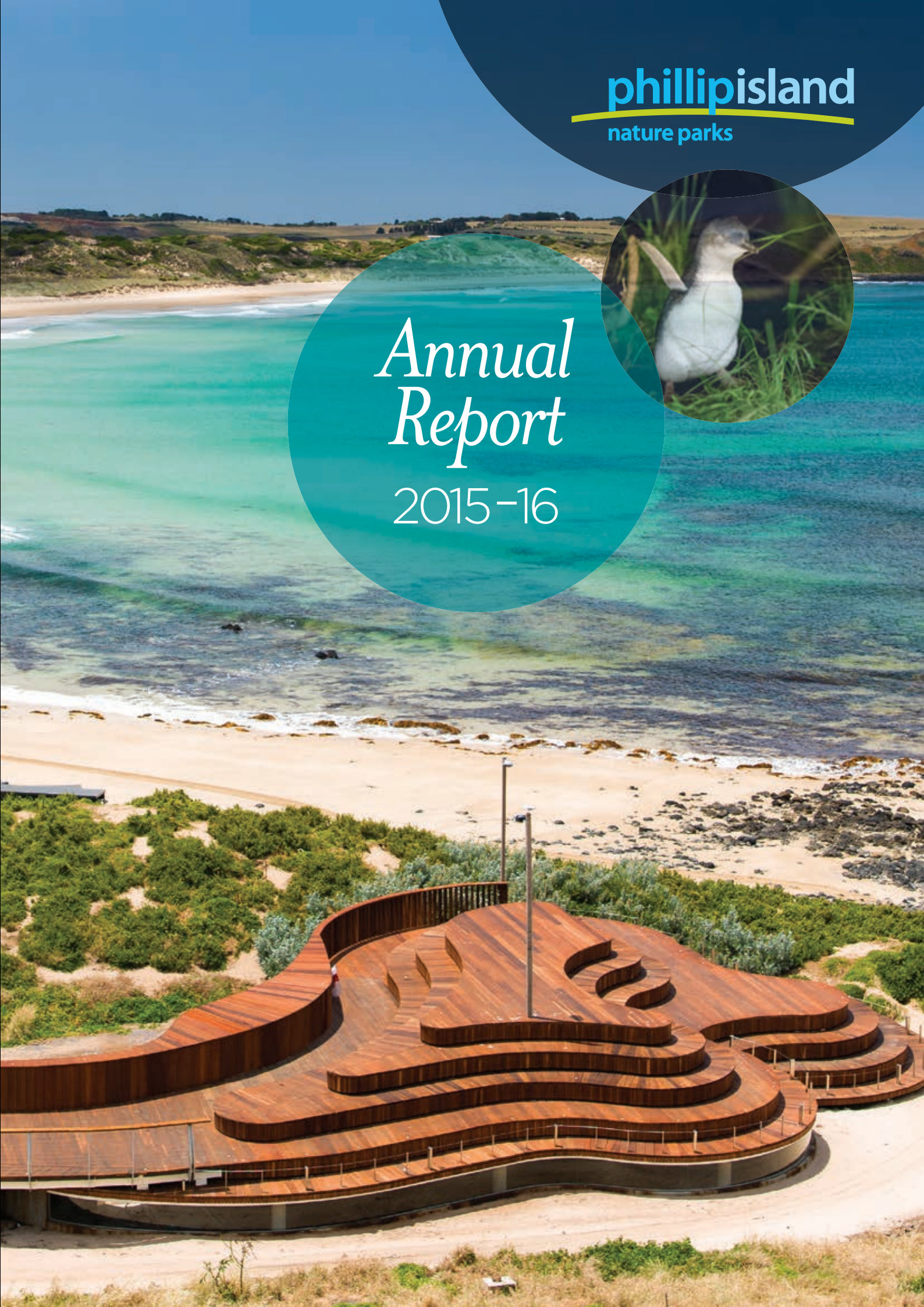


*Annual  
Report*  
2015-16





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# Our business

The Nature Parks operates five main visitor attractions: the world-famous Penguin Parade, Koala Conservation Centre, Churchill Island Heritage Farm, Eco Boat Tours to Seal Rocks and the new Antarctic Journey at the Nobbies Centre.

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

The Nature Parks was formed in 1996 to manage more than 1,805 hectares of Crown Land on Phillip Island "for the conservation of areas of natural interest or beauty or of scientific, historic or archaeological interest".

We acknowledge that the Crown Land managed by the Nature Parks forms a part of the traditional lands of the Boon Wurrung people.

As a not-for-profit organisation, the Nature Parks uses operating surpluses, generated from its tourism attractions, to fund significant conservation activities.

The Nature Parks operates five main visitor attractions: the world-famous Penguin Parade, Koala Conservation Centre, Churchill Island Heritage Farm, EcoBoat Tours to Seal Rocks and the new Antarctic Journey at the Nobbies Centre. Each attraction offers memorable experiences that bring our visitors closer to the natural and cultural environment and Phillip Island's unique wildlife.

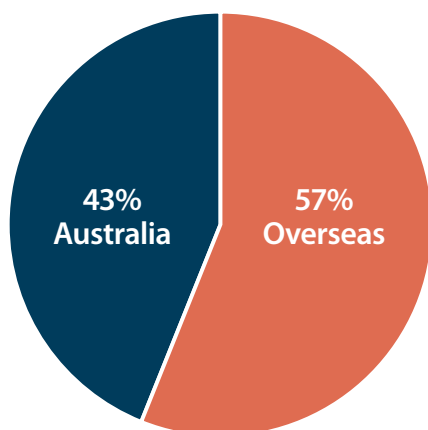
In 2015-16, the Nature Parks welcomed a total of 1,093,236 ticketed visitors. This included 8,453 visitors on the Wild Ocean Eco Boat Tours and an additional 40,108 visitors to the new Antarctic Journey at the Nobbies Centre which opened in December. 57% of visitors to our ticketed venues were from overseas.

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

In the 20 years since its formation, the Nature Parks has achieved significant gains for the ecology and community of Phillip Island. Through our research and environmental management programs, habitats have been enhanced and pest plants and predators have been significantly reduced. Visitor facilities and land management programs have also been enhanced.

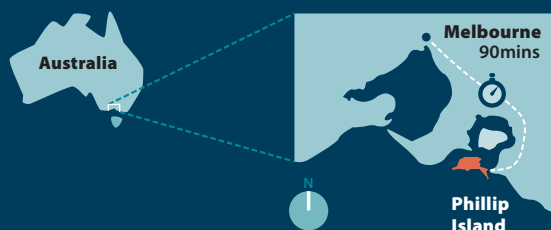
We are proud to be Phillip Island's largest employer with a diverse team that is dedicated to the Nature Parks' success and we are committed to working with our community and volunteers to ensure Phillip Island's environment and wildlife are protected for future generations.

## Our visitors



# Our location

Phillip Island Nature Parks



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

# Our guiding principles

## Our vision

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

## Our mission

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

## Strategic imperatives

To move towards our future vision we must:

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

## Strategic goals

The Nature Parks has six strategic goals for 2012 – 2017:

### 1. Planning

We will clearly communicate our vision for the future and will involve the community and stakeholders in our planning. We will pursue major capital funding to allow us to deliver the full potential of this special place.

### 2. Conservation

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

### 3. Visitor attraction and experience

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

## Our values

### Communication

Being open and transparent, sharing ideas and being consultative.

### Growth and development

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

### Leadership and team work

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

### Respect and integrity

Treating people and our environment with fairness and integrity.

### Responsibility

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

### Sustainability

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

## 4. Community

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

## 5. Organisation

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

## 6. Governance

The Nature Parks has an appropriate governance framework for an organisation of our size, significance and breadth.

# Chair's report

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

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

Our management team, led by CEO Matthew Jackson, is to be commended for ensuring that day-to-day operations continued to remain on track, while successfully managing a large number of significant projects.

Three years ago the Nature Parks identified a significant challenge that it faced: to continue to stay competitive on the world tourism stage while having tired and out-of-date visitor facilities and attractions. A clear strategy was set down by the Board to address this and to raise the funds to see the vision realised.

A new 'Antarctic Journey' attraction was designed and built with funds from the Nature Parks and the State Government.

A new underground penguin viewing facility 'Penguins Plus' was designed and built with funds from the Nature Parks and the RACV.

In April 2016, the Victorian Premier, The Hon. Daniel Andrews MP, announced that the State Government would provide \$48.2M in the 2016-17 Victorian Budget for a major redevelopment of the Penguin Parade Visitor Centre. The Nature Parks will also provide \$10M to the project for a total cost of \$58.2M. This major redevelopment will create for the State 620 new jobs each year, including around 110 construction personnel during the redevelopment and will maintain the Penguin Parade as Australia's premium ecotourism attraction.

Detailed planning work for construction of the new building, removal of the old building and substantial penguin habitat restoration is well underway with construction planned to start by October 2017. The new facility will open in 2019.

I am pleased to report an excellent financial result for the year, with the achievement of an operating surplus of \$3.4M. This result will allow the Nature Parks to continue to reinvest in its assets on Phillip Island.

Achieving growth in overall visitation with over 1.37M visitors and a notable strengthening in our domestic visitation is also an exceptional result.

## Highlights of the year include:

The new 'Penguins Plus' visitor experience opened in November 2015. This new attraction delivers increased capacity for a premium, nature-based experience. The project won a United Nations of Australia 'World Environment Day Award' in June 2016 for 'Infrastructure Innovation'.

The exciting new Antarctic Journey at the Nobbies Centre opened in December 2015, and has received outstanding visitor feedback. Developed in partnership with WWF-Australia, it will contribute to visitors staying longer on Phillip Island, benefiting the community as a whole.

In September 2015, the Nature Parks signed a Memorandum of Understanding with the Chengdu Giant Panda Research Centre in Chengdu, China. This acknowledges the international reputation of the Nature Parks research; both organisations will collaborate and share research, ecotourism and conservation expertise.

The Nature Parks won a Silver award at the 2015 RACV Victorian Tourism Awards in the 'Major Tourist Attraction' Category, which recognises natural or built tourist attractions that attract amongst the highest visitor numbers for Victoria.

The Nature Parks partnered with Bass Coast Shire Council, Regional Development Victoria and Destination Phillip Island to develop a 20-year Phillip Island and San Remo Visitor Economy Strategy to ensure the long-term viability and sustainability of the important Visitor Economy sector.

Our commitment to environmental excellence and research continues to be a driving force. Our world-leading research program on little penguins is now in its 48th year. In December 2015, the Board congratulated and acknowledged Research Manager, Dr Peter Dann on his 35 years of outstanding service. His significant contributions to ongoing research on Phillip Island have been critical to the success of the Nature Parks' conservation and environment management efforts.

In August 2015, the Hon. Lisa Neville MP, the then Minister for the Environment, Climate Change and Water formally launched the release of 16 Eastern Barred Bandicoots onto Churchill Island as part of a pilot in partnership with Zoos Victoria designed to save the species from extinction. To date the pilot has been extremely successful with very positive breeding and survival results.

The Nature Parks 'Reconciliation Action Plan' (RAP) 2015-2018 was endorsed by Reconciliation Australia and launched at the fourth annual Shearwater Festival in November 2015. The 32 actions within the plan are aimed at furthering the Nature Parks' commitment to reconciliation through developing strong relationships, fostering mutual respect and exploring and providing opportunities for Aboriginal and Torres Strait Islander people.

The Nature Parks further reviewed and strengthened its risk management framework and maintained a focus on the key risks affecting the organisation. This included increasing the diversification of revenue streams through a major capital works program to establish new tourism attractions.

The Nature Parks maintained a close collaboration with its wonderful Community and Environment Committees, Bass Coast Shire Council, key Government agencies and local traders and organisations. These partnerships and the commitments to joint planning greatly benefit both tourism and environmental outcomes for Phillip Island. The Nature Parks was delighted with the appointment of the Hon. John Pandazopoulos as the Chair of Destination Phillip Island.

The ongoing support and advice from officers of the Department of Environment, Land, Water and Planning (DELWP) has been much appreciated.

The Nature Parks' Scientific and Research Advisory Committee and Animal Ethics Committee provided much invaluable advice and insight. I would like to sincerely thank committee members for their valuable contributions.

In September 2015, the Hon. Lisa Neville MP, the then Minister for the Environment, Climate Change and Water appointed new Board Members; Dr Danielle Auldish, Shelley Lavender, Kay Spierings and Liz Stinson who joined re-appointed Board Members Stephen Davie, Kevin Love, Andrew Paxton and myself.

I thank my fellow Board members for their counsel, time, expertise and dedication. The Board is working well as a united team over a period of significant change.

In accordance with the *Financial Management Act 1994*, I present this Annual Report for the year ended 30 June 2016.



Jeff Floyd  
Chair

# CEO's report

This was another milestone year for the Nature Parks with the launch of significant new attractions, commencement of major projects and partnerships, and many other achievements leading to positive outcomes for Phillip Island's natural environment, wildlife and local community.

The Nature Parks again achieved record visitor numbers. A total of 1.093M visitors attended our paid attractions including the new Antarctic Journey at the Nobbies which opened in December. This is a 16% increase over 2014-15.

Overall, there was in excess of 1.37M visitors to the Nature Parks. This includes additional free entry at the Nobbies Centre.

This success was driven by record visitation to the Penguin Parade with a total of 693,863 visitors, a 14% increase over 2014-15.

International markets represented 57% of overall visitation, driven by an increase of 21% from China with approximately 170,000 Chinese attending the Penguin Parade and positive growth from key markets including UK, USA, Indonesia, Malaysia and Singapore.

This year, we also achieved an increase of 19% in domestic visitation. This indicates a positive trend arising from our new attractions and strong partnerships with WWF-Australia and the RACV.

The announcement of significant funding towards the new Penguin Parade Visitor Centre marks an exciting new era for the Nature Parks. Along with the tourism and economic benefits, the project will also allow 6.7 hectares of penguin habitat to be restored, strengthening the penguin colony.

Admissions revenue for the year increased by 22.3% and overall yield by 6.4%. This excellent result, together with an ongoing focus on cost management, allowed the Nature Parks to post a strong operating surplus, after the investment of over \$3.8M into island-wide conservation, education and research programs.

Our financial success will support investment in key capital works and the further protection and restoration of Phillip Island's environment.

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

**Record sales of multi-site passes.** 100,146 multi-site passes were sold which is up 14% compared to last year. These passes incorporate discounted entry into the Nature Parks' paid attractions and assist with repeat visitation and increased length of visitor stay on Phillip Island, benefiting the Nature Parks, the community and local traders.

**Significant growth in the China market.** The Nature Parks has been servicing and investing in the China market for over 18 years. We continued to maintain our own full-time, in-market agent representation (including online, public relations and media agencies) based in Shanghai. We expanded our presence in Beijing and broadened our Shanghai operations to include Guangzhou.

**Strong penguin numbers.** The average number of penguins crossing at the Penguin Parade was 1,131, beating last year's record of 1,061. Penguin breeding was also a record of 2.25 chicks per pair and also the heaviest chicks recorded with 1,103g compared to 1,069g (1982).

**Sound progress on important research.** We continued to partner with Victoria University and the Penguin Foundation through the implementation of the \$250,000 grant from Google from its 'Google Impact Challenge' Australia. This funding allows the further development of a unique oil cleaning method using iron particles to remove oil from wildlife, addressing the global need for a safer, faster, more environmentally friendly, humane and portable oil cleaning technology.

**Ongoing planning.** The 'Foreshore Master Plan' for Cape Woolamai was completed. This was a key recommendation from the 'South and North Coast Key Area Plan 2014' and was developed in consultation with Bass Coast Shire Council, key stakeholders and the local community. Solid progress was also made on the development of the 'Summerland Peninsula Trails Master Plan' and the 'Woodlands and Wetlands Key Area Plan'.

**Environmental commitment.** A total of 1,569 staff hours was spent on extensive weed management across the portfolio. Throughout the year, over 55,000 grasses, shrubs, trees and ground covers were planted across the Nature Parks. We are also indebted to our volunteers who assisted in critical works across the Nature Parks.

**Wildlife protection.** The hooded plover is listed as a vulnerable bird in Victoria. 2015-16 was our 24th year of monitoring hooded plovers and our best breeding season to date. This year saw the highest number of fledging chicks ever recorded, with 17 compared to the previous highest total of 12, and far exceeded the annual average of six.

**Fox-free Phillip Island.** We maintained our strong commitment to the vision of making Phillip Island 'fox free'. Our dedicated fox eradication rangers and specialised dogs relentlessly protected Phillip Island's wildlife patrolling for foxes. The last confirmed evidence of foxes on Phillip Island was in August 2015.

**Reducing emissions.** Solar arrays were installed at Churchill Island and the Volunteer House at the Penguin Parade and are expected to reduce electricity consumption at these sites by 50% over time.

**Fire management.** Fire Operations Plans were completed for all reserves in order to achieve the objectives of the Nature Parks' 'Fire Management Plan' and the 'Bass Coast Municipal Fire Management Plan'.

**Education.** Our Education Team provided environmental educational experiences for domestic and international students of all ages from over 200 schools.

**Community involvement.** Phillip Island National Surfing Reserve was voted 'Australia's Best Surfing Reserve' by the National Board of Surfing Reserves in October. A community surfing challenge event was held in April to celebrate the third anniversary of the Reserve's establishment. The Nature Parks maintained its commitment to working with the local community. The sixth annual Community Open Day attracted record numbers with more than 2,500 Bass Coast Shire residents attending.

**Growing and developing our team.** The Nature Parks recruited 87 new staff during the last year across a range of roles and departments. We continued to be Phillip Island's largest employer with over 235 staff and maintained a strong focus on learning and professional development.

This year's outstanding achievements would not have been possible without the passion, dedication and support of the Board, the management team, our staff, volunteers, community, sponsors and key stakeholders.

I would like to personally thank them all for striving towards a future where Phillip Island and its unique ecosystems are restored and protected for future generations through world-class management of biodiversity and natural asset protection.

Matthew Jackson  
Chief Executive Officer

Annual Report 2015-16  
**Operational review**



# Finance

As a not-for-profit organisation, the Nature Parks relies on the success of its ecotourism attractions to deliver ongoing funding for important social, environmental, conservation, research and education outcomes.

## Summary of financial results

The Nature Parks' attractions have continued to demonstrate strong growth over the past year, with a 16% increase in overall ticketed visitors, leading to over one million tickets sold – a record for the Nature Parks.

The Penguin Parade remained the backbone of our operations with a 14% increase in visitors during the year. Growth was spread equally across both domestic and international markets. This exceptional increase, combined with ongoing cost control measures, delivered a net result from transactions of \$3.4M, which was \$1M higher than the previous year. Both total income and net result from transactions have steadily increased since 2012-13, mainly due to ongoing growth in admissions revenue, supported by our retail and food and beverage operations. Expenses from transactions increased in order to accommodate increased visitor numbers, along with conducting ongoing park-wide maintenance and delivering environmental excellence.

The Nature Parks considers the net result from transactions to be the appropriate measure of financial management that can be directly attributable to operations. This measure excludes the effects of revaluations which are outside of our control. We undertook a revaluation of our land, buildings, boardwalks and car parks during the year as part of our five-year cyclical valuation program, resulting in \$15M increased value in our asset base.

The Nature Parks has maintained its strong cash position despite completing two major capital works projects during the year, with net cash from operations increasing by \$1M from the last year. We continue to plan for the future, setting aside funds for future possible defined benefit superannuation fund shortfalls and committing to fund \$10M over three years towards the development of a new Penguin Parade Visitor Centre.

## Tourism operations

### Visitor attractions

Admissions revenue increased by 22.3% on the previous year with 149,084 additional visitors attending the Nature Parks' ticketed attractions.

Domestic growth was driven by a combination of an additional public holiday in Victoria, re-direction of visitors to Phillip Island from the Great Ocean Road due to bushfires and the Nature Parks'

The Nature Parks' attractions have continued to demonstrate strong growth over the past year, with a 16% increase in overall ticketed visitors, with over one million tickets sold – a record for the Nature Parks. This growth has been driven through new product launches.

inclusion in RACV marketing campaigns. The growth in international visitors was predominantly driven by the Chinese market and the low Australian Dollar.

### Retail outlets

The Nature Parks provides retail outlets in each of its visitor attractions. These outlets capitalised on the increase in visitor numbers and achieved revenue growth of 6.7% on the previous year. Overall retail operations achieved all targets for the year including; revenue growth, inventory management, management of yield and net result. Retail initiatives continue to focus on the introduction of new product lines which are more closely aligned with our growing international visitor markets and good environmental practices.

### Food and beverage services

Revenue from our food and beverage outlets exceeded our targets. We re-established management of our café facility at Churchill Island and this together with improvements at the Penguin Parade, Koala Conservation Centre and Nobbies Centre saw revenue from these activities achieving growth of 30.6% from the prior year.

## Conservation, research and education programs

During the year the Nature Parks invested \$3.8M into conservation, research and education activities, including \$0.2M in grants from government bodies and other organisations.

## Significant changes in financial position

In conjunction with our cyclical asset revaluation performed by the Valuer General Victoria, the Nature Parks applied a negative valuation adjustment to account for community service obligations, reflecting the specialised nature of assets operated by the Nature Parks. This adjustment ranged from 20%- 90% dependent on the nature and location of the asset and has been included in the overall asset revaluation adjustment performed.

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

## Towards 2016-17

We will continue our focus on enhancing the experience for our visitors, through the redevelopment of the Penguin Parade Visitor Centre along with growing visitation at our other sites. We will continue to strive to achieve our mission of conserving and enhancing the Nature Parks' environment for current and future generations.

We will continue to ensure that sound financial practices, efficient operations and strong cash flow controls are in place, ensuring that we can provide a maximum return from our ecotourism and environmental programs.

# Operating statement

Comprehensive operating statement for the financial year ended 30 June 2016





	2016	2015	2014	2013	2012
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Income from transactions</b>					
Sales revenue	9,963	8,575	7,915	7,019	6,587
Admissions revenue	16,853	13,777	12,528	10,988	9,895
Interest	189	306	287	275	321
Other operating income	1,742	1,865	1,392	1,961	2,118
<b>Total income from transactions</b>	<b>28,747</b>	<b>24,523</b>	<b>22,122</b>	<b>20,243</b>	<b>18,921</b>
<b>Expenses from transactions</b>					
Employee benefits	(12,421)	(11,093)	(10,010)	(9,552)	(10,236)
Cost of Sales	(3,899)	(3,468)	(3,155)	(2,721)	(2,591)
Materials and supplies	(725)	(716)	(723)	(794)	(709)
Depreciation	(2,134)	(1,733)	(1,682)	(1,585)	(1,848)
Other operating expenses	(6,124)	(5,127)	(4,613)	(4,234)	(4,160)
<b>Total expenses from transactions</b>	<b>(25,303)</b>	<b>(22,137)</b>	<b>(20,183)</b>	<b>(18,886)</b>	<b>(19,544)</b>
<b>Net result from transactions</b>	<b>3,444</b>	<b>2,386</b>	<b>1,939</b>	<b>1,357</b>	<b>(623)</b>
Net gain/(loss) on non-financial assets	31	34	31	13	49
Total other economic flows included in net result	31	34	31	13	49
<b>Net result for the year</b>	<b>3,475</b>	<b>2,420</b>	<b>1,970</b>	<b>1,370</b>	<b>(574)</b>
Increase/(decrease) in Asset Revaluation Reserve	15,029	-	(44)	-	-
<b>Total comprehensive income for the year</b>	<b>18,504</b>	<b>2,420</b>	<b>1,926</b>	<b>1,370</b>	<b>(574)</b>

# Planning

## The Nature Parks' Strategic Plan 2012-2017 outlines our exciting vision for the future.

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

Planning for this year focused on working through the development of major planning documents in consultation with key stakeholders and our community.

Key Goal	Measure	Result
'Summerland Peninsula Master Plan' implementation	Continue to refine Business Case and advocate for funding towards the 'Summerland Peninsula Master Plan' (including the Penguin Parade facility).	Achieved 
'Churchill Island Key Area Plan' implementation	Complete drawings for the Conference and Events facility included in Stage 1 of the 'Churchill Island Key Area Plan'.	Partially Achieved 
Key Area Plan development	Complete the 'Woodlands and Wetlands Key Area Plan' in consultation with the local community and key stakeholder groups.	Partially Achieved 
'North and South Coast Key Area Plan' implementation	Complete the 'Cape Woolamai Coastal Reserves Master Plan' as the first stage in implementing the 'North and South Coast Key Area Plan'.	Achieved 

### Summerland Peninsula Master Plan

In April 2016 the State Government announced funding of \$48.2M towards a \$58.2M project to develop a new visitor facility at the Penguin Parade. The Nature Parks is delighted with the announcement and has committed to funding the remaining \$10M. This very substantial investment will significantly improve the visitor experience and penguin habitat at the Penguin Parade and will contribute to the Nature Parks' vision for the Summerland Peninsula.

### Churchill Island

This year, the Nature Parks commenced planning for the development of a Conference and Events Centre located at Churchill Island, which was set out in Stage 1 of the 'Churchill Island Key Area Plan'. We are excited about the concept plans under development and look forward to finalising the plan in the coming months.

### Cape Woolamai Coastal Reserves Master Plan

The Nature Parks partnered with Bass Coast Shire Council in preparing the draft 'Cape Woolamai Coastal Reserves Master Plan'. The project commenced in January 2016 and was undertaken with significant consultation with the local community and key stakeholders. The Master Plan recommends:

- Development of pedestrian and bike pathways.
- Improvements to parking and beach access at all sites.
- Upgraded washroom facilities (Anzacs Beach).
- Improved environmental outcomes at The Colonnades.

### Woodland and Wetland Key Area Plan

This is the final Key Area Plan outlined in our Strategic Plan 2012-2017 and completes the suite of detailed plans that will guide the future directions of the Nature Parks. Planning commenced in March 2016 with extensive fieldwork and stakeholder engagement sessions. Currently in draft, the Plan will be finalised following community and stakeholder feedback in 2016-17.

Key features include:

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

### Towards 2016-17




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

We will expand our future vision as we commence the development of our new Strategic and Environment Plans 2018-2023 and engage in detailed planning for the exciting new Penguin Parade facility.

# Sustainability

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

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

Key Goal	Measure	Result
Integrate environmental sustainability principles into our organisation	Implement a solar energy system at the Nature Parks' volunteer accommodation and Churchill Island Visitor Centre.	Achieved 
	Reduce carbon emissions across the Nature Parks by 10%.	Not achieved – 8% increase 
	Ensure sustainability messages from the Antarctic Journey at the Nobbies Centre are replicated in the retail and food and beverage offering.	Achieved 

## Solar energy to reduce electricity usage

During the year we implemented two new solar systems, including a 25kWh system at the Nature Parks' volunteer accommodation and a 25kWh system at the Churchill Island Visitor Centre. Both systems were installed in December 2015 and are expected to produce 50% of the electricity for each site when operating for a full year.

## Carbon reporting and reduction targets

We continually strive to minimise our impact on the environment by reducing emissions through efficiency programs rather than through the purchase of carbon offsets.

Our carbon reduction initiatives for the year focused on reduction in electricity usage. Over the year, we produced 76.4MkWh of electricity from solar and 10% of our purchased electricity was green energy from certified renewable sources.

Despite a significant investment in solar electricity the increased gas and electricity usage from the new Antarctic Journey attraction and the increase in visitation, impacting waste, resulted in an overall increase in emissions of 8.2%.

## Retail and food and beverage

A new retail and food and beverage offering was opened with the Antarctic Journey attraction which promotes the sustainable environmental messages and values represented in the attraction.

## Towards 2016–17

Our commitment to the adoption of renewable energy will continue with the plan for another substantial solar system at the Nobbies to offset the new Antarctic Journey impacts. We will also continually improve our current operations and incorporate the highest sustainable principles and practices in our new tourism developments.

During the year we implemented two new solar systems, including a 25kWh system at the Nature Parks' volunteer accommodation and a 25kWh system at the Churchill Island Visitor Centre. Both systems were installed in December 2015 and are expected to produce 50% of the electricity for each site when operating for a full year.



# Environment

Our award-winning, research-led environmental management programs guided by our 'Environment Plan 2012-2017' aim to maintain and improve the natural habitat on Phillip Island and protect its landscapes, environmental, social and cultural assets for future generations.

Key goal	Measure	Result
Strengthen the protection of natural assets	Continue weed control efforts on the Summerland Peninsula.	Achieved ○○●
	Ensure that the former Rhyll Transfer Station is managed in accordance with the current 'Post Closure and Rehabilitation Monitoring Plan' 2012.	Achieved ○○●
	Develop a 'Vegetation Management Plan' for the north and south coast.	Achieved ○○●
	Implement the Fire Management Plan 2016-20.	Achieved ○○●
Facilitate cooperative approaches to island-wide environmental management	Implement the five-year 'Fox Eradication Strategy'.	Achieved ○○●
	Develop a 'Rabbit Strategy' and Rabbit Working Group in conjunction with Bass Coast Landcare Network and the Bass Coast Shire Council.	Achieved ○○●

## Protecting natural assets

### Summerland Peninsula

Weed removal and control was a focus of works this year. Extensive weed control continued to ensure that we maximise and consolidate gains made over previous years.

Contractors continued working on kikuyu, couch and buffalo grass control. These smothering grasses have detrimental effects on ground nesting birds.

### Rhyll Transfer Station

Vegetation established at the former Rhyll Transfer Station is showing signs of maturing and reaching densities of biomass that can out-compete weeds. It is also at a stage where it is self-regenerating and naturally vegetating areas that were previously weed infested or struggling with the site conditions.

The site has now reached a maintenance level with thriving, healthy native vegetation.

Biodiversity has been a major focus over the past 12 months as well as increasing plant numbers in areas to maintain sustainable habitat.

## Fire planning and management

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

- A total of 14 camp/beach fires were responded to during the summer period. This also included a lightning strike on the Summerland Peninsula.
- We commissioned the development of the 'Fire Management Plan 2016-20' and also update the 'Planned Burn – Plan of Operations' document to reflect current practices, policies and protocols in relation to planned burning.
- All fire tracks and fuel breaks were mapped to ensure maintenance programs are conducted to DELWP standards.

## Park-wide habitat restoration

### Weed management

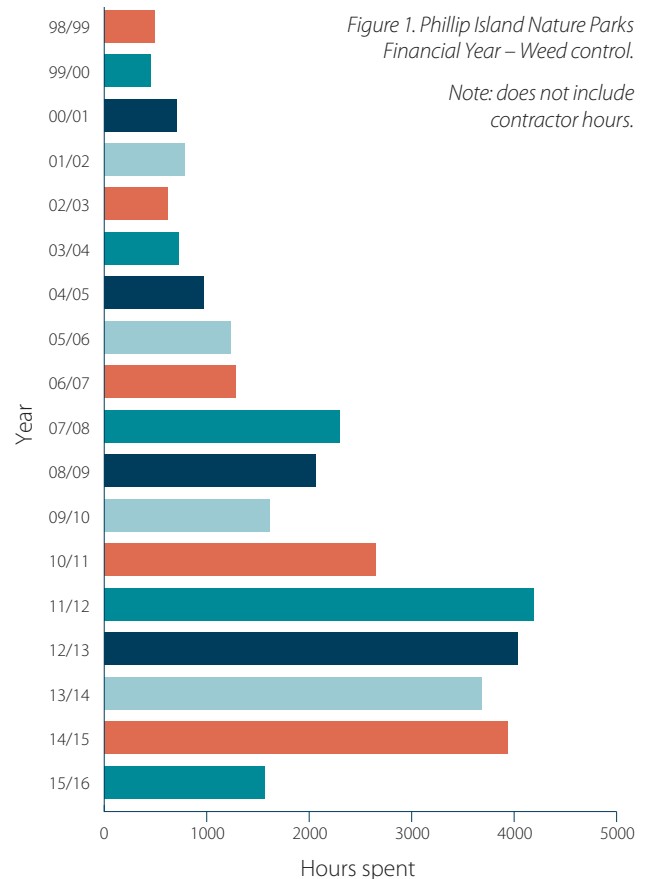
After successfully targeting large-scale weed infestations, the focus of our weed management shifted to more targeted follow-up works and habitat restoration. This is reflected in the decrease in total hours spent from 3,938 in the previous year to 1,500 in 2015-16. (Figure 1). Key items to note this year were:

- Funding from 'Caring for Our Country' allowed pest plant and animal control to continue along the north-east coast of Phillip Island as part of the Ramsar Protection Project. Major control works undertaken at Observation Point five years ago have dramatically improved the natural values of the area and allowed the re-colonisation of indigenous plant species into areas previously dominated by weeds.
- The discovery of serrated tussock on the Summerland Peninsula prompted swift action by the Nature Parks and Victorian Serrated Tussock Working Party. All serrated tussock plants found at the site were removed prior to seeding and surveillance will continue to ensure no further infestations of this weed exist.
- This year marks ten years of intensive weed management on Cape Woolamai. Work continued on a landscape scale and there has been good progress on the two highest priority weed species: boxthorn and apple of sodom.
- Kikuyu still poses a great threat to Cape Woolamai as well as other shearwater habitats and will require continued large-scale effort.
- Marram grass and sea spurge removal continued along the Woolamai Beach foreshore.

### Revegetation

Biodiversity has been a major focus over the past 12 months as well as increasing plant numbers in areas to maintain sustainable habitat, with many successes including:

- Throughout the year, over 55,000 grasses, shrubs, trees and ground covers were planted across the Nature Parks.
- Around 50 Moonah trees were planted along the Ramsar coast to enhance the endangered Moonah woodland Ecological Vegetation Class that exists there.
- Cape Woolamai had a significant focus during the year with over 22,200 plants put in the ground around the highest point at the light beacon.
- Berry's Beach walking track area was strategically burnt two years ago to reduce the biomass of kikuyu grass. Since then school and volunteer groups have assisted in creating a refuge for wallabies, echidnas, reptiles and many bird species. This financial year 14,000 plants were planted in the area.



## Island-wide environmental management

### FERAL ANIMALS

#### Foxes

No physical evidence of foxes has been found on Phillip Island since August 2015. This is despite extensive efforts throughout the year including carrying out over 2,700km of surveys with our fox detection dogs, using cameras and conducting night surveys and track searches in our bid to find Phillip Island's last remaining foxes.

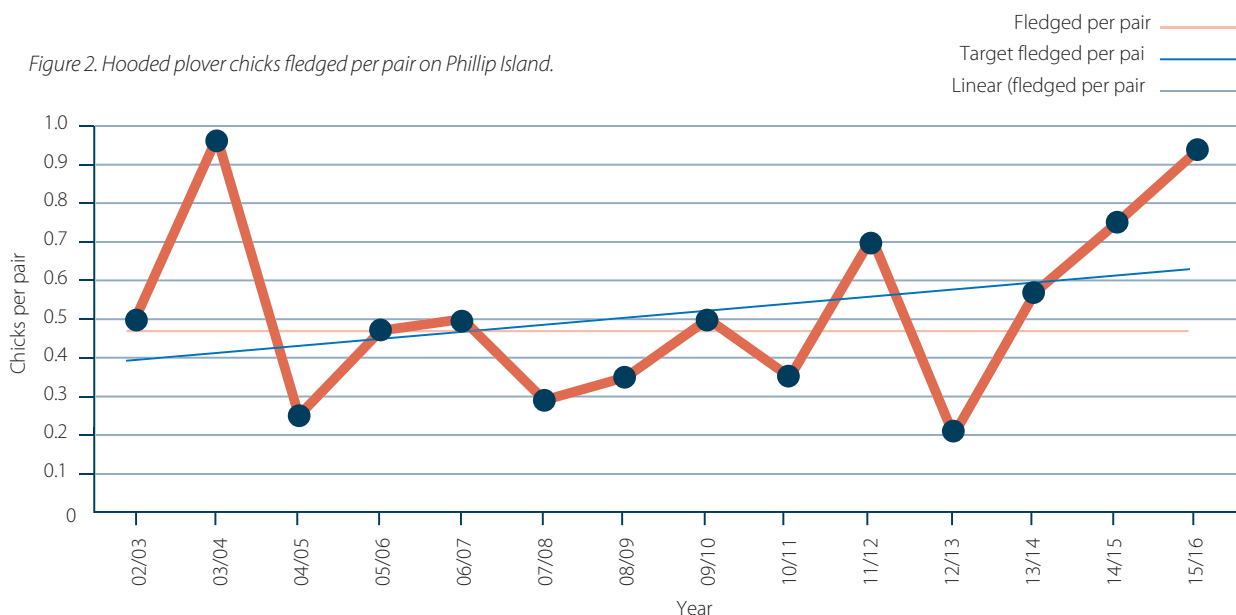
#### Feral cats

This year, 156 feral cats were removed from Phillip Island. Studies on cat diet, abundance and the prevalence of diseases such as toxoplasmosis have commenced to quantify their impacts on the ecosystem.

#### Rabbits

A rabbit working group formed between Bass Coast Landcare Network, Bass Coast Shire Council and the Nature Parks allowed the coordination of rabbit monitoring and control across various tenures. Fishers Wetland, at the gateway to Churchill Island, continued to be a high priority for rabbit control and efforts were assisted by the installation of a new exclusion grid at the Churchill Island bridge.

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



## Hooded plovers

This was our 24th year of monitoring hooded plovers and our best breeding season to date. Thanks go to all involved, including the community volunteers. This year saw the highest number of fledging chicks ever recorded. The total of 17 was well above the highest previous total of 12 and far exceeded the annual average of six.

The 0.94 chicks fledged per pair result is well above average. A sustainable population required 0.47 chicks fledged per pair and Phillip Island has trended above this since 2007-08.

## Koala management

There were 25 koalas in the Koala Conservation Centre this year. Three female koalas were received via the DELWP 'Orphaned Joey Re-homing Program'. The young koalas relied on hand feeding and the Centre's care facilities received a substantial upgrade as a result.

Rangers cared for seven sick and injured koalas and were able to successfully rehabilitate six.

Rangers recorded 25 free-ranging koalas across Phillip Island. The island koala population is estimated to be between 40 and 50 individuals.

General works included the commissioning of a report to facilitate the healthy management of trees around the visitor boardwalks into the future, and measures to create a safe environment for visitors.

## Wildlife rescue and rehabilitation

The Nature Parks operates a Wildlife Rehabilitation Centre for little penguins and other native local wildlife and includes a wildlife rescue service during office hours. We maintained our partnership with Wildlife Victoria who responded to all after-hours wildlife rescues to ensure the availability of a 24-hour response for injured wildlife on Phillip Island.

During the past year, the Wildlife Rehabilitation Centre team:

- Cared for 120 penguins (134 in 2014-15) including a severely malnourished juvenile Fiordland penguin.
- Cared for 329 'other' animals from 48 different species including an exhausted fairy prion brought in to Cowes on a cruise ship.
- Responded to 820 (681 in 2014-15) wildlife rescue calls and provided advice to the public and other wildlife carers.
- Presented two training sessions for oiled wildlife response with DELWP and participated in the oil spill response drill 'Exercise Bunker'.
- Conducted a study on the survival and dispersal/preferred habitat for hand-raised ringtail and brush-tail possum joeys. The study is approved for three years and may be extended if required.

## Shearwater rescue

The annual 'Short-tailed Shearwater Rescue Program' resulted in 360 (365 in 2014-15) fledgling birds being rescued from the roads around Phillip Island and San Remo and relocated to safer areas. The number of birds found dead on the roads (152) was significantly down on the previous year's count of 267. The majority of the birds handled by the rescuers had good weights and were in good condition.

## Towards 2016-17

We are looking forward to another year of positive outcomes for Phillip Island's environment and wildlife.

Along with our ongoing habitat restoration and wildlife protection programs, we will focus on the Fox Eradication Project and enhancing existing cat control measures.

The Koala Conservation Centre will be upgraded in line with the 'Woodlands and Wetlands Key Area Plan' and a Phillip Island fauna survey will be completed.

Our focus on weed control will be maintained with Cape Woolamai and Summerland Peninsula as priorities.

# Research

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

Key goal	Measure	Result
Conduct high standard research of relevance to wildlife management on Phillip Island	Report on the attendance patterns ashore, timing of breeding and breeding success of penguins in 2015-16.	Achieved ○○●
	Examine the effects of climate change on penguin survival, breeding productivity and feeding ecology.	Achieved ○○●
	Refine the oiled-bird magnetic cleaning process.	Achieved ○○●
	Conduct research-led management of Phillip Island's short-tailed shearwaters.	Achieved ○○●
	Continue monitoring of both Australian and long-nosed fur seal populations.	Achieved ○○●
Raise the capacity and profile of research	Develop a research centre brand.	Achieved ○○●
	Produce more than 15 scientific papers in international peer-reviewed journals.	Achieved ○○●
	Supervise at least 10 Honours and Postgraduate students.	Achieved ○○●
	Deliver 20 research presentations.	Achieved ○○●
	Provide 15 media interviews.	Achieved ○○●
	Attract national and international funding and collaborators.	Achieved ○○●

## World-class research

### Protecting little penguins

Research at the Summerland Peninsula penguin colony has been carried out since 1968 making it Australia's longest-running intensive study of a breeding seabird.

In 2015-16, the average daily number of penguins crossing the beach at the Penguin Parade (1,130) was the highest since records began in 1977. On 29 October 2015, we recorded the highest number of penguins crossing at the Parade ever, with a massive 3,238 birds making their way across the beach.

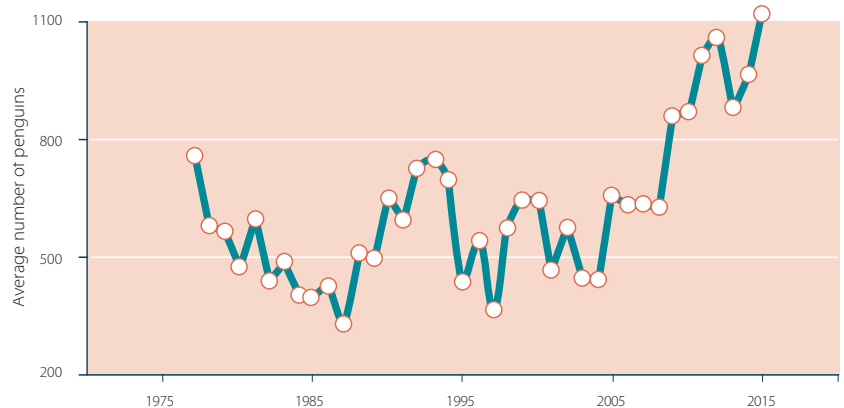


Figure 3. Average number of penguins crossing the Penguin Parade beach each night, July 1977 and June 2016.

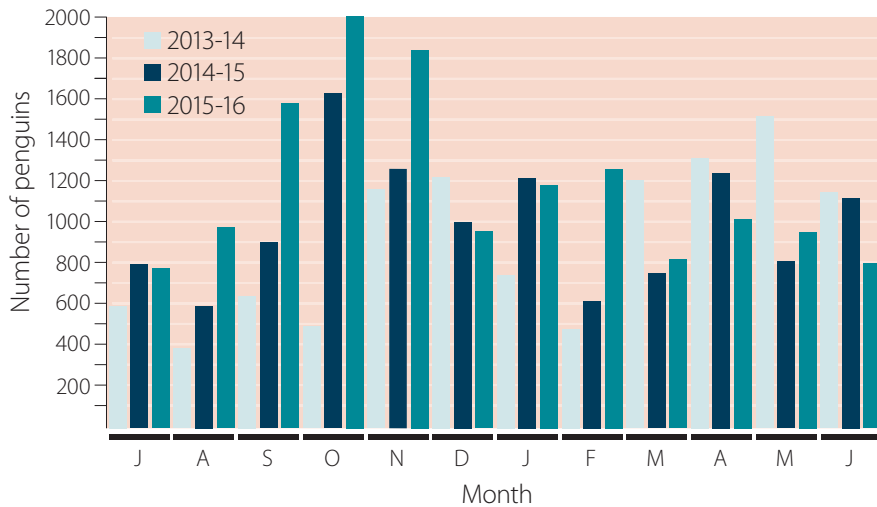


Figure 4. Monthly mean numbers of penguins at the Penguin Parade: 2015-16.

The seasonal pattern of penguin attendance remained relatively stable between months over the past three years with the usual peaks during the breeding and post-moulting periods.

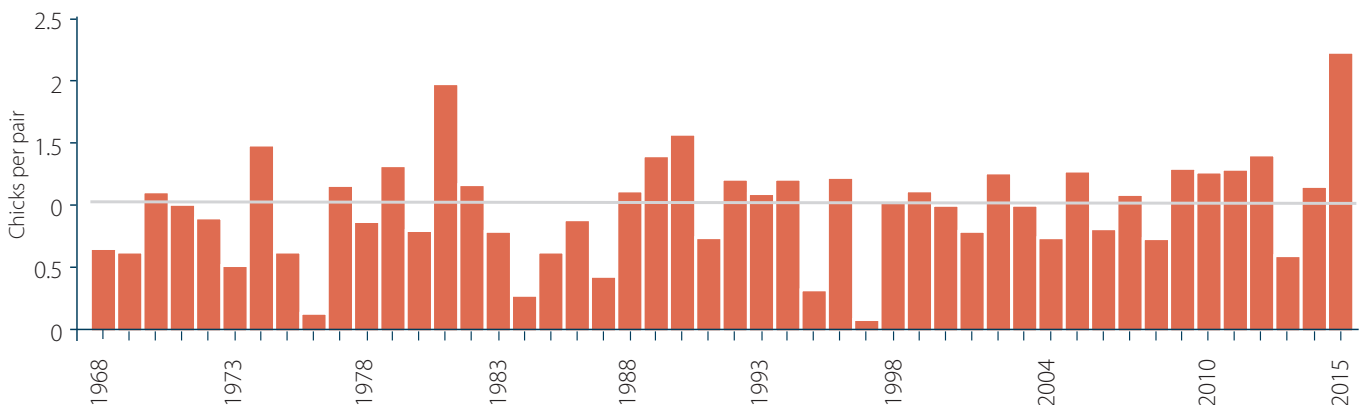
Breeding success was examined at six sites around the Summerland Peninsula and the result of 2.25 chicks fledging per pair was well above the long-term average of 1.01 and the most chicks fledged per pair since monitoring began in 1968 (Figure 5). The highest number of chicks fledged per pair until now was 1.91 in 1981.

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

### Little penguin terrestrial and marine ecology

Research into little penguin ecology focused on their changes in population size, breeding biology including energetics, factors affecting the timing of breeding and survival in relation to climatic effects and foraging activity using satellite and GPS tracking, diving and trip duration monitoring. Attendance patterns and weights at two weighbridges were also monitored. Particular attention was directed at several penguin management issues at the Penguin Parade including penguin access to breeding areas and lighting.

Figure 5. Annual breeding success, measured in terms of chicks raised per pair of penguins between July 1968 and June 2016.



## International excellence in research

During the year the research team:

- Produced 24 publications in peer-reviewed journals (A full list is given in Appendix 2) and gave more than 40 presentations at Australian and international forums along with widespread media coverage of achievements, participating in 30 interviews.
- Co-supervised one Honours thesis, one Masters and 10 PhD students not including three extra PhDs at Deakin, Monash and Melbourne universities and one Masters and one Honours completed.
- Received funding from major grants including two prestigious international research grants.
- Maintained a large network of international collaborations.
- Registered our first preliminary patent of an industrial application of the magnetic particle cleaning technology.

## Magnetic particle research

Major advances were made in the development of magnetic particle technology with our partners at Victoria University. This is a unique oil cleaning method using magnetic iron particles to remove oil from wildlife. Research focused on optimising the blend of the powder, the strength of the magnet and the effects of heat on the removal process.

## Wallaby population research

An island-wide survey of the population of swamp wallabies was completed, together with measuring interactions with humans, including mortality caused by vehicles and the ecological and agricultural impacts of the wallaby population on Phillip Island. GPS tracking was also used to determine the habitat features associated with the movements of wallabies on Phillip Island.

## Research-led management of short-tailed shearwaters

During the year, responses of shearwaters, particularly fledglings, to lights was examined experimentally and in relation to body condition. An analysis of the rescue program was published and a review of world-wide occurrences of seabird grounding and artificial lights was completed.

Monitoring burrow occupancy and breeding success, mapping shearwater breeding colonies across Phillip and Gabo islands and the mapping of trans-equatorial migration using geo-locators were also completed.

## Australian and long-nosed (formerly New Zealand) fur seals

The role of entanglements of Australian fur seals in the long-term was examined and published during the year and highlighted the significant and undetected scale of this threat. Trials were conducted to estimate seal population sizes using drones thereby significantly reducing disturbance to seal colonies and improving accuracy. We commenced initial studies of long-nosed fur seal predation on little penguins.

## Towards 2016-17

Our research program will focus on maintaining and interpreting long-term datasets on key wildlife species including penguins, shearwaters, hooded plovers, kelp and pacific gulls, migratory shorebirds and Australian and long-nosed fur seals in relation to environmental variability.

We will implement year two of the global roll-out of magnetic particle technology and commence testing the technology on sea otters and turtles.

We will undertake the second year of study of penguin feeding hot spots and commence new studies of a little penguin population census on Phillip Island and the impact of long-nosed fur seals on this species.

We will look towards a staged translocation of the threatened eastern barred bandicoots and continue our studies of human-wildlife interactions with wallabies, seals and hooded plovers and management of little raven predation of penguin eggs and chicks.

We will also undertake a scientific staff exchange with the International Centre for Giant Panda Conservation Biology in Chengdu, Sichuan province, China.

During the year the research team produced 24 publications in peer-reviewed journals and gave more than 40 presentations at Australian and international forums along with widespread media coverage of achievements, participating in 30 interviews.

# Tourism

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

Key goal	Measure	Result
Increase visitor numbers	Achieve 964,200 visitors across all paid attractions.	Achieved ○○●
Extend immersive nature-based experiences	Further enhance visitation on the Eco Boat Tour experience.	Achieved ○○●
	Launch Antarctic Journey attraction.	Achieved ○○●
	Launch new Penguins Plus and underground viewing.	Achieved ○○●
Strengthen the planning and delivery of interpretation	Maximise opportunities to host corporate and incentive groups.	Achieved ○○●

## Another year of record paying visitor numbers

Visitation	2015-16	2014-15
Penguin Parade	693,863	607,888
Churchill Island	137,461	130,294
Koala Conservation Centre	213,351	202,107
Nobbies Centre Antarctic Journey	40,108	NA
Eco Boat Tours	8,453	3,883
<b>Total paid visitation</b>	<b>1,093,236</b>	<b>944,172</b>

This was another record year. We welcomed a total of 1,093,236 paying visitors across all attractions, an increase of 16% from last year.

This impressive total number was made up of 57% international and 43% domestic visitors. The overall increase is mainly attributed to the domestic and Asian markets.

Overall, there was in excess of 1.37M visitors to the Nature Parks. This includes the additional free entry at the Nobbies Centre.

## Visitation across the Nature Parks

### Penguin Parade

The main visitor growth this year was experienced at the Penguin Parade. We experienced a 14% increase in visitors to the Penguin Parade due to substantial international market growth and an unprecedented increase in domestic visitation.

The number of domestic visitors to the Penguin Parade increased by 16% this year. This is due to our new partnership with RACV and a very strong summer holiday period.

International visitation increased by 14% year on year. This is due to a 21% increase in the China market, a 38% increase in Singapore and a 13% increase in Malaysia. We maintained our visitor numbers from the UK, USA and Europe and experienced a slight increase in visitors from India and Indonesia.

### Koala Conservation Centre

We can report a 5.4% increase in visitors to the Koala Conservation Centre due to increased international visitation across the Nature Parks.

### Churchill Island

Churchill Island visitation increased by 5.3%, reflecting the overall increase in domestic visitation and the major events held during the year.

### Park-wide

We sold a total of 88,033 '3 Parks Passes' this year. These incorporate discounted entry into our three main visitor attractions and extend visitor stay. We also worked on developing a '2 Parks Pass', '4 Parks Pass' and '5 Parks Pass' bringing the total number of multisite passes sold to 100,146.



The Nature Parks launched the exciting new Antarctic Journey attraction in December in conjunction with WWF- Australia. We then welcomed 40,108 visitors to this new attraction with resoundingly positive visitor feedback.

## **New, 'immersive' nature-based experiences**

### **Antarctic Journey**

The Nature Parks launched this exciting attraction in December in conjunction with WWF- Australia. We then welcomed 40,108 visitors to this new attraction with resoundingly positive visitor feedback.

### **New Penguins Plus and Underground Viewing experiences**

We launched this new and exciting product in November in partnership with the RACV. This significant investment will ensure that our number one attraction remains dynamic and meets the changing needs of our visitors. Over 86,739 visitors experienced the new and improved Penguins Plus, of which 15,369 visitors enjoyed the new Underground Viewing experience.

### **Eco Boat Tour**

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

## **Nature Parks in the news**

A key part of our strategy is to raise awareness of the Nature Parks in the wider community. To support this, we achieved impressive editorial media coverage which translated to a value of \$12.8M in equivalent advertising expenditure, and an effective circulation reach of 160 million people.

## **Strengthening interpretation**

### **Antarctic Journey**

We have made important conservation messages accessible to a wide range of visitors through the carefully crafted interpretive information and activities contained in the new 'Antarctic Journey' attraction at the Nobbies.

### **Coastal reserves**

We developed new interpretive signage for the Conservation Hill and Rhyll Inlet Wetlands walking trails with refreshed and updated content. New information shelters were installed at each end of the trail, further enhancing the interpretive experience for visitors to this area. We produced new interpretive signage for the Forrest Caves area, augmenting the visitor experience to this popular coastal reserve.

### **Underground Viewing**

Visitor enjoyment in the Penguins Plus Underground Viewing Area has been significantly increased with enhanced presentations for visitors by Penguin Parade rangers.

## **Events**

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

## **Excellence in customer service**

### **Visitor surveys**

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

These have demonstrated an improvement in customer service over the previous year in almost every criterion.

### **Direct customer feedback**

We have achieved excellent results with customer feedback on forums such as TripAdvisor during this last year. Out of a total of 873 reviews at the Penguin Parade, 735 (84%) were rated as 'very good' or above with 522 (60%) of those rated as 'excellent'.

### **Cultural diversity**

In recognition of our multicultural visitor base, all of our customer service staff undertook training in cultural diversity development to enhance the experience of our international visitors.

### **Antarctic Journey**

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

## **Towards 2016-17**

The next year will be an exciting one for the Nature Parks.

- We will maintain our commitment to our key markets, especially China and India.
- We will continue to maximise our partnerships with the RACV and WWF-Australia.
- We will maintain our focus on enhancing nature-based experiences.
- Our program of new branding will commence.
- We will complete a park-wide interpretation plan.



# Education

Our education programs allow students and visitors to discover and explore Phillip Island's natural wonders through a range of dynamic programs.

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

Key goal	Measure	Result
Extend immersive nature-based activities	Increase the delivery of immersive school experiences.	Achieved ○ ○ ●
	Deliver interpretation for the new Antarctic Journey and Eco Boat Tours.	Achieved ○ ○ ●
Provide opportunities for staff and students to connect to the environment	Provide staff training.	Achieved ○ ○ ●
	Increase the Nature Parks' student work experience opportunities.	Achieved ○ ○ ●
Review interpretation and signage across the Nature Parks	Assist with signage and interpretation development across the Nature Parks.	Achieved ○ ○ ●
Increase community engagement	Provide opportunities for the community to engage in conservation activities.	Achieved ○ ○ ●

## Extending immersive education experiences

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

- A total of 32,495 school students visited the Nature Parks this year, a 5.9% increase on 2014-15.
- A total of 21,446 school students attended the Penguin Parade, a 7.9% increase on 2014-15.
- We delivered face-to-face education tours to over 20,217 students, representing a 2.8% increase on the previous year.
- We engaged 1,531 international students in ranger-guided experiences.

The increase in student numbers is a reflection of the steady growth in ranger talks for VCE students and levels K-10 across our visitor attractions.

Other activities this year included:

- We prepared and delivered a new 'Biosecurity' talk at Cape Woolamai in line with the Year 12 geography curriculum.
- We successfully held our first 'Teacher Open Day' to promote our school experiences with 175 Victorian teachers and their families attending.
- We hosted large international and other tour groups.

## Working with our supporters

Our award winning 'Coastal Ambassadors' program continued to inspire a total of 64 students in the 'Year 5-6 Leaders' and 29 students in the Year 9 senior program.

Support from ExxonMobil enabled us to produce and deliver an exciting new incursion program titled 'Chirpy Chicks' to over 685 Prep-Year 2 students. We mailed 3,500 copies of the exclusive 'What animal am I?' booklet on penguins to all Victorian primary schools, kindergartens and specialist groups.

With support from Wilson HTM Foundation, the education team delivered the 'Wild Island Discoveries' holiday program. This included 15 activities that engaged both domestic and international visitors in the importance of native flora and fauna. All activities were booked out well in advance with a total attendance of 1,040. 'Marine pop-ups', where rangers go into the field, continued until Easter and reached an additional 2,239 visitors.

A project titled 'Turn the Tide' about the issues of marine debris inspired and educated 2,228 visitors at the Penguin Parade each night over the summer period.

### Connecting to the environment

An intensive five-day Work Experience Program provided 24 students with an invaluable insight into our research, conservation and education programs. We continued to provide staff training by hosting 96 staff at two information sessions. These give existing and new staff vital and current information for our visitors.

### Supporting new ecotourism experiences

A guided tour titled 'From Here to Antarctica' was completed to enhance the Antarctic Journey experience at the Nobbies and is available to all visitors during peak holiday periods and long weekends.

New tour descriptions and scripts for viewing experiences at the new Penguins Plus were completed to increase visitor interaction with rangers and provide the best possible experience.

Education rangers provided daily interpretation on the Eco Boat Tour with up to four trips per day over summer.

### Engaging the community

As part of the 30th anniversary of international coastal clean-up day celebrations, Wildlife Coast Cruises and the Nature Parks joined forces to conduct an awareness campaign at the Cowes Pier on the effects of rubbish on our marine environment.

We joined Cowes Primary School and over 2,000 students and community members across the state to take part in the annual 'Seal the Loop' action day.

Our education team participated in a wide range of community events during the year giving education rangers the opportunity to inspire others about the environment.

The annual Shearwater Festival in November once again celebrated the arts and Aboriginal and Torres Strait Islander culture regeneration and language revival, to promote reconciliation and facilitate cross-cultural exchange.

### Towards 2016-17

The coming year will focus on rolling out curriculum-based activities and information for the Antarctic Journey experience. We will further develop teaching and learning resources to support our existing school talks. We will consider new opportunities to increase visitation on the Eco Boat Tours and develop new experiences that include eastern barred bandicoots and short-tailed shearwaters.

Engaging with community will remain a priority and we will continue to seek and develop new partnerships.

As part of the 30th anniversary of international coastal clean-up day celebrations, Wildlife Coast Cruises and the Nature Parks joined forces to conduct an awareness campaign at the Cowes Pier on the effects of rubbish on our marine environment.

# Community

The local community plays a vital role in supporting the Nature Parks and we are committed to ongoing community consultation and involvement.

Key goal	Measure	Result
Increase the frequency and depth of communication with the local community	Continue to publish key Annual Report outcomes in local newspapers each financial year.	Achieved ○○●
	Continue to conduct Community and Environment Committee meetings.	Achieved ○○●
	Manage the National Surfing Reserve Committee.	Achieved ○○●
Increase community participation, visitation and involvement	Hold the sixth Community Open Day.	Achieved ○○●
Strengthen connections with the Aboriginal and Torres Strait Islander Community	Complete the development of a second 'Reconciliation Action Plan' (RAP).	Achieved ○○●

## Informing our community

The Nature Parks continued to further community relations. This involves facilitating community events and programs and providing information sessions and opportunities for involvement in the implementation of the Nature Parks' major planning documents.

A 'Community News' section to inform the community with updates is maintained within the Nature Parks website [www.penguins.org.au](http://www.penguins.org.au)

## Involving our community

This year over 11,360 volunteer hours (1,420 days) were spent within the Nature Parks, this is a significant increase on the previous year's total of 6,272 volunteer hours (784 days). This contribution included individuals, community, corporate and education groups from across Australia and overseas. Activities undertaken consisted of monitoring wildlife populations, wildlife rescue and rehabilitation, assisting with visitors at Churchill Island, habitat restoration and more.

A full list of our wonderful volunteers and supporters can be found on the inside back cover of this report.

## Community Open Day

Our sixth annual Community Open Day held on the first Sunday in March was the most successful on record. Over 2,500 local community members came to enjoy the activities and free entry to Nature Parks attractions under the theme of 'What's New'. The activity program was developed and implemented by a working group consisting of Nature Parks and local community group representatives, and showcased the Nature Parks' new attractions and programs. The Antarctic Journey, Eco Boat Tours and bandicoots on Churchill Island were all very popular.

## Phillip Island National Surfing Reserve

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

- Being awarded 'Best National Surfing Reserve of the Year' by the National Surfing Reserves Board.
- A third 'Surfing Tag Team Challenge' was held in early April to celebrate the third anniversary of the declaration of the Reserve.
- Reprinting a brochure about the Reserve and how to care for and protect the sensitive coastal areas within it.

More information can be found at [www.surfingreserves.org](http://www.surfingreserves.org) and on the Reserve's own Facebook page.



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## Community inclusiveness and support

### Reconciliation

The Nature Parks acknowledge the Traditional Custodians, Elders past and present, the Ancestors and their spirits of the land on which we live, work and learn.

This year, we were proud to complete our second Reconciliation Action Plan (RAP) 2015-2018 with endorsement from Reconciliation Australia. The Plan was launched to the community at the Shearwater Festival in November and to the staff in December at a smoking ceremony with Boon Wurrung community representative Steve Parker.

Our original RAP 2012-14 identified actions, timelines and measurable targets to help our organisation achieve a closer connection with the Traditional Owners of the land we care for, as well as the wider local and national community of First Australians.

The new RAP contains 32 actions with measurable targets centered around the Nature Parks' commitment to reconciliation through developing strong relationships, fostering mutual respect and exploring and providing opportunities for Aboriginal and Torres Strait Islander peoples.

#### Key achievements to date include:

- Supporting the annual Shearwater Festival.
- The appointment of an Indigenous trainee who moved into full time employment.
- Achieving 'Respect Our Culture Certification' through Ecotourism Australia.
- Running National Reconciliation Week celebrations.
- The introduction of an 'Aboriginal Heritage Tour' with portions of ticket sales going back to the local Aboriginal community.
- Raising the profile of local Aboriginal culture through interpretive signage.
- An increase in authentic retail product lines and services that benefit Aboriginal and Torres Strait Islander communities.

The RAP 2015-18 and updates are available at [www.penguins.org.au](http://www.penguins.org.au)

### Community support

The Nature Parks continued to support community events and organisations including Bass Coast Business Awards, Channel Challenge, Woolamai Beach Surf Lifesaving Club, Phillip Island Basketball Club, Phillip Island Cricket Club, Barb Martin Bush Bank, Shearwater Festival, Friends of Churchill Island and the pilot Island Explorer Bus in partnership with Phillip Island RSL, Destination Phillip Island Regional Tourism Board and Bass Coast Shire Council.

### Cultural diversity

In 2015-16, 57% of Nature Parks visitors were from overseas and we cater for these groups with tailored publications, iPhone apps and audio information in over six languages. Our signage uses international symbols and we acknowledge cultural celebrations and beliefs such as Chinese New Year and various religious observances. We are an equal opportunity employer.

### Young people

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

### Towards 2016-17

We will continue our commitment to deepening our connection with our community through communications and consultation and engaging in meaningful communications.

We will implement our RAP 2015-2018, and continue to support the Shearwater Festival and Phillip Island National Surfing Reserve community working group activities.

We will hold our seventh Community Open Day in March 2017 and engage in community consultation regarding the development of new plans and initiatives for the future of the Nature Parks.

# Our team

To deliver our vision for the future, we need to ensure our organisation is educated, skilled and confident.

The Nature Parks is Phillip Island's largest employer. Our diverse team is made up of a range of disciplines including environmental and conservation management, research, education, visitor services, marketing, food and beverage, retail, administration and facilities management.

We need to establish the structures and processes which will support our staff and underpin our activities in the years to come. We value and recognise the contribution of our staff and aim to become an employer of choice for our region.

Goal	Measure	Result
Plan our workforce	Succession Plans effectively managed and development undertaken.	Achieved <input type="radio"/> <input type="radio"/> <input checked="" type="radio"/>
	Learning and development strategy in place and identified programs delivered.	Achieved <input type="radio"/> <input type="radio"/> <input checked="" type="radio"/>
	Planning enhanced through revised recruitment strategy.	Achieved <input type="radio"/> <input type="radio"/> <input checked="" type="radio"/>
Build a strong organisational culture	Evaluation of the organisation's values validates culture change.	Achieved <input type="radio"/> <input type="radio"/> <input checked="" type="radio"/>
Occupational Health and Safety	Conduct at least 20 proactive safety audits across the Nature Parks with at least 10 high-risk activities.	Achieved <input type="radio"/> <input type="radio"/> <input checked="" type="radio"/>
	Reduce existing lost time by 50% compared to 2014-15.	Achieved <input type="radio"/> <input type="radio"/> <input checked="" type="radio"/>

## Workforce data

*Nature Parks' workforce profile*

Staff	2015-16	2014-15	2013-14
Executive officers	6	6	6
Senior managers	4	4	5
Supervisors	20	16	11
Administration	15	19	19
Commercial	136	132	120
Field	55	50	52
<b>Total</b> (Full Time Equivalent)	<b>236</b> (173)	<b>227</b> (165)	<b>213</b> (157)
Male	82	84	82
Female	154	143	131

## Workforce planning

### Management succession

We worked to further develop our succession roles through training programs, acting in roles and mentoring. New initiatives implemented included CEO discussions and engagement in collaborations between employees.

### Learning and development

Professional development of our staff as continued to be a priority with a focus on customer interaction, diversity and leadership across four levels of the organisation. Growing the capability of our Supervisors and Team Leaders is focused on the management of our workforce and enriching relationships across departments.

## Strong organisational culture

### Staff survey

Our strong culture is the result of managers and staff working together within our values structure.

A full organisation staff survey was undertaken late in the year. Early results indicate a positive and healthy organisational culture. For the first time the survey has included optional subject matter questions and will now inform the Nature Parks in two new key areas of diversity and sexual harassment.

### Induction

Leading our organisational culture is the induction of employees and contractors; this is the key introduction to our organisation and supports the growth of our strong culture. Our induction processes were revised and we also introduced an online induction system. An organisation refresher was undertaken to increase our employees' knowledge of the organisation, policies and work arrangements.

### Our values

Our values underpin the organisational culture and our Vision and Values Committee has continued to monitor and evaluate the implementation of our values and to recommend opportunities to engage with employees across the organisation.

The evaluation of our values continues to demonstrate the significance of their implementation at all work sites and across the organisation.

## Occupational Health and Safety

Occupational Health and Safety (OH&S) is a key priority for our organisation. The Nature Parks continues to demonstrate its commitment and positive approach to health and safety through the OH&S Committee where representatives from all departments and levels of the organisation meet on a monthly basis to assess and improve health and safety throughout the Nature Parks.

We also undertook significant staff training, safety audits and reviews of the policies and procedures which are part of the Nature Parks' Safety Management System.

We seek to promote a proactive culture of safety awareness and encourage all staff to report hazards and near misses as well as incidents. Total reports increased 50.3% from the previous year largely due to raised awareness and an increased reporting culture by our staff. Lost time for injuries sustained in the workplace was 97.2% lower than for 2014-15.

Our full time OH&S Coordinator worked with managers and staff to implement policy, procedures and systems to provide a safe and

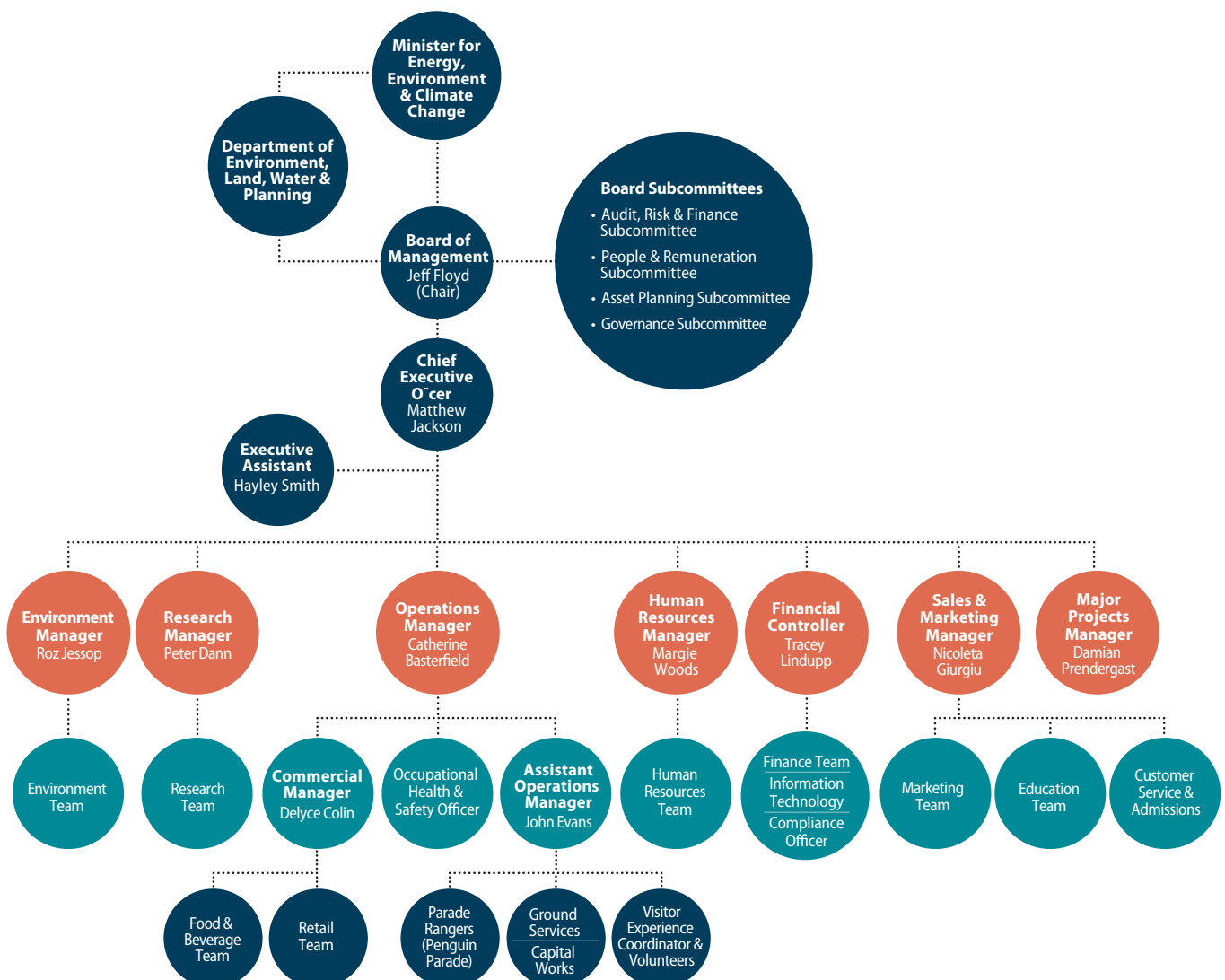
healthy work environment and conducted a review of the Nature Parks' current Safety Management System.

Training of employees was targeted at key areas to support workplaces and specific work tasks to enable us to achieve our health and safety targets. Significant programs were delivered across our team to further develop key skills. This included 4WD Recovery, Safety of Life at Sea, Chainsaw Skills, Quad Bike, Manual Handling, Contractor Management, First Aid and Anaphylaxis and Asthma Management, Security and Personal Safety, Warden and Fire Awareness and Sun Smart Education.

## Towards 2016-17

In the coming year, our focus will be on the implementation of the new Safety Management System, developing the skills of our employees so they are skilled to adopt change and meet the challenges of implementing new tourism experiences. We will continue our focus on building a strong organisational culture to ensure that the Nature Parks remains an employer of choice in our region.

## Organisational Structure – Phillip Island Nature Parks



# Governance

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

The Nature Parks is governed by a Board of Management established under the *Crown Land (Reserves) Act 1978*. The responsible Ministers during the 2015-16 reporting period were:

- the Hon Lisa Neville MP, Minister for Environment, Climate Change and Water for the period from 1 July 2015 to 22 May 2016; and
- the Hon Lily D'Ambrosio MP, Minister for Energy, Environment and Climate Change for the period from 23 May 2016 to 30 June 2016.

## Our board

### Objectives, functions, powers and duties

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

### Board member attendance

Our Board met eight times this year to provide governance and strategic direction.

	Total
Jeff Floyd	7 / 8
Andrew Paxton	8 / 8
Stephen Davie	8 / 8
Kevin Love	8 / 8
Danielle Audist (Appointed 5 September 2015)	7 / 7
Kay Spierings (Appointed 5 September 2015)	7 / 7
Liz Stinson (Appointed 5 September 2015)	7 / 7
Shelley Lavender (Appointed 5 September 2015)	7 / 7
Stella Axarlis (Retired 4 September 2015)	1 / 1
Catherin Bull (Retired 4 September 2015)	1 / 1
Alan Gostelow (Retired 4 September 2015)	1 / 1

**Notes:** There were no Board meetings in July 2015, September 2015, January 2016 or March 2016.

## Our Board members

**Jeff loyd (Chair)** is the CEO of Strategic Advisory and Facilitation Services Pty Ltd, a management, governance and risk consulting business. He is an Adjunct Professor at Victoria University and has had a distinguished career as a CEO and Board Director in both the public and private sectors; including extensive experience in environmental management and tourism. As the former CEO of Parks Victoria, Tourism Victoria and AAA Tourism, Jeff understands the critical need to pursue tourism growth within a framework of environmental excellence and community consultation.

*Board member from 21 July 2010.*

**Andrew Paxton** brings extensive experience and qualifications in Landscape Architecture, Business and Organisational Leadership. His MBA thesis explored the application of triple bottom line principles to park management. Andrew is the General Manager, Planning & Development at Cardinia Shire Council. His previous roles in design, capital works and sustainability included Chief Ranger and Business Manager at Parks Victoria and management roles in local government.

*Board member from 5 September, 2012.*

**Stephen Davie** is a practising Chartered Accountant on Phillip Island and has extensive governance, community leadership and commercial tourism experience. He is also currently an Executive Board member of the Phillip Island RSL. He has previously been involved in establishing the Cowes Coast Action Group and was Treasurer of Phillip Island Tourism and Business Association for over 10 years. He has expertise in fostering collaborative community relationships that contribute to a sustainable environment.

*Board member from 5 September 2012.*

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

In late 2002 he moved to the Department of Sustainability and Environment as Deputy Secretary, and led significant institutional and organisational reform, had responsibility for the State's public land estate and assets and established himself as a national leader in natural resource management policy.

*Board member from 9 August 2013.*

**Dr Danielle Auldist** brings experience in project management, science and governance. As CEO of a Gippsland not-for-profit organisation, she oversaw the delivery of its strategic plan for many years. Its investments included projects that addressed extension, research and capacity building issues including environmental stewardship. Her experience in management is complemented by an agricultural science background and project development skills. Currently she works with a consultancy group conducting assignments for water catchment authorities, local and state governments and primary producers.

*Board member from 5 September 2015.*

**Kay Spierings** is an experienced company director with extensive business management and corporate administration experience, specifically in the areas of strategy, national competition policy, organisational governance, policy formulation and business and financial management and administration. She is a primary producer with a keen interest in natural resource management, environment and sustainable agriculture. Kay is a Certified Practising Accountant (CPA) and Graduate of the Australian Institute of Company Directors (GAICD).

*Board member from 5 September 2015.*

**Liz Stinson** brings many years' experience at operational and management levels in teaching, community services and environmental education in Canada and Australia, and more recently in international business development in Australian universities, to her role on the Board. She holds postgraduate qualifications in zoology, educational leadership and business administration and is a Graduate Member of the Australian Institute of Company Directors (GAICD). In addition to her responsibilities with the Phillip Island Nature Parks Board, Liz's other board commitments include her local branch of the Bendigo Community Bank and Community Housing (Victoria) Ltd.

*Board member from 5 September 2015.*

**Shelley Lavender** brings strong ecotourism credentials and over 20 years experience working in not-for-profit companies at both Board and CEO level. These include current directorship of Ecotourism Australia, past employment as CEO in the education and tourism sectors and directorship of a large credit union. Consequently, she has a strong grasp of both operational and governance issues in the sector.

Shelley now works with Conservation Volunteers as a Lead Auditor of tourism operators which have Ecotourism certification. This gives her a unique perspective of the challenges facing the industry and an understanding of the need to balance tourism growth with environmental and community issues.

*Board member from 5 September 2015.*

**Stella Axarlis** AM an internationally acclaimed dramatic soprano, has extensive Board and business experience and is a strong advocate for the community. Stella consults on organisational excellence underpinned by good governance. In November 2011 Stella was awarded the national inaugural pre-eminent Lifetime Achievement Award for Vocational Education and Training. In 2013, Stella was appointed chair of CitiOpera and successfully directed Verdi's Otello, and Mascagni's Cavalleria Rusticana.

*Retired as Board member 4 September 2015.*

**Dr Catherin Bull** AM MAICD FAILA brings specialist expertise in landscape planning and architecture to the Board, with a focus on environmental tourism. She is Emeritus Professor of Landscape Architecture at the University of Melbourne and, as a researcher on and advocate for development and spatial management that better addresses contemporary challenges, she advises governments and industry nationally on urban and open space planning and design, including chairing reviews and serving on juries.

*Retired as Board member 4 September 2015.*

**Alan Gostelow** is the Chairman of Inverloch & District Financial Enterprises Ltd. A former army officer, he holds Graduate Diplomas in both Business and Health Administration. He also holds a Company Director's Diploma and is a Fellow of the Australian Institute of Company Directors and a former Fellow of the Australian Institute of Management and the CEO Institute. Alan has broad ranging experience as a senior manager and Chief Executive Officer across a variety of organisations and industry sectors and has also undertaken a number of consultancy assignments on issues such as human resource management, business growth, risk management and policy development.

*Retired as Board member 4 September 2015.*

## Board subcommittees

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

### Audit, Risk and Finance Subcommittee

Stephen Davie - Chair

Jeff Floyd

Liz Stinson - *Member from 29 October 2015*

Danielle Auldist - *Member from 29 October 2015*

Alan Gostelow - *Retired 4 September 2015*

Stella Axarlis - *Retired 4 September 2015*

Helen Adair (*Independent member*)

### People and Remuneration Subcommittee

Stella Axarlis - Chair, *retired 4 September 2015*

Andrew Paxton - *Member, then Chair from 29 October 2015*

Stephen Davie - *Member until 29 October 2015*

Shelley Lavender - *Member from 29 October 2015*

Kay Spierings - *Member from 29 October 2015*

Liz Stinson - *Member from 29 October 2015*

### Governance Subcommittee

Alan Gostelow - Chair, *retired 4 September 2015*

Shelley Lavender - *Chair from 29 October 2015*

Jeff Floyd

Kevin Love

Kay Spierings - *Member from 29 October 2015*

### Asset Planning Subcommittee

### Previously Project Monitoring Subcommittee

Dr Catherin Bull - Chair, *retired 4 September 2015*

Kevin Love - *Member, then Chair from 29 October 2015*

Andrew Paxton

Stephen Davie - *Member from 29 October 2015*

Danielle Auldist - *Member from 29 October 2015*

## Advisory committees

The Nature Parks has established a number of committees to provide a channel for communication with key stakeholders and our community.

### Community Advisory Committee

Stella Axarlis (Board and Chair) - *Retired 4 September 2015*

Stephen Davie (Board and Chair) - *Chair from 29 October 2015*

Liz Stinson (Board) - *Member from 29 October 2015*

Deborah Holland

Cr Kimberley Brown

Christine Grayden

Stephen Fullarton

Jane Daly

Pauline Taylor

Margaret Hancock

Lois Gaskin

Patsy Hunt

Michael Whelan

Jan Fleming

Anne Davie

### Environment Advisory Committee

Dr Catherin Bull (Board and Chair) - *Retired 4 September 2015*

Andrew Paxton (Board and Chair) - *Chair from 29 October 2015*

Shelley Lavender (Board) - *Member from 29 October 2015*

Penny Manning

Deirdre Griepsma

Joel Geoghegan

Gayle Seddon and Gavan O'Connor

Mike Cleeland

Bessie Tyers

Tania Maddigan

Tim Ealey

### Scientific and Research Advisory Committee

Dr Catherin Bull (Board and Chair) - *Retired 4 September 2015*

Alan Gostelow (Board) - *Retired 4 September 2015*

Liz Stinson (Board and Chair) - *Chair from 29 October 2015*

Kevin Love (Board) - *Member from 29 October 2015*

Danielle Auldist (Board) - *Member from 29 October 2015*

Dr Kath Handasyde

Peter Menkhorst

Dr Robin (Ras) Lawson

Dr Stephen Swearer

Adrian Moorrees

Dr Simon Goldsworthy

Prof Ian Beveridge

### Animal Ethics Committee

Dr Jennifer Hibble (Chair)

Dr Kath Handasyde

Clare Davis

William Naughtin - *Member from 27 August 2015*

*A list of Community and Environment Advisory Committee members and meeting minutes can be found at:*

[www.penguins.org.au/about/local-community/community-committees/](http://www.penguins.org.au/about/local-community/community-committees/)

# Compliance

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

## Risk management and insurance

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

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

The Nature Parks regularly reviews its exposure to risk and assesses the adequacy of its insurance. During the year, the Nature Parks was declared a participating body under Section 4 of the *Victorian Managed Insurance Authority (VMIA) Act 1996*, with insurance coverage now sourced through the VMIA. During this transition, we performed a detailed review of our insurance coverage with the VMIA to determine the appropriate level of insurance and minimise the Nature Parks' exposure.

I, Jeff Floyd, certify that Phillip Island Nature Parks has complied with the Ministerial Standing Direction 4.5.5 – Risk Management Framework and Processes. The Phillip Island Nature Parks' Audit, Risk and Finance Subcommittee has verified this.

**Jeff Floyd**

Chair, Phillip Island Nature Park Board of Management Inc.

**Stephen Davie**

Chair, Audit, Risk and Finance Subcommittee

## Employment and conduct principles

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

No industrial relations claims were made during the reporting period.

Nature Parks staff work in accordance with the Nature Parks Code of Conduct and employment policies that include social media, conflict of interest, diversity, anti-discrimination, equal opportunity, recruitment and grievance management.

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

## Freedom of Information Act 1982

The *Freedom of Information Act 1982* allows the public a right of access to Nature Parks documents. The Nature Parks makes public information about our operations available by creating a general right of access to the information in a document or electronic form.

For the 12 months ending 30 June 2016, the Nature Parks received one application, with partial access granted to the information requested in accordance with the Act.

### Making a request

Access to documents may be obtained through written request to the Freedom of Information Manager, as detailed in s17 of the *Freedom of Information Act 1982*. In summary, the requirements for making a request are:

- it should be in writing;
- it should identify as clearly as possible which document is being requested; and
- it should be accompanied by the appropriate application fee (the fee may be waived in certain circumstances).

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

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

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

Requests can also be lodged online at [www.foi.vic.gov.au](http://www.foi.vic.gov.au).

Access charges may also apply once documents have been processed and a decision on access is made; for example photocopying and search and retrieval charges.

Further information regarding Freedom of Information can be found at [www.foi.vic.gov.au](http://www.foi.vic.gov.au).

## Victorian Information Privacy Act 2000

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

## Gifts, benefits and hospitality

I, Jeff Lloyd certify that:

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

**Jeff Lloyd**

Chair, Phillip Island Nature Park Board of Management Inc.

## Compliance with the Protected Disclosure Act 2012

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

The Nature Parks does not tolerate improper conduct by employees, nor the taking of reprisals against those who come forward to disclose such conduct.

We are committed to ensuring transparency and accountability in our administrative and management practices and support the making of disclosures that reveal corrupt conduct, conduct involving a substantial mismanagement of public resources, or conduct involving a substantial risk to public health and safety or the environment.

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

### Reporting procedures

Disclosures of improper conduct or detrimental action by the Nature Parks or any of its employees and/or officers may be made directly to the Independent Broad-based Anti-corruption Commission (IBAC) using the contact details provided below:

Independent Broad-Based Anti-Corruption Commission (IBAC) Victoria  
Address: Level 1, North Tower, 459 Collins Street, Melbourne Victoria 3001.  
**[www.ibac.vic.gov.au](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 Protected Disclosure Policy and Procedures, which outline the system for reporting disclosures of improper conduct or detrimental action by the Department or any of its employees and/or officers, is available on the Nature Parks' website **[www.penguins.org.au](http://www.penguins.org.au)**

## National Competition Policy

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

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

Competitive neutrality seeks to enable fair competition between government and private sector businesses. Any advantages or disadvantages that government businesses may experience, simply as a result of government ownership, should be neutralised. The Nature Parks continues to implement this principle in accordance with Victorian Government Policy.

## Building Act 1993

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

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

Two major building infrastructure projects were completed during 2015-16, including the Nobbies Centre refurbishment (\$6.8M) and the development of Penguins Plus (\$3.1M). Both building developments conform to the necessary buildings standards.

## Public Administration Act 2004

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

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

- Code of Conduct
- Conflict of Interest Policy
- Equal Employment Opportunity, Anti-Discrimination, Anti-Harassment and Bullying Policy
- Protected Disclosures Policy
- Gifts, Benefits and Hospitality Policy
- Issues Resolution Chart
- Performance Appraisal and Development Policy, Recruitment Policy
- Social Media Policy
- Training Behaviours Protocol.

## Human rights

The Nature Parks is committed to upholding the principles of human rights as established by the United Nations. This applies to our dealings with our visitors, employees and providers. Human rights are rights inherent to all human beings, whatever their nationality, place of residence, sex, national or ethnic origin, colour, religion, language or any other status.

## Major contracts

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

## Consultancies over \$10,000

During the year, the Nature Parks engaged nine consultants for contracts over \$10,000 with total aggregate fees of \$359,066.

Company	Work	Amount
Terramatrix Pty Ltd	Fire Management Plan	\$10,250
Archaeology at Tardis Pty Ltd	Cultural heritage assessment	\$14,562
Parks & Leisure Planning Pty Ltd	Visitor experience evaluation	\$15,000
Ernst & Young	Business Case	\$15,450
Dog and Bone Pty Ltd	IT strategy development	\$18,900
Conservation Volunteers Australia	Volunteer management strategy	\$22,000
Oats Environmental Consulting Pty Ltd	Vegetation management plans	\$36,819
Tract Consultants Pty Ltd	Summerland Trails Master Plan	\$87,349
Inspiring Place Pty Ltd	Cape Woolamai Reserve Master Plan and Woodlands and Wetlands Key Area Plan	\$138,736

## Consultancies under \$10,000

During the year, the Nature Parks engaged seven consultants for contracts under \$10,000 with total aggregate fees of \$52,786.

## Government advertising expenses

Government policy requires disclosure of all government advertising expenditure with a total media buy of \$100,000 or greater (exclusive of GST).

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

## Information and Communication Technology (ICT) expenditure

For the 2015-16 reporting period, the Nature Parks had a total ICT expenditure of \$2,961,134, with the details shown below.

Business As Usual (BAU) ICT expenditure (Total)	Non Business As Usual (non BAU) ICT expenditure (Total = Operational expenditure and Capital Expenditure)	Operational expenditure	Capital expenditure
\$653,935	\$2,307,199	\$25,635	\$2,281,564

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

## Additional information

### Available on request

In compliance with the requirements of the Standing Directions of the Minister for Finance, details in respect of the items listed below have been retained by Phillip Island Nature Parks and are available (in full) on request, subject to the provisions of the *Freedom of Information Act 1982*:

- (a) details of publications produced by the Nature Parks about itself.
- (b) details of any major external reviews carried out on the Nature Parks.

- (c) details of major research and development activities undertaken by the Nature Parks.
- (d) details of major promotional, public relations and marketing activities undertaken by the Nature Parks to develop community awareness of the entity and its services.
- (e) details of overseas visits undertaken including a summary of the objectives and outcomes of each visit.
- (f) details of changes in prices, fees, charges, rates and levies charged.
- (g) a statement that declarations of pecuniary interests have been duly completed by all relevant officers.
- (h) details of all consultancies and contractors including:
  - (i) consultants/contractors engaged;
  - (ii) services provided; and
  - (iii) expenditure committed to for each engagement.

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

## Included in the Annual Report

Details in respect of the following items have been included in the Phillip Island Nature Parks' Annual Report 2015-16, on the pages indicated below:

- (i) assessments and measures undertaken to improve the Occupational Health and Safety of employees (on pages 24-25).
- (j) a statement on industrial relations within the Nature Parks (on page 29).
- (k) a list of Phillip Island Nature Parks' major committees; the purposes of each committee; and the extent to which the purposes have been achieved (on page 48).

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

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

## Subsequent events

There were no matters subsequent to the financial report being finalised that significantly affect the operating performance or financial position of the Nature Parks as at 30 June 2016 or its operations into the future.

## Victorian Industry Participation Policy Act 2003

The *Victorian Industry Participation Policy Act 2003* (VIPPA) requires public bodies and Departments to report on the implementation of the Act.

Departments and public bodies are required to apply VIPPA in all tenders over \$3M in metropolitan Melbourne and \$1M in regional Victoria.

During 2015-16, the Nature Parks completed one VIPPA reportable procurement valued at \$6.8M. This project was for the redevelopment of the Nobbies Centre, located on Summerland Peninsula on Phillip Island.

## DataVic Access Policy

Consistent with the DataVic Access Policy issued by the Victorian Government in 2012, the information included in this Annual Report will be available at: [www.data.vic.gov.au](http://www.data.vic.gov.au) in electronic readable format.

## Capital projects

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

A large seal with a light brown, textured coat is resting on a dark, craggy rock in the foreground. It is looking towards the left. In the background, another seal is partially visible, and the ocean waves are breaking. The image is overlaid with semi-transparent circular shapes in white and blue.

# Annual Report 2015-16 **Financial review**

## Comprehensive operating statement for the financial year ended 30 June 2016

		Note	2016	2015
			\$	\$
<b>Income from transactions</b>				
	Sale of goods	2	9,962,891	8,575,178
	Admissions	2	16,852,987	13,776,520
	Interest	2	189,414	306,195
	Other operating income	2	1,741,768	1,865,183
<b>Total income from transactions</b>			<b>28,747,060</b>	<b>24,523,076</b>
<b>Expenses from transactions</b>				
	Employee expenses	3c	(12,421,239)	(11,093,240)
	Cost of Sales		(3,898,987)	(3,468,092)
	Materials and supplies		(725,463)	(716,229)
	Depreciation and amortisation	8,9,10	(2,133,581)	(1,733,014)
	Other operating expenses	3b	(6,124,201)	(5,126,542)
<b>Total expenses from transactions</b>			<b>(25,303,471)</b>	<b>(22,137,117)</b>
<b>Net result from transactions</b>			<b>3,443,589</b>	<b>2,385,959</b>
<b>Other economic flow included in net result</b>				
	Net gain on non financial assets	4	31,694	33,660
<b>Net result</b>			<b>3,475,283</b>	<b>2,419,619</b>
<b>Items that will not be reclassified to net result</b>				
	Changes in physical asset revaluation surplus	9	15,028,903	-
<b>Comprehensive result</b>			<b>18,504,186</b>	<b>2,419,619</b>

The comprehensive operating statement should be read in conjunction with the accompanying notes included on pages 38-65.

**Balance sheet as at 30 June 2016**

	Notes	2016	2015
		\$	\$
<b>Assets</b>			
<b>Financial assets</b>			
Cash and cash equivalents	12(i), 18	7,711,104	13,950,245
Receivables	5	877,754	675,191
Other financial assets	7	2,000,000	-
<b>Total financial assets</b>		<b>10,588,858</b>	<b>14,625,436</b>
<b>Non-financial assets</b>			
Inventories	6	841,447	784,243
Property, plant and equipment	9	90,429,957	70,064,792
Intangibles	10	2,083,480	90,717
Prepayments		329,808	217,526
Other non-financial assets	8	11,460	24,410
<b>Total non-financial assets</b>		<b>93,696,152</b>	<b>71,181,688</b>
<b>Total assets</b>		<b>104,285,010</b>	<b>85,807,124</b>
<b>Liabilities</b>			
Payables	11	1,659,316	1,735,654
Employee provisions	14	2,329,899	2,279,861
<b>Total liabilities</b>		<b>3,989,215</b>	<b>4,015,515</b>
<b>Net assets</b>		<b>100,295,795</b>	<b>81,791,609</b>
<b>Equity</b>			
Contributed capital	1m	29,759,633	29,759,633
Accumulated surplus		17,112,588	13,637,305
Asset revaluation reserve	1n	53,423,574	38,394,671
<b>Total equity</b>		<b>100,295,795</b>	<b>81,791,609</b>
Commitments for expenditure	19		
Contingent asset and contingent liabilities	16		

The balance sheet should be read in conjunction with the accompanying notes included on pages 38-65.

## Statement of changes in equity for the financial year ended 30 June 2016

	Contributed Capital	Asset revaluation reserve	Accumulated surplus	Total equity
	\$	\$	\$	\$
<b>Balance at 1 July 2014</b>	<b>29,759,633</b>	<b>38,394,671</b>	<b>11,217,686</b>	<b>79,371,990</b>
Transactions with owner in its capacity as owner	-	-	-	-
Net result for the year	-	-	2,419,619	2,419,619
<b>Balance at 30 June 2015</b>	<b>29,759,633</b>	<b>38,394,671</b>	<b>13,637,305</b>	<b>81,791,609</b>
Transactions with owner in its capacity as owner	-	-	-	-
Net result for the year	-	-	3,475,283	3,475,283
Other comprehensive income for the year	-	15,028,903	-	15,028,903
<b>Balance at 30 June 2016</b>	<b>29,759,633</b>	<b>53,423,574</b>	<b>17,112,588</b>	<b>100,295,795</b>

The statement of changes in equity should be read in conjunction with the accompanying notes included on pages 38-65.

## Cash flow statement for the financial year ended 30 June 2016

	Notes	2016 \$	2015 \$
<b>Cash flows from operating activities</b>			
Receipts from customers and other entities (incl GST)		31,210,848	26,758,420
Payments to suppliers and other expenses (incl GST)		(12,752,833)	(10,444,305)
Goods and services tax paid to ATO		(1,215,703)	(1,608,134)
Interest received		189,414	306,195
Salaries and other payments to employees		(12,246,926)	(10,885,517)
<b>Net cash flows from operating activities</b>	<b>12(ii)</b>	<b>5,184,800</b>	<b>4,126,659</b>
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment	9	(7,194,962)	(2,574,689)
Payments for intangibles	10	(2,288,036)	(10,602)
Proceeds from property, plant and equipment	9a	59,057	92,213
<b>Net cash flows used in investing activities</b>		<b>(9,423,941)</b>	<b>(2,493,078)</b>
<b>Cash flows from financing activities</b>			
Transfer to term deposit greater than 3 months		(2,000,000)	-
<b>Net cash flows used in investing activities</b>		<b>(2,000,000)</b>	
<b>Net (decrease)/ increase in cash and cash equivalents</b>		<b>(6,239,141)</b>	<b>1,633,581</b>
<b>Cash and cash equivalents at the beginning of the financial year</b>		<b>13,950,245</b>	<b>12,316,664</b>
<b>Cash and cash equivalents at the end of financial year</b>	<b>12(i)</b>	<b>7,711,104</b>	<b>13,950,245</b>

The cash flow statement should be read in conjunction with the accompanying notes included on pages 38-65.

## Index to notes to the financial statements

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## 1 Summary of significant accounting policies

These annual financial statements represent the audited financial statements for the Phillip Island Nature Park Inc. (the Nature Parks) for the year ending 30 June 2016. The report provides users with information about the Nature Parks stewardship of resources entrusted to it.

### A) Statement of compliance

These general purpose financial statements have been prepared in accordance with the *Financial Management Act 1994* (FMA) and applicable Australian Accounting Standards (AAS) which include Interpretations, issued by the Australian Accounting Standards Board (AASB).

Where appropriate, those AAS paragraphs applicable to not-for-profit entities have been applied.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

To gain a better understanding of the terminology used in this report, a glossary of terms can be found in Note 22.

These annual financial statements were authorised for issue by Matthew Jackson (Accountable Officer) on 31 August 2016.

### B) Basis of preparation and measurement

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

Judgements, estimates and assumptions are required to be made about the carrying values of assets and liabilities that are not readily apparent from other sources. The 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 in the application of AASs that have significant effects on the financial statements and estimates relate to:

- the fair value of land, buildings, infrastructure, plant and equipment (refer to Note 9); and
- superannuation expense (refer to Note 17); and
- actuarial assumptions for employee benefit provisions based on likely tenure of existing staff, patterns of leave claims, future salary movements and future discount rates (refer to Note 14).

These financial statements are presented in Australian dollars, and prepared in accordance with the historical cost convention except for:

- non-financial physical assets, which, subsequent to acquisition, are measured at a revalued amount being their fair value at

the date of the revaluation less any subsequent accumulated depreciated and subsequent impairment losses. Revaluations are made with sufficient regularity to ensure that the carrying amounts do not materially differ from their fair value.

Consistent with AASB 13 Fair Value Measurement, the Nature Parks determines the policies and procedures for both recurring fair value measurements such as property, plant and equipment and financial instruments, in accordance with the requirements of AASB 13 and the relevant Financial Reporting Directions.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

For the purpose of fair value disclosures, the Nature Parks has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

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

The Valuer-General Victoria (VGV) is the Nature Parks' independent valuation agency.

The Nature Park, in conjunction with VGV, monitors changes in the fair value of each asset and liability through relevant data sources to determine whether revaluation is required.

### C) Reporting entity

The financial statements cover the Nature Parks as an individual reporting entity.

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

Its principal address is:

Phillip Island Nature Parks  
1019 Ventnor Road  
Summerlands VIC 3922

A description of the nature of Phillip Island Nature Parks operations and its principle activities is included in the report of operations on page 7-31, which does not form a part of these financial statements.

## 1 Summary of significant accounting policies (continued)

### D) Scope and presentation of financial statements Comprehensive operating statement

The comprehensive operating statement comprises three components, being 'net result from transactions', 'other economic flows included in net result', as well as 'other economic flows – other comprehensive income'. The sum of the former two, together with the net result from discontinued operations, represents the net result.

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

Refer to Note 22 Glossary for the definitions of 'net result from transactions', 'other economic flows included in net result' and 'other economic flows – other comprehensive income'.

#### Balance sheet

Assets and liabilities are presented in liquidity order with assets aggregated into financial assets and non-financial assets.

Current and non-current assets and liabilities are disclosed in the notes, where relevant. In general, non current assets or liabilities are expected to be recovered or settled more than 12 months after the reporting period, except for the provisions of employee benefits, which are classified as current liabilities if the Nature Parks does not have the unconditional right to defer the settlement of the liabilities within 12 months after the end of the reporting period.

#### Cash flow statement

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

#### Statement of changes in equity

The statement of changes in equity presents reconciliations of non-owner and owner changes in equity from opening balance at the beginning of the reporting period to the closing balance at the end of the reporting period. It also shows separately changes due to amounts recognised in the 'Comprehensive result' and amounts to 'Transactions with owner in its capacity as owner'.

#### Rounding

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

### E) Income from transactions

Income is recognised to the extent that it is probable that the economic benefits will flow to the Nature Parks and the income can be reliably measured at fair value.

The following specific recognition criteria must also be met before income is recognised:

#### i) Supply of services

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

#### ii) Sale of goods

Income is recognised at the point of sale when the significant risks and rewards of ownership of the inventories have passed to the buyer and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

#### iii) Other income

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

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

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

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

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

## F) Expenses from transactions

### i) Employee expenses

Employee benefits include all costs related to employment including wages and salaries, leave entitlements, superannuation contributions and workcover premiums. These are recognised when incurred.

The amount recognised in the comprehensive operating statement in respect of superannuation plans represents the Nature Parks contributions to both defined benefit and defined contribution superannuation plans that are paid or payable during the reporting period.

The amount charged to the Comprehensive Operating Statement in respect of superannuation represents contributions made or due by the Nature Parks to the relevant superannuation plans in respect to the services of the Nature Parks' employees (both past and present). Superannuation contributions are made to the plans based on the relevant rules of each plan and any relevant compulsory superannuation requirements that Nature Parks is required to comply with.

## 1 Summary of significant accounting policies (continued)

### F) Expenses from transactions (continued)

#### ii) Maintenance and repairs

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

#### iii) Supply and services

Supplies and services generally represent the day-to-day running costs, including maintenance costs, incurred in the normal operations of the Nature Parks. These items are recognised as an expense in the reporting period in which they are incurred.

Cost of goods sold is included in purchases of supplies and consumables. The cost of goods sold represents the amount of inventories sold during the year from retail activities and the cost of food and beverages for Nature Parks activities. Cost of goods sold also include inventory write down, packaging and freight charges associated with the acquisition of the goods for sale.

The amount of any write-down of inventories to net realisable value and all shrinkage of inventory is recognised as an expense in the period the write-down or shrinkage occurs. Any reversal of write-downs of inventories will be recognised as a reduction in the amount of inventories sold during the period which the reversal occurs.

#### iv) Depreciation

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

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

The following estimated useful lives are used in the calculation of depreciation for the years ended 30 June 2016 and 30 June 2015.

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

### G) Other economic flows included in the net result

#### i) Impairment of assets

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

If there is an indication that there has been a reversal in the estimate of an asset's recoverable amount since the last impairment loss was recognised, the carrying amount shall be increased to its recoverable amount. The impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years.

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

#### H) Financial instruments

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. Such financial assets and financial liabilities do not meet the definition of financial instruments in AASB 132 Financial Instruments: Presentation. For example, statutory receivables arising from taxes, fines and penalties do not meet the definition of financial instruments as they do not arise under contract. However, guarantees issued by the Treasurer on behalf of the Nature Parks are financial instruments because, although authorised under statute, the terms and conditions for each financial guarantee may vary and are subject to an agreement.

Where relevant, for note disclosure purposes, a distinction is made between those financial assets and financial liabilities to meet the definition of financial instruments in accordance with AASB 132 and those that do not.

#### Categories of non-derivative financial instruments

##### Loans and receivables

Loans and receivables are financial instrument assets with fixed and determinable payments that are not quoted on an active market. These assets are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial measurement, loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

## 1 Summary of significant accounting policies (continued)

### H) Financial instruments (continued)

#### Loans and receivables (continued)

Loans and receivables category includes cash and cash equivalent (refer to Note 1 I(i)), term deposits with maturity greater than three months, trade receivables and other receivables, loans and other receivables but not statutory receivables.

#### Financial liabilities at amortised cost

Financial instrument liabilities 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.

Financial instrument liabilities measured at amortised cost include all contractual payables, deposits held and advances received.

### I) Financial assets

#### i) Cash and cash equivalents

Cash and cash deposits comprise cash on hand and cash at bank, deposits at call and highly liquid investments with an original maturity of 3 months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

#### ii) Receivables

Contractual receivables consist of trade debtors in relation to the provision of goods and services and accrued interest. Contractual receivables are classified as financial instrument and categorised as loans and receivables (refer Note 18). Contractual receivables are recognised at fair value less an allowance for impairment. A provision for doubtful receivables is made when there is objective evidence that the debts will not be collected. Bad debts are written off when identified.

Statutory receivables include amounts owing and Goods and Services Tax (GST) input tax credits recoverable.

### J) Non financial assets

#### i) Inventory

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

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

#### ii) Property, plant and equipment

All non financial physical assets are measured initially at cost and subsequently revalued at fair value less accumulated depreciation and impairment. Where an asset is acquired for no or nominal cost, the cost is its fair value at the date

of acquisition. Assets transferred as part of a machinery of government change are transferred at their carrying amount.

Non financial physical assets such as Crown land is measured at fair value with regard to the property's highest and best use after due consideration is made for any legal or physical restrictions imposed on the asset, public announcements or commitments made in relation to the intended use of the asset. Theoretical opportunities that may be available in relation to the asset are not taken into account until it is virtually certain that the restrictions will no longer apply. Therefore, unless otherwise disclosed, the current use of these non financial physical assets will be their highest and best uses.

The fair value of infrastructure systems and plant, equipment and vehicles, is normally determined by reference to the asset's depreciated replacement cost, or where the infrastructure is held by a for profit entity, the fair value may be derived from estimates of the present value of future cash flows.

More details about the valuation techniques and inputs used in determining the fair value of non financial physical assets are discussed in Note 9 Property, plant and equipment.

Consistent with AASB 13 Fair Value Measurement, the Nature Parks determines the policies and procedures for both recurring fair value measurements such as property, plant and equipment and financial instruments and for non recurring fair value measurements such as non financial physical assets held for sale, in accordance with the requirements of AASB 13 and the relevant Financial Reporting Directions.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

For the purpose of fair value disclosures, the Nature Parks has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

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

The Valuer-General Victoria (VGV) is the Nature Parks' independent valuation agency.

## 1 Summary of significant accounting policies (continued)

### J) Non financial assets (continued)

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

The Nature Parks, in conjunction with VGV, monitors changes in the fair value of each asset and liability through relevant data sources to determine whether revaluation is required.

#### i) Revaluation

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

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

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

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

#### ii) Acquisitions of assets

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

#### iv) Intangible assets

Intangible assets are initially recognised at cost. Subsequently, intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses. Costs incurred subsequent to initial acquisition are capitalised when it is expected that additional future economic benefit will flow to the Nature Parks.

### K) Liabilities

#### i) Payables

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

Statutory payables consist of Goods and Services Tax and Fringe Benefits Tax payables.

#### ii) Provisions

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows, using discount rate that reflect the value of money and risk specific to the provision. When some or all of the economic benefit required to settle a provision are expected to be received from a third party, the receivable is recognised as an asset if it is virtually certain that recovery will be received and the amount of the receivable can be measured reliably.

#### iii) Employee benefits

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

#### Wages, salaries and annual leave

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

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

Depending on the expectation of the timing of settlement, liabilities for wages and salaries, annual leave are measured at:

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

#### Long service leave

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

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

## 1 Summary of significant accounting policies (continued)

### I) Financial assets (continued)

#### iii) Employee benefits (continued)

take leave within 12 months.

The components of this current LSL liability are measured at:

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

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

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

#### Employee benefits on-costs

Employee benefits on costs such as payroll tax, and workers compensation are recognised separately from the provision for employee benefits.

### L) Comparative figures

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

### M) Contributed capital

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

### N) Asset revaluation reserve

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

### O) Changes in accounting policy

There have been no changes to accounting policies during the year ended 30 June 2016.

### P) Commitments

Commitments for future expenditure include capital commitments arising from contracts, and funding recognised as a liability on the balance sheet until it is utilised as prescribed in the funding agreement. These commitments are disclosed by way of note (refer Note 19) at their nominal value and inclusive of the GST payable.

Future expenditure for future commitments ceases to be disclosed as commitments once the related liabilities are

recognised in the balance sheet.

### Q) Contingent assets and contingent liabilities

Contingent assets and contingent liabilities are not recognised in the balance sheet, but are disclosed by way of note (refer to Note 16), and if quantifiable, are measured at nominal value. Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

### R) Goods and Services Tax (GST)

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

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

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

Commitments and contingent assets and liabilities are also stated inclusive of GST (refer to Note O and Note P)

### S) Foreign currency

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

### T) Events after reporting date

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

### U) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2016 reporting period. The Department of Treasury and Finance assesses the impact of these new standards and advises departments and other entities of their applicability and early adoption where applicable.

As at 30 June 2016, the following standards and interpretations (applicable to the Nature Parks) had been issued but were not mandatory for financial year ending 30 June 2016. The Nature Parks has not, and does not intend to, adopt these standards early.

**1 Summary of significant accounting policies (continued)****U) New accounting standards and interpretations (continued)**

<b>Standard/Interpretation</b>	<b>Summary</b>	<b>Applicable for annual reporting periods beginning on</b>
AASB 9 Financial Instruments	The key changes introduced by AASB 9 include the simplified requirements for the classification and measurement of financial assets, a new hedging accounting model and a revised impairment loss model to recognise impairment losses earlier, as opposed to the current approach that recognises impairment only when incurred.	1 January 2018
AASB 15 Revenue from Contracts with Customers	The core principle of AASB 15 requires an entity to recognise revenue when the entity satisfies a performance obligation by transferring a promised good or service to a customer. Note that amending standard AASB 2015-8 Amendments to Australian Accounting Standards – Effective Date of AASB 15 has deferred the effective date of AASB 15 to annual reporting periods beginning on or after 1 January 2018, instead of 1 January 2017.	1 January 2018
AASB 2014-4 Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation [AASB 116 & AASB 138]	Amends AASB 116 and AASB 138 to: <ul style="list-style-type: none"> <li>establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset;</li> <li>clarify that the use of revenue based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset; and</li> <li>clarify that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption, however, can be rebutted in certain limited circumstances.</li> </ul>	1 January 2016
AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15	Amends the measurement of trade receivables and the recognition of dividends.	1 January 2017, except amendments to AASB 9 (December 2009) and AASB 9 (December 2010) apply 1 January 2018
AASB 2014-7 Amendments to Australian Accounting Standards arising from AASB 9	Amends various AASs to incorporate the consequential amendments arising from the issuance of AASB 9.	1 January 2018
AASB 2015-6 Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities (AASB10, AASB 124 & AASB 1049)	AASB 2015-6 extends the scope of AASB 124 Related Party Disclosures to not-for-profit public sector entities. Guidance has been included to assist the application of the Standard by not-for-profit public sector entities.	1 January 2016

**2 Income from transactions**

	2016	2015
	\$	\$
<b>Sale of goods</b>		
Food and beverage sales	4,434,716	3,395,522
Retail and souvenir sales (including photography)	5,528,175	5,179,656
<b>Total sale of goods</b>	<b>9,962,891</b>	<b>8,575,178</b>
<b>Admissions</b>		
Admissions	16,852,987	13,776,520
<b>Total admissions</b>	<b>16,852,987</b>	<b>13,776,520</b>
<b>Interest</b>		
Interest from cash at bank	189,414	306,195
<b>Total interest revenue</b>	<b>189,414</b>	<b>306,195</b>
<b>Other operating income</b>		
Rental income	57,518	62,809
Donation, grant and sponsorship	419,680	325,331
Grants from government authorities	722,496	939,951
Miscellaneous income	542,074	537,092
<b>Total other operating income</b>	<b>1,741,768</b>	<b>1,865,183</b>

**3a) Expenses from transactions**

	2016	2015
	\$	\$
<b>By function</b>		
Penguin Parade	7,796,156	7,250,727
Nobbies	2,589,643	2,237,306
Churchill Island	1,916,017	1,062,362
Koala Conservation Centre	1,190,701	1,130,058
Eco Boat	673,973	367,018
Grounds services	773,993	720,533
Environment	2,374,106	2,357,647
Research	753,807	745,841
Education	691,835	549,852
Marketing	1,666,090	1,635,191
Parkwide administration	4,877,150	4,080,582
<b>Total expenses from transactions</b>	<b>25,303,471</b>	<b>22,137,117</b>

**3b) Other operating expenses**

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
Advertising	444,418	500,356
Bank charges	200,829	159,850
Consultants and other advice	581,621	350,885
Contractors	1,858,132	1,763,632
Doubtful debts	6,371	(1,701)
Fringe benefits tax	91,839	91,003
Impairment of non current asset	5,979	-
Insurance premium (excluding motor vehicles)	118,397	50,541
Legal expenses	290,186	182,866
Motor vehicle expenses	153,628	163,667
Membership, licenses and commission	673,712	358,848
Repairs & maintenance	249,847	110,703
Utilities	275,516	246,843
Training	151,026	158,544
Telephone and internet	133,092	129,758
Travel & accommodation	177,852	170,797
Miscellaneous expenses	711,756	689,950
<b>Total other operating expenses</b>	<b>6,124,201</b>	<b>5,126,542</b>

**3c) Employee Expenses**

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
Salaries and wages	9,508,580	8,535,562
Payroll tax and workcover	892,440	744,884
Superannuation	988,487	895,857
Movement in annual leave and long service leave provision	1,031,732	916,937
<b>Total employee expenses</b>	<b>12,421,239</b>	<b>11,093,240</b>

**4 Other economic flows included in net result**

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>Net gain on non-financial assets</b>		
Net gain on disposal of property plant and equipment	31,694	33,660
<b>Total net gain on non financial assets</b>	<b>31,694</b>	<b>33,660</b>

## 5 Receivables

	Notes	2016 \$	2015 \$
<b>Current</b>			
<b>Contractual Receivables</b>			
Sale of Goods and Services		802,228	665,952
Accrued interest income		16,155	10,569
Other receivables		85,175	18,736
	18g	903,558	695,257
Less provision for doubtful debts		(25,804)	(21,774)
<b>Total contractual receivables</b>	18	<b>877,754</b>	<b>673,483</b>
<b>Statutory Receivables</b>			
GST receivable		-	1,708
<b>Total current receivables</b>		<b>877,754</b>	<b>675,191</b>
<b>Total receivables</b>		<b>877,754</b>	<b>675,191</b>

### 5a) Movement in provision for doubtful contractual receivables

	2016 \$	2015 \$
Balance at the beginning of the year	(21,774)	(23,475)
Amounts written off during the year	2,341	-
Decrease in allowance recognised in profit or loss	(6,371)	1,701
<b>Balance at end of the year</b>	<b>(25,804)</b>	<b>(21,774)</b>

### 5b) Ageing analysis of contractual receivables

Refer to Note 18 e) for ageing analysis of contractual receivables.

### 5c) Nature and extent of risk arising from contractual receivables

Refer to Note 18 e) for the nature and extent of risks arising from contractual receivables.

**6 Inventory**

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>Current</b>		
<b>Inventories held for sale at cost</b>		
Penguin Parade	492,758	512,675
Koala Conservation Centre	73,861	62,765
Nobbies	178,488	141,453
Churchill Island	121,959	95,709
<b>Total inventory held for sale at cost</b>	<b>867,066</b>	<b>812,602</b>
Less provision for inventory obsolescence	(25,619)	(28,359)
<b>Total inventory</b>	<b>841,447</b>	<b>784,243</b>

**6a) Movement in provision for inventory obsolescence**

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
Balance at the beginning of the year	(28,359)	(26,535)
Increase in provision recognised in profit or loss	2,740	(1,824)
<b>Balance at end of the year</b>	<b>(25,619)</b>	<b>(28,359)</b>

**7 Other financial assets**

	<b>Note</b>	<b>2016</b>	<b>2015</b>
		<b>\$</b>	<b>\$</b>
<b>Current financial assets</b>			
Term deposits : original maturity greater than 3 months		2,000,000	-
<b>Total current financial assets</b>	<b>18</b>	<b>2,000,000</b>	<b>-</b>

**8 Other non-financial assets**

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>Non-current non-financial assets</b>		
Other assets	38,850	38,850
Less amortisation	(27,390)	(14,440)
<b>Total other non-current assets</b>	<b>11,460</b>	<b>24,410</b>

## 9 Property, plant and equipment

	Crown land	Buildings	Boardwalks	Car parks	Motor vehicles	Furniture & fittings	Plant & equipment	Computer hardware	Work in progress	Total property, plant & equipment
Non-current 2016	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
At fair value	52,829,000	28,848,463	1,907,043	3,962,147	1,374,770	2,078,845	3,559,215	1,089,127	170,263	95,818,873
Less accumulated depreciation and impairment	-	(98,030)	(5,465)	(390)	(768,673)	(1,420,808)	(2,185,930)	(909,620)	-	(5,388,916)
<b>Total property, plant and equipment</b>	<b>52,829,000</b>	<b>28,750,433</b>	<b>1,901,578</b>	<b>3,961,757</b>	<b>606,097</b>	<b>658,037</b>	<b>1,373,285</b>	<b>179,507</b>	<b>170,263</b>	<b>90,429,957</b>

### 2015

At fair value	42,376,000	22,553,069	1,709,323	3,348,387	1,291,585	1,850,722	4,470,994	1,270,740	1,745,485	80,616,305
Less accumulated depreciation and impairment	-	(2,301,591)	(588,458)	(710,778)	(684,809)	(1,335,033)	(3,870,639)	(1,060,205)	-	(10,551,513)
<b>Total property, plant and equipment</b>	<b>42,376,000</b>	<b>20,251,478</b>	<b>1,120,865</b>	<b>2,637,609</b>	<b>606,776</b>	<b>515,689</b>	<b>600,355</b>	<b>210,535</b>	<b>1,745,485</b>	<b>70,064,792</b>

	Crown land	Buildings	Boardwalks	Car parks	Motor vehicles	Furniture & fittings	Plant & equipment	Computer hardware	Work in progress	Total property, plant & equipment
Non-current 2016	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Carrying amount as at 1/07/15	42,376,000	20,251,478	1,120,865	2,637,609	606,776	515,689	600,355	210,535	1,745,485	70,064,792
Additions	-	5,243,852	129,544	24,147	246,524	361,114	943,072	88,173	158,536	7,194,962
Transfer from work in progress	-	1,689,310	-	-	-	12,375	26,094	-	(1,727,779)	-
Transfers from car parks	-	-	-	(48,000)	-	-	-	-	-	(48,000)
Transfers to plant and equipment	-	-	-	-	-	-	48,000	-	-	48,000
Revaluation	10,453,000	2,235,641	826,451	1,513,811	-	-	-	-	-	15,028,903
Disposals	-	-	-	-	(26,526)	-	(837)	-	-	(27,363)
Impairments	-	-	-	-	-	-	-	-	(5,979)	(5,979)
Depreciation and amortisation expense	-	(669,848)	(175,282)	(165,810)	(220,677)	(231,141)	(243,399)	(119,201)	-	(1,825,358)
<b>Carrying amount as at 30/06/16</b>	<b>52,829,000</b>	<b>28,750,433</b>	<b>1,901,578</b>	<b>3,961,757</b>	<b>606,097</b>	<b>658,037</b>	<b>1,373,285</b>	<b>179,507</b>	<b>170,263</b>	<b>90,429,957</b>

### 2015

Carrying amount as at 1/07/14	42,376,000	20,815,224	1,176,679	2,746,474	520,934	575,586	635,362	129,963	218,177	69,194,399
Additions	-	7,930	82,034	54,740	351,583	104,933	174,925	113,273	1,685,271	2,574,689
Transfer from work in progress	-	-	15,291	-	-	35,617	9,555	97,500	(157,963)	-
Revaluation	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	(52,827)	(3,506)	(1,344)	(876)	-	(58,553)
Impairments	-	-	-	-	-	-	-	-	-	-
Depreciation and amortisation expense	-	(571,676)	(153,139)	(163,605)	(212,914)	(196,941)	(218,143)	(129,325)	-	(1,645,743)
<b>Carrying amount as at 30/06/15</b>	<b>42,376,000</b>	<b>20,251,478</b>	<b>1,120,865</b>	<b>2,637,609</b>	<b>606,776</b>	<b>515,689</b>	<b>600,355</b>	<b>210,535</b>	<b>1,745,485</b>	<b>70,064,792</b>

## 9 Property, plant and equipment (continued)

### 9a) Profit on Sale of Assets

	2016	2015
	\$	\$
Gross proceeds of assets sold	59,057	92,213
Less book value of assets sold	(27,363)	(58,553)
Gain on sale of assets	31,694	33,660

9b) The fair values of non financial assets are categorised into a hierarchy rating the inputs to the valuation techniques used to measure fair value. The Nature Parks' property plant and equipment are all categorised in level 2 and level 3 in the hierarchy. There are no assets which have quotable prices from active markets which are attributable to level 1 in the hierarchy. The level 2 assets are based on independent market valuations but are not immediately marketable. The fair value of most of our property plant and equipment is impacted by unobservable inputs to the determination of their fair values and consequently are reported as level 3 in the hierarchy.

#### LAND AND BUILDINGS

##### Specialised land and specialised buildings

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

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

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

An independent valuation of the Nature Parks' specialised land and specialised buildings was performed by the Valuer General Victoria. The valuation was performed using the market approach adjusted for CSO. The effective date of the valuation is 30 June 2016.

##### Car parks and Boardwalks

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

An independent valuation of the Nature Parks' car parks and boardwalks was performed by the Valuer-General Victoria. The valuation was performed based on the depreciated replacement cost of the assets. The effective date of the valuation is 30 June 2016.

##### Plant and equipment, furniture and fittings, computer hardware and vehicles

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

## 9 Property, plant and equipment (continued)

## Fair value measurement hierarchy for assets as at 30 June 2016

	Carrying amount at 30 June 2016	Fair value measurement at end of reporting period using		
		Level 1	Level 2	Level 3
	\$	\$	\$	\$
Specialised land at fair value	52,829,000	-	-	52,829,000
Specialised building at fair value	28,750,433	-	-	28,750,433
Boardwalks at fair value	1,901,578	-	-	1,901,578
Car parks at fair value	3,961,757	-	-	3,961,757
Motor vehicles at fair value	606,097	-	-	606,097
Furniture and fittings at fair value	658,037	-	-	658,037
Plant and equipment at fair value	1,373,285	-	-	1,373,285
Computer hardware	179,507	-	-	179,507

	Carrying amount at 30 June 2015	Fair value measurement at end of reporting period using		
		Level 1	Level 2	Level 3
	\$	\$	\$	\$
Land at fair value	42,376,000	-	42,376,000	-
Building at fair value	20,251,478	-	19,049,925	1,201,553
Boardwalks at fair value	1,120,865	-	577,775	543,090
Car parks at fair value	2,637,609	-	2,127,155	510,454
Motor vehicles at fair value	606,776	-	-	606,776
Furniture and fittings at fair value	515,689	-	-	515,689
Plant and equipment at fair value	600,355	-	-	600,355
Computer hardware	210,535	-	-	210,535

## 9c) Reconciliation of Level 3 fair value

2016	Specialised land	Specialised buildings	Boardwalks	Car parks	Motor vehicles	Furniture and fi tings	Plant and equipment	Computer hardware
	\$	\$	\$	\$	\$	\$	\$	\$
Opening Balance	-	1,201,553	543,090	510,454	606,776	515,689	600,355	210,535
Additions	-	6,933,162	129,544	24,147	246,524	373,489	969,166	88,173
Transfers in to level 3	42,376,000	19,049,925	577,775	2,127,155	-	-	-	-
Transfer from Car parks	-	-	-	(48,000)	-	-	-	-
Transfer to Plant & equipment	-	-	-	-	-	-	48,000	-
Depreciation	-	(669,848)	(175,282)	(168,810)	(220,677)	(231,141)	(243,399)	(119,201)
Disposal	-	-	-	-	(26,526)	-	(837)	-
Subtotal	42,376,000	26,514,793	1,075,127	2,447,946	606,097	658,037	1,373,285	179,507
Gains Recognised in other economic flow – other comprehensive income								
Revaluation	10,453,000	2,235,641	826,451	1,513,811	-	-	-	-
Subtotal	10,453,000	2,235,641	826,451	1,513,811	-	-	-	-
<b>Closing Balance</b>	<b>52,829,000</b>	<b>28,750,433</b>	<b>1,901,578</b>	<b>3,961,757</b>	<b>606,097</b>	<b>658,037</b>	<b>1,373,285</b>	<b>179,507</b>

**9 Property, plant and equipment (continued)****9c) Reconciliation of level 3 fair value (continued)**

2015	Buildings	Boardwalks	Car Parks	Motor vehicles	Furniture and fittings	Plant and equipment	Computer hardware
	\$	\$	\$	\$	\$	\$	\$
Opening Balance	1,235,106	520,777	486,319	520,934	575,586	635,362	129,963
Additions	7,931	97,325	54,740	351,583	140,550	184,480	210,773
Transfers in(out) of level 3	-	-	-	-	-	-	-
Depreciation	(41,484)	(75,012)	(30,605)	(212,914)	(196,941)	(218,143)	(129,325)
Disposal	-	-	-	(52,827)	(3,506)	(1,344)	(876)
Closing Balance	1,201,553	543,090	510,454	606,776	515,689	600,355	210,535

An independent valuation of the Nature Parks' specialised land, specialised buildings, boardwalks and carparks was performed by the Valuer General Victoria with the effective date of 30 June 2016. The valuation was performed using the market approach adjusted for CSO.

As CSO is considered a significant unobservable input, these assets have been transferred from level 2 in to level 3 in the hierarchy.

Prior to this valuation, specialised land, specialised buildings, boardwalk and carparks fair value did not have the CSO applied and therefore was not considered a significant unobservable input.

**9d) Description of significant unobservable inputs to Level 3 valuations**

	Valuation technique	Significant unobservable inputs
Specialised Land	Market Approach	CSO adjustment
Specialised Buildings	Depreciated replacement cost	Direct cost per square metre
		Useful Life
Boardwalks	Depreciated replacement cost	Direct cost per square metre
		Useful Life
Car Parks	Depreciated replacement cost	Direct cost per square metre
		Useful Life
Motor Vehicles	Depreciated replacement cost	Cost per unit
		Useful Life
Furniture and fittings	Depreciated replacement cost	Cost per unit
		Useful Life
Plant and equipment	Depreciated replacement cost	Cost per unit
		Useful Life
Computer hardware	Depreciated replacement cost	Cost per unit
		Useful Life

**10 Intangible Assets**

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>Non-Current</b>		
Software at cost	3,283,368	995,332
Less accumulated amortisation and impairment	(1,199,888)	(904,615)
<b>Total intangible assets</b>	<b>2,083,480</b>	<b>90,717</b>
	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
Carrying amount at beginning of period	90,717	154,436
Additions	2,288,036	10,602
Transfer from work in progress	-	-
Amortisation expense	(295,273)	(74,321)
<b>Carrying amount at end of period</b>	<b>2,083,480</b>	<b>90,717</b>

**11 Payables**

	<b>Notes</b>	<b>2016</b>	<b>2015</b>
		<b>\$</b>	<b>\$</b>
<b>Current</b>			
<b>Contractual payables</b>			
Supplies and services		953,825	1,092,170
Accrued expenses		512,658	643,484
	18	1,466,483	1,735,654
<b>Statutory payables</b>			
GST Payable		65,436	-
Superannuation payable		127,397	-
		192,833	-
<b>Total current payables</b>		<b>1,659,316</b>	<b>1,735,654</b>
<b>Total payables</b>		<b>1,659,316</b>	<b>1,735,654</b>

**11a) Maturity analysis of contractual payables**

Please refer Note 18 f) for the maturity analysis of contractual payables

**11b) Nature and extent of risk arising from contractual payables**

Please refer to Note 18 f) for the nature and extent of risks arising from contractual payables.

## 12 Cash flow information

### (i) Reconciliation of cash

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

	2016	2015
	\$	\$
Cash on hand	55,000	46,000
Cash at bank – Trading account	6,772,583	11,081,667
Cash at bank – Defined benefits contingency fund	883,521	822,578
Term deposits at call	-	2,000,000
<b>Total cash and cash deposits</b>	<b>7,711,104</b>	<b>13,950,245</b>

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

	2016	2015
	\$	\$
Net result for the year	3,475,283	2,419,619
Net gain from sale of assets	(31,694)	(33,660)
Impairment of non current assets	5,979	-
Depreciation and amortisation of non current assets	2,133,581	1,733,014
Increase (decrease) in creditors & accruals	(203,735)	(203,416)
Decrease (increase) in receivables & other current assets	(314,845)	(683)
Decrease (increase) in inventory	(57,204)	4,062
Increase in employee provisions	177,435	207,723
<b>Net cash provided by operating activities</b>	<b>5,184,800</b>	<b>4,126,659</b>

## 13 Auditor's remuneration

Total amounts receivable by the Auditors of the Nature Parks for:

	2016	2015
	\$	\$
Victorian Auditor-General's Office	16,200	15,785
<b>Total auditor's remuneration</b>	<b>16,200</b>	<b>15,785</b>

**14 Provisions**

<b>Employee benefit</b>	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>Current</b>		
Annual leave		
Unconditional and expected to be settled within 12 months	511,323	510,390
	<b>511,323</b>	<b>510,390</b>
<b>Long service leave</b>		
Unconditional and expected to be settled within 12 months	118,895	90,902
Unconditional and expected to be settled after 12 months	588,822	463,215
	<b>707,717</b>	<b>554,117</b>
<b>Provision for on costs</b>		
Unconditional and expected to be settled within 12 months	110,230	105,001
Unconditional and expected to be settled after 12 months	106,552	83,823
	<b>216,782</b>	<b>188,824</b>
Superannuation	-	470
Accrued wages	574,285	686,666
<b>Total current employee benefit</b>	<b>2,010,107</b>	<b>1,940,467</b>
<b>Non-current</b>		
Conditional long service leave	270,790	287,389
Provisions related to employee benefit on-costs	49,002	52,005
<b>Total non-current employee benefit</b>	<b>319,792</b>	<b>339,394</b>
<b>Total employee benefit</b>	<b>2,329,899</b>	<b>2,279,861</b>

#### 14a) Employee benefits and related on-costs

	2016	2015
	\$	\$
<b>Current employee benefit</b>		
Annual leave	511,323	510,390
Long service leave	707,717	554,117
Superannuation	-	470
Accrued wages	574,285	686,666
<b>Total current employee benefit</b>	<b>1,793,325</b>	<b>1,751,643</b>
<b>Non-current employee benefit</b>		
Conditional long service leave entitlements	270,790	287,389
<b>Total non-current employee benefit</b>	<b>270,790</b>	<b>287,389</b>
<b>On Costs</b>		
Current on-costs	216,782	188,824
Non-current on-costs	49,002	52,005
<b>Total on-costs</b>	<b>265,784</b>	<b>240,829</b>
<b>Total employee benefits and related on-costs</b>	<b>2,329,899</b>	<b>2,279,861</b>

	Long Service Leave	Annual Leave	Superannuation	Accrued Wages	Total Provisions
	\$	\$	\$	\$	\$
Closing balance at 30 June 2015	993,783	598,942	470	686,666	2,279,861
Payments	(99,144)	(802,074)	(470)	(686,666)	(1,588,354)
Increase in provision	260,937	803,170	-	574,285	1,638,392
<b>Closing balance at 30 June 2016</b>	<b>1,155,576</b>	<b>600,038</b>	<b>-</b>	<b>574,285</b>	<b>2,329,899</b>

## 15 Responsible persons and related party disclosures

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

### Responsible Minister

The responsible Ministers during 2015-16 reporting period were the Hon. Lisa Neville MP, Minister for Environment, Climate Change and Water from 01 July 2015 to 22 May 2016, and the Hon. Lily D'Ambrosia MP, Minister for Energy, Environment and Climate Change from 23 May 2015 to 30 June 2016.

### Accountable Officer

Matthew Jackson, Chief Executive Officer

### Board members

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

- Jeff Lloyd (appointed 21 July 2010)
- Stella Axarlis (appointed 17 July 2013, retired 4 September 2015)
- Dr. Catherin Bull (appointed 5 September 2009, retired 4 September 2015)
- Alan Gostelow (appointed 5 September 2012, retired 4 September 2015)
- Andrew Paxton (appointed 5 September 2012)
- Stephen Davie (appointed 5 September 2012)
- Kevin Love (appointed 9 August 2013)
- Danielle Auldist (appointed 5 September 2015)
- Shelly Lavender (appointed 5 September 2015)
- Liz Stinson (appointed 5 September 2015)
- Kay Spierings (appointed 5 September 2015)

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

The Nature Parks has a related party relationship with the Penguin Foundation Limited due to the Accountable Officer and Research Manager volunteering their time to hold board positions with the Foundation. During 2015-16, the Nature Parks received \$143,469 (2015: \$297,159) from the Penguin Foundation Limited and also provided volunteer administrative support to the Foundation.

### Remuneration

#### (i) Accountable Officer

Total 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: \$270,000 - \$279,999 (2015: \$270,000 - \$279,999)

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

#### (ii) Board members

Members' remuneration received or due and receivable was \$117,553 (2015: \$84,000).

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

Remuneration bands of responsible persons

	2016	2015
\$0 to \$9,999	3	1
\$10,000 to \$19,999	7	6
\$20,000 to \$29,999	1	-
Total Number	11	7

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

#### (iii) Amounts relating to the Ministers are reported in the financial statements of the Department of Premier and Cabinet.

## 16 Contingent assets and liabilities

The Board is not aware of any material threatened or existing legal actions or other contingencies between Phillip Island Nature Park Board of Management Inc. and third parties as at 30 June 2016 (2015: Nil)

## 17 Superannuation

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

The Fund's accumulation category, Vision MySuper/Vision Super Saver, receives both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings in accordance with the Superannuation Guarantee legislation (9.5% in 2015-16 and 9.5% in 2014-15).

The Nature Parks does not use defined benefit accounting for its defined benefit obligations under the Fund's Defined Benefit category. This is because the Fund's Defined Benefit category is a pooled multi-employer sponsored plan.

There is no proportional split of the defined benefit liabilities, assets or costs between the participating employers as the defined benefit obligation is a floating obligation between those participating employers and the only time that the aggregate obligation is allocated to specific employers is when a call is made. As a result, the level of participation of the Nature Parks in the Fund cannot be measured as a percentage compared with other participating employers. Therefore, the

## 17 Superannuation (continued)

Actuary is unable to allocate benefit liabilities, assets and costs between employers for the purpose of AASB 119.

The Nature Parks makes employer contributions to the defined benefit category of the Fund at rates determined by the Trustee on the advice of the Fund's Actuary.

As at 30 June 2015, an interim actuarial investigation was held as the Fund provides lifetime pensions in the Defined Benefit category. The vested benefit index (VBI) of the Defined Benefit category of the Nature Parks is a contributing employer was 105.8%. To determine the VBI, the fund Actuary used the following long term assumptions:

Net investment returns	7.0% pa
Salary information	4.25% pa
Price inflation (CPI)	2.5% pa.

Vision Super has advised that the estimated VBI at 30 June 2016 was 102.0%

The VBI is to be used as the primary funding indicator. Because the VBI was above 100% the 2015 interim actuarial investigation determined the Defined Benefit category was in a satisfactory financial position and that no change was necessary to the Defined Benefit category's funding arrangements from prior years.

On the basis of the results of the 2015 interim actuarial investigation conducted by the Fund Actuary, the Nature Parks makes employer contributions to the Fund's Defined Benefit category at rates determined by the Fund's Trustee. For the year ended 30 June 2016, the rate was 9.5% of members' salaries (9.5% in 2014-15). This rate will increase in line with any increase to the Superannuation Guarantee contribution rate.

In addition, the Nature Parks reimburses the Fund to cover the excess of the benefits paid as a consequence of retrenchment above the funded resignation or retirement benefit.

If the defined benefit category is in an unsatisfactory financial position at actuarial investigation or the Defined Benefits category's VBI is below its shortfall limit at any time other than the date of the actuarial investigation, the Defined Benefit category has a shortfall for the purposes of SPS 160 and the

Fund is required to put a plan in place so that the shortfall is fully funded within three years of the shortfall occurring. The Fund monitors its VBI on a quarterly basis and the Fund has set its shortfall limit at 97%.

In the event that the Fund Actuary determines that there is a shortfall based on the above requirement, the Fund's participating employers (including the Nature Parks) are required to make an employer contribution to cover the shortfall.

Using the agreed methodology, the shortfall amount is apportioned between the participating employers based on the pre 1 July 1993 and post 30 June 1993 service liabilities of the Fund's Defined Benefit category, together with the employer's payroll at 30 June 1993 and at the date the shortfall has been calculated.

Due to the nature of the contractual obligations between the participating employers and the Fund, and that the Fund includes lifetime pensioners and their reversionary beneficiaries, it is unlikely that the Fund will be wound up.

If there is a surplus in the Fund, that surplus cannot be returned to the participating employers.

In the event that a participating employer is wound-up, the defined benefit obligations of that employer will be transferred to that employer's successor.

The Fund's latest actuarial investigation as at 30 June 2015 identified the following in the Defined Benefit category of which the Nature Parks is a contributing employer:

- A VBI surplus of \$130.8 million; and
- A total service liability surplus of \$239 million.

The VBI surplus means that the market value of the fund's assets supporting the defined benefit obligations exceed the vested benefits that the defined benefit members would have been entitled to if they had all exited on 30 June 2015.

The total service liability surplus means that the current value of the assets in the Fund's Defined Benefit category plus expected future contributions exceeds the value of expected future benefits and expenses.

The Nature Parks was notified of the 30 June 2015 VBI during August 2015.

### Employer superannuation contributions made by the Nature Parks were:

Fund	Paid contribution for the year		Contribution outstanding at year end	
	2016	2015	2016	2015
	\$	\$	\$	\$
Accumulation Funds (Vision Super)	425,359	458,546	45,275	470
Accumulation Funds (Other)	428,447	400,563	53,536	-
Defined Benefit Fund (Vision Super)	40,373	44,109	5,189	-
<b>Total Employer Superannuation Contributions</b>	<b>894,179</b>	<b>903,218</b>	<b>104,000</b>	<b>470</b>

## 18 Financial instruments

The Nature Parks' principal financial instruments comprise of cash assets, term deposits, receivables (excluding statutory receivables) and payables (excluding statutory payables).

The Nature Parks' main financial risks include credit risk, liquidity risk and interest rate risk.

The Nature Parks manages these financial risks in accordance with its overall risk management policy.

The following table discloses the carrying amounts of the Nature Parks' contractual financial assets and financial liabilities by category.

### a) Categorisation of financial instruments

	Note	Category	2016 Carrying Amount \$	2015 Carrying Amount \$
<b>Contractual financial assets</b>				
Cash and cash equivalents	12	Cash & cash equivalents	7,711,104	13,950,245
Receivables	5	Loans & receivables	877,754	673,483
Term deposits	7	Investments	2,000,000	-
<b>Total financial assets</b>			<b>10,588,858</b>	<b>14,623,728</b>
<b>Contractual financial liabilities</b>				
Payables	11	Financial liabilities measured at amortised cost	1,466,483	1,735,654
<b>Total financial liabilities</b>			<b>1,466,483</b>	<b>1,735,654</b>
<b>Net financial assets</b>			<b>9,122,375</b>	<b>12,888,074</b>

### b) Interest rate risk

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

	Notes	Fixed interest rate \$	Floating interest rate \$	Non-interest bearing \$	2016 Total \$	2015 Total \$
<b>Contractual financial assets</b>						
Cash and cash equivalents	12	-	7,656,104	55,000	7,711,104	13,950,245
Receivables	5	-	-	877,754	877,754	673,483
Term deposits	7	2,000,000	-	-	2,000,000	-
<b>Total financial assets</b>		<b>2,000,000</b>	<b>7,656,104</b>	<b>932,754</b>	<b>10,588,858</b>	<b>14,373,728</b>
<b>Contractual financial liabilities</b>						
Payables	11	-	-	1,466,483	1,466,483	1,735,654
<b>Total financial liabilities</b>		<b>-</b>	<b>-</b>	<b>1,466,483</b>	<b>1,466,483</b>	<b>1,735,654</b>
<b>Net financial assets</b>		<b>2,000,000</b>	<b>7,656,104</b>	<b>(533,729)</b>	<b>9,122,375</b>	<b>12,638,074</b>

## 18 Financial instruments (continued)

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

Floating Interest Rate 1.80% (2015: 2.29%)

Fixed Interest Rate 2.95% (2015: nil)

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

### c) Sensitivity disclosure analysis

Taking into account past performance and future expectations a 1% increase or decrease in interest rates is reasonably possible over the next 12 months. The effect on cash assets would be an increase or decrease in fair value of \$96,561 (2015: \$139,042).

### d) Foreign currency risk

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

### e) Credit risk exposure

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

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

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

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

		Carrying amount	Not past due and not impaired	Past due but not impaired				Impaired financial assets
				Less than 1 month	1-3 months	3 months - 1 year	1-5 years	
Notes								
2016		\$	\$	\$	\$	\$	\$	\$
Cash assets	12	7,711,104	7,711,104	-	-	-	-	-
Receivables	5	877,754	544,759	290,291	3,804	38,900	-	25,804
Term deposits	7	2,000,000	2,000,000	-	-	-	-	-
		<b>10,588,858</b>	<b>10,255,863</b>	<b>290,291</b>	<b>3,804</b>	<b>38,990</b>	<b>-</b>	<b>25,804</b>
<b>2015</b>								
Cash assets	12	13,950,245	13,950,245	-	-	-	-	-
Receivables	5	673,483	466,129	183,464	23,890	-	-	21,774
		<b>14,623,728</b>	<b>14,623,374</b>	<b>183,464</b>	<b>23,890</b>	<b>-</b>	<b>-</b>	<b>21,774</b>

**18 Financial instruments (continued)****f) Liquidity risk exposure**

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

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

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

The following table discloses the maturity of contractual financial liabilities:

	Notes	Carrying amount	Nominal amount	Maturity dates			
				Less than 1 month	1-3 months	3 months - 1 year	1-5 years
2016		\$	\$	\$	\$	\$	\$
Payables	11	1,466,483	1,466,483	1,466,483	-	-	-
		<b>1,466,483</b>	<b>1,466,483</b>	<b>1,466,483</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2015</b>							
Payables	11	1,735,654	1,735,654	1,735,654	-	-	-
		<b>1,735,654</b>	<b>1,735,654</b>	<b>1,735,654</b>	<b>-</b>	<b>-</b>	<b>-</b>

**g) Fair Value**

The Nature Parks considers that the carrying amount of financial instrument assets and liabilities recorded in the financial statements to be a fair approximation of their fair values, because of the short term nature of the financial instruments and the expectation that they will be paid in full.

The following table shows that the fair values of all of the contractual financial assets and liabilities are the same as the carrying amounts.

	2016 Carrying amount \$	2016 Fair value \$	2015 Carrying amount \$	2015 Fair value \$
<b>Contractual financial assets</b>				
Cash and deposits	7,711,104	7,711,104	13,950,245	13,950,245
Term deposit – Maturity greater than 3 months	2,000,000	2,000,000	-	-
Sale of goods and services	802,258	802,258	665,952	665,952
Accrued investment income	16,155	16,155	10,569	10,569
Other receivables	85,175	85,175	18,736	18,736
<b>Total contractual financial assets</b>	<b>10,614,692</b>	<b>10,614,692</b>	<b>14,645,502</b>	<b>14,645,502</b>
<b>Contractual financial liabilities</b>				
Supplies and services	953,825	953,825	1,092,170	1,092,170
Accrued expenses	512,658	512,658	643,484	643,484
<b>Total contractual financial liabilities</b>	<b>1,466,483</b>	<b>1,466,483</b>	<b>1,735,654</b>	<b>1,735,654</b>

**19 Commitments**

	2016	2015
	\$	\$
<b>Commitments payable</b>		
Less than 1 year	107,813	232,662
Total commitments payable	107,813	232,662
<b>Total commitments (inclusive of GST)</b>	<b>107,813</b>	<b>8,147,222</b>
GST recoverable from the Australian Tax Office	(9,801)	(740,656)
<b>Total commitments (exclusive of GST)</b>	<b>98,012</b>	<b>7,406,566</b>

In May 2016 it was announced in the 2016-17 State Capital Program (Budget Paper No 4) that the Nature Park will receive funding for a major capital project. As a condition of this funding the Nature Parks will contribute \$5,000,000 to the project within the next 12 months, and an additional \$5,000,000 to be contributed within the next 5 years.

**20 Subsequent Events**

Phillip Island Nature Park Board of Management Inc. is not aware of any circumstances that have arisen since 30 June 2016 that have significantly affected or may significantly affect the Nature Parks' operations in financial years subsequent to 30 June 2016.

**21 Ex-gratia payments**

	2016	2015
	\$	\$
Forgiveness or wavier of debt greater than \$5,000	-	-
Property damage	-	-
Others	-	-
<b>Total ex-gratia payments</b>	<b>-</b>	<b>-</b>

## 22 Glossary of terms and style conventions

### Glossary

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

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

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

#### Amortisation

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

#### Comprehensive result

The net result of all items of income and expense recognised for the period. It is the aggregate of operating result and other comprehensive income.

#### Commitments

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

#### Current grants

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

#### Depreciation

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

#### Employee benefit expenses

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

#### Ex gratia payments

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

#### Financial asset

A financial asset is any asset that is:

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

#### Financial instrument

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets or liabilities that are not contractual (such as statutory receivables or payables that arise as a result of statutory requirements imposed by governments) are not financial instruments

#### Financial liability

A financial liability is any liability that is:

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

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

### Financial statements

A complete set of financial statements comprises:

- (a) a statement of financial position as at the end of the period;
- (b) a statement of profit or loss and other comprehensive income for the period;
- (c) a statement of changes in equity for the period;
- (d) a statement of cash flows for the period;
- (e) notes, comprising a summary of significant accounting policies and other explanatory information;
- (f) comparative information in respect of the preceding period as specified in paragraphs 38 of AASB 101 Presentation of Financial Statements; and
- (g) a statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements in accordance with paragraphs 41 of AASB 101.

### Grants and other transfers

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

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

### Intangible produced assets

Refer to produced assets in this glossary.

### Intangible non-produced assets

Refer to non-produced assets in this glossary.

### Interest expense

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

### Interest income

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

### Net acquisition of non financial assets (from transactions)

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. It includes only those increases or decreases in non financial assets resulting from transactions and therefore excludes write offs, impairment write downs and revaluations.

### Net result

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

### Net result from transactions/net operating balance

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

### Net worth

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

### Non financial assets

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, investment properties, cultural and heritage assets, intangible and biological assets.

### Non-produced assets

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

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

### Non-profit institution

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

### Other economic flows

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. It includes:

- gains and losses from disposals, revaluations and impairments of non financial 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

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.

The components of other economic flows – other comprehensive income include:

- (a) changes in physical asset revaluation surplus;
- (b) share of net movement in revaluation surplus of associates and joint ventures; and
- (c) 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

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

### Receivables

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

### Sales of goods and services

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

### Supplies and services

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

### Transactions

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

### Style conventions

Figures in the tables and in the text have been rounded.

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

The notation used in the tables is as follows:

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

## INDEPENDENT AUDITOR'S REPORT

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

#### *The Financial Report*

I have audited the accompanying financial report for the year ended 30 June 2016 of the Phillip Island Nature Parks which comprises the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement, notes comprising a summary of significant accounting policies and other explanatory information, and the statutory declaration.

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

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

#### *Auditor's Responsibility*

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, consideration is given to the internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the board members, as well as evaluating the overall presentation of the financial report.

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

## Independent Auditor's Report (continued)

### *Independence*

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

### *Opinion*

In my opinion, the financial report presents fairly, in all material respects, the financial position of the Phillip Island Nature Parks as at 30 June 2016 and of its financial performance and its cash flows for the year then ended in accordance with applicable Australian Accounting Standards, and the financial reporting requirements of the *Financial Management Act 1994*.

MELBOURNE  
5 September 2016

  
Dr Peter Frost  
Acting Auditor-General

## Statutory declaration

We certify that the attached financial statements for the Phillip Island Nature Parks have been prepared in accordance with Standing Direction 4.2 of the *Financial Management Act 1994*, applicable Financial Reporting Directions, Australian Accounting Standards, Interpretations, and other mandatory professional reporting requirements.

We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes to and forming part of financial statements, presents fairly the financial transactions during the year ended 30 June 2016 and financial position of the Phillip Island Nature Parks as at 30 June 2016.

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

We authorise the attached financial statements for issue on 31 August 2016.

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



Matthew Jackson  
Chief Executive Officer (Accountable Officer)  
Phillip Island  
31 August 2016



Tracey Lindupp  
Financial Controller (Chief Finance and Accounting Officer)  
Phillip Island  
31 August 2016



Jeff Floyd  
Chair  
Phillip Island Nature Park Board of Management Inc.  
Phillip Island  
31 August 2016

A close-up photograph of a koala and its joey in a eucalyptus tree. The adult koala is in the foreground, looking towards the camera with its large black nose and fluffy ears. Its fur is a mix of grey and brown. A joey is clinging to its chest, partially visible. The background shows the branches and green leaves of the tree, with some areas blurred. There are semi-transparent circular overlays on the right side of the image.

# Annual Report 2015-16 **Appendices**

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

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FRD 30B	Standard requirements for the design and print of annual reports	✓

# Publications

## Research publications 2015-16

Nature Parks staff **n bold**, students in *italics*.

### 2016 (Jan-June)

1. Chiaradia, A., F. Ramirez, M. G. Forero and K. A. Hobson (2016). Stable isotopes ( $\delta^{13}\text{C}$ ,  $\delta^{15}\text{N}$ ) combined with conventional dietary approaches reveal plasticity in central-place foraging behaviour of little penguins (*Eudyptula minor*). **Frontiers in Ecology and Evolution** 3. DOI: 10.3389/fevo.2015.00154.
2. Litzow, M.A., Hobday, A.J., Frusher, S.D., **Dann, P.**, Tuck, G.N. (2016). Detecting regime shifts in marine systems with limited biological data: an example from southeast Australia. **Progress in Oceanography** 141: 96-108.
3. Ganendran, L.B., Sidhu, L.A., Catchpole, E.A., Chambers L.E. and **Dann, P.** (2016) Effects of ambient air temperature, humidity and rainfall on survival of adult little penguins *Eudyptula minor* in south-eastern Australia. **International Journal of Biometeorology** <http://dx.doi.org/10.1007/s00484-015-1119-2>
4. Roche, D. V., Lees, D., Cardilini, A. P., Maguire, G. S., **Dann, P.** and Weston, M. A. (2016). Pitfall trapping does not reliably index the diet or prey resources of lapwing. **Wader Study** 123: 16-20. <http://dx.doi.org/10.18194/ws.00025>.
5. Rodríguez, A., A. Chiaradia, P. Wasiak, L. Renwick and P. Dann (2016). Waddling on the Dark Side: Ambient Light Affects Attendance Behaviour of Little Penguins. **Journal of Biological Rhythms** 31: 194-204. DOI: 10.1177/0748730415626010.
6. Saraux C, Chiaradia A, Salton M, **Dann P** and Viblanc VA (2016). On a wind and a prayer? Negative effects of wind speed on the foraging performance and breeding success of a marine top predator. **Ecological Monographs** 86: 61–77. DOI: 10.1890/14-2124.1
7. Stoklosa, J., **Dann, P.**, Huggins, R. and Hwang, W. (2016). Estimation of survival and capture probabilities in open population capture-recapture models when covariates are subject to measurement error. **Computational Statistics and Data Analysis** 96: 74–86. <http://dx.doi.org/10.1016/j.csda.2015.10.010>

8. Turner, E., Carroll, G., **Dann, P.** and Harcourt, R. (2016). Prior exposure to capture heightens the corticosterone and behavioural responses of little penguins (*Eudyptula minor*) to acute stress. **Conservation Physiology** 4(1): <http://dx.doi.org/10.1093/conphys/cov061>

### 2015

9. Afán I, **Chiaradia A**, Forero MG, **Dann P** and Ramírez F. (2015) A novel spatio-temporal scale based on ocean currents unravel environmental drivers of reproductive timing in a marine predator. **Proc. R. Soc. B** 282: 20150721. DOI:10.1098/rspb.2015.0721.
10. Brasso, R. L., A. Chiaradia, M. J. Polito, A. Raya Rey and S. D. Emslie (2015). A comprehensive assessment of mercury exposure in penguin populations throughout the southern hemisphere: using trophic calculations to identify sources of population-level variation. **Marine Pollution Bulletin** 97:408–418. DOI: <http://dx.doi.org/10.1016/j.marpolbul.2015.05.059>.
11. Burrridge, C., *Peucker, A. J.*, Valautham, S. K., Styan, C. A. and **Dann, P.** (2015). Non-equilibrium conditions explain spatial variability in genetic structuring of little penguin (*Eudyptula minor*). **Journal of Heredity** 106 (3): 228–237. <http://dx.doi.org/10.1093/jhered/esv009>.
12. Burrridge, C. P., *Peucker, A. J.*, Valautham, S. K., Overeem, R., Styan, C. and **Dann, P.** (2015). Spatial variability in population genetic structuring of *Eudyptula minor*. Proceedings of the 9th Oamaru Penguin Symposium 2014. **New Zealand Journal of Zoology**, 42: 27-34. <http://dx.doi.org/10.1080/03014223.2014.995107>
13. *Cardilini, A. P.*, Weston, M. A., **Dann, P.**, Sherman, C. D. H. (2015). Sharing the load: Sex role equity in the incubation of a monomorphic shorebird. **Wilson Journal of Ornithology**, 127(4): 730-733. <http://dx.doi.org/10.1676/14-189>
14. Chambers, L. E., Patterson, T., Hobday, A. J., Arnould, J. P. Y., Tuck, G., Wilcox, C. and **Dann, P.** (2015). Determining trends and environmental drivers from long-term marine mammal and seabird data: examples from southern Australia. **Regional Environmental Change** 15(1):197-209. DOI: 10.1007/s10113-014-0634-8
15. Ekanayake, K. B., Weston, M. A., **Dann, P.** and Sutherland, D. R. (2015). Out of sight but not out of mind: corvids prey extensively on eggs of burrow-nesting penguins. **Wildlife Research** 42: 509-517 <http://dx.doi.org/10.1071/WR15108>

16. Evans, J.K., Dann, P. and Frankel, T. (2015). Variation in innate immune function during incubation, chick-rearing and moult in little penguins (*Eudyptula minor*). *Emu* 115, 63-71. DOI:<http://dx.doi.org/10.1071/MU13077>.
17. Finger, A., Lavers, J. L., Dann, P., Nuggeoda, D., Orbell, J. D., Robertson, B. and Scarpaci, C. (2015) The little penguin (*Eudyptula minor*) as an indicator of coastal trace metal pollution. **Environmental Pollution** 205: 365-377.
18. Kowalczyk N D, Reina R D, Preston T J and Chiaradia A. (2015). Environmental variability drives shifts in the foraging behaviour and reproductive success of an inshore seabird. **Oecologia**: 1-13. 10.1007/s00442-015-3294-6.
19. Kowalczyk N D, Reina R D, Preston T J and Chiaradia A. (2015). "Selective foraging within estuarine plume fronts by an inshore resident seabird." **Frontiers in Marine Science** 2. DOI: 10.3389/fmars.2015.00042.
20. Kowalczyk N D, Chiaradia A, Preston T J and Reina R D. (2015). Fine-scale dietary changes between the breeding and non-breeding diet of a resident seabird. **Royal Society Open Science**: 2 :140291. <http://dx.doi.org/10.1098/rsos.140291>
21. Lawson, T. J., Wilcox, C., Johns, K., Dann, P. and Hardesty, B. D. (2015). Characteristics of marine debris that entangle Australian Fur seals (*Arctocephalus pusillus doriferus*) in southern Australia. **Marine Pollution Bulletin** 98(1-2): 354-7. <http://dx.doi.org/10.1016/j.marpolbul.2015.05.053>.
22. McIntosh, R. R., Kirkwood, R., Sutherland D. R. and Dann, P. (2015). Detecting change in fur seal entanglement rates. **Marine Pollution Bulletin** 101(20): 716–725. <http://dx.doi.org/10.1016/j.marpolbul.2015.10.007>. doi:10.1016/j.marpolbul.2015.10.007
23. Meyer, X., A. J. J. MacIntosh, A. Kato, A. Chiaradia and Y. Ropert-Coudert (2015). "Hydrodynamic handicaps and organizational complexity in the foraging behavior of two free-ranging penguin species." **Animal Biotelemetry** 3: 25. DOI: 10.1186/s40317-015-0061-8.
24. Ramirez F, Forero MF, Hobson K A, and Chiaradia A (2015). Older Female Little Penguins Adjust Nutrient Allocations to Both Eggs. **Journal of Experimental Marine Biology and Ecology**. DOI: 10.1016/j.jembe.2015.03.X.
25. Reynolds, A. M., Y. Ropert-Coudert, A. Kato, A. Chiaradia and A. J. J. MacIntosh (2015). A priority-based queuing process explanation for scale-free foraging behaviours. **Animal Behaviour** 108: 67-71. DOI: <http://dx.doi.org/10.1016/j.anbehav.2015.07.022>.
26. Salton M, Saraux C, Dann P and Chiaradia A (2015) Carry-over body mass effect from non-breeding to breeding in a resident seabird, the little penguin. **Royal Society Open Science**. 2: 140390. DOI:<http://dx.doi.org/10.1098/rsos.140390>
27. Trathan, P. N., García-Borboroglu, P., Boersma, D., Bost, C-A., Crawford, R. J.M., Crossin, G.T., Cuthbert, R.J., Dann, P., Davis, L.S., De la Puente, S., Lynch, H.J., Mattern, T., Pütz, K., Seddon, P.J., Trivelpiece, W. and Wienecke, B. (2015). In the face of climate change, pollution, habitat loss and fishing remain as critical threats for penguins. **Biological Conservation** 29 (1): 31–41. DOI:10.1111/cobi.12349
28. Vanstreels R.E.T., Woehler E.J., Ruoppolo V., Vertigan P., Carlile N., Priddel D., Finger A., Dann P., Herrin KV., Thompson, P., Ferreira F.C. Jr., Braga E.M, Hurtado R., Epiphanyo S. and Catão-Dias J.L. (2015). Epidemiology and molecular phylogeny of Babesia sp. in little penguins *Eudyptula minor* in Australia. **International Journal for Parasitology: Parasites and Wildlife** 4: 198–205.

# Thank you

The Nature Parks' achievements are a tribute to the generous and loyal support of our sponsors and colleagues. We are indebted to our many volunteers who tirelessly dedicate their time and efforts. Particular thanks go to the following organisations and volunteer groups for their exceptional support in 2015-16:

## Local community and volunteers

Barb Martin Bushbank  
Bass Coast Shire Council  
Bass Coast Landcare Network  
BirdLife Bass Coast  
BirdLife Australia  
Churchill Island volunteers (guides, garden and farm)  
Coast Action/Coast Care groups  
Destination Phillip Island Regional Tourism Board  
Friends of Churchill Island Society  
Friends of the Koalas Inc.  
Heritage Victoria  
Hooded Plover Watch  
Local schools and students  
National Surfing Reserve Community Working Group  
Newhaven, Wonthaggi and Cowes Veterinary Clinics  
Penguin Foundation volunteers  
Penguin Study Group  
Phillip Island Boardriders Club  
Phillip Island Conservation Society  
Phillip Island and District Historical Society  
Phillip Island Landcare Group  
Phillip Island Tourism and Business Association  
Phillip Island RSL  
Ramada Phillip Island  
San Remo District Financial Services  
Shearwater Rescue volunteers  
Silverleaves Conservation Association  
Smiths Beachcomber Association Inc.  
Victorian Ornithological Research Group  
Victorian Wader Study Group  
Wildlife foster carers and shelter operators  
Woolamai Beach Surf Life Saving Club

## Supporting organisations

Australian Antarctic Division  
Australian Marine Oil Spill Company  
Australian Geographic  
Banksia Foundation  
Bidvest  
Biologica de Donana (Spain)  
Boon Wurrung Foundation  
Bureau of Meteorology  
Chisholm Institute  
Committee4Gippsland  
Conservation Volunteers Australia  
Country Fire Authority (CFA)  
CSIRO  
Deakin University  
Department of Economic Development, Jobs, Transport and Resources  
Department of Education and Training  
Destination Gippsland  
Ecotourism Australia  
Garden History Society  
Green Flag Australia  
Gippsland Local Government Network  
Giant Panda Breeding Centre, Chengdu  
Ian Potter Foundation  
Institut Pluridisciplinaire Hubert Curien (France)  
International Student Volunteers (ISV)  
Juro Pty Ltd  
Kean Electronics  
Kirkham-Smith Consultants  
Kids Teaching Kids Program  
Latrobe University  
Macquarie University  
Mazda Foundation  
R.F. McLaughlin  
Melbourne Water  
Melbourne Convention Bureau  
Melbourne University  
Monash University

Mount Baw Baw Alpine Resort  
Museum Victoria  
National Surfing Reserves Board  
National Trust of Australia (Victoria)  
Norman Wettenhall Foundation  
Office of the Environmental Monitor  
Parks Victoria  
PFD Foods  
Port Phillip and Westernport Catchment Management Authority  
Regional Development Australia (Gippsland)  
Royal Botanic Gardens  
San Remo Fisherman's Cooperative  
South Australian Research and Development Institute  
SP AusNet  
State Emergency Services (Cowes)  
Surfing Victoria  
University of Tasmania  
Universite de Strasbourg (France)  
Victoria University  
VicRoads  
Victoria Tourism Industry Council  
Visit Victoria  
Westernport Water  
Wildlife Victoria  
Zoos Victoria

## Major supporters

**AAT Kings**  
**BHP Billiton**  
**Department of Environment, Land, Water and Planning**  
**Penguin Foundation**  
**RACV**  
**Regional Development Victoria**  
**Schweppes**  
**Wildlife Coast Cruises**  
**WWF-Australia**



A photograph of three children in a museum or educational center. A young girl with red hair in a ponytail is looking through a large, modern microscope. A younger child is also looking at the microscope's base, which contains a petri dish with yellow liquid. Another child is visible in the background, also looking at the exhibit. The background features blue walls with educational displays.

## Our Vision

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

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



Phillip Island Nature Parks  
Annual Report 2015-16 is available online  
[www.penguins.org.au](http://www.penguins.org.au)

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