to breed next season.

## Hooded plovers snapshot

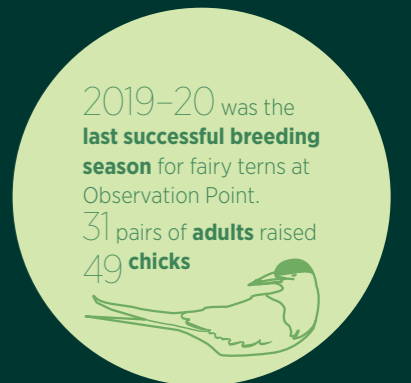


**10** fledglings from **12** pairs

**0.83** fledged pair rate



## Fairy terns snapshot



2019-20 was the last successful breeding season for fairy terns at Observation Point.

**31** pairs of adults raised **49** chicks



**10**

pairs began breeding in late 2023 but the nests were lost...







Between January and March, the Wildlife Rehabilitation Centre received five juvenile gannets from the Marine Response Unit for care and rehabilitation. The gannets were trained to swim, self-feed and strengthen their wings, before being successfully released back to the wild during suitably strong winds.

Juvenile gannets release on the Summerland Peninsula after their stay at our Wildlife Rehabilitation Centre.

## Wildlife Rehabilitation Centre

In 2023–24, the Wildlife Rehabilitation team responded to 1,196 calls for wildlife rescues and advice, cared for 70 little penguins and rescued and cared for 547 other native wildlife from 82 different species. The team partners with Wildlife Victoria, the Zoos Victoria Veterinary Group and Marine Response Unit, and Gippsland Veterinary Group who support us with expertise and veterinary services. We also acknowledge the tireless efforts of volunteers who dedicate their time to the wellbeing of wildlife across the island.

A 22-year-old penguin was found malnourished and struggling after completing her annual moult. She spent five weeks in the centre where she gained an ideal weight, was swim tested and then returned to the wild.

The Nature Parks collaborated with Zoos Victoria to develop Seabird and Waterfowl Rehabilitation Procedures to ensure that the Nature Parks and our partners adopt best practice industry health care for seabirds. Over the past 12 months, Zoos Victoria developed procedures with staff and will facilitate workshops and training to ensure procedures are consistently applied.



70  
little penguins  
cared for



1,196  
calls for wildlife  
rescues and  
advice



547  
other native  
wildlife cared for



82  
from different  
species

## Australian fur seals

The Nature Parks Research team continues to contribute to research into Australian fur seals to help understand their conservation story and the predator-prey relationship between fur seals and little penguins. Research in 2023–24 included the following:

- Brett Gardner completed their PhD with the University of Melbourne under the Nature Parks supervision, **identifying several diseases that could affect successful reproduction.**
- Sarah-Lena Reinhold completed their PhD with the University of Adelaide under the Nature Parks supervision, **investigating the predator-prey relationship between long-nosed fur seals and little penguins.** The PhD takes a multidisciplinary approach to understanding the recovery of long-nosed fur seals by shifting the population baseline to include Aboriginal sealing histories, as well as addressing key knowledge gaps in the occurrence and quantification of little penguins in the long-nosed fur seal diet.
- PhD candidate Jessalyn Taylor from the Sydney School of Veterinary Science is **testing the impact of vessel noise and visitation on Australian fur seals at Seal Rocks.**
- The Nature Parks is **measuring ocean wave and tide height at Seal Rocks** using underwater wave loggers to **test whether ocean inundation contributes to pup mortality or whether erosion of the shoreline may affect cultural heritage.** The 'Lost at Sea: Conserving Cultural Heritage and Fur Seals' project is being run in partnership with Monash University, Bunurong Land Council Aboriginal Corporation and Wildlife Coast Cruises.
- The Nature Parks **researched predation by long-nosed fur seals on little penguins and seabirds by DNA-testing scats** from multiple sites. Penguin predation was detected across the Bass Strait and southern New South Wales and the results varied depending on whether we used just hard-parts from the scats (feathers, bones and body parts) or DNA from soft tissues. DNA, for example, allowed detection of a greater diversity of prey and also revealed that more than one penguin may be eaten.
- The Nature Parks **used drones to survey Australian fur seals during the breeding season** over summer 2023–24. The 'SealSpotter Challenge' is being redeveloped for relaunch, and stakeholders, partners and citizens around the world will be invited to help count the seals for the 2022–23 and 2023–24 breeding seasons.
- After the breeding season at the end of summer 2023–24, 42 pups were captured during a day trip to Seal Rocks. Their **length, weight and sex were recorded to assess their body condition and compare it to other years sampled.** At Cape Bridgewater in western Victoria, 20 long-nosed fur seal pups were measured as part of a long-term species-wide monitoring program.
- PhD candidate Adam Yaney-Keller from Monash University is working with the Nature Parks to **examine the long-term effects of entanglement in marine debris** on Australian fur seals. A total of 42 drone surveys have been completed using thermal sensors over Seal Rocks. Entangled seals are also being tracked at sea to compare their behaviour with healthy seals. To date, we have tracked five pairs of entangled and non-entangled fur seals from Seal Rocks.



Australian fur seal on Seal Rocks with a small tracker glued to their back after being de-tangled from fishing line. Image courtesy of A Yaney-Keller.

### Seals entanglements in 2023–24

During nine trips to Seal Rocks in 2023–24, 37 entangled seals were spotted and 13 were captured and released from the entangling material (Table 2). The top three entanglement materials were recreational fishing line (19 seals), line and hook (eight seals) – usually with the hook in the mouth or eye – and white garden mesh around their necks (four seals). Nine seals were freed from fishing line, some with the hook, three from white garden mesh and one from packing strap.

Since the 'Bins on Boats' project was launched, the annual average number of trawl net entanglements at Seal Rocks has reduced from 7.3 (1997–2018) to 2.2 (2019–2024). In partnership with the South East Trawl Fishing Industry Association, the Nature Parks provided the fishing fleet with custom-built bins to help reduce the most common entanglements. This important project was made possible through funding from the Victorian State Government.

Table 2: Entangling materials found during nine research trips to Seal Rocks between June 2023 to June 2024

Material	Number found	Number removed
Fishing line	19	6
Hook and line	8	3
White garden mesh	4	3
Rope	2	0
Box strap	1	1
Cap	1	0
Plastic bag	1	0
Trawl net	1	0
<b>Total</b>	<b>37</b>	<b>13</b>





## Pest animal management

### Fox-free

We continue to maintain the island as a fox-free haven by monitoring the adjacent mainland to stop foxes from re-invading and by searching for trace evidence with our fox detection dogs. In 2023–24, we removed an estimated 49 foxes from the Anderson Peninsula.

### Feral cats

We are working towards a feral-cat-free island with trapping and dog detection programs. Nineteen feral cats were removed in trapping programs over 6,171 trap nights from across the island. Two feral cats were also removed during night-time surveys on Summerland Peninsula. Feral cat detection dogs helped remove 10 feral cats from the island in 2023–24.

Fox and feral detection dogs cover many kilometres searching for foxes and feral cats.



## Wildlife plan

The *Phillip Island (Mollw) Wildlife Plan* was released in December 2021 following public feedback and community consultation. The full plan and a summary can be found at [www.wildlife.vic.gov.au/our-wildlife/phillip-island-mollw-wildlife-plan](http://www.wildlife.vic.gov.au/our-wildlife/phillip-island-mollw-wildlife-plan).

The *Year 2 Progress Update* was released in February 2024 and reflected a significant body of work over the first two years of the plan. The update is a testament to the strong collaboration in the working group, which consists of representatives from DEECA, the Nature Parks, Bass Coast Shire Council, Bunurong Land Council Aboriginal Corporation and local farming landholders.

The issue of abundant wildlife is a complex and challenging area and is constantly being assessed by multiple authorities. We continue to

monitor wildlife populations within our reserves to inform the Wildlife Plan and to enable us to adapt to changes in animal populations. This will guide our decisions on rehabilitation of wildlife into the future so we can remain committed to best practice standards.

We continue to progress the Wildlife Plan in collaboration with DEECA, Bass Coast Shire Council, Bunurong Land Council Aboriginal Corporation, local farmers and the community. Island-wide surveys of possums and Cape Barren geese have been completed, and swamp wallabies have been surveyed around the Summerland Peninsula. This information will be used to develop species specific management plans to create a more balanced ecosystem.

# Reserves

## Weed control and revegetation

Our rangers spent 940 hours on weed control activities across 287 hectares, with 55% focused on woody weeds, 37% on herbaceous weeds and the remainder on a mix of grasses, bulbs and semi-aquatic weed species.

The Barb Martin Bushbank nursery again played a major role in improving habitat for wildlife and restoring populations of threatened flora species. Retail sales were our highest yet thanks to last year's expansion which has enabled us to stock larger pots with more mature plants.

This community nursery is producing many listed threatened species for use in our conservation programs, after much research and many production trials. Locally rare species being produced for the first time include *Dillwynia*, *Aotus* and *Phyllanthus*.

## Future-proofing little penguins

Our three-year 'Future-Proofing Little Penguins' project is under way, with three 'green' firebreaks established across the middle of the Summerland Peninsula. The firebreaks will reduce the severity and impact of heat stress events and the scale, intensity and speed of a bushfire.

The aim of this project is to protect the world's largest little penguin colony and other wildlife against the impacts of climate change, particularly bushfire and heatwave events.

More than 120 volunteers and 30 staff from the Nature Parks, the Penguin Foundation and the Bunurong Land Council Aboriginal Corporation Conservation team helped clear and replace 3.2 hectares of dense, woody swamp scrub with 15,000 indigenous, fire-retardant, herbaceous plants. Volunteers from NAB, Penguin Random House, Royal Canin and Scotch College all contributed to this significant effort.

Next steps are to continue revegetating the green firebreaks and to create cooler habitat in areas of core penguin habitat that are considered 'high risk' for penguin health and mortality during heat events.



Mandeville Road green firebreak, October 2023, 'Future-Proofing Little Penguins' project.

## Reserves snapshot



## Bushbank snapshot

79,000 plants total  
22,500 units for habitat restoration works

18,000 grow to order wholesale stock

16,000 retail sales (our best year ever)

2,500 threatened flora units

20,000 units for sales and conservation works

## Rare species

being produced for the first time include *Dillwynia*, *Aotus* and *Phyllanthus*

## 'Future-proofing little penguins' snapshot

3.2 hectares of woody swamp scrub replaced with 15,000 indigenous plants by 120+ volunteers and 30 staff







# Tourism

## KEY ACHIEVEMENTS

We saw an **18% increase in visitation** and **35% increase in total commercial revenue** in 2023-24.

Holding the Penguin Parade capacity at post-COVID entry numbers has significantly **enhanced the visitor experience**, while maintaining a strong financial return.

We successfully **delivered eight large incentive groups**, mostly between February and June 2024.

The **Penguin Parade consistently sold out over the summer and Easter** periods, setting a record with nearly three weeks of sell-out nights between December and January, and a further 20 nights in February for Lunar New Year.

We **launched a new ticketing and reservation system** in June 2024.

A guide interprets the penguin experience for visitors at Penguins Plus.

## Visitor trends

Tourism bounced back in 2023-24, resulting in high visitation and financial growth across all four visitor sites. Domestic visitation held up strongly and was boosted by an increasingly strong return from international visitors.

In 2023, we saw the return of Tourism Australia trade missions both domestically and internationally. Our Sales team strengthened partnerships and promoted our destination's offerings across Southeast Asia, India, China and North America. Locally, we collaborated with Tourism Australia at G'day Australia 2023 in Cairns and the Australian Tourism Exchange 2024 in Melbourne.

### International and domestic visitor trends

#### Chinese travellers return

In September, the Australian Government announced the return of Chinese travellers through the Approved Destination Status scheme, marking a positive step in our recovery efforts.

#### Top five international markets

The top five markets for the year were China, Singapore, United States, Hong Kong and United Kingdom. China became Australia's second-largest visitor market in January 2024. Arrivals from New Zealand, South Korea and India exceeded January 2019 levels, showcasing the resilience of our tourism industry.

#### Maintaining domestic share

As international tourism returned, one of our key targets was to maintain our domestic share of visitors at 60%. In 2023-24, our visitation mix was approximately 63% domestic, despite cost-of-living pressures and international travel becoming more accessible.

#### Changing preferences

Holiday travel surpassed 'Visiting Friends and Relatives' as the primary purpose for short-term arrivals, reflecting changing travel preferences. Broader tourism trends indicate that travellers are seeking nature and wildlife experiences, boutique touring and wellness experiences, reinforcing continued opportunities for the Nature Parks.

We continued to collaborate with accommodation providers, Bass Coast Visitor Information Centre and Destination Phillip Island. Our promotional partners, Royal Automobile Club Victoria (RACV), Woolworths and NAB, continued to support visitation from intra and interstate.

We collaborated with our domestic trade partner, RACV, to analyse domestic travel trends. Most domestic bookings are relatively spontaneous (within 24 hours of the visit), except during peak periods such as Christmas and school holidays.

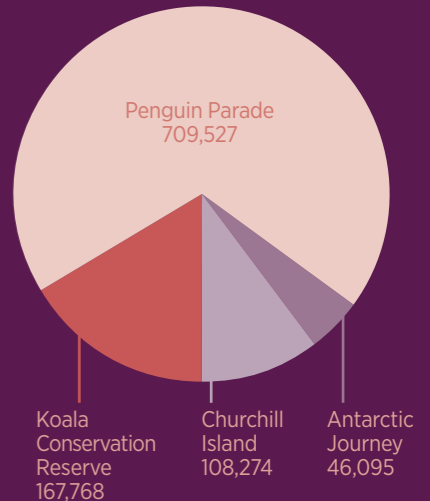
#### Cruise market

Cruise ships continue to be an emerging market with eight arrivals to Phillip Island (Mallowl) this season and 3,514 guests visiting the Nature Parks.

## Visitor trends snapshot

### Visitation

Total 1,033,666



## Holiday travel

overtakes 'Visiting Friends and Relatives' as **top reason for short-term arrivals**.

Travellers **prefer nature, wildlife, boutique tours**, and wellness experiences.



approximately

**63%**

domestic market share, **target 60%**



**8** cruise ship arrivals provided the Nature Parks with

**3,514** guests







## Our attractions

The globally recognised Penguin Parade

The Penguin Parade remains a standout attraction for both domestic and international guests. Sell-out nights over the summer and Easter periods highlight the popularity of this amazing experience.

### Premium experiences

The success of our premium platforms and guided tours underlines the strategic focus of offering premium viewing experiences to visitors, while also offering an affordable general viewing experience.

### Experience upgrades

Platform and boardwalk upgrades commenced in May 2024 to enhance our visitor experience, provide world-class viewing, and support the growth of our revenue base. New signage and self-guided experiences are planned to create an engaging and educational visitor experience journey designed to inspire people to act to protect our wildlife and environment.



## Nobbies

Although we said farewell to the Antarctic Journey in January 2024, visitors continued to enjoy the rugged coastline, with spectacular views along the boardwalks and dining at the Nobbies café. We are already planning the next steps for this important part of our attraction offering and visitor journey across Phillip Island (Millowl).

An aerial view of the Penguin Parade Visitor Centre. Image courtesy of Ilya Parr, WE-EF Lighting.



The reserve is home to 16 koalas, including three joeys that were born on site during the year.

## Koala Conservation Reserve

### Mobile signage

The Koala Conservation Reserve is situated in an idyllic environment, featuring tree-top boardwalks that allow close-up views of koalas in their natural habitat. New mobile signage helps visitors to spot the sometimes elusive koalas, creating a better visitor experience.

### Other wildlife and the seed station

Visitors walking through the woodlands can experience and enjoy the abundant birdlife and other wildlife. Two aviaries with bush stone-curlews serve as an educational display for the planned reintroduction of the species to the island. They can also 'pot up' and take home their own punnet using indigenous seed at the seed station located at the Koala Conservation Reserve woodland.

## Churchill Island

### Historic working farm

Heritage-listed Churchill Island – an island within an island – is a historic working farm where visitors experience the lives of early European settlers in Australia. History is brought to life through farming demonstrations including sheep shearing, working dogs, whip cracking, cow milking and blacksmithing. Visitors can also explore the heritage gardens and the homestead – showcasing the Samuel Amess era from the 1870s to early 1900s – and coastal trails through open woodlands to see rare moonah trees.

### Minnie Lawrence's sketchbook

The sketchbook of Minnie Lawrence, granddaughter of Samuel Amess, was conserved this year thanks to a \$5,500 grant from the Copland Foundation to the Friends of Churchill Island Society. It features hand-drawn sketches depicting life on Churchill Island in the early 1900s.

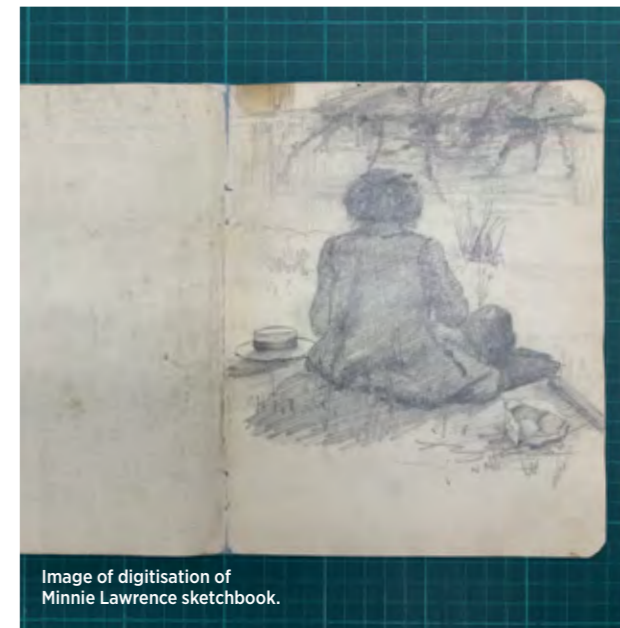


Image of digitisation of Minnie Lawrence sketchbook.

### Bandicoot Discovery Tour

We hosted three Bandicoot Discovery Tours for 70 paying guests over the Labour Day weekend and the Easter school holidays, providing them with an opportunity to learn more about this conservation success story.

### Easter Festival

A total of 3,275 visitors also enjoyed the Easter Festival with live music, face painting, animal feeding, wagon rides, and chainsaw carving, in addition to the regular farm shows.





Plush toys are a top performing item at many of our retail stores.

Retail performance snapshot

**\$3.2 million** in retail revenue

Retail sales increased **40%** on prior year

**80%** of our speciality store product offering is **sourced from Indigenous artists and suppliers**

The reopened **specialty store** is performing exceptionally well, **exceeding 2019 profit** by **89%**

Our top performing category was **plush toys** contributing to almost **40%** of total sales for the year

Retail performance

Retail outlets performed well in 2023-24 generating \$3.2 million in revenue which was a 40% increase on the prior year. This performance was particularly notable as the closure of the Antarctic Journey resulted in a reduction in retail sales at the Nobbies Centre site, which was offset by strong performance at the Koala Conservation Reserve and the Penguin Parade. Our top performing category was plush toys contributing to almost 40% of total sales for the year.

New plastic-free Penguin Parade store highlights Indigenous products

We reopened our specialty store at the Penguin Parade in February 2024 to coincide with the Lunar New Year. Originally closed during COVID-19, the new-look store meets sustainability procurement and *Reconciliation Action Plan* requirements. The store is 100% single-use plastic-free, with 80% of our product offering from Indigenous artists and suppliers. The store is performing exceptionally well, exceeding 2019 profit by 89%.



Food and beverage performance

Our food and beverage partner, Create Catering, continues to build on the previous year's sales results and is gaining momentum in functions and events as well.



**Churchill Island**

The Churchill Island Farmhouse Kitchen café was refurbished to create an authentic paddock-to-plate atmosphere. Visitation and revenue were boosted thanks to the Easter Festival and a 'Summer Days' Sunday event, as well as the increase in local visitors throughout the year.

**Nobbies Centre**

The Nobbies Centre saw a drop in revenue compared to 2018-19 due to the Antarctic Journey closure. However, the launch of Ben & Jerry's ice creamery in November has contributed to revenue growth. Ben & Jerry's strong stance on sustainability is aligned with our own, including our commitment to eliminating all single-use plastics.

**Koala Conservation Reserve**

The Koala Conservation Reserve had an inconsistent service offering during the year and Create Catering is now developing a strategy to deliver food and beverage with a focus on local procurement.

**Penguin Parade**

The Penguin Parade Shearwater Restaurant and Chicks Café saw revenue growth compared to 2022-23 which was in line with the increased patronage to this site. Create Catering is reviewing ways to improve service efficiencies and capture a greater audience.





# Infrastructure and planning

We are focused on building a sustainable future to ensure the Nature Parks tourism experiences and the reserves continue to provide opportunities to connect with nature.

In 2023-24, we continued to invest in capital projects and upgrade infrastructure to improve safety, accessibility and visitor experiences for our community and visitors.

Land managed by the Nature Parks

Key infrastructure projects in 2023-24.







## Community

### KEY ACHIEVEMENTS

An additional 14 businesses agreed to turn off their lights to help young shearwater chicks leave the island during their migration to Alaska, **as part of our 'Dark Sky So Shearwaters Fly' campaign.** This brings the **total number of participating businesses to 45** this year.

Our retail stores are working with new suppliers of Indigenous-designed products that directly benefit Aboriginal and Torres Strait Islander artists. The **new Penguin Parade speciality store has 80% stock from Indigenous suppliers.**

**Our fourth Reconciliation Action Plan** was released after endorsement by Reconciliation Australia.

Detail by Lenna Scholtmeyer, Bunurong artist, from the Yarning Circle project at the Koala Conservation Reserve.





## Community engagement

We continued to work on community engagement campaigns to educate and share messages about living with wildlife and encourage visitors and the local community to share and respect Phillip Island (Millowl):

### Sharing our Shores

Educates on responsible beach behaviour to protect wildlife, including the threatened hooded plover which nests and forages on our shores. Local students helped create colourful promotional materials.

### Dark Sky So Shearwaters Fly

Encourages locals to turn off outside lights to help fledged shearwater chicks to leave the island safely during the 'take-off' period when they migrate to Alaska. Bridge and San Remo foreshore lights were turned off with the support of residents living in the flight path.

### Bush stone-curlews

In March, we began engaging with local community, landholders and community groups to establish a self-sustaining population of the Critically Endangered bush stone-curlew – a bird not seen on Phillip Island since the 1970s. We conducted information sessions and distributed educational resources.

### Community communications

We continued to send out monthly and quarterly community news and updates and conservation reports including the *Threatened Species Report 2023* and *Millowl Wildlife Plan Update*.

### Community Open Day

We hosted a Community Open Day across all four sites on 10 September 2023 with a theme of 'Celebrate, Connect and Inspire'. Just over 4,000 visitors enjoyed the day, with more than half reporting that they came to learn more about our wildlife management programs.



Rangers from Central Desert visit Millowl as part of a cultural exchange by This Green Line.



Visitors engaging with volunteers in the shearing shed at Churchill Island on Community Open Day.

## Reconciliation

### Reconciliation Action Plan

Our fourth *Reconciliation Action Plan* was released after endorsement by Reconciliation Australia. This plan will be implemented under the guidance of the Reconciliation Advisory Committee which is engaged by and accountable to the Board. This year, an internal leadership group was established to deliver the plan at the leadership level, which will see a greater level of emphasis and coordination of reconciliation commitments.

### Conservation and research

We continued to collaborate with Bunurong Land Council Aboriginal Corporation, enhancing our conservation and research outcomes. We engaged the Strong Country team to conduct bird surveys and implement weed control to create optimal breeding environments for fairy terns at Observation Point.

### Research findings

The Nature Parks collated and shared research findings with Traditional Owner groups on impacts on wildlife from climate change, fisheries and marine pollution on Deen Maar Island over the past 20 years. We hope this will be the start of a more collaborative approach to science into the future.

### Indigenous-designed product

We engaged new suppliers of Indigenous-designed products for our retail stores that directly benefit Aboriginal and Torres Strait Islander artists. We commissioned a Millowl-themed t-shirt for staff to wear during reconciliation events. We hope the t-shirts will encourage visitors to talk about being on Bunurong Country and the significance of these events.

### Cultural exchange visits

We supported several cultural exchange visits to Millowl including a Milingimbi School group from the Northern Territory and a group of Western Desert female rangers. We gave free entry to our attractions to more than 150 First Nations people.

### Reconciliation events

We maintained our strong commitment to the Bass Coast Reconciliation Network through representation on the committee, financial support and in-kind contributions to events and activities. The Bass Coast Reconciliation Network delivered five major reconciliation events with more than 2,000 attendees. The network also engaged 959 employees across the five organisations that make up the Bass Coast Reconciliation Network, including the Nature Parks, in cultural learning and spent \$1.4 million in social procurement with certified suppliers. The number of Aboriginal and Torres Strait Islander people employed across Bass Coast has grown from one to 10 since 2017.

### Gathering Place

The Nature Parks is partnering with Bass Coast Shire Council, Bass Coast Health and Westport Water to support the Bass Coast Gathering Place Steering Committee to explore the needs and opportunities for a First Nations community Gathering Place in the Bass Coast.

Reconciliation snapshot

4<sup>th</sup> Reconciliation Action Plan released



150

First Nations people received free entry



5 major reconciliation events with more than

2,000 attendees



959

employees engaged in cultural learning



\$1.4

million in social procurement with certified suppliers

Social procurement is when organisations use their buying power to generate social value above and beyond the value of the goods, services or construction being procured.







# People

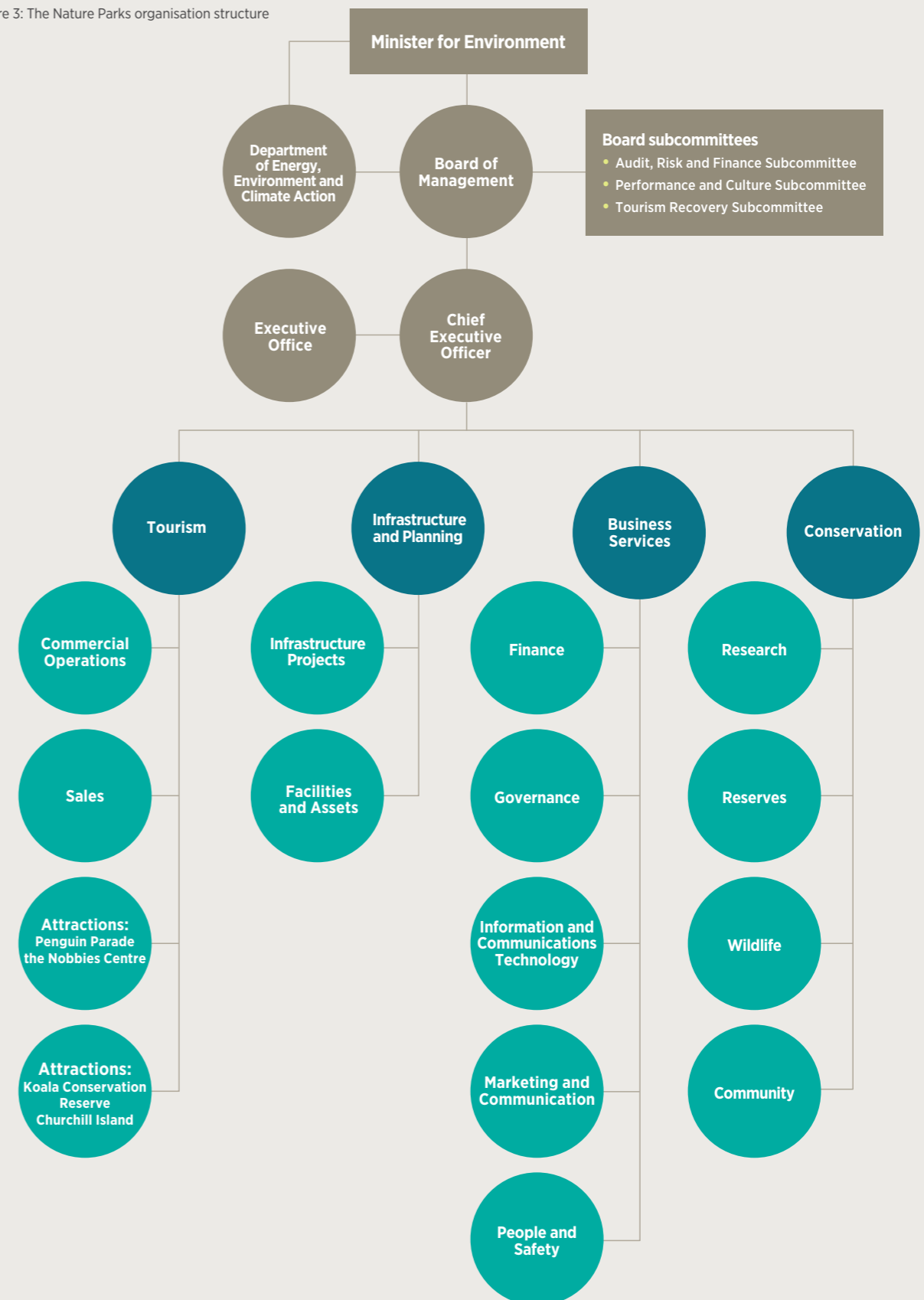
Supporting a diverse, inclusive and passionate team is critical to the Nature Parks achieving its vision and this year was strongly focused on setting our team up for a period of growth.

What began as a disruptive year for our team with the review and implementation of a new organisation structure, finished with our staff reporting our best engagement and satisfaction scores on record through the 2024 People Matter survey.



Guides in discussion on the boardwalks at the Parade.

Figure 3: The Nature Parks organisation structure





## Workplace profile

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

Table 3: The Nature Parks workforce in 2023-24

	JUN-24						JUN-23							
	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
<b>Gender</b>														
Women	135	81.53	46	53	66.78	36	14.75	128	67.05	27	58	48.75	43	18.3
Men	75	57.19	45	20	51.85	10	5.34	72	52.5	38	17	44.5	17	8
Self-described	0	0	0	0	0	0	0	3	1.6	0	2	0.6	1	1
<b>Age</b>														
15-24	11	2.67	0	5	41.9	6	0.72	17	4.75	0	9	3.75	8	1
25-34	44	30.6	19	16	12.2	9	4.97	38	22.6	15	12	19.5	11	3.1
35-44	51	36.9	24	14	7.4	13	7.9	50	30.7	12	21	20.1	17	10.6
45-54	37	29.7	25	8	12.4	4	2.11	50	38.6	24	12	28.0	14	10.6
55-64	49	32.2	20	19	8.8	10	3.66	34	19.1	11	15	17.1	8	2
65+	18	6.6	3	11	34.6	4	0.73	14	5.5	3	8	5.5	3	0
<b>Classification</b>														
Grades 1-6	202	130.72	83	73	110.63	46	20.093	191	109.15	63	77	91.85	51	17.3
1	87	32.523	12	49	27.33	26	5.193	93	28.25	13	48	25.45	32	2.8
2	7	4.2	1	5	3.6	1	0.6	14	6.25	1	11	5.85	2	0.4
3	13	8.8	5	5	6.8	3	2	8	5.3	2	4	4.3	2	1
4	25	19.55	12	5	14.85	8	4.7	24	21.55	15	4	17.65	5	3.9
5	25	23.1	20	2	20.5	3	2.6	15	12.8	9	4	11.2	2	1.6
6	5	5	4	0	4	1	1	7	6.5	3	2	4.5	2	2
NEX	40	37.55	29	7	33.55	4	4.00	30	28.5	20	4	22.9	6	5.6
<b>Senior employees</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>0</b>	<b>8</b>	<b>0</b>	<b>0</b>	<b>12</b>	<b>12</b>	<b>2</b>	<b>0</b>	<b>2</b>	<b>10</b>	<b>10</b>
Senior Manager	0	0	0	0	0	0	0	6	6	2	0	2	4	4
Executives	8	8	8	0	8	0	0	6	6	0	0	0	6	6
<b>Total employees</b>	<b>210</b>	<b>138.723</b>	<b>91</b>	<b>73</b>	<b>118.63</b>	<b>46</b>	<b>20.093</b>	<b>203</b>	<b>121.15</b>	<b>65</b>	<b>77</b>	<b>93.85</b>	<b>61</b>	<b>27.3</b>

DEMOGRAPHIC DATA



Ashley Reed and Blair Kelly undertaking bush stone-curlew health checks.

## Volunteers

Volunteers work directly with our staff on many activities including visitor engagement, threatened species monitoring, nursery and farm work, revegetation programs, wildlife research and more. Their contribution is a critical part of our tourism, conservation and research achievements. Volunteers contributed 10,701 hours across seven volunteering categories for the year.

### Volunteer highlights

#### Lace curation

A team of heritage volunteers helped preserve four generations of lace collected by Amess women, after being trained by Australian Museums and Galleries Association Victoria. The collection is now stored and catalogued and can be viewed on the Victorian Collections database.

#### Wildlife Rehabilitation Centre

Volunteers joined our Wildlife Rehabilitation Centre for the first time this year, clocking about 200 hours. Our newest volunteer team, the Curlew Custodians, contributed 460 hours caring for and observing the captive bush stone-curlews at the Koala Conservation Reserve.

#### Future focus

The Volunteer Advisory Group helped consult and engage with our volunteers. They coordinated our 'Future Focus' meetings to explore how we can improve our volunteer programs and the volunteering experience.

#### Volunteers aid birdlife

Volunteers contributed almost 400 vital hours to the 'Beach Nesting Bird' program, including nest monitoring and the island-wide 'Coastal Bird Survey'. Volunteers recorded a third of portal entries (324 out of 970) on the national BirdLife Australia MyBeachBird portal this season.



### Volunteers snapshot

4 generations of lace preserved by heritage volunteers



200 hours contributed to the Wildlife Rehabilitation Centre



460 hours contributed by Curlew Custodians



Volunteers contributed 10,701 hours across 7 volunteering categories



Work placement hours totalled

3,922 secondary students contributed 682 hours, and 23 tertiary students contributed 3,240 hours







# Safety



Team member cleaning chainsaw at the Koala Conservation Reserve works yard.

The Nature Parks continued to build and improve its occupational health and safety systems throughout 2023-24. The strong safety culture at the Nature Parks has continued to be supported through the improvement of procedures and processes, team training and ensuring work is carried out in a safe and environmentally considerate way.

## Reported hazards

The reporting of hazards is a positive proactive step to identify and reduce the likelihood of injuries before they happen. The total number of hazards and the number reported per 100 FTE has reduced over the past three years (Table 4). We continue to encourage staff to report hazards and reduce barriers that may discourage reporting.

Table 4: Reported hazards from 2021-22 to 2023-24

Year to date	2023-24	2022-23	2021-22
Hazards (total)	46	92	105
Hazards (excl. visitors)	43	89	104
Per 100 FTE	0.3	0.7	0.8

## Reporting incidents

Our level of reporting incidents and injuries continues to remain strong each year (Table 5). Healthy levels of reporting are a sign of a favourable or improving safety culture and must be interpreted in conjunction with other injury metrics. We have seen consistent incident reporting numbers during 2023-24. Only via reporting incidents and hazards can we investigate and lower associated risks.

Table 5: Hazards reported from 2021-22 to 2023-24

Year to date	2023-24	2022-23	2021-22
Incidents (total)	238	262	189
Incidents (excl. visitors)	107	131	110
Per 100 FTE	0.7	0.9	0.9

Our **strong incident reporting** in 2023-24 reflects an **improving safety culture**, crucial for reducing risks.

## Lost-time injuries (standard claims)

The number of lost-time injury (LTI) standard claims increased in 2023-24 (Table 6). We set a realistic target of five LTIs or less for the financial year. Although we did not achieve that target in 2023-24, this result was driven by a small number of injuries that required extensive rehabilitation and recovery.

- Our employees were well supported during the claim's recovery process, and we are actively reviewing our work practices to ensure that similar instances do not arise in the future. Over the last two consecutive years, we have had seven psychological LTIs, which is a relatively new challenge for the organisation. We have taken this opportunity head on by upskilling our people leaders and continue to focus on wellbeing programs through our Values and Wellbeing Committee.

Table 6: Lost-time injuries reported from 2021-22 to 2023-24

Year to date	2023-24	2022-23	2021-22
Total LTIs	11	7	2
LTIs per 100 FTE	0.08	0.05	0.10
Psychological injury LTIs	3	4	0
Psychological injury LTIs per 100 FTE	0.02	0.03	0

## Average cost per claim

The average cost per claim for both actual amounts paid and estimated average total cost of those claims decreased in 2023-24 (Table 7). This was primarily due to the type of injury sustained and claim length. While there were greater number of claims in the period, a number of the claims had low or no lost time.

Table 7: Average cost per claim from 2021-22 to 2023-24

Year to date	2023-24	2022-23	2021-22
Average actual paid	\$14,726	\$19,004	\$13,233
Average total estimate	\$34,438	\$65,049	\$50,644





## Governance

Members of the IT team overseeing the Nature Parks systems from the Cowes office.

Phillip Island Nature Park Board of Management Inc. (the Nature Parks) was established by the Victorian State Government in 1996.

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

The responsible Minister for the period from July 2023 to October 2023 was Ingrid Stitt MP, Minister for Environment, and from October 2023 onwards, the responsible Minister was the Hon Steve Dimopoulos MP, Minister for Environment.

Under the *Crown Land (Reserves) Act 1978* the Board 'shall manage, improve, maintain and control the land for the purposes for which it is reserved'.



## Our Board

### Objectives, functions, powers and duties

Board members are appointed by the responsible Minister for Environment under the *Crown Land (Reserves) Act 1978*. Under s15 (Powers of committees of management), the act states that the management committee 'shall manage, improve, maintain and control the land for the purposes for which it is reserved'.

### Board member attendance

The Board met for six regular board meetings during the year to provide governance, leadership and strategic direction to the Nature Parks (Table 8).

Table 8: Regular board meetings in 2023-24

Board member	Attendance	Member since
Dr Beverley Munro	6/6	1 July 2023
Dr Geoff Wescott	5/6	1 July 2021
Jane Jobe	6/6	1 July 2021
Kevin Love (Chair)	6/6	9 August 2013
Michaela Salvato	6/6	1 July 2018
Michelle Dickson	5/6	1 July 2023
Patrice Mahoney OAM	6/6	1 July 2021

## Board members

### Kevin Love (Chair)

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. Kevin then moved to the Department of Sustainability and Environment as deputy secretary. He 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 of Agricultural Science, is a graduate of the Australian Institute of Company Directors and the Australia and New Zealand School of Government Executive Fellows' Program and is a Victorian Fellow of the Institute of Public Administration Australia.

### Dr Beverley Munro

Dr Beverley Munro is currently the co-chair of the Nature Parks Reconciliation Advisory Committee, co-chair of the Bass Coast Reconciliation Network and was previously the chair of the Indigenous Advisory Committee with Bass Coast Health. She has extensive experience in people and culture roles including previous roles of director, workforce health and safety at Monash Health, assistant director of health, safety and wellbeing at Victoria Police, and manager, equal employment at the Department of Community Services.

Beverley has Wiradjuri heritage and has previously been a member and chair of the First Peoples Advisory Committee with Bass Coast Shire Council and the Reconciliation Action Plan Working Group with Westernport Water. She has completed a PhD in Cultural Economics and holds a Master of Public Health, a Diploma of Applied Science in Occupational Health and Safety and a Bachelor of Social Studies.

### Dr Geoff Wescott

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

Geoff holds a PhD in Environmental (Coastal) Policy and Management from Deakin University, a Master of Science (Zoology) from the University of Melbourne, and a Master of Science (Nature Conservation) from the University of London, among other qualifications. He is a graduate of the Australian Institute of Company Directors and a Fellow of the Environment Institute of Australia and New Zealand and a Life Member of the Australian Marine Sciences Association and the Australian Coastal Society.

### Jane Jobe

Jane Jobe is the co-founder of Southern Sustainable Developments, a land development business that incorporates sustainable development principles. Before that she held several administrative, communications and public relations positions with the Australian Department of Defence. Jane is an experienced board member and currently is a board member of the Penguin Foundation, committee member of the Phillip Island Conservation Society and 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.

### Michaela Salvato

Michaela Salvato 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 25 years. She was formerly the treasurer of Destination Phillip Island, the regional tourism board for Phillip Island (Millow). Previously, she held positions as national taxation manager for SmithKline Beecham, treasurer of Bass Coast Landcare Network, chair of the Bass Coast Landcare Network Public Fund and is a founding member of the Three Creeks Landcare Group Inc.

Her involvement with these organisations has fuelled a strong passion for the environment, particularly the impact that can be made at a grassroots and community level, as well as the importance of sustainable tourism models. Michaela has a Bachelor of Business (Banking and Finance), Certificate in Risk and Governance and a Graduate Certificate in Financial Planning and is a chartered accountant and registered tax agent.

### Michelle Dickson

Michelle Dickson is director of Blue Sense Consulting, which provides strategic planning, collaboration and evaluation services to land and water managers across Australia. Michelle previously worked in various roles in Victoria's water and catchment management sectors, including 10 years at West Gippsland Catchment Management Authority. Michelle has held several board positions including Destination Gippsland, Gippsland Coastal Board and Gippsland Lakes Coordinating Committee and she was previously a member of the Wilsons Promontory National Park Advisory Group.

She holds a Bachelor of Applied Science Environmental Management, a Master of Evaluation, a Graduate Certificate in River Health, a Certificate of Governance Practice and a Certificate IV of Workplace Training and Assessment.

### Patrice Mahoney OAM

Patrice Mahoney OAM is a self-employed professional artist and provides a range of community engagement and consultation services. She was previously employed by Bass Coast Shire Council as a liaison officer to the Aboriginal and 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 of Natural Cultural Land Resource Management and a Graduate Diploma of Teaching (Primary) from Deakin University.





The Nature Parks and Bunurong Land Council Aboriginal Corporation teams spraying marram grass at Observation Point.

## Board subcommittees

### Audit Risk and Finance Subcommittee

The Audit Risk and Finance Subcommittee was established under the *Financial Management Act 1994* to fulfil the Board's governance and responsibilities in relation to financial reporting, internal control systems, processes for legal and regulatory compliance, internal and external audit functions and risk management systems.

The committee consists of the following members:

- Michaela Salvato (Chair)
- Jane Jobe
- Michelle Dickson
- Helen Adair (external member)
- John Rundell (external member)

The committee met four times in 2023–24.

### Performance and Culture Subcommittee

The Performance and Culture Subcommittee monitors, advises and makes recommendations to the Board on recruitment and retention, performance management, remuneration and succession planning. It also advises on strategic workforce planning, monitors organisational culture, safety and the Board's performance.

The committee consists of the following members:

- Jane Jobe (Chair)
- Dr Beverley Munro
- Dr Geoff Wescott
- Patrice Mahoney OAM

The committee met four times in 2023–24.

### Tourism Subcommittee

The Tourism Subcommittee was created in 2021 to support the organisation through its tourism recovery. It monitors progress against key sales targets and tourism initiatives, monitors visitor trends and research, guides product development and marketing initiatives and oversees advocacy activities. The committee consists of the following members:

- Dr Geoff Wescott (Chair)
- Michaela Salvato
- Michelle Dickson

The committee met three times in 2023–24.

## Board advisory committees

### Community and Environment Advisory Committee

The Community and Environment Advisory Committee includes members with interest or expertise from community and environmental groups, 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. This ensures the Board stays informed about community issues and keeps the community updated on the thinking and direction of the Nature Parks.

The committee consists of the following members:

- Patrice Mahoney/Jane Jobe (Co-chairs)
- Michaela Salvato
- 30 independent members representing various local community groups

The committee met three times in 2023–24.

### Reconciliation Advisory Committee

The Reconciliation Advisory Committee was established in October 2017 to progress the commitment to reconciliation and recognition and to implement the Nature Parks *Reconciliation Action Plan* which was first created in 2019. We are indebted to the community members who contribute their time and knowledge and provide the Nature Parks with significant understanding, driving the delivery of outcomes around issues affecting Traditional Owners and the Aboriginal and Torres Strait Islander community and furthering our ways of working together. The committee consists of the following members:

- Dr Beverley Munro/Patrice Mahoney (Co-chairs)
- Jane Jobe
- Uncle Anthony Egan (external member)
- Paul Patten (external member)
- Sharni Blyth (Bunurong Land Council Aboriginal Corporation, external member)
- Sally O'Neill (external member)

The committee met three times in 2023–24.

We thank the community members who volunteer their time and expertise on our advisory committees, for actively contributing and engaging with each other and the Nature Parks.

### Scientific and Research Advisory Committee

The Scientific and Research Advisory Committee reports to the Board and guides the Nature Parks on all aspects of scientific research and research-led conservation management of key species and ecosystems. The committee draws on the technical expertise of seven independent members.

The committee consists of the following members:

- Dr Geoff Wescott (Chair)
- Jane Jobe
- Michelle Dickson
- Dr Robin Lawson (external member)
- Dr Kath Handasyde (external member)
- Ian Beveridge (external member)
- Peter Menkhorst (external member)
- Peter Vesk (external member)
- Kate Watermeyer (external member)
- Ruth Reef (external member)
- Jasmin Hufschmid (external member)

The committee met twice in 2023–24. Ian Beveridge retired from the committee in December 2023 and Jasmin Hufschmid joined the committee in April 2024.

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

## Other statutory committees

### Animal Ethics Committee

The Animal Ethics Committee is a statutory committee 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 it also provides guidance and advice to the Board on all animal welfare activities.

The committee consists of the following members:

- Dr Jenny Hibble (Chair, external member)
- William Naughtin (external member)
- Michael Magrath (external member)
- Jacqui Walsh (external member)
- Tyrone Lavery (external member)

The committee met four times in 2023–24. Michael Magrath retired from the committee on 17 May 2024 and Tyrone Lavery joined the committee on 30 May 2024.

We thank the professionals on our Animal Ethics Committee for contributing their valuable time to help the Nature Parks maintain the highest standards of animal welfare when delivering our scientific and research programs.





# Compliance

## Attestation for financial management compliance with Standing Direction 5.1.4

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

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

*Kevin Love*

Kevin Love, Board Chair  
30 September 2024

## Local Jobs First

The *Local Jobs First Act 2003* 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 \$3.0 million or more in Metropolitan Melbourne or for statewide projects, or \$1.0 million or more for projects in regional Victoria. MPSG applies to all construction projects valued at \$20.0 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 before 15 August 2018.

During 2023–24, the Nature Parks continued with stage one and two of the ‘Penguin Parade Boardwalks and Viewing Stands Redevelopment’ project which is valued at more than \$1.0 million. The Local Jobs First policy continues to be applied where required.

## Social Procurement Framework

### Achievements

- The Nature Parks continued the implementation of its Purchasing and Procurement Framework incorporating clearly identified criteria relating to safety, environmental sustainability and social procurement.
- The Nature Parks seeks opportunities, where available, to procure directly or indirectly from certified Victorian social benefit suppliers.

- The Nature Parks introduced a retail supplier sustainability trading document in February 2020, submitted at procurement stage. This clearly identifies suppliers who are aligned with our values and objectives, allowing selections to be made with a commitment to social procurement.
- The Nature Parks released supplier applications with an accompanying social procurement questionnaire to identify opportunities to source goods and services from suppliers who are aligned with our values and objectives, to improve visibility of our supply chain.
- The Nature Parks continues to develop and roll out the procurement frameworks for each spend category to discover the most sustainably sourced goods and services.
- The Nature Parks is committed to evolving procurement activity to capture asset whole-of-life assessment at a planning stage. Market review, analysis and selection will incorporate initial purchase, ongoing maintenance, opportunity to extend life and disposal options that address environmental and social factors.
- The Nature Parks continues to implement and oversee the disclosed 10% minimum criterion weighting for social procurement framework objectives to tenders for goods and services greater than \$150,000 and construction works greater than \$200,000.
- We revised our procurement templates to include reference to the Victorian State Government’s Supplier Code of Conduct. The code incorporates minimum expectations for labour and human rights and seeks to increase supply chain opportunities for suppliers that provide safe and fair workplaces for all workers.
- The Nature Parks has updated its procurement templates to require suppliers to advise us if they are a Sustainable Victorian social enterprise or Aboriginal business. Achieving 80% of goods sourced for the Penguin Parade specialty store from Indigenous artists and suppliers.
- The Nature Parks works closely with suppliers so they can advise us if they have an environmental management plan for identified activities.
- We proactively work with suppliers to remove any unnecessary packaging, or redesign to more sustainable solutions where possible.

The Nature Parks is fully committed to supporting the Victorian Government’s directions under the social procurement framework (SPF) and we recognise that we play a key role in advancing social and sustainable outcomes for Victorians and Victorian wildlife. In 2019, the Nature Parks developed a social procurement strategy to enable a strategic, agency-wide approach to how it will deliver

social and sustainable outcomes through our procurement in accordance with the social procurement framework and beyond. In that strategy, the Nature Parks prioritised five social procurement framework objectives – detailed in the table below. Social procurement framework objectives were chosen based on their high degree of alignment with the strategic direction and values of the Nature Parks, as well as being best positioned to advance our identified social and sustainable procurement opportunities.

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



## Penguin Parade specialty store reopened

The store, which opened in February 2024, is dedicated to offering premium ranges of Australian-made and Indigenous products. Some of the suppliers are proudly Supply Nation or Kinaway certified, representing Indigenous-owned and operated businesses. Others are non-Indigenous organisations that work closely with Indigenous communities, providing a platform for Indigenous-owned businesses, ally-friendly enterprises, and Indigenous artists to share their culture and stories through their products.

Every supplier featured in the store is committed to supporting Indigenous art and culture. The products showcase unique Indigenous designs that reflect contemporary cultural themes, beliefs, spiritual awareness, and individuality. The Nature Parks aims to bring the richness of Indigenous culture to both national and international audiences.

All suppliers have been chosen for their integrity and commitment to high ethical trading standards. Some are members of the Indigenous Art Code, while others maintain long-standing relationships with Aboriginal artists and art centres.

Each product is authentic, featuring the artist’s name, background, and an Artwork Story that provides insight into the cultural narratives behind the design. Some of the specialty store suppliers include Ngarga Warendj, Alperstein Designs, and Koh Living.

### FEATURED ARTIST Judy Watson

Judy Watson-Napangardi, a senior Aboriginal artist from the Yuendumu community in the Northern Territory, is known for blending traditional painting with a contemporary style.

This design depicts Mina Mina, a sacred site west of Yuendumu, significant to Napangardi and Napanangka women, custodians of the Dreaming. It tells the story of women traveling east to gather food.





## Government advertising expenditure

In 2023–24, there was no government advertising expenditure incurred by the Nature Parks during the reporting period.

## Consultancy expenditure

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

In 2023–24, there were three consultancies where the total fees payable to the consultants were \$10,000 or greater. The total expenditure incurred during 2023–24 in relation to these consultancies is \$0.1 million (excluding GST). Details of individual consultancies are outlined in Table 9.

Table 9: Details of consultancies valued at \$10,000 or greater in 2023–24

(\$ thousand)				
Consultant	Purpose of consultancy	Total approved project fee (excl. GST)	Expenditure 2023–24 (excl. GST)	Future expenditure (excl. GST)
		\$	\$	\$
Water Technology Pty Ltd	Business consulting	55	55	-
Woop Woop for Nature	Business consulting	42	42	-
Ernst & Young	Business case development	14	14	-
		111	111	-

### Details of consultancies under \$10,000

In 2023–24, there were four consultancies engaged, where the total fees payable to the individual consultancies were less than \$10,000.

The total expenditure incurred during the year in relation to these consultancies was \$12,800 (excl. GST).

## Reviews and studies expenditure

During 2023–24, there was one review and study undertaken with the total cost of \$55,000 (excl. GST). Details of individual reviews and studies are outlined below.

Table 10: Details of reviews and studies undertaken in 2023–24

(\$ thousand)						
Name of the review (portfolio(s) and output(s)/agency responsible)	Reasons for review/study	Terms of reference/scope	Anticipated outcomes	Estimated cost for the year (excl. GST)	Final cost if completed (excl. GST)	Publicly available (Y/N) and url
<b>Summerland Beach Coastal Process Study</b>	Dune erosion events at Summerland Beach create steep dune scarps that prevent penguin access to nesting habitat and threaten the main infrastructure supporting a popular ecotourism destination – the Penguin Parade.	Conduct a coastal process study at Summerland Beach.	To provide resilient natural solutions to the coastal erosion in areas where infrastructure and penguin beach access may be under threat.	55	55	N

## Information and communication technology expenditure

In 2023–24, the Nature Parks had a total information and communication technology (ICT) expenditure of \$1.8 million, as shown in Table 11.

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

Table 11: Details of ICT expenditure

(\$ thousand)			
Business as Usual (BAU) ICT expenditure	Non Business as Usual (non BAU) ICT expenditure	ICT expenditure related to projects to create or enhance ICT capabilities	
		Operational expenditure	Capital expenditure
(Total)	(Total = Operational expenditure and capital expenditure)		
<b>1,798</b>	<b>-</b>	<b>1,491</b>	<b>307</b>

## Disclosure of major contracts

During the year ended 30 June 2024, the Nature Parks did not enter into any contracts greater than \$10.0 million in value.

## Freedom of information

The *Freedom of Information Act 1982* (Vic) (FOI 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 FOI 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 FOI Act allows the Nature Parks to refuse access, either fully or partially, to certain documents or information. Examples of documents that may not be accessed include cabinet documents;

some internal working documents; law enforcement documents; documents covered by legal professional privilege, such as legal advice; personal information about other people; and information provided to the Nature Parks in confidence and information that is confidential under another Act.

Under the FOI Act, the FOI processing time for requests received is 30 calendar days. However, when external consultation is required under ss29, 29A, 31, 31A, 33, 34 or 35, a 15-day automatic extension applies. 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 FOI 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.

Information about the type of material produced by the Nature Parks is available on the Nature Parks website under its Part II Information Statement.

### Making a request

FOI requests can be lodged online at <https://ovic.vic.gov.au>. An application fee of \$32.70 applies. Access charges may also be payable if the document pool is large and the search for material time consuming.

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

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

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

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

The FOI Application Form can be downloaded from our website.

### Freedom of Information statistics/timeliness

During 2023–24, the Nature Parks received no FOI applications.

### Further information

Further information regarding the operation and scope of FOI can be obtained from the Act, regulations made under the Act, and [www.foi.vic.gov.au](http://www.foi.vic.gov.au).



## Compliance with the *Building Act 1993*

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

The Nature Parks carries out detailed building condition audits for all major infrastructure and prioritises maintenance in line with the audit recommendations. A maintenance reporting system is also in place to identify and address any urgent or ad-hoc maintenance issues. Maintenance jobs are prioritised wherever safety implications are identified.

The Nature Parks recently completed its annual Essential Safety Measures obligations in accordance with the Building Regulations 2006 and was compliant in all areas.

In 2023–24, the Nature Parks carried out the ‘Penguin Parade Boardwalks and Viewing Stands Redevelopment’ infrastructure project valued at \$2.2 million.

## Competitive neutrality policy

Competitive neutrality requires government businesses to ensure where services compete, or potentially compete with the private sector, any net advantage arising from government ownership is accounted for if it is not in the public interest. Government businesses are required to set a competitively neutral price, which accounts for any net advantage that comes from public ownership. Competitive neutrality policy supports fair competition between public and private businesses and provides government businesses with a tool to enhance decisions on resource allocation. This policy does not override other policy objectives of government and focuses on efficiency in the provision of service.

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

## Compliance with the *Public Interest Disclosures Act 2012*

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

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

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

### Reporting procedures

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

Level 1, North Tower, 459 Collins Street

Melbourne, VIC 3000

Phone: 1300 735 135

Internet: [www.ibac.vic.gov.au](http://www.ibac.vic.gov.au)

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

### Further information

The 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 at [www.penguins.org.au](http://www.penguins.org.au).

Table 12: Disclosures under the *Public Interest Disclosures Act 2012* in 2023–24

	2023–24 NUMBER	2022–23 NUMBER
The number of disclosures made by an individual to the Department and notified to the Independent Broad based Anti-corruption Commission	-	-
Assessable disclosures	-	-



## Compliance with the *Disability Act 2006*

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

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

### Reducing barriers to accessing goods, services and facilities

The Nature Parks provides accessible and inclusive experiences through its four attractions and reduces barriers to accessing goods, services and facilities through the following:

- Downloadable accessibility guides available for each site.
- Each site is tailored to visitors with mobility needs including:
  - allocated car parking spaces, wide ramp to visitor centre entrance
  - disabled toilet facilities
  - interpretive displays accessible from wheelchair height, ramp and wheelchair access
  - complimentary buggy service and exclusive wheelchair viewing area available at the Penguin Parade.
- Change places facility available at the Penguin Parade Visitor Centre.
- All attractions are certified ‘sensory inclusive’.
- Registered assistance animals are welcome at all attractions.
- Companion Card accepted across all sites.

In 2022–23, the Nature Parks began infrastructure planning and design for the ‘Penguin Parade Boardwalks and Viewing Stands Redevelopment’ project. One of the design objectives was to comply with the *Disability Discrimination Act 1992* to provide access for all. The designs will also undergo a Universal Design review.

### Reducing barriers to persons with a disability obtaining and maintaining employment

The Nature Parks is committed to supporting team members and their needs to ensure they have the same opportunities to succeed.

The Nature Parks has implemented procedures and measures to help foster diversity and inclusion by providing avenues to employees and candidates by substantive equality.

We were pleased to support team members with special needs throughout this year and continue to work with them to adjust duties to adapt to their circumstances. We continue to introduce procedures to reduce barriers within our recruitment and employment practices, as well as providing learning and development.

The Nature Parks connected with local employment agencies to reach community, engage in employment and provide support for ongoing employment.

### Promoting inclusion and participation in the community

New accessible and Disability Discrimination Act-compliant toilets were built at Pyramid Rock, funded by the Department of Families, Fairness and Housing through the Universal Design Funding program.

The Nature Parks is in the process of upgrading a number of ageing assets at reserves and beaches, such as the Cowes-Rhyll trail. Where possible, the Nature Parks will improve the accessibility of the infrastructure to provide access for all.

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

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

## Disclosure of emergency procurement

In 2023–24, the Nature Parks did not activate any emergency procurement activities.

## Disclosure of procurement complaints

Under the governance policy of the Victorian Government Purchasing Board, the Nature Parks must disclose any formal complaints relating to the procurement of goods and services received through its procurement complaints management system.

In 2023–24, the Nature Parks did not receive any complaints relating to the procurement of goods and services.



## Environmental reporting

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

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

We continued our contract to use 100% renewable energy (electricity) for each of our major visitor sites, ensuring that we met our target of a 50% reduction in carbon dioxide emissions by 2023 and taking the Nature Parks a step closer to achieving carbon neutrality by 2030. In 2023–24, electricity was 94% renewable.

Greenhouse gas and carbon dioxide emissions from electricity and fuels decreased compared to 2022–23 results. The estimated decrease of greenhouse gas emission was 27% in 2022–23 vs 2023–24 compared to 18% in 2021–22 vs 2022–23. The estimated increase of carbon dioxide in 2022–23 vs 2023–24 was 2% compared to 17% in 2021–22 vs 2022–23. This is due to resumed post-COVID tourism operation activities.

Table 13: Electricity consumption

INDICATOR	2023-24	2022-23	2021-22
Total electricity consumption (MWh)	839	921	749
Purchased Electricity – Consolidated	839	921	749
The Nature Parks Offices <sup>(a)</sup>	50	49	43
Attractions <sup>(b)</sup>	741	838	681
All other sites	48	35	25
Self-generated (MWh)	284 includes energy sold to grid – 73% is our own consumption	301 includes energy sold to grid – 87% is our own consumption	316 includes energy sold to grid – 85% is our own consumption
Total electricity offsets (MWh)	none	none	none
LGCs voluntarily retired by the Entity <sup>(c)</sup>	Sold to RACV	Sold to RACV	Sold to RACV
Greenpower	94%	94%	92%

Notes:

a) These include the offices of the Nature Parks at Cowes and Koala Conservation Reserve.

b) These include all attraction sites including the Penguin Parade, Nobbies Centre, Koala Conservation Reserve and Churchill Island.

c) LGC are large-scale generation certificates.

### Big strides towards single-use-plastic-free retail stores

We continue to work with our suppliers to reach our objective of being 100% free from single-use plastics.

- The last kimblies and swing tags are being replaced with paper and cotton alternatives.
- Larger suppliers have adopted plant-based compostable packaging slips for product shipment. We continue to work with smaller suppliers to make informed decisions for packaging, transitioning from individually wrapped items to custom packaging in bulk quantities.
- The continued disposal of single-use plastic in landfill has prompted our Purchasing team to work with suppliers to eliminate single-use plastic entirely.

## Transport

The fleet used by the Nature Parks comprised 36 vehicles essential to the provision of services that require team members to travel between sites and across the island. The majority of these vehicles were used for operational and conservation purposes, and the remainder were passenger vehicles for transport of team members. Of the vehicles, 36 were internal combustion engine vehicles and two were hybrid vehicles.

Energy used in transport fuels increased by 4.9% from 2022–23 to 2023–24, while greenhouse gas emissions from transport increased by 5.4%.

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

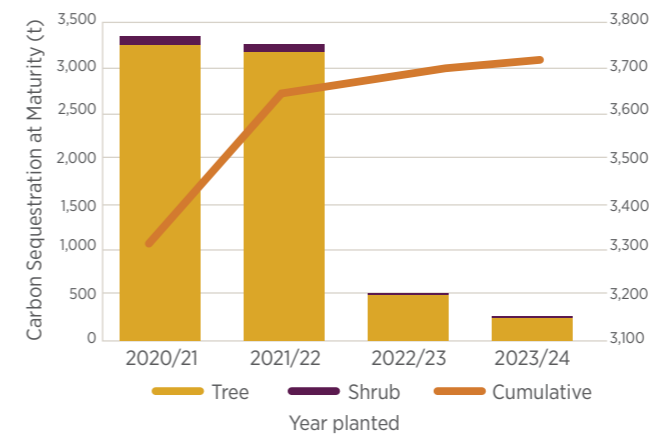
Table 14: Transport

INDICATOR	2023-24	%	2022-23	%	2021-22	%
Number and proportion of vehicles	37	100	37	100	39	100
Road vehicles	37	100	37	100	39	100
Passenger vehicles	28	75	28	75	30	77
Internal combustion engines	28	75	28	75	30	77
Petrol	4	14	4	14	5	16
Diesel/biodiesel	24	85	24	85	25	83
Hybrid	2	5	2	5	2	5
Plug-in hybrid electric vehicle (PHEV)	-	-	-	-	-	-
Range-extended electric vehicle	2	5	2	5	2	5
Goods vehicles	9	25	9	25	10	23
Internal combustion engines	9	25	9	25	10	23
Petrol	2	5	2	5	2	5
Diesel/biodiesel	7	19	7	19	8	20
Hybrid	-	-	-	-	-	-
Plug-in hybrid electric vehicle (PHEV)	-	-	-	-	-	-
Range-extended electric vehicle	-	-	-	-	-	-

## Carbon dioxide sequestration

Each year, the Nature Parks undertakes significant revegetation programs across the island, enabling us to calculate the carbon dioxide sequestration of these plantings. This year the planting level returned to more normal levels after extensive plantings in FY21 and FY22. In 2023–24, plantings will sequester 241 tonnes (lifetime total) of carbon dioxide from the atmosphere once the plants reach maturity (based on the assumption that 70% of planted plants each reach maturity).

Figure 4: Carbon dioxide sequestration



## Sustainable buildings and infrastructure

Australia's harsh climate and scarce water resources mean the development of sustainable buildings is an economic and environmental necessity. Recent extreme weather events demonstrate the importance of addressing climate change risk across the Nature Parks operations, including in the design and management of buildings and infrastructure assets. The Nature Parks has implemented practices across its sites, where possible, to support sustainable building and infrastructure practices. This includes adjusted lighting levels, temperature, and other building systems to avoid unnecessary consumption of energy while maintaining the safety and comfort of occupants. It also involves selecting materials and providers that offer sustainable solutions.

### Environmentally sustainable design in new buildings and infrastructure

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

## Asset management accountability framework maturity assessment

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

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

## Leadership and accountability (requirements 1–19)

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

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

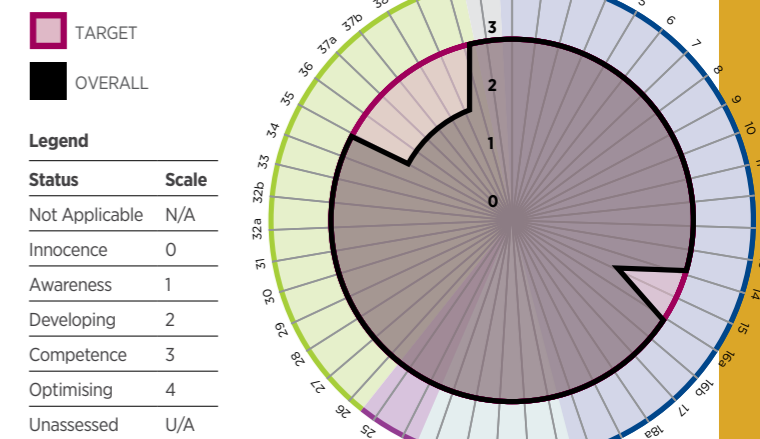
## Planning (requirements 20–23)

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

## Acquisition (requirements 24 and 25)

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

Figure 5: Asset maturity 2023-24



## Operation (requirements 26–40)

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

## Disposal (requirement 41)

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

## 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 *FOI Act*.

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

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





## Financial review



Visitors with admissions team at the Penguin Parade.



# Phillip Island Nature Parks – Financial Statements

## How this report is structured

Phillip Island Nature Parks (the Nature Parks) has presented its audited general-purpose financial statements for the financial year ended 30 June 2024 in the following structure to provide users with the information about the Nature Parks stewardship of resources entrusted to it.

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## Declaration in the financial statements

The attached financial statements for the 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 2024 and financial position of the Nature Parks at 30 June 2024.

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

We authorise the attached financial statements for issue on 30 September 2024.



**C Simonds**

Chief Financial Officer  
Phillip Island Nature Parks  
30 September 2024



**C Basterfield**

Chief Executive Officer  
Phillip Island Nature Parks  
30 September 2024



**K Love**

Chair  
Phillip Island Nature Park Board of Management  
30 September 2024



A visitor being processed by an admissions team member on entering the Penguin Parade.



# Independent Auditor's Report

## To the Board of the Phillip Island Nature Parks

**Opinion** I have audited the financial report of the Phillip Island Nature Parks (the authority) which comprises the:

- balance sheet as at 30 June 2024
- 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 material accounting policies
- declaration in the financial statements.

In my opinion, the financial report presents fairly, in all material respects, the financial position of the authority as at 30 June 2024 and its financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the *Financial Management Act 1994* and applicable Australian Accounting Standards.

**Basis for Opinion** I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

My independence is established by the *Constitution Act 1975*. My staff and I are independent of the authority in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (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.

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

**Other Information** The Board is responsible for the "Other Information" included in the authority's Annual Report for the year ended 30 June 2024. The Other Information in the Annual Report does not include the financial report and my auditor's report thereon. My opinion on the financial report does not cover the Other Information included in the Annual Report. Accordingly, I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial report, my responsibility is to read the Other Information when it becomes available and, in doing so, consider whether the Other Information is materially inconsistent with the financial report, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

**Board's responsibilities for the financial report** The Board of the authority is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the *Financial Management Act 1994*, and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Board is responsible for assessing the authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.

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

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

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

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

MELBOURNE  
28 October 2024



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



## Comprehensive operating statement

For the financial year ended 30 June 2024

(\$ thousand)

	NOTES	2024	2023
<b>Continuing Operations</b>			
<b>Income from transactions</b>			
Supply of services and sale of goods	2.1.1	27,511	20,347
Grants, donations and sponsorships	2.1.2	954	1,518
Other income	2.1.4	1,292	496
<b>Total income from transactions</b>		<b>29,757</b>	<b>22,361</b>
<b>Expenses from transactions</b>			
Employee expenses	3.1.1	(14,862)	(12,780)
Cost of sales	3.2	(2,307)	(1,627)
Depreciation and amortisation	4.1.2	(3,817)	(3,636)
Other operating expenses	3.3	(6,536)	(6,375)
<b>Total expenses from transactions</b>		<b>(27,522)</b>	<b>(24,418)</b>
<b>Net result from transactions (net operating balance)</b>		<b>2,235</b>	<b>(2,057)</b>
<b>Other economic flows included in net result</b>			
Net gain on non-financial assets		109	171
<b>Total other economic flows included in net result</b>		<b>109</b>	<b>171</b>
<b>Net result</b>		<b>2,344</b>	<b>(1,886)</b>
<b>Other economic flows - other comprehensive income:</b>			
<b>Items that will not be reclassified to net result</b>			
Changes in physical asset revaluation surplus	8.2	-	14,860
<b>Total other economic flows - other comprehensive income</b>		<b>-</b>	<b>14,860</b>
<b>Comprehensive result</b>		<b>2,344</b>	<b>12,974</b>

## Balance Sheet

As at 30 June 2024

(\$ thousand)

	NOTES	2024	2023
<b>Assets</b>			
		\$	\$
<b>Financial assets</b>			
Cash and deposits	6.3	20,621	7,076
Receivables	5.1	1,020	671
<b>Total financial assets</b>		<b>21,641</b>	<b>7,747</b>
<b>Non-financial assets</b>			
Inventories	5.4	708	418
Property, plant and equipment	4.1	150,869	150,607
Intangibles	4.2	-	89
Other non-financial assets		222	241
<b>Total non-financial assets</b>		<b>151,799</b>	<b>151,355</b>
<b>Total assets</b>		<b>173,440</b>	<b>159,102</b>
<b>Liabilities</b>			
Payables	5.2	3,101	1,839
Contract liabilities	5.3	13,455	3,173
Lease liability	6.1	762	957
Employee related provisions	3.1.2	3,057	2,413
<b>Total liabilities</b>		<b>20,375</b>	<b>8,382</b>
<b>Net assets</b>		<b>153,065</b>	<b>150,720</b>
<b>Equity</b>			
Accumulated surplus/(deficit)		40	(2,305)
Physical asset revaluation surplus	8.2	75,032	75,032
Contributed capital	8.8	77,993	77,993
<b>Net worth</b>		<b>153,065</b>	<b>150,720</b>

The accompanying notes form part of these financial statements.



## Cash flow statement

For the financial year ended 30 June 2024

(\$ thousand)

	NOTES	2024	2023
<b>Cash flows from operating activities</b>		\$	\$
Receipts from customers and other entities		31,368	22,641
Receipts from government (recognised)	2.1.2	759	1,372
Receipts from government (deferred)	2.1.2	10,135	1,484
Interest received		414	161
Payments to suppliers and other expenses		(8,399)	(8,222)
Payments to employees		(14,863)	(12,781)
Goods and services tax paid from the ATO		(1,762)	(1,333)
<b>Net cash flows from operating activities</b>	6.3.1	<b>17,652</b>	<b>3,322</b>
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment		(3,990)	(887)
Payments for intangibles		-	(89)
Proceeds from property, plant and equipment		109	172
<b>Net cash flows used in investing activities</b>		<b>(3,881)</b>	<b>(803)</b>
<b>Cash flows from financing activities</b>			
Payment of borrowings and principal portion of lease liability		(226)	(213)
<b>Net cash flows from financing activities</b>		<b>(226)</b>	<b>(213)</b>
<b>Net increase in cash and cash equivalents</b>		<b>13,545</b>	<b>2,306</b>
Cash and cash equivalents at beginning of financial year		7,076	4,771
<b>Cash and cash equivalents at end of financial year</b>	6.3	<b>20,621</b>	<b>7,076</b>

The accompanying notes form part of these financial statements.

## Statement of changes in equity

For the financial year ended 30 June 2024

(\$ thousand)

	NOTES	Physical asset revaluation surplus	Accumulated surplus/ (deficit)	Contributions by owner	Total
		\$	\$	\$	\$
<b>Balance at 1 July 2022</b>		60,172	(418)	77,993	137,747
Net result from continuing operations		-	(1,886)	-	(1,886)
Other comprehensive income for the year		14,860	-	-	14,860
<b>Balance at 30 June 2023</b>		<b>75,032</b>	<b>(2,304)</b>	<b>77,993</b>	<b>150,721</b>
Net result from continuing operations		-	2,344	-	2,344
<b>Balance at 30 June 2024</b>		<b>75,032</b>	<b>40</b>	<b>77,993</b>	<b>153,065</b>

The accompanying notes form part of these financial statements.



## 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 Land (Reserves) Act 1978*.

Its principal address is:

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

### 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'.

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 AAS 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.

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.

## 2. Funding delivery of our services

### Structure

2.1	Income from transactions	65
-----	--------------------------	----

### 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 three main attractions for which it receives revenue from admissions and commercial sales.

### Significant judgement: Grants revenue

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

### 2.1 Income from transactions

#### 2.1.1 Sale of goods and services

(\$ thousand)

	NOTES	2024	2023
		\$	\$
Supply of services - Admissions		22,019	16,442
Sale of goods - Retail and souvenirs		5,492	3,905
<b>Total supply of services and sale of goods</b>		<b>27,511</b>	<b>20,347</b>

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

### 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 to the customer are satisfied.

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

Customers are invoiced and revenue is recognised when the goods are delivered and accepted by customers. For services rendered, where customers simultaneously receive and consume the services as it is provided, the customer is subsequently invoiced in accordance with the terms of the service agreement. For other customers that are only able to consume the services when they have been completed, revenue is only recognised upon completion and delivery of the services. In rate 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.



## 2. Funding delivery of our services (continued)

### 2.1 Income from transactions (continued)

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 the revenue policy is generally non-refundable. Therefore, the amount of revenue recognised is adjusted for the expected returns, which are estimated based on the historical data. In these circumstances, a refund liability and a right to recover returned goods asset are recognised.

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

Consideration received in advance of recognising the associated revenue from the customer is recorded as a contract liability (Note 5.2). Where the performance obligations is satisfied but not yet billed, a contract asset is recorded (Note 5.1).

#### 2.1.2 Grants

(\$ thousand)

NOTES	2024	2023
	\$	\$
Grants from government	759	1,372
Other grants, donations and sponsorship	195	146
<b>Total grant income</b>	<b>954</b>	<b>1,518</b>

#### Grants recognised under AASB 1058

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

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

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

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.

## 2. Funding delivery of our services (continued)

### 2.1 Income from transactions (continued)

The Nature Parks received State Government funding through the Department of Jobs, Skills, Industry and Regions of \$2.5 million 2023-24, \$1.0 million 2022-2023 and \$1.0 million 2021-22, for the construction of a non-financial asset. The Nature Parks received State Government financial support of \$8.0 million in June 2024 for critical capital works. This funding is capital in nature and has been deferred under AASB1058.

#### 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 did not receive any volunteer services and does not depend on volunteers to deliver its services.

#### 2.1.4 Other income

(\$ thousand)

NOTES	2024	2023
	\$	\$
Interest received	414	161
Educations tours and school camps	20	40
Rental income	297	212
Miscellaneous income	561	83
<b>Total other income</b>	<b>1,292</b>	<b>496</b>

Notes:

- (a) investment properties are reported in Note 5.2.  
 (b) This revenue relates to the Intellectual property and registry functions commercialisation and reflects the progressive unwinding of the 'grant of right to operate liability' (Note 6.2 Payables) over the remaining period of the arrangement. Refer to Note 7.5.3 AASB 1059 Service Concession Arrangements: Grantors for more details.

**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.

#### 3.1 Expenses incurred in delivery of services

##### 3.1.1 Employee benefits in the comprehensive operating statement

#### Structure

3.1	Expenses incurred in delivery of services	68
3.2	Cost of sales	71
3.3	Other operating expenses	71

(\$ thousand)

	NOTES	2024	2023
		\$	\$
Salaries and wages		11,609	10,156
Payroll tax and workcover		636	365
Superannuation		1,381	1,152
Movement in annual leave and long service leave provisions		1,236	1,107
<b>Total employee expenses</b>		<b>14,862</b>	<b>12,780</b>

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. The cost of delivering services (continued)

#### 3.1 Expenses incurred in delivery of services (continued)

##### 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	2024	2023
		\$	\$
<b>Current provisions</b>			
<b>Annual leave</b>			
Unconditional and expected to settle within 12 months		820	638
<b>Long service leave</b>			
Unconditional and expected to settle within 12 months		160	151
Unconditional and expected to settle after 12 months		785	687
<b>Provisions for on costs</b>			
Unconditional and expected to settle within 12 months		25	111
Unconditional and expected to settle after 12 months		124	99
<b>Accrued wages</b>		896	424
<b>Total current provisions for employee benefits</b>		<b>2,810</b>	<b>2,110</b>
<b>Non-current provisions</b>			
Employee benefits		213	265
On-costs		34	38
<b>Total non-current provisions for employee benefits</b>		<b>247</b>	<b>303</b>
<b>Total provisions for employee benefits</b>		<b>3,057</b>	<b>2,413</b>

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

(\$ thousand)

	2024	2023
	\$	\$
<b>Opening balance</b>	248	226
Additional provisions recognised	82	142
Reduction arising from payments	(147)	(120)
<b>Closing balance</b>	<b>183</b>	<b>248</b>
Current	149	210
Non-current	34	38



### 3. The cost of delivering services (continued)

#### 3.1 Expenses incurred in delivery of services (continued)

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

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

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

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

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

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

The components of this current LSL liability are measured at either:

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

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

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

#### 3.1.3 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	
	2024	2023	2024	2023	2024	2023
	%	%	\$	\$	\$	\$
Accumulated funds (Vision)	11.0	10.5	570	501	-	-
Accumulated funds (other)	11.0	10.5	941	792	-	-
Defined benefits fund (Vision) <sup>(a)</sup>	11.0	10.5	8	8	-	-
<b>Total</b>			1,519	1,301	-	-

Note:

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

### 3. The cost of delivering services (continued)

#### 3.2 Cost of Sales

(\$ thousand)

	2024	2023
	\$	\$
Cost of sales - Retail and souvenirs	2,307	1,627
<b>Total cost of sales</b>	<b>2,307</b>	<b>1,627</b>

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

	2024	2023
	\$	\$
Advertising	243	212
Bank charges	396	310
Consultants and other advice	112	299
Contractors	2,364	2,544
Doubtful debt	(187)	2
Fringe benefits tax	47	42
Insurance (excluding motor vehicle)	152	140
Legal expenses	283	223
Materials and supplies	692	621
Motor vehicle expenses	162	157
Memberships, licences and commissions	512	546
Repairs and maintenance	328	289
Utilities	379	359
Training	251	106
Telephone and internet	188	108
Travel and entertainment	168	116
Miscellaneous expense	446	301
<b>Total other operating expenses</b>	<b>6,536</b>	<b>6,375</b>

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.

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



## 4. Key assets available to support output delivery

### Introduction

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

#### Significant judgement: Classification of investments as 'key assets'

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

### 4.1 Total property, plant and equipment

(\$ thousand)

	Gross carrying amount 2024	Accumulated depreciation 2024	Net carrying amount 2024
	\$	\$	\$
Land at fair value	65,016	-	65,016
Buildings at fair value	89,833	(12,997)	76,836
ROU buildings at fair value	1,364	(744)	620
Boardwalks at fair value	2,935	(1,440)	1,495
Car parks at fair value	1,975	(779)	1,196
Motor vehicles at fair value	1,680	(1,028)	652
Furniture and fittings at fair value	2,159	(2,098)	61
Plant and equipment at fair value	3,953	(3,291)	662
ROU plant and equipment at fair value	184	(161)	23
Computer hardware at fair value	1,656	(1,378)	278
Leasehold improvements at fair value	961	(315)	646
Work in progress at cost	3,384	-	3,384
<b>Net carrying amount</b>	<b>175,100</b>	<b>(24,231)</b>	<b>150,869</b>

### Structure

4.1 Total property, plant and equipment	72
4.2 Intangible assets	78

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

### 4.1 Total property, plant and equipment (continued)

(\$ thousand)

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

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

(\$ thousand)

	Gross carrying amount 2024	Accumulated depreciation 2024	Net carrying amount 2024
	\$	\$	\$
Buildings at fair value	1,364	(744)	620
Plant and equipment at fair value	184	(161)	23
<b>Net carrying amount</b>	<b>1,548</b>	<b>(905)</b>	<b>643</b>

(\$ thousand)

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



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

### 4.1 Total property, plant and equipment (continued)

(\$ thousand)

	Buildings	Plant and Equipment
	\$	\$
<b>Opening balance - 1 July 2023</b>	769	66
Additions	-	-
Disposals	-	-
Depreciation	(149)	(43)
<b>Closing balance - 30 June 2024</b>	620	23

(\$ thousand)

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

#### 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.

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

### 4.1 Total property, plant and equipment (continued)

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)

	2024	2023
	\$	\$
<b>Depreciation</b>		
Buildings	2,261	2,254
Boardwalks	196	186
Car parks	91	91
Motor vehicles	171	136
Furniture and fittings	305	308
Plant and equipment	256	211
Leasehold improvements	64	64
Computer hardware	191	131
<b>Total depreciation</b>	<b>3,535</b>	<b>3,381</b>

##### Amortisation

Software	89	45
Right of use asset	193	210
<b>Total amortisation</b>	<b>282</b>	<b>255</b>
<b>Total depreciation and amortisation</b>	<b>3,817</b>	<b>3,636</b>

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:



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

##### 4.1 Total property, plant and equipment (continued)

(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, are not depreciated. Depreciation is not recognised in respect of these assets because their service potential has not, in any material sense, been consumed during the reporting period.

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

##### 4.1 Total property, plant and equipment (continued)

##### 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 and fittings	Plant and equipment	Computer hardware	Leasehold improvements	Work in progress	Total property, plant and equipment
<b>2024</b>	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Carrying amount as at 1 July 2023	65,016	79,820	1,692	1,287	513	367	669	162	710	370	150,607
Additions	-	46	-	-	309	-	315	307	-	3,012	3,989
Transfer from work in progress	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-	-	-	-
Depreciation and amortisation expense	-	(2,410)	(196)	(91)	(171)	(306)	(299)	(190)	(64)	-	(3,727)
<b>Carrying amount as at 30 June 2024</b>	<b>65,016</b>	<b>77,456</b>	<b>1,496</b>	<b>1,196</b>	<b>651</b>	<b>61</b>	<b>685</b>	<b>279</b>	<b>646</b>	<b>3,382</b>	<b>150,869</b>

Note

(a) Fair value assessments have been performed for all classes of assets in this purpose group and the decision was made that movements were not material (less than or equal to 10 per cent) for a full revaluation. The next scheduled full revaluation for this purpose group will be conducted in 2026.

(\$ thousand)

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



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

### 4.2 Intangible assets

(\$ thousand)

	2024	2023
<b>Non-current</b>	\$	\$
Software at cost	2,448	2,448
Less accumulated amortisation	(2,448)	(2,359)
<b>Net book value at end of financial year</b>	-	<b>89</b>

	2024	2023
<b>Non-current</b>	\$	\$
Opening balance	89	-
Additions	-	133
Retirement	-	-
Less amortisation	(89)	(44)
<b>Net book value at end of financial year</b>	-	<b>89</b>

#### Initial recognition

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

#### Subsequent measurement

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

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

#### Impairment of intangible assets

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

## 5. Other assets and liabilities

### Introduction

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

### 5.1 Receivables

(\$ thousand)

	2024	2023
<b>Contractual</b>	\$	\$
Sale of goods and services	1,045	884
Allowance for impairment losses of contractual receivables	(27)	(214)
Other receivables	2	1
<b>Total contractual receivables</b>	<b>1,020</b>	<b>671</b>

#### Represented by

Current receivables	<b>1,020</b>	<b>671</b>
---------------------	--------------	------------

**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. Amounts recognised from the Victorian Government represent funding for all commitments incurred and are drawn from the Consolidated Fund as the commitments fall due.

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.

### Structure

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5.2	Payables	80
5.3	Contract Liabilities	81
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## 5. Other assets and liabilities (continued)

### 5.2 Payables

(\$ thousand)

	2024	2023
<b>Contractual</b>	\$	\$
Supplies and services	2,491	494
Accrued expenses	694	1,181
<b>Total contractual payables</b>	<b>3,185</b>	<b>1,675</b>
<b>Statutory</b>		
GST Payable	(84)	164
<b>Total statutory payables</b>	<b>(84)</b>	<b>164</b>
<b>Represented by</b>		
Current payables	<b>3,101</b>	<b>1,839</b>

Payables consist of:

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

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

The following table discloses the maturity of contractual financial liabilities.

(\$ thousand)

	Carrying amount	Nominal amount	Maturity dates			
			Less than 1 month	1-3 months	3 months - 1 year	1-5 years
<b>2024</b>	\$	\$	\$	\$	\$	\$
Payables	3,185	3,185	3,132	43	10	-
<b>Total payables</b>	<b>3,185</b>	<b>3,185</b>	<b>3,132</b>	<b>43</b>	<b>10</b>	<b>-</b>
<b>2023</b>	\$	\$	\$	\$	\$	\$
Payables	1,675	1,675	1,635	39	1	-
<b>Total payables</b>	<b>1,675</b>	<b>1,675</b>	<b>1,635</b>	<b>39</b>	<b>1</b>	<b>-</b>

## 5. Other assets and liabilities (continued)

### 5.3 Contract liabilities

(\$ thousand)

	2024	2023
<b>Contract Liabilities</b>		
Opening balance	3,173	1,595
Add: Payments received for performance obligations yet to be completed during the period	476	330
Add: Grant consideration for sufficiently specific performance obligations received during the year	11,090	1,745
Less: Revenue recognised in the reporting period for the completion of a performance obligation	(330)	(236)
Less: Grant revenue for sufficiently specific performance obligations works recognised consistent with the performance obligations met during the year	(954)	(261)
<b>Total contract liabilities</b>	<b>13,455</b>	<b>3,173</b>
<b>Represented by</b>		
Current contract liabilities	<b>13,455</b>	<b>3,173</b>

Contract liabilities include consideration received in advance from customers in respect of ticket purchasing. Invoices are raised once the tickets for attractions have been booked and paid.

### 5.4 Inventories

(\$ thousand)

	2024	2023
	\$	\$
<b>Current Inventories</b>		
<b>Inventories held for sale at cost</b>		
Penguin Parade	404	196
Koala Conservation Reserve	68	63
Nobbies	113	75
Churchill Island	126	88
<b>Total current inventories</b>	<b>711</b>	<b>422</b>
Less provision for inventory obsolescence	(3)	(4)
<b>Total inventories</b>	<b>708</b>	<b>418</b>

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



## 5. Other assets and liabilities (continued)

### 5.4 Inventories (continued)

#### Movement in the provision for inventory obsolescence

(\$ thousand)

	2024	2023
	\$	\$
<b>Balance at the beginning of the year</b>	(4)	(29)
Decrease in provision recognised in profit or loss	1	26
<b>Balance at end of the year</b>	<b>(3)</b>	<b>(4)</b>



Researcher banding hooded plover chicks.

## 6. How we financed our operations

### Introduction

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

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

### Structure

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### 6.1 Borrowings

(\$ thousand)

	2024	2023
<b>Current borrowings</b>	\$	\$
Lease liabilities(a)	170	196
<b>Total current borrowings</b>	<b>170</b>	<b>196</b>
<b>Non-current borrowings</b>		
Lease liabilities	592	762
<b>Total non-current borrowings</b>	<b>592</b>	<b>762</b>
<b>Total borrowings</b>	<b>762</b>	<b>957</b>

Notes:

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

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

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

#### Interest expense

(\$ thousand)

	2024	2023
	\$	\$
Interest expense on lease liabilities	31	44
<b>Total interest expense</b>	<b>31</b>	<b>44</b>

'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.

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. How we financed our operations (continued)

### 6.2 Leases

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

#### The Nature Parks leasing activities

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

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

#### 6.2.1 Right-of-use Assets

Right-of-use assets are presented in note 4.1.1.

#### 6.2.2 Amounts recognised in the Comprehensive Operating Statement

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

(\$ thousand)

	2024	2023
	\$	\$
Interest expense on lease liabilities	31	44
<b>Total amount recognised in the statement of comprehensive statement</b>	<b>31</b>	<b>44</b>

#### 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 2024 relating to leases.

(\$ thousand)

	2024	2023
	\$	\$
<b>Total cash outflow for leases</b>	<b>209</b>	<b>212</b>

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

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

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

## 6. How we financed our operations (continued)

### 6.2 Leases (continued)

#### Separation of lease and non-lease components

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

#### Recognition and measurement of leases as a lessee

##### Lease Liability – initial measurement

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

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

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

##### Lease Liability – subsequent measurement

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

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

##### Short-term leases and leases of low-value assets

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

##### Presentation of right-of-use assets and lease liabilities

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



## 6. How we financed our operations (continued)

### 6.3 Cash flow information and balances

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

For cash flow statement presentation purposes, cash and cash equivalents include bank overdrafts, which are included as current borrowings on the balance sheet, as indicated in the reconciliation below.

(\$ thousand)

	2024	2023
	\$	\$
Cash on hand	5	5
Cash at bank - trading account	4,814	3,053
Cash at bank - major project	14,832	3,090
Cash at bank - defined benefits contingency fund	970	928
<b>Balance as per cash flow statement</b>	<b>20,621</b>	<b>7,076</b>

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

(\$ thousand)

	2024	2023
	\$	\$
<b>Net result for the period</b>	<b>2,344</b>	<b>(1,886)</b>

#### Non-cash movements

(Gain) on sale or disposal of non-current assets	(109)	(171)
Depreciation of non-current assets	3,624	3,425
Amortisation of right of use assets	193	210
Other non-cash movements	31	44

#### Movements in assets and liabilities

(Increase) in receivables and other current assets	(349)	(432)
(Increase) in inventory	(290)	(173)
Increase in payables	1,281	590
Increase in contract liabilities	10,282	1,578
Increase in employee provisions	644	136
<b>Net cash outflows from operating activities</b>	<b>17,652</b>	<b>3,321</b>

## 6. How we financed our operations (continued)

### 6.4 Commitments for expenditure

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

#### 6.4.1 Total commitments payable

(\$ thousand)

Nominal amounts 2024	Less than 1 year	1 - 5 years	5+ years	Total
	\$	\$	\$	\$
Capital expenditure commitments payable	5,622	4,027	-	9,649
Operating lease commitments payable(a)	-	-	-	-
<b>Total commitments (inclusive of GST)</b>	<b>5,622</b>	<b>4,027</b>	<b>-</b>	<b>9,649</b>
Less GST recoverable	511	366		877
<b>Total commitments (exclusive of GST)</b>	<b>5,111</b>	<b>3,661</b>	<b>-</b>	<b>8,772</b>
<b>None in 2024</b>				

#### 2023

None in 2023

Notes:

(a) Operating lease commitments relate to low value leases for which ASB 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.

### 7.1 Financial instruments specific disclosures

#### Introduction

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

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

#### Categories of financial assets

##### Financial assets at amortised cost

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

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

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

The Nature Parks recognises the following assets in this category:

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

##### Categories of financial liabilities

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

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

### Structure

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## 7. Risks, contingencies and valuation judgements (continued)

### 7.1 Financial instruments specific disclosures (continued)

#### 7.1.1 Financial instruments: Categorisation(a)

(\$ thousand)

2024	Cash and Deposits	Financial assets at amortised cost (AC)	Financial liabilities at amortised cost (AC)	Total
<b>Contractual financial assets</b>	\$	\$	\$	\$
Cash and deposits	20,621	-	-	20,621
<b>Receivables</b>				
Sale of goods and services	-	1,018	-	1,018
Other receivables	-	2	-	2
<b>Total contractual financial assets</b>	<b>20,621</b>	<b>1,020</b>	<b>-</b>	<b>21,641</b>

<b>Contractual financial liabilities</b>				
Payables	-	-	3,185	3,185
Borrowings	-	-	762	762
<b>Total contractual financial liabilities</b>	<b>-</b>	<b>-</b>	<b>3,947</b>	<b>3,947</b>

(\$ thousand)

2023	Cash and Deposits	Financial assets at amortised cost (AC)	Financial liabilities at amortised cost (AC)	Total
<b>Contractual financial assets</b>	\$	\$	\$	\$
Cash and deposits	7,076	-	-	7,076
<b>Receivables</b>				
Sale of goods and services	-	670	-	670
Other receivables	-	1	-	1
<b>Total contractual financial assets</b>	<b>7,076</b>	<b>671</b>	<b>-</b>	<b>7,747</b>

<b>Contractual financial liabilities</b>				
Payables	-	-	1,675	1,675
Borrowings	-	-	957	957
<b>Total contractual financial liabilities</b>	<b>-</b>	<b>-</b>	<b>2,632</b>	<b>2,632</b>

Note:

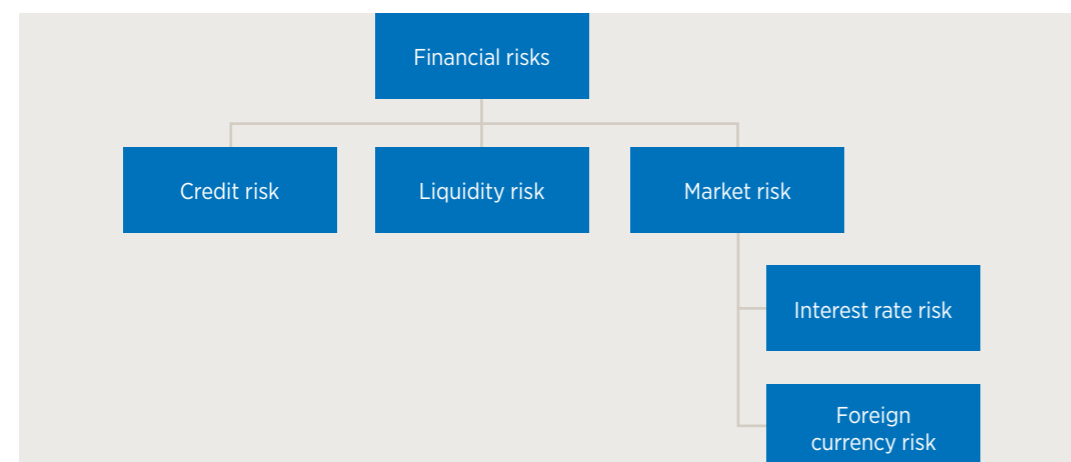
(a) The total amounts disclosed here exclude statutory amounts (e.g. amounts owing from Victorian Government and GST input tax credit recoverable and taxes payable).



## 7. Risks, contingencies and valuation judgements (continued)

### 7.1 Financial instruments specific disclosures (continued)

#### 7.1.2 Financial risk management objectives and policies



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

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised, with respect to each class of financial asset, financial liability 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, foreign currency risk and equity price risk. The Nature Parks manages these financial risks in accordance with its financial risk management policy.

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

#### Financial instruments: Credit risk

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

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

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

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

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

There has been no material change to the Nature Parks credit risk profile in 2023-24. This is reflected in the revised provision for doubtful debts.

## 7. Risks, contingencies and valuation judgements (continued)

### 7.1 Financial instruments specific disclosures (continued)

#### 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.

#### 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 24	Current	Less than 1 month	1-2 months	2 months and over	Total
<b>Expected loss rate</b>	1.19%		4.08%	69.19%	
Gross carrying amount of contractual receivables	832	-	196	17	1,045
<b>Loss allowance</b>	8	-	8	12	28

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

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

(\$ thousand)

	2024	2023
<b>Balance at the beginning of the year</b>	(215)	(213)
(increase)/decrease in provision recognised in net result	187	(2)
<b>Balance at the end of the year</b>	(28)	(215)

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

Bad debts are considered as written off by mutual consent.



## 7. Risks, contingencies and valuation judgements (continued)

### 7.1 Financial instruments specific disclosures (continued)

#### Financial instruments: Liquidity risk

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

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

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

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

#### Financial instruments: Market risk

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

#### Interest rate risk

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

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

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

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

## 7. Risks, contingencies and valuation judgements (continued)

### 7.1 Financial instruments specific disclosures (continued)

#### Interest rate exposure of financial instruments(a)

(\$ thousand)

2024	Weighted average interest rate	Carrying amount	Fixed interest rate	Variable interest rate	Non-interest bearing
	%	\$	\$	\$	\$
<b>Financial assets</b>					
Cash and deposits	2.95	20,621	-	20,616	5
Receivables	-	1,020	-	-	1,020
<b>Total financial assets</b>		21,641	-	20,616	1,025
<b>Financial liabilities</b>					
Payables	-	3,185	-	-	3,185
Borrowings		762			762
<b>Total financial liabilities</b>		3,947	-	-	3,947

(\$ thousand)

2023	Weighted average interest rate	Carrying amount	Fixed interest rate	Variable interest rate	Non-interest bearing
	%	\$	\$	\$	\$
<b>Financial assets</b>					
Cash and deposits	2.63	7,076	-	7,071	5
Receivables	-	671	-	-	671
<b>Total financial assets</b>		7,747	-	7,071	676
<b>Financial liabilities</b>					
Payables	-	1,675	-	-	1,675
Borrowings		957			957
<b>Total financial liabilities</b>		2,632	-	-	2,632

Note:

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



## 7. Risks, contingencies and valuation judgements (continued)

### 7.1 Financial instruments specific disclosures (continued)

#### Interest rate risk sensitivity

Considering past performance and future expectations a 1.0% increase or decrease in interest rates is reasonably possible over the next 12 months. The effect on cash assets would be an increase or decrease in fair value of \$206,160 (2023: \$70,706).

#### Foreign currency risk

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

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

### 7.2 Contingent assets and contingent liabilities

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

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

#### Contingent liabilities

Contingent liabilities are:

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

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

#### Non-quantifiable contingent liabilities

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

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

The Nature Parks is not aware of any material threatened or existing legal actions or other contingencies between the Nature Parks and third parties as at 30 June 2024 (2023:NIL)

## 7. Risks, contingencies and valuation judgements (continued)

### 7.3 Fair value determination

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

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

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

The following assets and liabilities are carried at fair value:

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

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

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

#### Fair value hierarchy

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

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

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

#### How this section is structured

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

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

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



## 7. Risks, contingencies and valuation judgements (continued)

### 7.3 Fair value determination (continued)

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

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

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

The Nature Parks currently holds a range of financial instruments that are recorded in the financial statements where the carrying amounts approximate to fair value, due to their short-term nature or with the expectation that they will be paid in full by the end of the 2023-2024 reporting period.

These financial instruments include:

Financial assets	Financial liabilities
Cash and deposits	Payables:
Receivables:	■ For supplies and services
■ Sale of goods and services	■ Amounts payable to government and agencies
■ Accrued investment income	■ Other payables
■ Other receivables	
Investments and other contractual financial assets:	
■ Term deposits	

#### Non-Financial assets and liabilities measured at fair value

(\$ thousand)

2024	Carrying amount as at 30 June 2024	Fair value measurement at end of reporting period using:		
		Level 1	Level 2	Level 3
	\$	\$	\$	\$
Specialised land at fair value	65,016	-	-	65,016
Specialised building at fair value	77,456	-	-	77,456
Boardwalks at fair value	1,495	-	-	1,495
Car parks at fair value	1,196	-	-	1,196
Motor vehicles at fair value	652	-	-	652
Furniture and fittings at fair value	61	-	-	61
Plant and equipment at fair value	684	-	-	684
Leasehold improvements at fair value	646	-	-	646
Computer hardware at fair value	277	-	-	277

## 7. Risks, contingencies and valuation judgements (continued)

### 7.3 Fair value determination (continued)

(\$ thousand)

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

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 for the plant and equipment, furniture and fitting and vehicles after applying depreciation rates on a useful life basis. Replacement cost related to the cost to replace the current service capacity of the asset. As depreciation adjustments are considered as significant, unobservable inputs in nature these assets are classified as Level 3 assets.

There were no changes in valuation techniques throughout the period to 30 June 2024. Land is presently classified as commercial categorisation, consistent with prior periods. An independent valuation to be conducted by the Valuer General Victoria (VGV) during 2024-25 reporting period which will consider whether commercial or rural categorisation is appropriate for land holdings. Council land zoning in the area has not changed.

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

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

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

In 2022-23 a managerial revaluation of land and buildings was performed in accordance with the requirements of Financial Reporting Direction (FRD) 103H Non-Financial Physical Assets. This resulted in an increase in asset revaluation reserve of \$14.8 million. An assessment was performed in 2023-24 with movement less than 10% on a cumulative basis so no adjustment required.

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

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



## 7. Risks, contingencies and valuation judgements (continued)

### 7.3 Fair value determination (continued)

#### Reconciliation of Level 3 fair value movements

(\$ thousand)

2024	Specialised land	Specialised buildings	Boardwalks	Car parks	Motor vehicles	Furniture and fittings	Plant and equipment	Leasehold Improvements	Computer hardware
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Opening balance	65,016	79,820	1,692	1,287	513	367	669	710	162
Additions	-	46	-	-	309	-	315	-	307
Depreciation	-	(2,410)	(197)	(91)	(170)	(306)	(299)	(64)	(190)
Disposal	-	-	-	-	-	-	-	-	-
<b>Subtotal</b>	<b>65,016</b>	<b>77,456</b>	<b>1,495</b>	<b>1,196</b>	<b>652</b>	<b>61</b>	<b>685</b>	<b>646</b>	<b>278</b>
Revaluation	-	-	-	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-	-	-	-
<b>Closing balance</b>	<b>65,016</b>	<b>77,456</b>	<b>1,495</b>	<b>1,196</b>	<b>652</b>	<b>61</b>	<b>685</b>	<b>646</b>	<b>278</b>

(\$ thousand)

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

## 8 Other disclosures

### Introduction

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

### 8.1 Ex gratia expenses

Ex gratia expenses are the voluntary payments of money or other non-monetary benefit (e.g. a write off) that are not made either to acquire goods, services or other benefits for the entity or to meet a legal liability, or to settle or resolve a possible legal liability of or claim against the entity. The Nature Parks is not aware of any ex gratia expenses at the time of finalising the annual report (2023: NIL).

### 8.2 Reserves

(\$ thousand)

	2024	2023
<b>Physical asset revaluation surplus<sup>(a)</sup></b>	\$	\$
Balance at beginning of financial year	75,032	60,172
Revaluation increments/(decrements)	-	14,860
Balance at end of financial year	75,032	75,032
Net changes in reserves	-	14,860

Notes:

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

### 8.3 Responsible persons

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

#### Names

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

Minister for Environment	Ingrid Stiff MP	1 July 2023 to 30 September 2023
Minister for Environment	The Hon. Steve Dimopoulos MP	1 October 2023 to 30 June 2024
Accountable Officer	Catherine Basterfield, Chief Executive Officer	1 July 2023 to 30 June 2024

#### Board Members

Kevin Love, Board Chair	1 July 2023 to 30 June 2024
Michaela Salvato, Board Member	1 July 2023 to 30 June 2024
Jane Jobe, Board Member	1 July 2023 to 30 June 2024
Dr Geoff Wescott, Board Member	1 July 2023 to 30 June 2024
Patrice Mahoney (OAM), Board Member	1 July 2023 to 30 June 2024
Michelle Dickson, Board Member	1 July 2023 to 30 June 2024
Beverley Munro, Board Member	1 July 2023 to 30 June 2024

#### 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: \$280,000-289,999 (2023: \$260,000-269,999).

(\$ thousand)

Director remuneration	2023-24	2022-23
\$	Number of Directors	
10 - 20	6	6
20 - 30	1	1

The total director remuneration for 2023-24 is \$145,000 (\$145,000 in 2023-24).

## Structure

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## 8 Other disclosures (continued)

### 8.4 Remuneration of executives

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

**Termination benefits** include termination of employment payments, such as severance packages.

(\$ thousand)

Remuneration of executive officers	2024	2023
	\$	\$
Short-term employee benefits	950	879
Post-employment benefits	100	85
Other long-term benefits	23	21
<b>Total remunerations</b>	<b>1,073</b>	<b>985</b>
<b>Total number of executives</b>	<b>6</b>	<b>6</b>
<b>Total annualised employee equivalents(a)</b>	<b>4</b>	<b>6</b>

Notes:

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

### 8.5 Related parties

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

Related parties of the Nature Parks include:

- all key management personnel and their close family members and personal business interests (controlled entities, joint ventures and entities they have significant influence over);
- all Cabinet Ministers and their close family members; and
- all departments and public sector entities that are controlled and consolidated into the whole of state consolidated financial statements.
- 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 has received a funding commitment from the State of Victoria, Department of Jobs, Skills, Industry and Regions of \$5.0 million towards the development of the Penguin Parade boardwalks. \$1.0 million received 2021-22, \$1.0 million received 2022-23 and \$2.5 million received 2023-24, with the balance \$0.5 million to be paid 2024-25 on completion of the development which has been treated as a contract liability. The Nature Parks has received an \$8.0 million contribution from the Department Energy, Environment and Climate Action towards critical asset replacement, this has also been treated as a contract liability. (Note 5.3).

The Nature Parks received a \$200,000 contribution from the Department Energy, Environment and Climate Action towards critical asset replacement, \$68,000 from Department of Justice, and \$50,000 from Community Safety, and Australian Trade and investment Commission towards animal and coastal management initiatives. The Nature Parks has paid the Department of Energy, Environment and Climate Action a total of \$17,000 during the 2023-24 financial year representing work on a research project.

## 8 Other disclosures (continued)

### 8.5 Related parties (continued)

**Key management personnel (KMP)** of the Nature Parks includes the Portfolio Minister for Environment, the Hon. Steve Dimopoulos MP, Minister for Environment, Ingrid Stitt 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	2024	2023
	\$	\$
Short-term employee benefits(a)	411	393
Post-employment benefits	42	39
Other long-term benefits	6	6
<b>Total remunerations</b>	<b>459</b>	<b>438</b>

Note:

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

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

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

### 8.6 Remuneration of auditors

(\$ thousand)

Remuneration of Auditors	2024	2023
	\$	\$
Victorian Auditor General's Office	24	21
<b>Total remuneration of auditors</b>	<b>24</b>	<b>21</b>

Note:

(a) The Victorian Auditor-General's Office is prohibited from providing non-audit services.

### 8.7 Subsequent events

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

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



## 8 Other disclosures (continued)

### 8.8 Other accounting policies

#### Contributions by owners

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

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

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

### 8.9 Australian Accounting Standards issued that are not yet effective

Certain new and revised accounting standards have been issued but are not effective for the 20X1-X2 reporting period. These accounting standards have not been applied to the Financial Statements.

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

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

Among other things, the Standard:

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

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

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

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

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

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

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

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

## 8 Other disclosures (continued)

### 8.10 Glossary of technical terms

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



## 8 Other disclosures (continued)

### 8.10 Glossary of technical terms (continued)

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

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

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

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

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

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.

## 8 Other disclosures (continued)

### 8.10 Glossary of technical terms (continued)

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

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

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

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

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

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



## 8 Other disclosures (continued)

### 8.10 Glossary of technical terms (continued)

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
- the operator is compensated for its services over the period of the service concession arrangement.

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

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

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

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

#### Style conventions

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

The notation used in the tables is as follows:

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

The financial statements and notes are presented based on the illustration for a government department in the *2023-24 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.

Aerial view at Seal Rocks from a drone.







# Appendices

## Appendix 1: Disclosure index

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

Table 15: Disclosure index

Legislation	Requirement	Page reference
<b>Standing Directions and Financial Reporting Directions</b>		
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## Appendix 2: Publications

### 2024

Adriaanse, K., Lynch, M., **Sutherland, D. R.**, Traub, R., Lowe, J., and Hufschmid, J. (2024) 'Toxoplasma gondii does not inhibit the assisted colonization of eastern barred bandicoots (*Perameles gunnii*) to Phillip Island', Victoria, Australia, *Journal of Wildlife Diseases* 60, 116-125.

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Reinhold, S. L. (2023) 'Shifting cultural-ecological baselines in the recovery of long-nosed fur seals and inquiry of the predator-prey relationship with little penguins', Doctor of Philosophy Thesis, University of Adelaide.

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Wille, M., Atkinson, R., Barr, I. G., Burgoyne, C., Bond, A. L., Boyle, D., Christie, M., Dewar, M., Douglas, T., Fitzwater, T., Hassell, C., Jessop, R., Klaassen, H., Lavers, J. L., Leung, K. K.-S., Ringma, J., **Sutherland, D. R.**, and Klaassen, M. (2024) 'Long-Distance Avian Migrants Fail to Bring 2.3.4.4b HPAI H5N1 Into Australia for a Second Year in a Row', *Influenza and Other Respiratory Viruses* 18, e13281. doi: 10.1111/irv.13281.

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Chimienti, M., **A. Chiaradia**, B. Dupuis, N. Joly, C. Sarau, Y. Ropert-Coudert and A. Kato (2023) Decoding Ten Years of Little Penguin Foraging: Bio-Logging Reveals Foraging Patterns with Implications for Climate Change Mitigation and Marine Spatial Planning, *BioRxiv*: 2023.2010.2014.562344.

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Researchers at Observation Point undertaking the fairy tern census.





# Thank you

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## Our community

- Barb Martin Bushbank Nursery
- Bass Coast Landcare Network
- BirdLife Bass Coast
- Friends of Churchill Island Society Inc.
- Friends of Scenic Estate Reserve
- Local landholders
- Local schools
- National Trust (Bass Coast Branch)
- Newhaven Coast Action Group
- Penguin Foundation
- Phillip Island and District Historical Society
- Phillip Island Bass Coast Dog Owners Association
- Phillip Island Business Network
- Phillip Island Boardriders Club
- Phillip Island Conservation Society
- Phillip Island Integrated Transport Study Group
- Phillip Island Landcare Group
- Phillip Island National Surfing Reserve Community Working Group
- Phillip Island Nature Parks volunteers
- Phillip Island Progress Association
- 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)
- Destination Gippsland
- Destination Phillip Island
- Melbourne Water
- Newhaven, Wonthaggi and Cowes Veterinary Clinics
- Phillip Island Business Network
- State Emergency Services (Cowes)
- The many Phillip Island (Millowl) businesses that partner with us to deliver positive experiences for our visitors
- Tourism Australia
- Victorian Tourism Industry Council
- Visit Victoria
- Westernport Water
- Wildlife Coast Cruises
- Wildlife Victoria
- WWF Australia
- Zoos Victoria

## Our collaborating organisations

- Australian Academy of Science
- Australian Antarctic Division
- Australian Geographic
- Australasian Seabird Group
- Birdlife Australia
- Centre d'Etudes Biologiques de Chizé (France)
- CESAR
- Chisholm Institute
- Conservation Planning Specialist Group (CPSG) Australasia
- CSIRO
- Deakin University
- Disney Foundation
- Ecological Horizons
- Ecotourism Australia
- Estacion Ecologica de Doñana (Spain)
- Federation University
- Flinders University
- French National Centre for Scientific Research (CNRS)
- 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
- Network for Ecological Research on Artificial Light (NERAL)
- Office of the Threatened Species Commissioner
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- 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
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- South East Trawl Fishing Industry Association
- Surfing Victoria
- Sustainability Victoria
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