

ANNUAL REPORT 2025–26

Phillip Island NATURE PARKS

June 2026

penguins.org.au

We acknowledge the Bunurong as the Traditional Owners of the land on which we live, work, and learn. We pay our respects to their Elders, past and present, and recognise their role in caring for Country over thousands of years. We also acknowledge their continuous connection to the land, water, sea, and sky on Milawul.

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

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Phillip Island is referred to throughout this document as, Phillip Island, Milawul and the island.

1. ABOUT US

1.1. Our business

Phillip Island Nature Parks (the Nature Parks) is a world-class conservation organisation with a difference – every ticket, tour and visit through ecotourism helps fund the work we do to protect nature, care for the land and support wildlife.

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

We are immensely privileged to manage land on Phillip Island (Milawul), which forms part of the traditional lands of the Bunurong. We are deeply committed to reconciliation and recognise the land, waters and sea are of profound spiritual, cultural and economic importance to Aboriginal and Torres Strait Islander peoples. We acknowledge the Traditional Owners of Milawul, the Bunurong people. We're proud to walk with them on the path to empowerment and self-determination.

Thanks to decades of committed conservation work, including fox eradication and habitat restoration, native animals are thriving on our island sanctuary. The Summerland Peninsula is a safe haven for little penguins, Eastern barred bandicoots and seabirds, and a spectacular place to visit.

Phillip Island (Milawul) is a global nature destination and our main attractions – the Penguin Parade, Koala Conservation Reserve, Churchill Island Heritage Farm and Nobbies boardwalks – offer unique ways to get close to nature and learn about the island's wildlife, history and culture.

These iconic conservation attractions are linked by a network of reserves and beaches, inviting visitors to explore wild spaces and immerse themselves with nature. Everything we do is grounded in science. Our research guides conservation, education and visitor experiences, as we share conservation messages on climate change, biodiversity loss and the future of our planet.

We are proud to be Victoria's premier nature-based tourism experience with more than one million people visiting our attractions each year and helping to drive tourism across the Bass Coast region, support local jobs and contributing to the state's economy.

We are excited to keep making a positive impact on the environment and the lives of those who explore its beauty. With the support of our community and visitors, we are creating an island haven where nature and people thrive together.

Our location

PHILLIP ISLAND

COWES

RHYLL

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



OSWIN ROBERTS

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



CHURCHILL ISLAND

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

SWAN LAKE

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



KOALA CONSERVATION RESERVE

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



SUMMERLAND PENINSULA



KITTY MILLER BAY

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



PENGUIN PARADE

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



THE NOBBIES

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



PYRAMID ROCK

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



FORREST CAVES

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



FISHERS WETLAND

Home to significant populations of waterbirds and shorebirds.



CAPE WOOLAMAI

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

1.2. Our vision

'AN ISLAND HAVEN WHERE NATURE AND PEOPLE THRIVE TOGETHER'

Phillip Island (Milawul) is a haven for flora and fauna, protected by its community and enhanced by those who visit its unique natural wonders. It is a global example of a thriving island ecosystem that is resilient and adaptive to the changing natural world, while creating mutual benefit for both nature and people. The rich culture of Milawul is celebrated and protected and its First People are empowered to fulfill their ambitions for this unique Country.

1.3. Our foundations

Our values are what we stand for as an organisation, and how we promise to deliver on our vision. They guide how we operate, how we make decisions, and how we act on those decisions.

NATURE CONSERVATION IS PARAMOUNT

- We are guided by Bunurong
- We use the best available evidence to inform decisions
- We choose the most sustainable options
- Our decisions consider impact on nature first
- We care for land, community and cultural assets



ENGAGING EXPERIENCES

- Our wildlife experiences are authentic and natural in every way possible
- We are welcoming and inviting in our interactions with each other, our community and visitors
- We educate and inform in engaging and inspiring ways
- We make it fun to make a difference, creating opportunities to delight



FUTURE FOCUSED

- Financial sustainability is critical tour success. We plan and think strategically
- We drive profit to deliver more impact
- We take initiative and are responsive to challenges
- We embrace change by being flexible in our thinking and adaptable in our actions



DELIVERING OUTCOMES TOGETHER

- We build strong partnerships based on trust, openness and transparency
- We always deliver on our promises
- We encourage and facilitate robust, responsive, two-way dialogue with our partners
- We deliver and foster a culture of safety



1.4. Our key programs

This year, we adopted our *Strategic Plan 2025–35*. The strategic priorities within this plan will guide our organisation towards its vision across the next decade and create positive outcomes for Phillip Island's (Milawul's) environment, community and economy.

BIGGER AND BETTER NATURAL AREAS

Working together, our regenerative approach will enhance the island's natural areas, fostering thriving ecosystems and wildlife that inspire awe and wonder, and increase the natural capital of Phillip Island (Milawul).

THRIVING WILDLIFE

Phillip Island (Milawul) is a sanctuary for diverse and sustainable wildlife populations.

STRENGTHENING BUNURONG SELF-DETERMINATION

We will support and empower current and future generations of Traditional Owners to care for Country through self-determination. We will work to embed Bunurong goals into our decision making, planning and management.

EXCELLENCE IN REGENERATIVE TOURISM

Our regenerative tourism will be world-leading, offering exceptional facilities, commercially and environmentally sustainable operations, and diverse, engaging visitor experiences that inspire wonder.

SUPPORT A VIBRANT COMMUNITY

The Nature Parks envisages a vibrant island community supported by healthy ecosystems and inclusive access to nature. Its social license is strengthened by its growing community connections.

STRONG ORGANISATION

We will foster a culture of collaboration and innovation, support the wellbeing of our staff and maintain financial sustainability, to drive our long-term vision.

2. OUR YEAR IN REVIEW

2.1. Chair and CEO update

As ecotourism operators, conservation practitioners and public land managers, we carry a unique responsibility to protect wildlife and landscapes, support our community and create unforgettable nature experiences for all who visit. Throughout the year, we have made further progress towards our vision of creating an *island haven where nature and people thrive together*.

In 2025–2026, we released the *Phillip Island Nature Parks Strategy 2025–2035*, a significant milestone that will guide our priorities and direction over the next decade. Developed with input from staff, volunteers and the community, and supported by the Board, the strategy outlines six key priority areas to grow our impact over the next 10-years.

We were pleased to achieve strong commercial and visitation results throughout the period, including a record 145 sell-out nights at the Penguin Parade. Our retail stores recorded their highest sales to date across all sites. The new Highland Cattle Experience at Churchill Island was introduced during the year and quickly became a popular addition to the visitor offering, contributing to a 24% increase in visitation to Churchill Island.

The new St Kilda Penguin Viewing Experience was launched, operating free ticketed sessions in partnership with Parks Victoria and Earthcare St Kilda to help protect an estimated colony of 1,400 little penguins at St Kilda. The experience has proven popular with visitors, with tickets remaining in high demand and providing a unique opportunity to observe little penguins within an urban setting.

The Nature Parks continues to drive international visitation to the region, supporting both the Victorian and Bass Coast economies. During the year, the Nature Parks generated approximately $700 million in expenditure within the Victorian economy, reinforcing its position as one of Victoria's most significant tourism attractions and economic contributors.

Our commitment to world-class conservation continues to deliver strong outcomes:

- Little penguin numbers remained healthy, with an estimated 38,000 penguins on the Summerland Peninsula despite tough conditions early in the breeding season and extreme weather events.
- Our annual Threatened Species Report celebrated the 10-year success of the Eastern barred bandicoot translocation to Churchill Island, landmark reintroduction of the bush stone-curlew, and enhanced technology supporting positive re-estimation of the crimson berry population on Phillip Island (Milawul).
- We welcomed the largest translocation of 100 Eastern barred bandicoots to help increase the genetic diversity of the existing population on the island.
- Monitoring for foxes on the island using conservation dogs and night vision equipment, maintaining a fox control buffer zone on the mainland and operating Foxcam on the bridge.
- ‘The Dark Sky So Shearwaters Fly’ campaign once again drew incredible community and business support, helping to protect short-tailed shearwater chicks on their annual migration.

We continued important infrastructure upgrades at the Penguin Parade to enhance accessibility, improve the

visitor experience and support the long-term sustainability of this flagship conservation attraction.

Looking ahead, we have been progressing designs for the next stage of the Penguin Parade's evolution, preparing for the replacement of ageing viewing infrastructure that has served visitors for more than five decades. These plans will deliver contemporary, accessible and environmentally sustainable facilities, while ensuring the penguin colony can continue to thrive in a changing environment.

The Nobbies Centre remained closed across 2025–2026, with long-term aspirations for the site being considered as part of the *Summerland Peninsula Master Plan*. We understand that the closure of this facility reflects poorly on Phillip Island (Milawul) as a destination and we are working hard to find a solution for this challenging infrastructure and hope to share more in the coming months.

Our commitment to reconciliation continued to be central to our strategic objectives and we made good progress on our *Reconciliation Action Plan (Stretch) 2024–2027*. After several years of focus, our impact across 2025–2026 has been substantial, with over $1.03 million spent with Aboriginal owned services and suppliers. We proudly supported community events and partnered with other local organisations via the Bass Coast Reconciliation Network to champion reconciliation in our community. We acknowledge and thank the Bunurong Land Council Aboriginal Corporation and the Elders within our community who have enabled these results.

We also worked with local and state partners to help keep visitors and residents safe on Phillip Island's (Milawul's) beaches, including Bass Coast Shire Council, Life Saving Victoria, Parks Victoria and Destination Phillip Island.

These achievements would not have been possible without the people behind our work, and we were pleased to see staff record our highest-ever engagement and satisfaction scores in the Victorian Public Sector Commission's People Matter Survey. We extend our sincere thanks to our staff, volunteers, board members, community, contractors, students, partners and the Victorian Government for their ongoing support.

We want to give a special thanks to our Ministers for Environment during the period, The Hon. Steve Dimopoulos and The Hon. Enver Erdogan, who have been our champions within the State Government. We also thank Kevin Love for his service as chair following his retirement in October 2025 and thank outgoing board members Michaela Salvato and Dr Bev Munro, and General Manager Conservation, Jessica McKelson, who's contributions have each helped shape the organisation.

We thank the contributions of our dedicated Board and warmly welcome our new board members Terry Robinson, Jacquie White and Mark Lucas, who will commence their term in the new financial year. We look forward to working together to support positive outcomes for nature, visitors and the community.



Catherine Basterfield
Chief Executive Officer



Matt McDonald
Chair

3. FINANCIAL SUMMARY

The 2025–26 financial year was one of continued growth, investment and strategic progress for the Nature Parks. Our unique model, which combines world-class eco-tourism experiences with conservation and land management outcomes, continues to demonstrate how a sustainable tourism model can generate positive outcomes for wildlife, conservation and the broader Phillip Island (Milawul) community. The year marked the commencement of our new *Strategic Plan 2025–2035*, which provides a clear framework for guiding future investment, enhancing organisational sustainability and maximising our impact for nature and the community.

Success in tourism and attractions

The 2025–26 financial year demonstrated the continued strength of the regenerative tourism model by the Nature Parks, with more than one million visitors connecting with the island's unique wildlife, natural landscapes and cultural heritage. Strong tourism demand, combined with growth across retail and food and beverage operations for the Nature Parks, continued to provide the financial foundation for conservation and land management programs.

Key highlights include:

- **Visitor growth:** We recorded a 3.2% increase in visitor numbers compared to the previous financial year, with over one million visitors enjoying our attractions.
- **Strong commercial performance:** Revenue from attractions, retail and food and beverage operations increased by 9.4% to $3.0 million, driven by continued growth in visitor demand and strong commercial performance. This revenue underpins the ability of the Nature Parks to invest in conservation, research, asset renewal and community outcomes
- **Investment in visitor infrastructure:** The Nature Parks completed Stage 2 and commenced Stage 3 of the Penguin Parade Boardwalk Redevelopment, improving accessibility, safety and visitor amenity. Planning also continued for future investment through the *Summerland Peninsula Master Plan*, which will guide the long-term development of visitor experiences, infrastructure and environmental protection across this significant landscape.

Investment in caring for land and conservation

The Nature Parks invests revenues generated from the delivery of ecotourism attractions into land management and conservation activities. Our commitment to preserving and enhancing nature for wildlife is reflected in several key initiatives undertaken this financial year. The Nature Parks invested $5.7 million in 2025–26 into conservation and research activities, partially funded by $0.5 million in grants recognised from government bodies and other organisations.

Financial summary

Revenue achieved, excluding government funding was $40.0 million, which was $7.2 million greater than 2024–25. Operating expenditure, excluding salary and wages, for the 2025–26 financial year decreased by 1.0% compared to the previous year. This outcome was consistent with budget expectations and reflects increased commercial activity across the Nature Parks together with ongoing management of operating costs. When considered alongside continued growth in visitation, the result reflects the organisation’s ability to meet increasing operational demand while continuing to invest in conservation, asset renewal and visitor

experiences.

The Nature Parks considers the operating result ('net result from transactions') to be the appropriate measure of financial performance that can be directly attributable to operations. This measure excludes the effects of asset revaluations which are outside the organisation's control. For the reporting period 2025–26, the Nature Parks achieved a net profit of $5.9 million. This result is driven by the $4.8 million recognition of grant funding relating to the Penguin Parade Boardwalk Redevelopment. Net cash flow from the Nature Parks operations was $6.3 million ($0.6 million greater than the prior year).

The financial performance of the Nature Parks this year underscores the resilience and effectiveness of our operational model and the contributions of our employees, community and key stakeholders. The financial result for 2025–26 reflects the ongoing commitment by the Nature Parks to delivering its core objectives while investing in conservation, research and critical infrastructure. Growth in commercial revenue, together with the recognition of grant funding associated with the Penguin Parade Boardwalk Redevelopment, supported ongoing investment in strategic priorities and positioned the Nature Parks to deliver long-term benefits for wildlife, the natural environment and the Phillip Island (Milawul) community.

We express our gratitude to the Victorian State Government for its ongoing support that has enabled the Nature Parks to focus on strengthening the future for wildlife, the natural environment and community of Phillip Island (Milawul). Based on the financial performance achieved, the Board has formed the view that the Nature Parks can continue as a going concern.

Significant changes in financial position

A scheduled revaluation of land and buildings was performed by Valuer-General Victoria in accordance with the requirements of Financial Reporting Direction (FRD) 103 Non-Financial Physical Assets. This resulted in an increase in asset revaluation reserve of $12.2 million.

Subsequent to 30 June 2026, H5N1 avian influenza was detected in Victoria, including detections on Phillip Island (Milawul) and within areas managed by Phillip Island Nature Parks. Management assessed the implications of these events for the Nature Parks and considered whether they gave rise to any material financial reporting impacts. At the date the financial statements were authorised for issue, no government-imposed restrictions, material obligations or other circumstances requiring adjustment to the financial statements had arisen.

There have been no matters or circumstances arising since the end of the financial year that have significantly affected, or may significantly affect, the operations of the Nature Parks, the results of those operations or its financial position in future financial years.

($ thousand)

	Notes	2026	2025	2024	2023	2022
Continuing Operations		$	$	$	$	$
Income from transactions						
Sale of goods and services	2.2.2	34,741	31,750	27,511	20,347	8,564
Grants, Donation and Sponsorship	2.2.3	5,579	6,127	954	1,518	1,860
Interest Income	2.2.1	751	749	414		
Other income	2.2.5	837	264	878	496	172
Total income from transactions		41,908	38,890	29,757	22,361	10,596
Expenses from transactions						
Employee expenses	3.1.1	(19,286)	(17,138)	(14,862)	(12,780)	(11,206)
Cost of sales	3.2	(2,895)	(2,872)	(2,307)	(1,627)	(744)
Depreciation and amortisation	4.1.3	(4,320)	(10,973)	(3,817)	(3,636)	(3,771)
Other operating expenses	3.3	(9,505)	(9,572)	(6,536)	(6,375)	(5,464)
Total expenses from transactions		(36,006)	(40,555)	(27,522)	(24,418)	(21,185)
Net result from transactions (net operating balance)		**5,902**	**(1,665)**	**2,235**	**(2,057)**	**(10,589)**
Other economic flows included in net result						
Net (loss)/gain on non-financial assets	8.3	43	5	109	171	116
Total other economic flows included in net result		**43**	**5**	**109**	**171**	**116**
Net result		**5,945**	**(1,660)**	**2,344**	**(1,886)**	**(10,473)**
Other economic flows - other comprehensive income:						
Items that will not be reclassified to net result						
Changes in physical asset revaluation surplus	4.1.3	12,166	7,752	-	14,860	-
Total other economic flows - other comprehensive income		**12,166**	**7,752**	**-**	**14,860**	**-**
Comprehensive result		**18,111**	**6,092**	**2,344**	**12,974**	**(10,473)**

4. BIGGER AND BETTER NATURAL AREAS - THRIVING WILDLIFE

4.1. Key achievements

We delivered large-scale habitat restoration through the 'Future proofing little penguin habitat' project, while generating critical insights into habitat restoration in a changing climate.

We celebrated 10 years of Eastern barred bandicoot recovery and supported the species future through our largest translocation in its history, bolstering this critical population's genetic diversity.

The Barb Martin Bushbank Nursery continues to underpin restoration across managed reserves, ensuring the right plants are available to support habitat recovery at scale.

Little penguins continued to thrive on the Summerland Peninsula, with a stable population of 38,000 breeding penguins estimated in the 2025–26 survey.

Our Rangers supported ecosystem health across reserve networks, delivering 1,400 hours of weed control and restoring 193.5 hectares of conservation land.

We strengthened the return of bush stone-curlews to Phillip Island through further wild releases, and ongoing monitoring. In addition, we observed encouraging signs of the newly released birds attempting to breed.

4.2. Habitat restoration and land management

Across the past year, the Nature Parks has continued its stewardship of Phillip Island's (Milawul's) natural assets and native wildlife. With support of key partners, government agencies, sponsors and the Penguin Foundation, we're able to lead a range of research-led conservation initiatives that help protect the island's unique and beautiful ecosystems.

Future-proofing little penguin habitat

The three-year 'Future-proofing little penguin habitat' project neared completion in 2025–26, delivering important restoration outcomes while deepening our understanding of the ecological conditions shaping the Summerland Peninsula.

Delivered in partnership with the Bunurong Land Council Aboriginal Corporation and Penguin Foundation, the project aimed to enhance climate resilience by establishing fire-retardant vegetation corridors while improving habitat condition through increased canopy cover and understory diversity.

Over the life of the project and supported by volunteers more than 34,000 plants were planted, including 27,500 across previously created 'green' firebreaks and 6,500 within priority little penguin habitat.

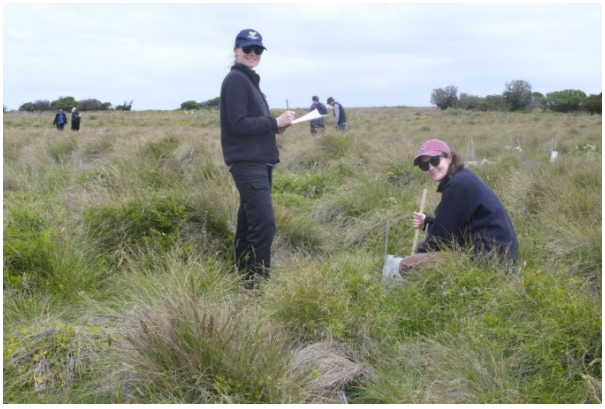
The project garnered key insights into the complex environmental pressures influencing revegetation success in this coastal landscape. Factors including soil variability, drainage, exposure to coastal winds, rainfall patterns and herbivory all played a significant role in plant establishment and growth.

Two-year monitoring of plants showed an average survival rate of 22%, well below the initial 60% target, with

results varying across sites. While lower than anticipated, the data provides critical evidence to refine future approaches, ensuring that restoration methods are aligned to on-ground conditions.

Through adaptive management, these learnings are already shaping future conservation planning, supporting more targeted species selection and site preparation. The project represents an important step forward in applying a research-led approach to habitat restoration in a changing climate.





Caption: L-R Scotch College students and Bunurong Land Council Aboriginal Corporation staff planting trees under kangaroo apple in degraded little penguin habitat opposite Shelly Beach carpark (September 2025) and Deakin University students undertaking two-year survival and growth assessment of revegetation plantings on the green firebreaks (November 2025).

Reserve management

Ongoing reserve management focused on maintaining and improving habitat condition across the reserves under the responsibility of the Nature Parks. Rangers delivered more than 1,400 hours of weed control, treating 193.5 hectares of conservation land, contributing to improved ecosystem health and resilience.

Barb Martin Bushbank Nursery

The Barb Martin Bushbank Nursery continued to support conservation outcomes across Phillip Island (Milawul) and the broader region, supplying locally sourced plants and expertise to restoration projects.

In 2025–26, increased resourcing enabled higher production, expanded customer engagement and strong commercial performance. This resulted in record retail sales, reinforcing the nursery's role as a sustainable revenue stream that directly supports conservation and land management programs.

Operational improvements, including upgraded possum-proof netting and irrigation works, improved the nursery's efficiency and reliability, ensuring a consistent supply of indigenous plants for on-ground works.

Beyond the island, staff at the Barb Martin Bushbank Nursery contributed to broader conservation initiatives, providing plants and specialist advice to projects such as the 'Inverloch Erosion Mitigation' project, and supporting landscape-scale biodiversity efforts through Phillip Island Land Alliance (PILA) initiatives.

Seed collection remained a priority, ensuring readiness for future restoration demand. Coordinated efforts between staff, rangers and volunteers supported seasonal collection, while improved seed management practices, including auditing and strategic direct seeding of older stock, enhanced both storage capacity and on-ground outcomes.




Caption: L-R Summer stock at Barb Martin Bushbank Nursery and the Nature Parks staff at the nursery.

Milawul rewilding volunteer program

In 2025–26, we established a new partnership with the Phillip Island Land Alliance to create the Milawul Rewilding Volunteer Program. Bringing together the Nature Parks volunteers and members from 11 environmental groups across Milawul (Phillip Island), the program aims to build a skilled and coordinated volunteer network to support habitat restoration and conservation activities across the island.

With on-ground activities commencing in July 2026, the program will support a range of environmental initiatives including revegetation, weed control and habitat enhancement. By combining local knowledge, community participation and conservation expertise, the Milawul Rewilding Volunteer Program will contribute to healthier ecosystems and improved habitat for native wildlife while optimising collaboration across the island's environmental community.

4.3. Penguin Resilience

Monitoring little penguins

Our long-term monitoring programs continue to show that Phillip Island's (Milawul's) little penguin population remains healthy and stable. During the 2025–26 breeding season we conducted our triennial survey of the little penguin population. We estimated that there were approximately 38,000 breeding penguins on the Summerland Peninsula. This is consistent with our 2022–23 estimate of approximately 37,000 breeding penguins, indicating that the breeding population has remained secure over the past three years.

We also monitored 169 breeding pairs across five study sites during the breeding season. From these nests, 147 chicks successfully fledged, resulting in a breeding success rate of 0.87 chicks per pair. While this was slightly below the long-term average of 1.02 chicks per pair, annual variation is expected and reflects the changing environmental and ocean conditions that influence food availability and breeding outcomes.

Average nightly penguin crossings at the Penguin Parade were generally lower than the previous two years, with an average of 842 penguins per night. However, strong numbers during key breeding months, combined with stable census estimates, indicate that the colony remains resilient.

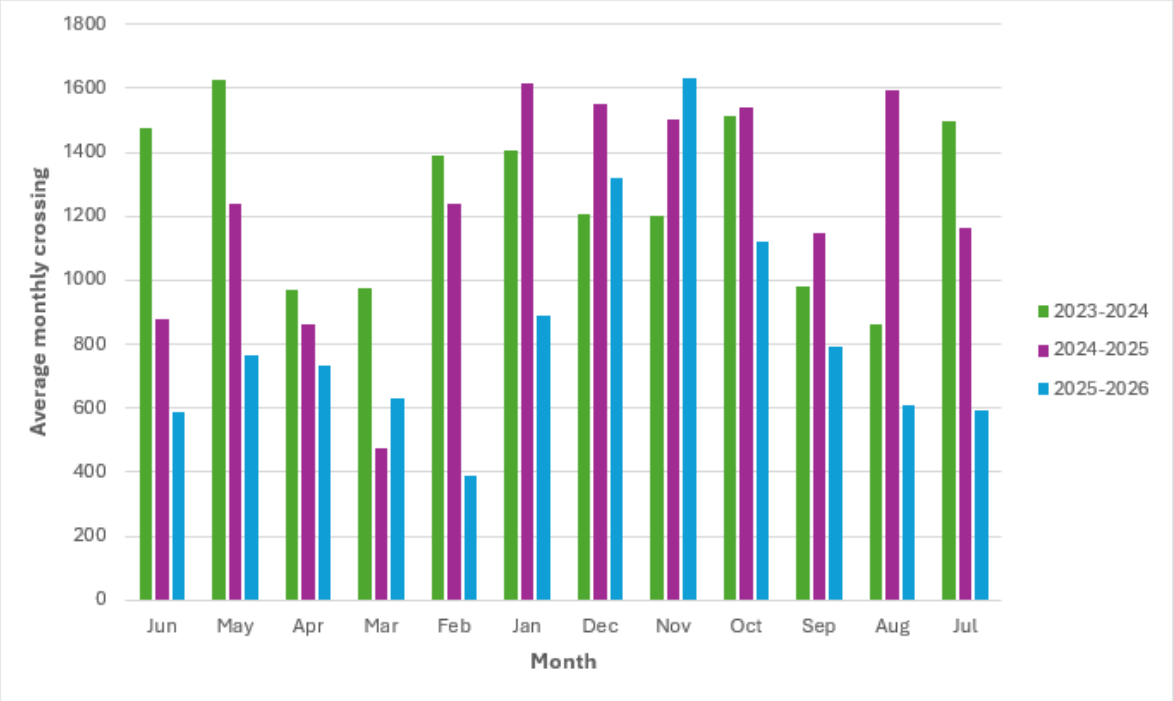


Figure 1: Average number of little penguins crossing the beach at the Penguin Parade each month from 2023–2026.

Penguin resilience in a changing environment

Our long-term penguin research continues to improve our understanding of how little penguins respond to environmental change and the factors that support population resilience.

Research undertaken during 2025–26 showed that little penguins are highly adaptable, adjusting their foraging behaviour in response to changing ocean conditions and food availability while continuing to target productive feeding areas. Long-term monitoring also demonstrated that conditions experienced early in life can influence future survival and breeding success, providing important insights into the drivers of population health over time.

To better understand the food resources that support the colony, we deployed an autonomous sailing drone equipped with acoustic sensors to map the distribution and abundance of fish in waters surrounding Phillip Island (Milawul). The drone collected high-resolution data across large areas of the marine environment, helping us identify potential prey resources used by little penguins and other marine predators.

To complement this work, we developed and tested an environmental DNA (eDNA) monitoring program. By analysing genetic material present in seawater, eDNA provides a powerful tool for identifying the fish species that acoustic surveys cannot distinguish. Together, these technologies create a more complete picture of the marine food web and the prey resources available to little penguins.

This research is improving our understanding of how ocean conditions influence penguin behaviour, breeding success and population resilience, ensuring we can better protect the Summerland Peninsula colony in a changing marine environment.

Understanding and protecting penguin health

Research into penguin health continued to grow our understanding of the factors influencing the long-term

resilience of the Summerland Peninsula colony.

Over the first two years of our three-year passive disease surveillance program, we have examined more than 60 little penguins found deceased in the colony, building valuable knowledge about factors affecting penguin health. The research identified internal parasites and emaciation as the most common health challenges, with parasites contributing to most recorded deaths. These findings are helping us build a comprehensive health database, providing valuable insights into the natural and emerging threats that can affect penguin populations.

Complementing this work, our active health monitoring program assessed the health of 132 wild little penguins during 2025–26. Physical examinations and disease screening found no unexpected health concerns within the sampled birds. The project has also established an extensive biological sample bank, creating an important baseline for detecting future changes in colony health and supporting early identification of emerging disease risks.

Together, these programs provide critical evidence to guide conservation management, helping us understand how environmental pressures, disease and other threats may affect little penguins so we can respond quickly and effectively to safeguard the colony into the future.

4.4. Protecting our marine environment

The Ramsar-listed wetlands and coastline of Western Port support internationally significant biodiversity and provide critical habitat for seabirds, shorebirds and migratory species. Guided by long-term monitoring and research, we continue to protect these important coastal environments through targeted conservation management.

Hooded plovers

During the 2025–26 breeding season, we worked alongside volunteers, BirdLife Australia, Bunurong Land Council Aboriginal Corporation, Bass Coast Shire Council and other partners to monitor and protect 15 hooded plover pairs, which successfully raised 10 chicks to fledging. The fledging rate of 0.67 chicks per pair exceeded the recovery target established by BirdLife Australia for a sustainable population, supported by conservation measures such as temporary nest refuges, protective fencing and community education.

Fairy terns

We also continued efforts to protect habitat at Observation Point, the last known fairy tern breeding site in Western Port. Although breeding was not recorded this season, fairy terns were regularly observed using the site, highlighting its ongoing importance as potential nesting habitat for this Critically Endangered species. Continued habitat restoration and predator management are helping maintain the conditions needed to support future breeding attempts.

Monitoring seabird resilience

Protecting seabirds from emerging threats remains a priority for the Nature Parks. As part of our preparedness and surveillance program for H5N1 avian influenza, we sampled 148 little penguins and monitored short-tailed shearwaters during their breeding season, with all test results returning negative.

Together, these programs strengthen our ability to protect the species and habitats that make Phillip Island

(Milawul) and Western Port internationally significant for seabird conservation.

Australian fur seals

Our research and conservation programs continue to improve understanding of Australian fur seal populations while reducing threats to their long-term survival.



Caption: The Nature Parks staff at Seal Rocks identifying entangled Australian fur seals.

During three field trips to Seal Rocks, we identified six entangled seals and successfully freed three individuals from hazards including fishing line, a fishhook and other marine debris. These incidents reinforce the ongoing impact of human-generated waste on marine wildlife and the importance of proactive rescue and prevention efforts.

To help reduce seal entanglements, we partnered with Fishcare, local artist Zev Landes and the Penguin Foundation to deliver six community education clinics at Cowes and Rhyll jetties, teaching recreational fishers how to "fish the seal safe way". The program's positive community response has led to the development of a longer-term campaign aimed at reducing fishing related seal entanglements around Phillip Island (Milawul).



We also continued to monitor seal populations through our SealSpotter citizen science program, which uses drone imagery to estimate pup production, track population trends and identify entangled animals. The project provides critical information on the health of Australian fur seal colonies at Seal Rocks, the species largest breeding colony, and The Skerries near Mallacoota.

Our commitment to protecting seals extends beyond Victoria. In 2026, we led the publication of an international study involving researchers from around the world, highlighting entanglement in fishing gear and marine debris as a significant threat to seals and sea lions globally.

The research provided practical recommendations to enhance future monitoring, response and conservation efforts.

Caption: *Learn to Fish the Seal Safe Way* – education material produced by local artist and creative communicator, Zev Landes.

4.5. Threatened species

A decade of fox-free status and ongoing feral cat control has transformed Phillip Island (Milawul) into a safe haven for some of Victoria's most threatened wildlife. Guided by research and monitoring, our threatened species program continues to restore locally extinct species, strengthen existing populations and build resilience for the future.

In 2025–26, our annual Threatened Species Report celebrated several conservation milestones, including 10 years since the successful reintroduction of the Eastern barred bandicoot to Churchill Island, the return of the bush stone-curlew, and improved understanding of the threatened crimson berry population using new monitoring technologies.

Eastern barred bandicoot

This year marked the 10-year anniversary of the Eastern barred bandicoot's return to Churchill Island. What began as a trial to determine whether the species could establish and thrive in a fox-free environment has become one of Victoria's most successful threatened species recovery programs.

The success of the Churchill Island population paved the way for further releases on Phillip Island (Milawul) and French Island, with community sightings across Phillip Island (Milawul) demonstrating how widely bandicoots have dispersed. Ongoing monitoring continues to show a healthy and breeding population. During 2025–26, we recorded 121 bandicoot captures during autumn monitoring and 103 during spring monitoring, confirming the species continues to thrive.

As populations recover across Victoria, conservation efforts are evolving from increasing numbers to improving long-term genetic resilience. In 2025–26, we welcomed the largest translocation ever undertaken for the species, introducing 100 Eastern barred bandicoots to Phillip Island (Milawul) as part of a genetic rescue program. By increasing genetic diversity, this program will help fortify the species resilience and support its recovery into the future.

Bush stone-curlews

In collaboration with our partners Odonata Foundation and The Australian National University, we continued our efforts to restore the Critically Endangered in Victoria, bush stone-curlew to Phillip Island (Milawul), more than 50 years after the species disappeared.



Caption: Dr Duncan Sutherland, the Nature Parks Senior Scientist, and The Australian National University PhD student Paula Waisiak watching over 14 bush stone-curlew birds about to be released at the Koala Conservation Reserve in June 2026.

Building on the successful reintroduction program launched in 2024, we expanded the wild population during 2025–26 with the release of eight birds in September 2025 and a further 14 birds in June 2026. These releases were designed to increase the size, genetic diversity and breeding potential of the emerging population, giving the species the best chance of long-term success.

All released birds were fitted with lightweight GPS tracking devices and identification bands, allowing our team to monitor their movements, habitat use and breeding activity.

Encouragingly, we recorded three breeding attempts in the wild, with two producing chicks. While the chicks did not survive, the breeding activity represents an important milestone as the population begins to establish itself. We also optimised the captive breeding population at the Koala Conservation Reserve through partnerships with wildlife organisations across Australia. During the year, one breeding pair successfully

raised two chicks, helping to support future releases and the long-term recovery of the species.





Caption: L-R The Nature Parks Volunteers undertaking health checks on bush stone-curlew birds ahead of reintroduction and a newly released bush stone-curlew with an identification band on its leg.

4.6. Koalas

We continued to protect and enhance the small koala population within the Koala Conservation Reserve while supporting koala conservation efforts more broadly across Victoria.

Across 2025–26, we completed the development of a new 1.4-hectare plantation at the Crook's Block site. Over the next four years, this area will be progressively planted with a range of eucalyptus species propagated by the Barb Martin Bushbank nursery, creating a sustainable future food source for koalas within the reserve.

Our wildlife team also provided care and rehabilitation for 11 wild koalas admitted to the reserve's critical care facilities. Originating from locations across Victoria, these koalas received specialist treatment and rehabilitation before being returned to their home ranges.

Beyond Phillip Island (Milawul) our wildlife rangers supported Parks Victoria with koala captures and health assessments on French Island, contributing to important population monitoring and wildlife management programs.

The Koala Conservation Reserve remained home to a population of 15 koalas in 2025–26, continuing to provide visitors with the opportunity to engage with and learn about one of Australia's most recognisable native species.

4.7. Phillip Island (Milawul) Wildlife Plan

Now in its final year of implementation, the *Phillip Island (Milawul) Wildlife Plan* continues to guide a balanced approach to managing abundant wildlife species while protecting native vegetation and supporting community values. Through collaboration, research and adaptive management, the plan seeks to improve understanding of wildlife populations and identify effective strategies to minimise impacts on biodiversity.

During 2025–26, several research and monitoring initiatives were undertaken to better understand the ecology of key species. A PhD project investigating the movements of Cape Barren geese revealed highly variable movement patterns, with some birds travelling significant distances while others remained within their breeding territories year-round. To further strengthen understanding of the species, annual population counts were expanded to include French Island, providing a more complete picture of the populations across Western Port.

Research also examined the impacts of wallaby browsing on native vegetation and assessed the effectiveness of management tools used to support habitat restoration. Trials evaluating tree guards and exclusion coops demonstrated their value in protecting revegetation projects and supporting the recovery of remnant vegetation, including several threatened plant species.

Together, these projects are improving our understanding of how wildlife interacts with the island environment and helping inform future management decisions that support healthy ecosystems for both wildlife and the community.

4.8. Pest animal management

Maintaining Phillip Island's (Milawul's) fox-free status remains critical to protecting native wildlife and supporting the recovery of threatened species such as the Eastern barred bandicoot and bush stone-curlew. Through ongoing surveillance and rapid response programs, we continue to minimise the risk of foxes re-establishing on the island.

Our Rangers investigate community reports using conservation detection dogs, remote cameras and track surveys, while the mainland buffer zone control program reduces the likelihood of reinvasion. Feral cat management also remains a priority, helping reduce predation pressure on wildlife and limiting the spread of diseases such as toxoplasmosis.

During 2025–26, an estimated 46 foxes were removed from the mainland buffer zone, 30 feral cats were trapped over 3,166 trap nights, and a further 10 feral cats were removed through nighttime surveys and conservation dog operations. This year, our conservation dogs travelled more than 600 kilometres in support of monitoring and pest animal detection programs.



Caption: Our fox detection dog, Milly, searching for evidence.

4.9. Wildlife Rehabilitation Centre

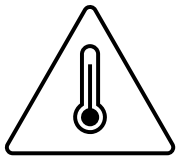
The Wildlife Rehabilitation Centre continued to play a vital role in caring for injured and unwell native wildlife across Phillip Island (Milawul) and the broader region. During 2025–26, the team responded to 1,420 calls for wildlife rescue and advice, assisting animals from almost 60 native species. This included 101 penguin-related calls, with 72 little penguins admitted into care for assessment and treatment.



1,420 phone calls



72 little penguins rescued



5% of little penguins in care presented with heat stress



16% of little penguins in care were injured



47% of little penguins in care were malnourished



Calls for almost 60 other native species

The centre also provided specialist care for several short-beaked echidnas affected by skin conditions, with three successfully rehabilitated and released back into the wild. Ongoing investigations into these cases are helping improve our understanding of wildlife health and inform future treatment and monitoring approaches. During the year, six juvenile Australasian gannets were transferred into care, with all birds successfully rehabilitated and released.

Collaboration remains central to the centre's success. Working closely with Wildlife Victoria, Zoos Victoria Veterinary Group, Marine Response Unit and Gippsland Veterinary Group, the team continues to deliver high standards of wildlife care and rehabilitation. Through rescue, rehabilitation and collaboration, the Wildlife Rehabilitation Centre continues to support positive outcomes for wildlife while contributing valuable knowledge that helps improve conservation and animal welfare practices.

4.10. Research-led conservation success

Our conservation programs are underpinned by world-class research, helping us understand how wildlife and ecosystems respond to environmental change and informing evidence-based management both locally and globally. During 2025–26, our scientists published 31 research papers in leading international journals, advancing knowledge across penguin ecology, wildlife health, threatened species recovery, invasive species management, ecosystem restoration and marine conservation. From understanding the drivers of little penguin resilience and breeding success to supporting the recovery of Eastern barred bandicoots and monitoring emerging wildlife diseases, this research directly informs how we protect the species and habitats in our care.

By combining innovative technologies such as artificial intelligence, drones, bioacoustics, satellite tracking, environmental DNA and citizen science with long-term ecological monitoring, we continue to develop new tools for conservation and environmental management.

Our researchers also contribute to major international collaborations, helping address some of the world's most pressing conservation challenges, including climate change, biodiversity loss and the impacts of human activities on wildlife. Together, this work ensures that knowledge generated on Phillip Island (Milawul) not only supports local conservation outcomes but also contributes to a global understanding of wildlife conservation. The Nature Parks research can be found at Phillip Island Nature Parks | Melbourne, Australia.

5. EXCELLENCE IN REGENERATIVE TOURISM

5.1. Key achievements

We launched the St Kilda Penguins Viewing Experience, delivering exceptional wildlife encounters in an urban setting and sharing the stories of 1,400 city dwelling little penguins.

We set new retail records, generating $6.9 million in sales, delivering valuable support for conservation, research and visitor experiences.

We embarked on a transformative visitor experience review that will shape future storytelling and visitor engagement that is reflective of the island's unique culture, environment and wildlife.

We completed Stage 2 of the Penguin Parade Boardwalk Redevelopment and commenced Stage 3 – both stages improving accessibility, safety and the visitor experience at the Penguin Parade.

Across 2025–26 we welcomed more than one million visitors to our attractions, while achieving strong growth in international visitation and recording 145 sell-out nights at the Penguin Parade across the period.

This year, we progressed the development of a new *Summerland Peninsula Master Plan*, establishing a future vision that balances conservation, cultural values and world-class visitor experiences.

5.2. Connecting people with nature

Every visit to attractions managed by the Nature Parks helps protect the wildlife and natural places that make Phillip Island (Milawul) so special. Through immersive nature-based experiences, we connect visitors with iconic wildlife, rich cultural and heritage stories, and the globally significant environment that we protect.

World-class experiences

From the world-famous Penguin Parade to the rich heritage of Churchill Island and the woodland habitat of the Koala Conservation Reserve, our attractions link visitors with the unique wildlife, history and natural beauty of Phillip Island (Milawul).

Our attractions provide more than memorable experiences. They offer opportunities for visitors to learn about conservation, understand the challenges facing wildlife and ecosystems, and be inspired to play a role in protecting nature. Revenue generated through tourism directly supports our research, conservation and education programs, ensuring every visit contributes to positive outcomes for wildlife and the environment.

Planning for the future of Summerland Peninsula

During 2025–26, we progressed the development of the *Summerland Peninsula Master Plan*, creating a long-term vision for one of Victoria's most important wildlife and tourism destinations. The Master Plan will guide future investment and decision-making across the peninsula, ensuring conservation, cultural values and visitor experiences remain at the heart of its future.

Extensive engagement was undertaken with Bunurong Traditional Owners, local community members,

industry representatives, government stakeholders and visitors to inform the Master Plan. Feedback highlighted strong support for protecting wildlife habitat, celebrating Bunurong stories and culture, improving access and accessibility, reducing traffic impacts, and enhancing opportunities for visitors to interact with nature and learn about conservation.

The emerging Master Plan builds on the success of previous investments, including the Penguin Parade Visitor Centre and ongoing boardwalk upgrades, while responding to future challenges such as climate change, changing visitor expectations, ageing infrastructure and the long-term vision for the Nobbies precinct. It will help guide the delivery of world-class nature-based experiences while ensuring the protection and restoration of the Summerland Peninsula's unique environmental values.

Enhancing visitor experiences and facilities

During 2025–26, we undertook a transformative review of our visitor experiences as part of our regenerative tourism goals. Led by Kelp Creative in partnership with Tarwin Cultural, the project involved extensive consultation with Bunurong Traditional Owners and resulted in the development of a new experiential framework and key storytelling themes.

The framework will guide future visitor experience enhancements across the organisation, helping ensure every visitor touchpoint reflects the unique natural, cultural and conservation values of Phillip Island (Milawul).

Several new and enhanced experiences were introduced during the year, building on strong demand for immersive and meaningful visitor offerings. At Churchill Island, the new Highland Cattle Experience launched in November 2025, giving visitors the opportunity to explore the historic farm by wagon and interact with the island's iconic Scottish Highland cattle. The popular Bandicoot Discovery Tour also continued throughout summer, and the Easter school holidays, providing unique opportunities to observe one of Victoria's most successful threatened species recovery stories.

At the Koala Conservation Reserve, new playground swings and an interactive photo sculpture were installed to encourage longer visitor stays around the expanding Manna Gum Café precinct.

Demand for premium wildlife experiences remained strong at the Penguin Parade. The Penguins Premium Viewing Stand continued to be a highly sought-after experience, while the visitor experience team introduced an enhanced Premium Boardwalk offering during the Lunar New Year period, enabling more guests to experience the little penguins during some of the year's busiest evenings.

The Penguin Parade Boardwalk Redevelopment reached a major milestone with the completion of Stage 2 ahead of the busy 2025–26 summer period. The upgrade has improved visitor safety and access to the main viewing stands, with work also progressed on Stage 3, which will deliver a fully accessible boardwalk loop and enhanced visitor amenities by late 2027.

5.3. Markets and visitation trends

More than one million visitors connected with experiences offered by the Nature Parks during 2025–26, reflecting strong demand for nature-based tourism and the enduring appeal of our wildlife, conservation and heritage experiences.

Visitation remained strong across all attractions throughout the year, supported by a balanced mix of domestic and international visitors. International visitation continued to recover as expected, resulting in a balanced split between domestic and international guests by year end. China remained our largest international market, followed by the United States, Singapore, United Kingdom and Taiwan, while emerging markets including Vietnam, South Korea and Malaysia demonstrated encouraging growth.

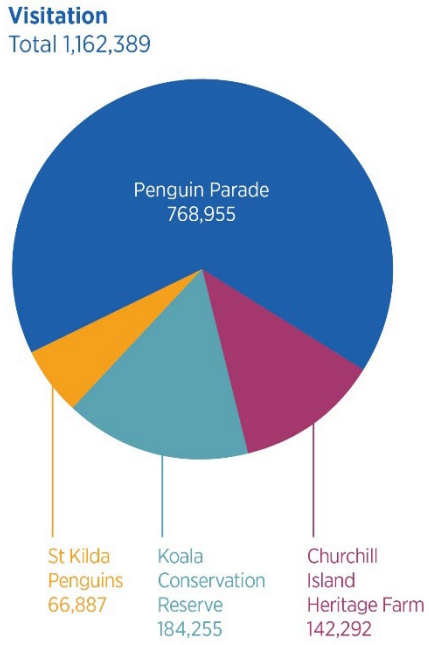
Domestic visitors continued to provide a strong foundation for tourism performance, while key international travel periods, including Lunar New Year, Southeast Asia's Golden Week and Diwali, contributed to increased visitation from important overseas markets.

The Penguin Parade continued to deliver exceptional results, recording 145 sell-out evenings during the period. Traditionally quieter winter months also performed strongly, with visitation during July and August reaching levels more commonly experienced during the summer peak season. This was driven in part by Southeast Asian school holiday travel and visitation associated with the British and Irish Lions tour.

Our sales team maintained a strong presence across domestic and international markets, participating in major tourism trade events and industry missions in Australia, China, India and the United States. The team also attended a Melbourne Convention Bureau mission to China for the first time, building relationships within the growing incentive travel market. While the cruise market softened, our attractions welcomed visitors from three cruise ship visits during the year, including high-value international guests who contributed strongly to retail performance. The incentive market remained a bright spot, with 34 groups visiting from across Southeast Asia.

Destination awareness was further fortified through partnerships with Visit Victoria, influencer activity and high-profile media opportunities, helping showcase Phillip Island (Milawul) to audiences both in Australia and around the world.

Visitation by attraction



Caption: Visitation across attractions managed by the Nature Parks in 2025–26.

5.4. Tourism performance

Retail

Retail performance remained strong across attractions in 2025–26, generating $6.9 million in sales, up 1% from 2024–25.

The year was characterised by strong growth at Churchill Island Heritage Farm and the Koala Conservation Reserve, reflecting a deliberate focus on enhancing product ranges, improving retail presentation and creating offerings that share with visitors the stories of Phillip Island (Milawul).

Churchill Island Heritage Farm delivered the strongest year-on-year growth, with sales increasing 40% on the previous year following the expansion of the retail footprint and the introduction of heritage-inspired product ranges. At the Koala Conservation Reserve, retail sales increased 13% on the previous year, supported by a refreshed retail offer and a stronger focus on premium Australian-made and First Nations products.

At the Penguin Parade, the speciality store achieved a record result, increasing 44% on the previous year. Combined sales across the Penguin Parade retail stores grew 14% on 2024–25, reflecting strong visitation, strategic purchasing decisions and continued refinement of the product mix.

Plush toys remained the highest-performing retail category, generating more than $2 million in sales during the financial year. Sustainability remained a key focus, with approximately 90% of the plush range now made from 100% recycled materials, while the remaining lines being redesigned to support our goal of a fully recycled plush offering.

These results reflect the dedication of our Retail and Visitor Experience teams and demonstrate how commercial success helps support conservation, research and education programs across the Nature Parks.

Food and beverage

Our food and beverage partnership with Create Catering continued to enhance the visitor experience across attractions. In 2025–26, food and beverage revenue contributed $0.3 million to the Nature Parks, which was comparable with the prior year. Results were supported by consistent café performance, group dining and the continued success of visitor offerings.

Events

A vibrant calendar of events continued to delight guests and create memorable experiences across the Nature Parks throughout 2025–26. Churchill Island Heritage Farm hosted its annual Candlelight Concert, welcoming more than 100 guests for an intimate evening of modern and classical music performed by The Cedar Collective within the historic Shearing Shed. Ocean Sounds Festival returned in January, attracting another sold-out crowd of 6,000 music lovers and reinforcing its reputation as one of Phillip Island's (Milawul's) premier summer events.

The annual Churchill Island Easter Festival also delivered record visitation over the Easter long weekend. Families enjoyed a range of activities including the popular Easter egg hunt, wagon rides, Highland Cattle Experiences, animal feeding, scavenger hunts, face painting and traditional demonstrations, creating a vibrant and engaging celebration of the island's heritage and natural beauty.





Caption: Events at Churchill Island.

St Kilda Penguins

In October 2025, we launched the St Kilda Penguin Viewing Experience on behalf of the Victorian Government, marking an exciting expansion of the role the Nature Parks performs in uniting people with wildlife through conservation-led tourism.

Developed as part of Parks Victoria's revitalised St Kilda pier project, the purpose-built 150-metre elevated viewing platform provides visitors with safe and accessible opportunities to observe the resident little penguin colony while protecting penguins and their breakwater habitat. The experience quickly became a popular attraction for visitors from Victoria, across Australia and around the world, offering a unique opportunity to see little penguins against the backdrop of Melbourne's iconic city skyline.

Our dedicated team at St Kilda Penguins delivered 483 guided viewing sessions between October 2025 and June 2026, welcoming 66,887 visitors. Working alongside local conservation partner Earthcare St Kilda, the team shares knowledge about the colony's ecology, behaviour and conservation, helping visitors understand and appreciate these remarkable seabirds.



Caption: Parks Victoria's revitalised St Kilda pier, where guests can safely enjoy penguin viewing opportunities.

6. SUPPORTING A VIBRANT ISLAND COMMUNITY

6.1. Key achievements

Connected more than 4,000 local residents with nature, wildlife and conservation through community events and experiences at our annual Community Open Day.

Through our 'Dark Sky So Shearwaters Fly' campaign, we mobilised the community to help protect migrating short-tailed shearwaters, rescuing 123 birds and reducing light pollution at key sites during the annual migration.

Demonstrated leadership in reconciliation through cultural partnerships, growth in cultural capability and support for events that engaged more than 2,000 people with First Nations culture and community.

Completed major upgrades to the Rhyll trail network and Forrest Caves beach access, improving safety, accessibility and linkages with nature.

We expanded our Community Giving Program, supporting local organisations, schools and First Nations communities through sponsorships, donations and shared access to the Nature Parks experiences.

For a second year we supported safe enjoyment of Phillip Island's (Milawul's) coastline through a collaborative multi-agency 'beach safety' campaign.

6.2. Connecting communities with nature

Our community awareness programs help showcase nature to people, inspire action for conservation and foster a shared responsibility for protecting Phillip Island (Milawul). Through education, events, partnerships and community-led initiatives, we encourage residents and visitors to understand, appreciate and actively support the protection of wildlife, habitats and cultural values.

Inspiring action through conservation campaigns

Throughout 2025–26, our conservation campaigns played an important role in raising awareness of local wildlife and encouraging positive behaviours that support biodiversity, animal welfare and cultural understanding.

'Sharing our Shores' continued to educate residents and visitors about protecting vulnerable nesting shore birds, including hooded plovers and fairy terns. Supported by 75 local businesses, the campaign promoted responsible behaviours such as keeping dogs on leads, keeping cats indoors and giving wildlife space. The campaign was reinforced through 44 multi-agency patrols, outreach activities with more than 500 participants through the Cape Woolamai Nippers program and community education sessions delivered in partnership with Myli My Community Library.

'Dark Sky So Shearwaters Fly' encouraged the community to reduce light pollution during the annual short-tailed shearwater migration. With support from local businesses and community partners, the campaign helped protect migratory seabirds undertaking their 15,000-kilometre journey to Alaska. During the migration period, 123 grounded birds were rescued across 27 patrols, while lighting reductions on the San Remo Bridge

and Summerland Peninsula helped minimise impacts on shearwaters.

'Water for Wildlife' encouraged the community to support wildlife during periods of hot and dry weather by providing water, driving carefully in wildlife areas and reporting injured animals for care and rehabilitation.





Caption: L-R The Nature Parks staff on a shearwater patrol and a wallaby drinking water at the Penguin Parade in summer.

Bringing the community together

Thousands of local residents participated in events and activities designed to foster interactions with nature and conservation. The annual Community Open Day welcomed 3,922 Bass Coast residents across Churchill Island Heritage Farm, the Koala Conservation Reserve and Penguin Parade. Visitors enjoyed wildlife experiences, conservation presentations, community exhibits, heritage activities and opportunities to engage directly with staff, researchers and community partners.



Caption: The Nature Parks staff at the annual Community Open Day.

We also participated in the Bass Coast Sustainability Festival, engaging with more than 500 community members and showcasing our work in threatened species recovery, habitat restoration and native plant conservation.

The annual Island Whale Festival attracted strong community participation, with the Nature Parks supporting event delivery, education programs and family-friendly activities that highlighted the importance of protecting marine wildlife and habitats.

Supporting community initiatives

Supporting the local community remains an important part of our commitment to the Bass Coast region.

Through our Community Giving Program, we supported 12 organisations across environmental, cultural, artistic and recreational sectors. More than 100 complimentary attraction tickets were donated to community groups, schools and local organisations to support fundraising and community activities.

We also partnered with Bass Coast Shire Council, Life Saving Victoria, Parks Victoria, Victoria Police and Ambulance Victoria to deliver the annual 'Beach Safety' campaign. Now in its third year, the collaborative initiative promotes safe and responsible use of Phillip Island's (Milawul's) beaches through consistent messaging, education and community awareness.

As part of our reconciliation commitment, we also provided complimentary access to the Nature Parks attractions for more than 100 Bunurong and First Nations community members.

During the year, we were pleased to support local young author Milica Janjic through sponsorship of her children's book Penny's Plastic Problem, helping promote environmental stewardship and conservation education for future generations.

Improving access to the island's natural areas

We continued to invest in infrastructure that helps residents and visitors access nature, improving access, safety and inclusivity across some of the island's most cherished natural places.

In early 2026, we completed upgrades to the Rhyll Wetlands Boardwalk and Diamond Dolly Lookout, finalising significant improvements across the Rhyll trail network for both residents and visitors. Access and safety at Forrest Caves were also enhanced through major stairway upgrades, which reopened to the public in September 2025.

Planning continued for several future infrastructure projects, including upgraded public amenities at Berrys Beach and Conservation Hill, both featuring accessible toilet facilities. Design work also progressed for amenities at Cape Woolamai and Shelly Beach.

We advanced plans for upgrades to six beach access stairways along the Surf Beach Estate coastline, with construction to be staged to minimise disruption to community access. Work also commenced on replacing the ageing stairway to the Smiths Beach Surf Life Saving Tower, alongside accessibility ramp improvements, ensuring the site remains safe and accessible ahead of the 2026–27 lifesaving season.

These projects support our commitment to providing safe, accessible and enjoyable experiences while protecting the environmental values that make Phillip Island (Milawul) a special place to visit and explore.

Reconciliation in action

The Nature Parks continues to be a regional leader in reconciliation through the implementation of our fourth *Reconciliation Action Plan (Stretch) 2024–2027*. Throughout 2025–26, we strengthened relationships with First Nations communities, created opportunities for cultural engagement and learning, and continued our commitment to being a respectful and inclusive place to work, visit and connect with nature.





Caption: L-R The Nature Parks staff taking part in a cultural art activity and Bunurong Land Council Aboriginal Corporation staff, at the Ngangga Community Festival during NAIDOC Week.

Recognising that reconciliation is an ongoing journey, we progressed the development of a *Cultural Capability Training Program* to build knowledge, understanding and confidence across our organisation. Through formal and informal learning opportunities, our people are developing the skills and awareness needed to work effectively and respectfully in cross-cultural settings.

As a long-standing partner of the *Bass Coast Reconciliation Network*, we continued to support initiatives that promote reconciliation and celebrate First Nations cultures and histories across the region. During 2025–26, more than 2,000 people participated in events led by the *Bass Coast Reconciliation Network*, including the *Ngangga Community Festival* during NAIDOC Week, bringing community members together to learn, collaborate and celebrate Aboriginal and Torres Strait Islander culture, history and tradition.

Through these partnerships and initiatives, we continue to deepen our understanding of Country, grow relationships with Bunurong people and contribute to meaningful reconciliation outcomes across Bass Coast.

7. STRENGTHENING OUR PARTNERSHIP WITH BUNURONG

7.1. Key achievements

We progressed the first service level agreement for the Nature Parks and Bunurong Land Council Aboriginal Corporation, supporting Bunurong-led planning for the future co-management of Swan Lake.

Bunurong perspectives were embedded into the *Summerland Peninsula Master Plan* and Visitor Experience Project through collaboration on cultural storytelling, interpretation and future visitor experiences.

We partnered with the Bunurong Land Council Aboriginal Corporation's Strong Country (Balirt Biik) Team to deliver on-ground conservation and research projects that support healthy Country and thriving wildlife.

The Nature Parks is committed to strengthening Bunurong self-determination through shared decision-making, meaningful partnerships and opportunities for Bunurong people to lead the care and management of Country.

By working together on conservation, research and cultural initiatives, we continue to create pathways for Traditional Owner knowledge, values and goals to inform how Country is managed across Milawul (Phillip Island).



Caption: The Nature Parks staff meeting on Country.

Managing Country together

A significant milestone in 2025–26 was the establishment of a formal service level agreement with Bunurong Land Council Aboriginal Corporation to support the Strong Country (Balirt Biik) Team's self-determined project at Swan Lake on Milawul (Phillip Island). This partnership enabled Bunurong-led land and water management at Swan Lake grounded in cultural knowledge and values, and contributing to long-term protection of cultural landscapes and ecosystem health.

The project commenced with a Bunurong Waterway Assessment, which was the first one undertaken by the Balirt Biik Aboriginal Water Team. This work is identifying the cultural and environmental significance of the site and will guide future on-ground actions.

The partnership strengthens knowledge sharing and supports long-term protection of cultural landscapes, ensuring that land management approaches and priorities are informed by cultural authority to ensure self-determined ecological outcomes.



Caption: Swan Lake parched of water, 2025.

Shared decision making

We continued to embed Bunurong voices in planning and decision-making processes across the organisation. Early collaboration on the *Summerland Peninsula Master Plan* and Visitor Experience Project ensured opportunities for Bunurong culture, stories and goals were considered from the outset, including cultural interpretation, naming, artwork and visitor experiences.

As we move into the next stages of these two projects, we will continue to work with Bunurong to identify self-determined priorities that will achieve shared positive outcomes.

Coming together to learn about how Bunurong is caring for Country enriches our understanding and

knowledge of what is important to the Bunurong community. During National Reconciliation Week 2026, staff had an opportunity to meet with Bunurong people, along with land management agencies at a property in Rhyll to learn about the management plans for this significant wetland and woodland area.





Caption: L-R The Nature Parks staff and Bunurong Land Council Aboriginal Corporation staff working on Country at a Rhyll property to share land management practices during National Reconciliation Week 2026 and the Nature Parks staff and Bunurong Land Council Aboriginal Corporation's Balirt Biik Team planting on the Summerland Peninsula for the 'Future-proofing little penguin habitat' project.

Building strength through partnership

Partnerships between the Nature Parks and the Bunurong Land Council Aboriginal Corporation continued to grow through joint conservation and research initiatives. The Bunurong Land Council Aboriginal Corporation's Balirt Biik Team played an important role in habitat restoration, weed management, wildlife monitoring and conservation projects, including supporting revegetation works on the Summerland Peninsula and building resilience in seabird habitat through H5N1 preparedness activities.

8. STRONG ORGANISATION

8.1. Key achievements

We achieved our highest engagement ever in the Victorian Public Sector Commission's People Matter Survey, with 89% participation and positive engagement and satisfaction scores.

Maintained a workforce of more than 250 employees, with 88% reporting they are proud of their workplace, 85% feel safe and 83% indicating they can be themselves and achieve something meaningful through their work.

Our Volunteers contributed more than 12,450 hours, supporting conservation, wildlife care, research and visitor experiences across Phillip Island.

8.2. People

Delivering meaningful outcomes for nature, community and visitors relies on the dedication of our people. Across the Nature Parks, our staff and volunteers bring passion, knowledge and a shared commitment to protect our island haven.

Throughout 2025–26, we continued to invest in our people, develop organisational capability and support a positive workplace culture. By encouraging collaboration, innovation and learning, we are building a resilient organisation that is well placed to deliver on our long-term vision for nature and people.

Employer of choice

Creating a workplace where people feel valued, supported and empowered to succeed remains central to the goal of the Nature Parks being an employer of choice.

Employee feedback continued to highlight collaboration as a defining strength of the organisation's culture. Results from the Victorian Public Sector Commission's People Matter Survey showed that 96% of employees believed they work effectively within their teams and across the organisation, reflecting a strong culture of partnership, knowledge sharing and collective achievement.

Employees also reported a strong sense of belonging, with 83% indicating they can be themselves at work and 85% feeling culturally safe in the workplace. These results demonstrate the positive and inclusive workplace culture that has been built through ongoing investment in employee wellbeing, engagement and leadership.

Workplace profile

The Nature Parks employed 256 employees (153.8 FTE), an increase of 5.3% on the previous year. The organisation continued to attract and retain a diverse workforce, with strong female representation, a diverse age profile and increased participation in ongoing employment arrangements. Growth in ongoing positions, particularly part-time roles, reflects the commitment by the Nature Parks to providing flexible and sustainable employment opportunities that support both organisational capability and employee wellbeing.

Table 1: The *Nature Parks workforce in 2025–26*

DEMOGRAPHIC DATA

	JUN-26							JUN-25						
	All employees		Ongoing			Fixed term and Casual		All employees		Ongoing			Fixed term and Casual	
	Number (headcount)	FTE	Full Time (headcount)	Part Time (headcount)	FTE	Number (headcount)	FTE	Number (headcount)	FTE	Full Time (headcount)	Part Time (headcount)	FTE	Number (headcount)	FTE
Gender														
Women	160.0	98.3	48.0	87.0	81.4	25.0	5.0	150	86.40	41	67	66.5	42	19.90
Men	96.0	55.2	52.0	26.0	61.2	18.0	6.1	91	65.00	47	25	56.1	19	8.90
Self-described	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2	0.50	0	2	0.5	0	0.00
Age														
15-24	25.0	9.4	6.0	28.0	8.1	8.0	1.3	15	4.7	1	9	4.6	5	0.2
25-34	59.0	32.7	46.0	52.0	30.9	10.0	1.8	60	37.3	20	23	28.6	17	8.6
35-44	58.0	41.8	56.0	46.0	39.5	7.0	2.3	57	41.3	25	19	32.4	13	8.8
45-54	48.0	34.7	48.0	36.0	30.7	6.0	4.0	44	34.5	23	12	27.7	9	6.9
55-64	41.0	23.9	32.0	34.0	22.1	8.0	1.8	46	25.9	15	19	21.6	12	4.3
65+	25.0	11.3	12.0	30.0	11.3	4.0	0.0	21	8.2	4	12	8.2	5	0.00
Classification														
Scales 1-6	236.0	134	85.0	113.0	127.6	38.0	6.4	223	131.85	78	94	113.1	51	18.8
1.0	120.0	36.4	12.0	80.0	35.6	28.0	0.8	109	34.45	14	68	33.3	27	1.2
2.0	6.0	3.1	0.0	6.0	3.1	0.0	0.0	8	5	1	6	4.1	1	0.9
3.0	15.0	13.0	10.0	4.0	12.0	1.0	1.0	13	9.6	3	5	5.8	5	3.8
4.0	36.0	26.3	16.0	13.0	23.7	7.0	2.6	27	21.2	13	4	15.9	10	5.3
5.0	26.0	23.9	21.0	5.0	23.9	0.0	0.0	24	22.4	18	3	19.8	3	2.6
6.0	7.0	6.2	5.0	1.0	5.2	1.0	1.0	7	5.8	4	2	4.8	1	1
EA Salaried	26.0	25.1	21.0	4.0	24.1	1.0	1.0	35	33.4	25	6	29.4	4	4
Senior employees	**20.0**	**19.8**	**15.0**	**0.0**	**15.0**	**5.0**	**4.8**	**20**	**20**	**10**	**0**	**10**	**10**	**10**
Managers	15.0	15.0	15.0	0.0	15.0	0.0	0.0	15	15	10	0	10	5	5
Executives	5.0	4.8	0.0	0.0	0.0	5.0	4.8	5	5	0	0	0	5	5
Total employees	**256**	**153.8**	**100**	**113**	**142.6**	**43**	**11.2**	**243**	**151.85**	**88**	**94**	**123.1**	**61**	**28.8**

Inclusive workplace

During the reporting period, we brought together our *Gender Equality Action Plan*, *Reconciliation Action Plan (Stretch) 2024–2027* and *Disability Action Plan* under a unified *Diversity and Inclusion Framework*, creating a more coordinated approach to fostering a workplace where all employees feel respected, valued and supported.

Through our *Reconciliation Action Plan (Stretch) 2024–2027*, we continued to build the foundations for a culturally safe workplace with sustainable First Nations employment pathways. We began work to better understand First Nations workforce representation and identify opportunities to enhance recruitment, retention, professional development and career pathways. As this work progresses, we will improve how we measure and report employment outcomes for First Nations employees.

Progress under our *Gender Equality Action Plan* remained positive, with the organisation maintaining a mean gender pay gap of less than 5%. We also saw a significant increase in men's perceptions of and engagement with flexible work arrangements, reflecting continued progress towards a more equitable and inclusive workplace. In September 2025, our leaders had the opportunity to engage with Dr Niki Vincent, Commissioner for Gender Equality in the Public Sector, during a visit to the Nature Parks. The visit provided valuable insights into gender equality in the workplace and reinforced the important role leaders play in creating inclusive environments where everyone can contribute and succeed.

We continued to celebrate and recognise the diversity of our workforce through events including International Women's Day, Harmony Day, NAIDOC Week and IDAHOBIT Day, creating opportunities for learning, and facilitating greater understanding of different perspectives and experiences. In partnership with First Nations communities, we commenced a new cultural capability program to support deeper understanding of Aboriginal and Torres Strait Islander cultures, histories and perspectives.

Investing in our people

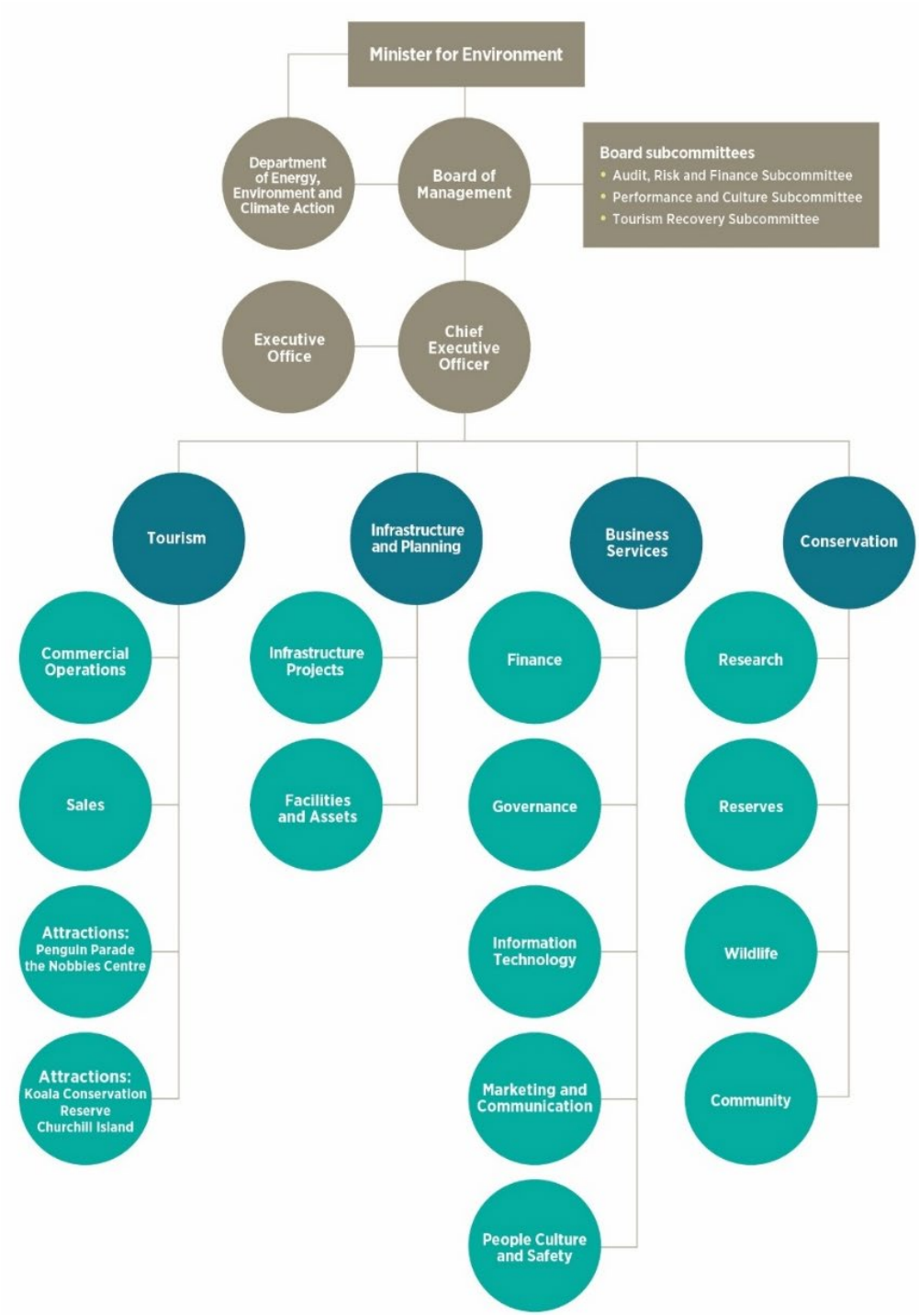
Investment in learning and development remained a priority, with employees completing 2,170 individual learning modules and training courses across leadership, safety, compliance, technical capability, workplace culture and professional development. These opportunities helped our people build rewarding careers while improving the skills and capability required to deliver on the actions in our *Strategic Plan 2025–2035*.

A significant milestone during 2025–26 was the ongoing negotiation of a new Enterprise Agreement, which aims to provide a contemporary employment framework that supports workforce flexibility, employee wellbeing and organisational effectiveness into the future.



Caption: The Nature Parks staff from across all departments at a team planning day at the Koala Conservation Reserve.

Organisation structure



Caption: 2025–26 organisation structure.

8.3. Volunteers

The Nature Parks volunteer program continued to thrive, bringing together passionate community members who contributed their time, skills and knowledge to support conservation, research, wildlife rehabilitation and visitor experiences.

In 2025–26, 189 volunteers contributed more than 12,450 hours across the organisation. Many volunteers

supported multiple programs and dedicated an average of one day per week to the Nature Parks, making a significant contribution to the protection of wildlife, restoration of habitat and delivery of world-class visitor experiences. Interest in volunteering remained strong, with 28 new volunteers joining the program and contributing more than 800 hours during their first year.

To support volunteers in their roles, we provided ongoing training, workshops, organisation updates and social opportunities. During the year, we introduced a new Shearwater Experience, giving volunteers a deeper understanding of the extraordinary migration and conservation challenges faced by short-tailed shearwaters.

Supporting future conservation leaders

Through our work placement program, students gain hands-on experience while contributing to meaningful conservation and tourism outcomes.

In 2025–26, 41 students participated in placements across wildlife rehabilitation, land management, research, conservation and tourism programs. New partnerships with Melbourne Polytechnic and Box Hill TAFE expanded opportunities for students interested in wildlife care and conservation by offering students practical hands-on experience in our Wildlife Rehabilitation Centre.

Locally, we developed a partnership with Bass Coast Secondary College for Year 10 work experience students in tourism or conservation and VCE/VM placements in tourism. We also continued working with Deakin University and The University of Melbourne offering opportunities for tertiary students.

These placements helped develop practical skills, industry knowledge and career pathways for the next generation of environmental and tourism professionals.



Caption: Students in our work placement program feeding lambs at Churchill Island Heritage Farm.

Volunteer highlights

Total number of active volunteers = 189

- Total volunteer hours = 12,445
- Hours contributed to Barb Martin Bushbank Nursery = 3,100
- Hours contributed to the Wildlife Rehabilitation Centre = 501
- Hours contributed by Curlew Custodians = 599
- Hours for all sites - visitor experience volunteers = 5,595

Supporting wildlife recovery

Volunteers played an important role in the successful return of the Critically Endangered in Victoria, bush stone-curlew to Phillip Island (Milawul).

Our dedicated team of Curlew Custodians contributed almost 600 hours supporting the program through food preparation, aviary maintenance, behavioural observations and visitor engagement. The team also supported researchers and students undertaking health assessments and behavioural monitoring, providing valuable information that informs future releases and helps establish a self-sustaining population of bush stone-curlews on the island.

Enhancing visitor experiences

Volunteer ambassadors continue to play a vital role in helping visitors connect with nature and understand the work of the Nature Parks.

A team of 77 visitor experience volunteers contributed more than 5,500 hours across the Penguin Parade, Churchill Island Heritage Farm and the Koala Conservation Reserve. Whether helping visitors spot koalas on the boardwalks, sharing stories about little penguins or demonstrating traditional farming practices at Churchill Island Heritage Farm, volunteers are often the first point of interaction between visitors and the unique wildlife, heritage and conservation stories of Phillip Island (Milawul).

Growing community capacity

Beyond the Nature Parks, we remained an active member of the Bass Coast Volunteer Manager's Network, helping amplify volunteering across the region. During National Volunteer Week, the Network's Volunteer Expo brought together 25 organisations to showcase opportunities and link community members with local causes and organisations.

8.4. Making safety second nature

Throughout 2025–26, we continued to consolidate our approach to occupational health and safety through investments in team capability and enhancements to safety systems. These ongoing improvements, together with continued training and support for our people, reinforce a culture where safety is embedded in our day-to-day activities.

Hot works initiative

Following a review of operations at Churchill Island Heritage Farm, an opportunity was identified to enhance the existing welding area to further improve health and safety outcomes. Recognising the need to maintain

essential operations while planning for longer-term improvements, teams collaborated to design and implement practical interim controls that enabled work to continue safely.

This proactive and innovative approach ensured operational continuity while prioritising staff safety and wellbeing. The completed redevelopment delivered a modern, compliant workspace for welding and associated activities, significantly reducing risk and improving working conditions. The project also fostered strong staff engagement, with positive feedback demonstrating increased confidence in safe work practices and a greater willingness to contribute ideas for continuous safety improvement.

Reported hazards

Reporting of hazards is a positive and proactive step in identifying and reducing risks before injuries occur. The total number of hazards reported, and the rate per 100 FTE, increased slightly compared with the previous year (Table 2), demonstrating continued staff engagement in hazard identification and a strong reporting culture. The Nature Parks continued to encourage the reporting of hazards and reduce barriers that may discourage reporting, helping to proactively mitigate risks and improve workplace safety outcomes.

Table 2: *Hazards reported from 2023–2026*

YEAR TO DATE	2025-26	2024-25	2023-24
Hazards (Total)	99	88	46
Per 100 FTE	0.7	0.6	0.3

Reporting incidents

Our level of incident and injury reporting remains strong (Table 3), demonstrating continued staff engagement in workplace health and safety. Healthy reporting levels are an important indicator of a positive safety culture and should be interpreted alongside other safety and injury metrics. While incident reporting numbers reduced during 2025–26, the Nature Parks remained committed to encouraging the reporting of incidents and hazards, recognising that reporting is fundamental to understanding risks, identifying trends, and preventing future harm.

Table 3: *Incidents reported from 2023–2026*

YEAR TO DATE	2025-26	2024-25	2023-24
Incidents (Total)	214	262	238
Incidents (excl. Visitors)	84	105	107
Per 100 FTE	0.5	0.6	0.7

Lost time injuries (standard claims)

The number of Lost Time Injury (LTI) standard claims increased during 2025–26 (Table 4). A number of these claims resulted in relatively low numbers of lost workdays over the duration of the claim. Our employees were well supported throughout their recovery and return-to-work journey, with a focus on achieving positive health and wellbeing outcomes. The Nature Parks continued to review work practices and implement improvements to help prevent similar incidents from occurring in the future. We remained committed to building leadership capability through ongoing people leader development and continued to invest in

employee wellbeing programs that support a safe, healthy and engaged workforce.

Table 4: *Lost-time injuries reported from 2023–2026*

YEAR TO DATE	2025-26	2024-25	2023-24
Total LTIs	9	7	11
LTIs per 100 FTE	0.06	0.04	0.08
Psychological Injury LTIs	-	-	3
Psychological Injury LTIs/100FTE	-	-	0.02

Average cost per claim

The average cost per claim for both actual amounts paid and estimated average total cost of those claims Increased in 2025–26 (Table 5). This was primarily due to the nature of the injury sustained and claim length and several of the claims with low, or no lost time.

Table 5: *Average cost per claim from 2023–24 to 2025–26.*

YEAR TO DATE	2025-26	2024-25	2023-24
Average Actual Paid	$9,768	$9,557	$14,726
Average Total Estimate	$34,196	$32,743	$34,438

9. GOVERNANCE

Phillip Island Nature Park Board of Management Inc. was established by the Victorian State Government in 1996. The Nature Parks is governed by a Board of Management established under the *Crown Land (Reserves) Act 1978*. The Board is responsible for the overall governance of the organisation.

The Board directs and monitors the business of the Nature Parks and is accountable to the Minister for Environment. The Board delegates day-to-day responsibility for operations and administration to the Chief Executive Officer. The Executive exercises various statutory and regulatory powers delegated by the Board and Ministers and the DEECA Secretary.

The responsible Minister for the period from 1 July 2025 to 14 April 2026 was the Hon. Steve Dimopoulos MP, Minister for Environment and from 15 April 2026 to 30 June 2026 was the Hon. Enver Erdogan MP, Minister for Environment.

9.1. Our Board

Objectives, functions, powers and duties

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

Board Members

Kevin Love

Kevin Love was chair until 7 October 2025.

Kevin Love operates his own advisory business, specialising in project management, policy advice and governance. For over 20 years, Kevin worked at the Department of Agriculture in regional Victoria, including 12 years in Leongatha. He also worked with the Department of Premier and Cabinet as the executive with principal responsibility for advising premiers Kennett and Bracks on policies, programs and major projects related to resources and infrastructure. Kevin then moved to the Department of Sustainability and Environment as deputy secretary. He led significant institutional and organisational reform, had responsibility for the state's public land estates and assets, and established himself as a national leader in natural resource and marine and coastal management policy.

Kevin has a Master of Agricultural Science, is a graduate of the Australian Institute of Company Directors (AICD) and the Australia and New Zealand School of Government Executive Fellows' Program and is a Victorian Fellow of the Institute of Public Administration Australia.

Dr Beverley Munro

Dr Beverley Munro was the chair of Phillip Island Nature Parks Reconciliation Advisory Committee, co-chair of the Bass Coast Reconciliation Network and was previously the chair of the Indigenous Advisory Committee with Bass Coast Health. She has extensive experience in people and culture roles including previous roles of director, workforce health and safety at Monash Health, assistant director of health, safety and wellbeing at

Victoria Police, and manager, equal employment at the Department of Community Services.

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

Dr Geoff Wescott

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

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

Fiona Mellor

Fiona Mellor has 25 years of commercial experience in media, advertising and sport administration. Fiona was the chief commercial officer at Harness Racing Victoria. She was formerly the executive general manager, communities and executive general manager, real estate at News Corp Australia.

As a graduate of the Australian Institute of Company Directors (AIDC), Fiona has five years of non-executive directorship experience with the Australian Prostate Centre (Rule Prostate Cancer) and previously served on boards in the media and digital technology sectors. Fiona is currently the chief executive officer of Livewire.

Michaela Salvato

Michaela Salvato was interim chair from 7 October 2025 to 7 December 2025.

Michaela Salvato has operated and worked in the small business accounting and financial services sector locally for over 25 years providing accounting, taxation and business advisory services to a range of clients. She was formerly the treasurer of Destination Phillip Island, the regional tourism board for Phillip Island (Milawul). Previously, she held positions as national taxation manager for SmithKline Beecham, treasurer of Bass Coast Landcare Network, chair of the Bass Coast Landcare Network Public Fund and was a founding member of the Three Creeks Landcare Group Inc.

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

Matt McDonald

Matt McDonald is the current chair and was appointed on 9 December 2025.

Matt is a highly experienced executive in the tourism, transport and recreational industries with extensive experience on public and private sector boards.

Matt is the chief executive officer of Searoad Ferries, Australia's busiest car and passenger ferry service and was recently chairperson of the Victorian Tourism Industry Council. He holds a Bachelor of Science, Bachelor of Education and a Master of Business. In 2015 he was awarded by the Victorian Tourism Awards as Young Achiever of the Year.

Michelle Dickson

Michelle Dickson is director of Blue Sense Consulting, which provides strategic planning, collaboration and evaluation services to land and water managers across Australia. Michelle previously worked in various roles in Victoria's water and catchment management sectors.

Michelle has held several board positions including Destination Gippsland, Gippsland Coastal Board and Gippsland Lakes Coordinating Committee and she was previously a member of the Wilsons Promontory National Park Advisory Group. She holds a Bachelor of Applied Science Environmental Management, a Master of Evaluation, a Graduate Certificate in River Health, a Certificate of Governance Practice and a Certificate IV of Workplace Training and Assessment.

Yvonne Dickson

Yvonne Dickson brings over a decade of senior executive experience in global business management within the scientific testing, inspection and certification sector. She previously served as pacific regional director for Eurofins Scientific and managing director at SGS Australia, both of which are global industry leaders in this field.

Yvonne has held numerous board roles, including with Westernport Water, where she chaired the People, Community, and Diversity Committee, and as vice chair for Biala Peninsula, a disability-focused not-for-profit. Yvonne holds a Graduate Certificate in Occupational Health and Safety, a Bachelor of Science in Chemistry (Honours), and a Certificate IV in Frontline Management. Additionally, she is a graduate of the Australian Institute of Company Directors (AICD).

Board Member attendance

The Board met for six regular board meetings during the reporting period to provide governance, leadership and strategic direction to the Nature Parks. In addition, the Board convened another three irregular meetings across the reporting period.

Two Board Members retired at the end of the reporting period. The chair retired during the reporting period, and an interim chair, followed by a new chair were appointed within the reporting period.

Board Members Dr Beverley Munro and Michaela Salvato departed the Board 30 June 2026.

The outgoing chair, Kevin Love retired on the 7 October 2025.

Board Member Michaela Salvato was appointed interim chair from 7 October 2025 to 7 December 2025, and Matt McDonald was appointed as chair on 9 December 2025.

Table 6: *Board meeting attendance in 2025–26*

BOARD MEMBER	REGULAR MEETING ATTENDANCE	IRREGULAR MEETING ATTENDANCE	DATE OF APPOITMENT	DATE OF RETIREMENT
Kevin Love (Chair) †	2/2	2/2	9 August 2013	7 October 2025
Dr Beverley Munro	6/6	2/3	1 July 2023	30 June 2026
Dr Geoffrey Wescott	6/6	2/3	1 July 2021	-
Fiona Mellor	4/6	2/3	14 October 2024	-
Matt McDonald (Chair) ‡	3/3	-	9 December 2025	-
Michaela Salvato (Interim Chair)	6/6	3/3	1 July 2018	30 June 2026
Michelle Dickson	6/6	2/3	1 July 2023	-
Yvonne Dickson	3/4	2/3	14 October 2024	-

† Kevin Love was only eligible to attend two regular board meetings and two irregular meetings, due to departing the Board during the reporting period.
‡ Matt McDonald was only eligible to attend three regular board meetings and zero irregular meetings, due to joining the Board during the reporting period.

9.2. Board subcommittees

Audit, Risk and Finance Subcommittee

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

- Michelle Dickson (chair)
- Yvonne Dickson
- Helen Adair (external member)
- Joanne Pearson (external member)

The committee met five times in 2025–26.

Performance and Culture Subcommittee

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

- Yvonne Dickson (chair)
- Dr Geoff Wescott
- Nathan Williams (external member)

The subcommittee met four times in 2025–26.

Tourism Subcommittee

Established in 2021, the Tourism Subcommittee was formed to support the organisation's commercial recovery and growth. The committee monitors visitation trends, sales performance and market insights, provides guidance on product development, and advises on strategic initiatives that support the delivery of world-class nature-based experiences. The committee consists of the following members:

- Fiona Mellor (chair)
- Dr Geoff Wescott
- Dr Beverley Munro
- Mark Lucas (external member)

The committee met two times in 2025–26.

Following a governance review in March 2026, the Board resolved to discontinue the Tourism Subcommittee, with its responsibilities incorporated into the Board's annual workplan.

9.3. Board advisory committees

The Nature Parks has several advisory committees that provide specialist insights to the Board. We thank the members who volunteer their time and expertise on our advisory committees for actively contributing and engaging with each other and the Nature Parks.

In March 2026 the Board undertook a review to strengthen its governance oversight and streamline its committees to ensure a clear focus on its long-term strategic outcomes. As part of this review the Community and Environment Advisory Committee and Scientific and Research Advisory Committee were transitioned to executive-led committees.

Community and Environment Advisory Committee

The Community and Environment Advisory Committee includes members with interest or expertise from community and environmental groups, key stakeholders, volunteers and local community groups. It acts in a consultative capacity to enable a reciprocal flow of information between the community, stakeholders and the Board. The Board stays informed about community issues and keeps the community updated on key activities conducted by the Nature Parks.

The committee fulfilled its role this year in engaging across workshops and other channels on the *Summerland Peninsula Master Plan,* ensuring the views and goals of the community were captured during consultation for this unique area of Phillip Island (Milawul). The committee consists of the following members:

- Dr Geoff Wescott (chair)
- 30 independent members representing various local community groups.

The committee met four times in 2025–26.

Scientific and Research Advisory Committee

This advisory committee reports to the Board and guides the Nature Parks on all aspects of scientific research and research-led conservation management of key species and ecosystems. The committee draws

on the technical expertise of seven independent members.

The committee fulfilled its function this year by advising on key metrics and conservation outcomes for the Phillip Island Nature Parks *Strategic Plan 2025–35* and continued to support planning for the emergence of H5N1 avian influenza. The committee consists of the following members:

- Dr Geoff Wescott (chair)
- Michelle Dickson
- Yvonne Dickson
- Dr Ras (Robin) Lawson
- Dr Kath Handasyde
- Dr Peter Menkhorst
- Dr Peter Vesk
- Dr Kate Watermeyer
- Dr Ruth Reef
- Dr Jasmin Hufschmid

The committee met two times in 2025–26.

Reconciliation Advisory Committee

The Reconciliation Advisory Committee provides strategic guidance on the implementation of the Phillip Island Nature Parks *Reconciliation Action Plan (Stretch) 2024–2027* and advises on initiatives that embed reconciliation across the organisation. The committee supports the Nature Parks to deepen relationships with First Nations communities and ensure reconciliation outcomes align with the goals of the Bunurong Traditional Owners and broader First Nations communities. The committee consists of the following members:

- Dr Bev Munro (chair)
- Robert Ogden
- Jarrod West
- Brian Stevens
- Representatives from the Bunurong Land Council Aboriginal Corporation

The committee met four times in 2025–26.

Animal Ethics Committee

The Animal Ethics Committee is a statutory committee established by the Nature Parks to oversee activities involving the care and use of animals for scientific purposes. The committee also provides guidance and advice to the Board on matters relating to animal welfare and ethical practice. The committee consists of the following independent members:

- Dr Jenny Hibble (chair)
- William Naughtin
- Jacqui Walsh
- Tyrone Lavery

The committee met five times in 2025–26.

10. COMPLIANCE

Attestation for financial management compliance with Standing Direction 5.1.4

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

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



Matt McDonald, Chair
10 September 2026

Local Jobs First

The *Local Jobs First Act 2003 (*the Act) establishes the Local Jobs First scheme which is set out in the Act, the regulations and the Local Jobs First Policy. The Local Jobs First Policy comprises the Victorian Industry Participation Policy (VIPP) and Major Project Skills Guarantee (MPSG).

Departments and public bodies within the meaning of the *Financial Management Act 1994* must apply Local Jobs First as required to regional projects worth more than $1 million, statewide or metro Melbourne projects worth at least $3 million, or other projects with a lower budget declared by the Minister as a standard or strategic project.

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

During 2025–26, the Nature Parks continued with stage three of the Penguin Parade Boardwalk Redevelopment project which is valued at more than $1.0 million. As part of the procurement process for both the design and construction contracts, tenderers were required to submit Local Industry Development Plans (LIDPs) according to the Local Jobs First Policy and the Industry Capability Network (ICN). The successful tenderers are now required to report on their LIDPs as outlined by ICN.

The Nobbies Centre remediation and upgrade works was registered and assessed as a LJF Standard project during the 2024–25 reporting period, with a project value of $1.5 million. The scope for this project was subsequently reduced to below $1.0 million and therefore there were Locals Job First reporting requirements.

Government advertising expenditure

In 2025–26, there was nil government advertising expenditure incurred by the Nature Parks to trigger the disclosure threshold of $100,000 on government advertising expenditure during the reporting period.

Consultancy expenditure

Details of consultancies valued at $10,000 or greater

In 2025–26, there were two consultancies where the total fees payable to the consultants were $10,000 or greater. The total expenditure incurred during 2025–26 in relation to these consultancies is $0.3 million (excluding GST). Details of individual consultancies are outlined in Table 6.

Table 6: *Details of consultancies valued at $10,000 or greater in 2025–26*

($ thousand)

Consultant	Purpose of consultancy	Total approved project fee (excl. GST)	Expenditure 2025-26 (excl. GST)	Future expenditure (excl. GST)
		$	$	$
Taylor&Cullity Lethlean - TCL	Business consulting	307	219	88
KELP Creative	Business consulting	226	84	142
		533	**303**	**230**

Details of consultancies under $10, 000

In 2025–26, there were nil consultancies engaged, where the total fees payable to the individual consultancies were less than $10,000.

Reviews and studies expenditure

During 2025–26, there were two (2) reviews and studies undertaken with the total cost of $24,746. Details of individual reviews and studies are outlined below, in Table 7. [(a)]

Table 7: *Details of reviews and studies expenditure valued at $10,000 or greater in 2025–26*

($ thousand)

NAME OF THE REVIEW (PORTFOLIO(S) AND OUTPUT(S)/AGENCY RESPONSIBLE)	*REASONS FOR REVIEW/STUDE*	*TERMS OF REFERENCE/SCOPE*	*TIMELINE*	*ANITCIPATED OUTCOMES*	*ESTIMATED COST FOR THE YEAR (EXCL. GST)*	*FINAL COST IF COMPLETED (EXCL. GST)*	*PUBLICLY AVAILABLE (Y/N(b)) AND URL*
Wallaby management plant (Macropus Consulting)	A key action under the Phillip Island Nature Parks Wildlife Plan	To assess swamp wallaby abundance and impacts and identify appropriate management actions to protect key conservation values	Jan 26 – Jan 27	Development of wallaby management plan	$15,746	In progress	N/A
Hooded plover monitoring program review	Action from conservation business plan	To review the hooded plover monitoring program and identify opportunities to improve its effectiveness, efficiency and alignment with conservation priorities.	Apr26 – Apr27	A more effective and targeted hooded plover monitoring program that supports conservation and management decisions	$9,000	In progress	N/A

Note:
(a) Table does not include reviews or studies that may be Commercial-in-Confidence or commercially sensitive, or where the release may be detrimental to Government operations (e.g. by preempting the finalisation of policy decisions prior to their announcement by Government).
(b) Where the review is not publicly available, please provide a very brief explanation.

Information and communication technology expenditure

In 2025–26, the Nature Parks had a total information and communication technology (ICT) expenditure of

$2.0 million, as shown in Table 8.

Table 8: *Details on information and communication technology expenditure in 2025–26*

ALL OPERATIONAL ICT EXPENDITURE	ICT EXPENDITURE RELATED TO PROJECTS TO CREATE OR ENHANCE ICT CAPABILITIES		
BUSINESS AS USUAL (BAU) ICT EXPENDITURE	NON-BUSINESS AS USUAL (NON-BAU) ICT EXPENDITURE	OPERATIONAL EXPENDITURE	CAPITAL EXPENDITURE
(Total)	(Total = Operational expenditure and capital expenditure)		
2,048	**-**	**1,944**	**104**

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

Disclosure of major contracts

During the year ended 30 June 2026, the Nature Parks did not enter into any contracts greater than $10 million in value.

Freedom of information

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

An applicant has a right to apply for access to documents held by the Nature Parks. This comprises documents both created by the Nature Parks or supplied to the department by an external organisation or individual, and may also include maps, films, microfiche, photographs, computer printouts, computer discs, tape recordings and videotapes. Information about the type of material produced by the Nature Parks is available on the Phillip Island Nature Parks website under its Part II Information Statement.

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

Under the Act, the FOI processing time for requests received is 30 calendar days. However, when external consultation is required under ss29, 29A, 31, 31A, 33, 34 or 35, a 15-day automatic extension applies. Processing time may also be extended by periods of up to 30 days, in consultation with the applicant. With the applicant's agreement this may occur any number of times. However, obtaining an applicant's agreement for an extension cannot occur after the expiry of the timeframe for deciding a request.

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

Making a request

FOI requests can be lodged online at online.foi.vic.gov.au. An application fee of $33.60 applies. Access charges may also be payable for the search or creation of documents.

When making an FOI request, applicants should ensure requests are in writing, clearly identify what types of material/documents are being sought and be accompanied by the application fee to be a valid request.

If you are unable to make a request online, you can request documents in the possession of the Nature Parks by writing to:

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

The FOI Application Form can be downloaded from our website.

***Freedom of Information** statistics/timeliness*

During 2025-26, the Nature Parks received NIL FOI applications.

Further information

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

Compliance with the Building Act 1993

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

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

Competitive neutrality policy

Competitive neutrality requires government businesses to ensure that where services compete, or potentially compete, with the private sector, any net advantage arising from government ownership is accounted for if it is not in the public interest. Government businesses that undertake significant business activities are required to implement competitive neutrality measures (such as setting competitive neutral prices), which accounts for any net advantage that comes from public ownership. Competitive neutrality policy supports fair competition between public and private businesses and provides government businesses with a tool to enhance decisions on resource allocation. This policy does not override other policy objectives of

government and focuses on removing resource allocation distortions.

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

Compliance with the Public Interest Disclosures Act 2012

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

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

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

Reporting procedures

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

Level 1, North Tower, 459 Collins Street
Melbourne, VIC 3000
Phone: 1300 735 135
Internet: www.ibac.vic.gov.au
Email: See the website above for the secure email disclosure process, which also provides for anonymous disclosures.

Further Information

The Public Interest Disclosure Policy and Procedures, which outline the system for reporting disclosures of improper conduct or detrimental action by the Nature Parks or any of its employees and/or officers, are available on the Nature Parks website at www.penguins.org.au.

Table 9: *Details of public interest disclosures made in 2024–26*

	2025-26 NUMBER	*2024-25 NUMBER*
The number of disclosures made by an individual to the Nature Parks and notified to the Independent Broad-based Anticorruption Commission	-	-
Assessable disclosures	-	-

Compliance with the Disability Act 2006

The *Disability Act 2006* reaffirms and strengthens the rights of people with a disability and recognises that this requires support across the government sector and within the community. The Nature Parks has complied with its obligations under the *Disability Act* to prepare a Disability Action Plan for the purpose of reducing barriers to access goods, services and facilities; reducing barriers to a person with a disability obtaining and maintaining employment; and promoting inclusion and participation in the community and achieving tangible changes in attitudes and practices that discriminate against people with a disability as outlined below.

Reducing barriers to accessing goods, services and facilities

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

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

In 2022–23, the Nature Parks began infrastructure planning and design for the 'Penguin Parade Boardwalk and Viewing Stands Redevelopment' project. One of the design objectives was to meet the requirements of the *Disability Discrimination Act 1992* to provide access for all. Subsequently, a universal design consultant was engaged to conduct a review of current operations and to be a member of the design team to ensure universal design principles were considered and implemented wherever possible throughout this project.

Reducing barriers to persons with a disability obtaining and maintaining employment

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

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

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

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

Promoting inclusion and participation in the community

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

The Nature Parks is currently in the process of designing four new public amenities at reserves and beaches that will be fully accessible, and *Disability and Discrimination Act* compliant.

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

As required by the *Disability Act 2006*, the Nature Parks reports annually on the implementation of its Disability Action Plan in its annual report.

Disclosure of emergency procurement

In 2025–26, the Nature Parks did not activate any emergency procurement activities.

Disclosure of social procurement activities under the Social Procurement Framework

The Social Procurement Framework governs how the Victorian Government undertakes social procurement. The framework applies to the procurement of all goods, services and construction undertaken by, or on behalf of, entities subject to the Standing Directions 2018 under the *Financial Management Act 1994*.

The Nature Parks leverages its buying power to deliver social, economic and environmental outcomes benefiting the Victorian community, the economy and the environment — above and beyond the goods, services and construction works procured.

Social Procurement Framework

The Nature Parks recognises the role it plays in advancing social and sustainable outcomes through procurement. The Nature Parks Social Procurement Strategy prioritises the following social procurement objectives:

- Sustainable Victorian social enterprises and Aboriginal business sectors
- Environmentally sustainable business practices
- Sustainable Victorian regions

Social procurement achievements

During 2025–26, the Nature Parks:

- Was committed to increasing procurement engagement with First Nations suppliers and social enterprise spend. The SPF target for government spend is currently represented as 1.0% overall. During 2025–26 reporting period, First Nations and social enterprise suppliers made up 4.6% of the Nature Parks Suppliers and represent 5.5% of total spend.
- Continues to implement 10% minimum criterion weighting for Social Procurement Framework and Local Content objectives for all procurement evaluations as a mandatory assessment requirement, for procurement values greater than $0.2 million.
- Completed six (6) Invitations to Supply and four (4) Construction/Design tenders with Social Procurement evaluation and commitments.
- Sourced ten (10) State Purchase Contracts with Social Procurement Commitments.

- Sought opportunities, where available, to directly or indirectly procure from certified Victorian social benefit suppliers

Disclosure of procurement complaints

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

In 2025–26, the Nature Parks did not receive any complaints relating to the procurement of goods and services.

Environmental reporting

The Nature Parks is committed to environmental sustainability in its operations. Sustainability and greenhouse gas emissions reduction form core parts of the strategy of the Nature Parks. The Nature Parks supports the Victorian Public Sector in adopting new technology that reduces emissions and delivers environmental sustainability. We strive to minimise our environmental impact by reducing energy consumption and emissions through efficiency programs, reducing waste, maintaining sustainable practices in our ground transportation and supporting green energy initiatives.

Waste management reporting

The Nature Parks continues to improve waste reporting and data quality to support informed decision-making. In addition to monthly reporting, waste composition audits undertaken in 2024 and 2026 are helping identify trends, measure performance and target future improvements.

The audits confirm that refreshed bin infrastructure, clearer signage and improved waste-stream education are positively influencing disposal behaviour, with less mixed recycling, paper and cardboard being placed in general waste.

Improved data now enables waste generation to be measured on a per-visitor basis, with results showing a year-on-year downward trend. This measure links waste generation to visitation levels, allowing the Nature Parks to track efficiency over time and assess the effectiveness of waste reduction and diversion initiatives.

Table 10: *Details of waste per visitor in 2024–26*

TOTAL VISITORS 2024-25	1,060,085
PUBLIC LOCATIONS	
Total Waste (kg)	429,175
Waste per visitor (kg)	0.4
ALL LOCATIONS	
Total Waste (kg)	464,523
Waste per visitor (kg)	0.44

TOTAL VISITORS 2025-26	1,095,502
PUBLIC LOCATIONS	
Total Waste (kg)	354,306
Waste per visitor (kg)	0.32
ALL LOCATIONS	
Total Waste (kg)	414,461
Waste per visitor (kg)	0.38

Note: The total number of visitors excludes the St Kilda Penguins Experience.

Greenhouse gas emissions

The Nature Parks reports its greenhouse gas emissions broken down into emissions ‘scopes’ consistent with

national and international reporting standards. Scope 1 emissions are from sources that the Nature Parks owns or controls, such as combustion fuels in its vehicles or machinery. Scope 2 emissions are indirect emissions from the Nature Parks use of electricity from the grid, which still uses coal and gas-fired power generation. Scope 3 emissions are indirect emissions from sources the Nature Parks does not control but can influence.

The Nature Parks reports only scope 3 emissions from corporate air travel and waste disposal:

- Scope 1 greenhouse gas emissions decreased by 33.4% from 2024–25 to 2025–26 and by 1.0% 2024–25 v 2023–24. This decrease has largely been driven by the closure of the Nobbies Centre and resulting lowered gas use, and emissions being reduced through the purchase of more fuel-efficient vehicles and improved allocation of pool vehicles across sites.
- Scope 2 greenhouse gas emissions decreased by 13.1% from 2024–25 to 2025–26 and increased by 3.1% 2024–25 v 2023–24. This increase is due to longer operational hours and higher visitor attendance at the major attractions.
- Scope 3 greenhouse gas emissions from corporate air travel and waste disposal decreased by 31.6% from 2024–25 to 2025–26. The reduction reflects the decommissioning of a site and operational efficiencies, while improved data collection and reporting has increased the accuracy of emissions reporting.

The Nature Parks is aiming to reduce its greenhouse gas emissions through energy efficiency and renewable energy projects through investigating batteries, solar panels, and waste reduction programs across all sites.

Table 11: *Greenhouse gas emissions by type 2025-26 against prior years.*

INDICATOR	2025-26	2024-25	2023-24
Total Scope 1 Green House Gas emissions (Tonnes CO_2-e)	134.2	201.6	203.8
Total Scope 2 Green House Gas emissions (Tonnes CO_2-e)	892.1	1026.6	995.6
Total Scope 3 Green House Gas emissions from commercial air travel and waste disposal (Tonnes CO_2-e)	404.5	591.6	418.6

Electricity production and consumption

We maintained our commitment to use 100% renewable energy (electricity) for each of our major visitor sites, supporting our target of achieving carbon neutrality by 2030. In 2025–26, all electricity purchased for these sites was sourced from renewable energy.

The Nature Parks continues to operate 330 kW of combined solar systems across the sites, contributing to reduced reliance on grid-sourced electricity and increased solar photovoltaic (PV) generation. Longer-term consideration of investment into battery storage and more efficient systems may further reduce electricity consumption.

The Nature Parks continues to implement a range of initiatives across sites to reduce electricity use and increase the proportion of renewable electricity consumed. These measures include:

- Purchasing GreenPower for 100% of purchased electricity consumption for all other sites
- Switching to efficient electric appliances, for example, minimum 7-star energy efficient refrigerators when they are replaced

- Optimising heating and cooling systems by maintaining room temperatures that balance visitor comfort with energy efficiency

Table 12: *Electricity consumption by type across 2025-26 against prior years.*

INDICATOR	2025-26	2024-25	2023-24
Total electricity consumption (MWh)	1110.5	1,150.1	1,123.4
Purchased Electricity – Consolidated	833.8	811.6	839.0
Offices	53.3	55.0	50.0
Attractions	780.4	752.5	740.7
Self-generated (MWh)	276.8	338.5	284.5
On-site electricity generated (MWh)	276.8	338.5	N/A
Solar PV [(a)]	276.8	338.5	N/A
Consumption behind-the-meter	218.2	265.2	N/A
Exports	58.6	73.3	N/A
Other non-renewable (Diesel backup generator) [(b)]	N/A	N/A	N/A
On-site installed generation capacity (MW)	N/A	N/A	N/A
Solar PV	N/A	N/A	N/A
Diesel backup generator	N/A	N/A	N/A
Total electricity offsets (MWh)	NIL	NIL	NIL
LGC's voluntarily retired by the Entity	NIL	N/A	N/A
Greenpower	100%	100%	94%

Notes:
(a) Included within the Department's rooftop solar portfolio is 15kW of legacy solar systems which are not separately metered. The electricity produced by these systems is not captured in the on-site electricity generated. When these systems are replaced or upgraded appropriate monitoring instruments will be installed.
(b) Diesel backup generation is not separately metered and electricity generated is estimated based on manufacturer supplied factors for operation under full load. All electricity generated is assumed to be used on site.

Transportation

The vehicle fleet used by the Nature Parks comprised of 36 vehicles essential to the provision of services that require team members to travel between sites and across the island. The majority of these vehicles were used for operational and conservation purposes, and the remainder were passenger vehicles for transport of team members. Of the vehicles, 34 were internal combustion engine vehicles and two were hybrid vehicles.

Energy use from transport fuels decreased by 14% from 2024–25 to 2025–26, while greenhouse gas emissions from transport decreased by 24%.

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

Table 13: *Transport types utilised by the Nature Parks across 2025–26 and prior years.*

INDICATOR	2025-26	%	2024-25	%	2023-24	%
Number and proportion of vehicles	36	100	36	100	37	100
Road Vehicles	36	100	36	100	37	100
Passenger vehicles	30	83	27	77	28	75
Internal combustion engines	30	83	27	77	28	75
Petrol	5	14	4	15	4	14
Diesel/ Biodiesel	23	64	23	85	24	85
Hybrid	2	6	2	7	2	5
Range-extended electric vehicle	2	6	2	7	2	5
Goods Vehicles	6	17	9	25	9	25
Internal combustion engines	6	17	9	25	9	25
Petrol	1	3	2	6	2	5
Diesel/ Biodiesel	5	14	7	19	7	19
Hybrid	-	-	-	-	-	-
Plug-in hybrid electric vehicle	-	-	-	-	-	-
Range-extended electric vehicle	-	-	-	-	-	-

Sustainable procurement

The Nature Parks considers sustainable procurement objectives through its implementation of the Social Procurement Framework, which establishes requirements that apply to Victorian State Government departments and agencies when they procure goods, services and construction. More details of the implementation of the Social Procurement Framework by the Nature Parks are contained in the relevant section of the Annual Report.

Water consumption

Water consumption decreased by 18% from 2024–25 to 2025–26, compared with an 8.2% increase in the previous year. This reduction, despite increased operational activity, reflects improved water management, monitoring and reporting. The Nature Parks continues to identify opportunities to improve water efficiency, reduce consumption and minimise water waste.

Throughout 2025–26, smart water meters installed at eight sites, including major attractions, improved visibility of water consumption across the Nature Parks. Automated email alerts sent to the maintenance and facilities team for abnormal usage enabled potential leaks to be identified early, resulting in timely repairs and corrective action. This proactive monitoring has helped reduce unnecessary water loss, lower baseline consumption and improve water management. On average, approximately 40% of water needs across the Nature Parks continue to be met through recycled water.

Table 14: *Water consumption across Nature Parks sites 2025–26 and prior years.*

INDICATOR	2025-26	2024-25	2023-24
Total water consumption by an Entity (kilolitres)	15,711	19,149	17,695
Potable water consumption	15,647	18,781	17,695
Metered reused water consumption	64	368	N/A
Units of metered water consumed normalised by FTE	102.2	126.4	127.6

Waste and recycling

Waste management and recycling remain key priorities for the Nature Parks, with a focus on eliminating single-use plastics, maximising recycling, and reducing waste sent to landfill.

During 2025–26, the Nature Parks continued to improve waste data collection and reporting through monthly waste tracking and a second independent waste composition audit completed in February 2026. The audit confirmed improvements in waste infrastructure, including clearer signage, dedicated waste streams and Container Deposit Scheme collection, contributing to less recyclable material being disposed of in general waste.

The audit identified that 48.3% of general waste remains potentially divertible, with food organics representing the largest opportunity at 36.4%. During 2025–26, the Nature Parks continued to expand waste diversion initiatives and improve education and waste separation practices. Future actions will focus on food organics diversion, reducing single-use materials, and embedding circular economy principles to further reduce waste to landfill.

Table 15: *Waste and recycling by type across 2025–26 and prior years.*

INDICATOR	2025-26	%	2024-25	%	2023-24	%
Total units of waste disposed (kg and %)	414.4	100%	452.7	100%	-	
Landfill (disposal)	259.4	62.6%	368.1	81.3%	N/A	-
Recycling/recovery (disposal)	154.9	37.3%	71.8	15.8%	-	
Food and garden organics (FOGO)	N/A		N/A	-	N/A	-
Scrap metal	9.4	2.2%	3.5	0.8%	N/A	-
Timber	26.4	6.3%	7.5	1.7%	N/A	-
Paper and Cardboard	72.3	17.4%	60.8	13.4%	N/A	-
Printer cartridges	N/A	-	N/A	-	N/A	-
Batteries	N/A	-	N/A	-	N/A	-
E-waste	0.2	.1%	0.3	0.1%	N/A	-
Mixed Recyclables	14.0	3.4%	12.5	2.8%	N/A	-
Total units of waste disposed of normalised by FTE (kg/FTE)	2.7		2.9		-	
Recycling Rate (%)	37.4%		15.9%		N/A	-
Greenhouse gas emissions associated with waste disposal (Tonnes CO2-e)						
Landfill	126.9		131.3		N/A	-

Carbon dioxide sequestration

Each year, the Nature Parks undertakes significant revegetation programs across Phillip Island (Milawul), enabling the organisation to calculate the carbon dioxide sequestration of these plantings. In 2025–26, plantings will sequester an estimated 330 tonnes (lifetime total) of carbon dioxide from the atmosphere once the plants reach maturity (based on the assumption that 70% of planted plants each reach maturity).

Sustainable buildings and infrastructure

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

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

Environmentally Sustainable Design in new buildings and infrastructure

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

Additional information available on request

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

- A statement that declarations of pecuniary interests have been duly completed by all relevant officers of the Nature Parks.
- Details of publications produced by the Nature Parks about itself.
- Details of any major external reviews carried out on the Nature Parks.
- Details of major research and development activities undertaken by the Nature Parks.
- Details of major promotional, public relations and marketing.
- Details of changes in prices, fees, charges, rates and levies charged.

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

11. FINANCIAL STATEMENTS

How this report is structured

Phillip Island Nature Parks (Nature Parks) has presented its audited general-purpose financial statements for the financial year ended 30 June 2026 in the following structure, to provide users with the information about the Nature Parks stewardship of resources entrusted to it.

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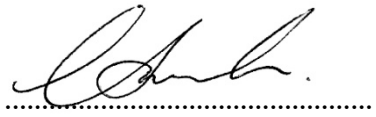
Declaration in the financial statements

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

We further state that, in our opinion, the information set out in the comprehensive operating statement, balance sheet, statement of changes in equity, cash flow statement and accompanying notes, presents fairly the financial transactions during the year ended 30 June 2026 and financial position of the Nature Parks at 30 June 2026.

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

We authorise the attached financial statements for issue on 10 September 2026.



C Simonds

Chief Financial Officer
Phillip Island Nature Parks

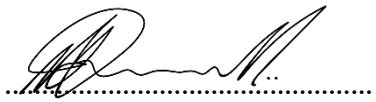
10 September 2026



C Basterfield

Chief Executive Officer
Phillip Island Nature Parks

10 September 2026



Matthew McDonald

Chair
Phillip Island Nature Parks

10 September 2026

Independent Auditor's Report

Victorian Auditor-General's Office

To the Board of Phillip Island Nature Parks

Opinion

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

- balance sheet as at 30 June 2026
- comprehensive operating statement for the year then ended
- statement of changes in equity for the year then ended
- cash flow statement for the year then ended
- notes to the financial statements, including material accounting policy information
- declaration in the financial statements.

In my opinion, the financial report presents fairly, in all material respects, the financial position of the authority as at 30 June 2026 and its financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the *Financial Management Act 1994* and Australian Accounting Standards – Simplified Disclosures.

Basis for opinion

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

My independence is established by the *Constitution Act 1975.* My staff and I are independent of the authority in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Board's responsibilities for the financial report

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

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

Level 31 / 35 Collins Street, Melbourne Vic 3000
T 03 8601 7000 enquiries@audit.vic.gov.au www.audit.vic.gov.au

Auditor's responsibilities for the audit of the financial report

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

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

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

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

TMcQ

MELBOURNE
17 September 2026

Timothy Maxfield
as delegate for the Auditor-General of Victoria

Comprehensive operating statement

For the financial year ended 30 June 2026 **($ thousand)**

	Notes	2026	2025
Continuing Operations		$	$
Income from transactions			
Sale of goods and services	2.2.2	34,741	31,750
Grants, Donation and Sponsorship	2.2.3	5,579	6,127
Interest Income	2.2.1	751	749
Other income	2.2.5	837	264
Total income from transactions		41,908	38,890
Expenses from transactions			
Employee expenses	3.1.1	(19,286)	(17,138)
Cost of sales	3.2	(2,895)	(2,872)
Depreciation and amortisation	4.1.3	(4,320)	(10,973)
Other operating expenses	3.3	(9,505)	(9,572)
Total expenses from transactions		(36,006)	(40,555)
Net result from transactions (net operating balance)		**5,902**	**(1,665)**
Other economic flows included in net result			
Net (loss)/gain on non-financial assets	8.3	43	5
Total other economic flows included in net result		**43**	**5**
Net result		**5,945**	**(1,660)**
Other economic flows - other comprehensive income:			
Items that will not be reclassified to net result			
Changes in physical asset revaluation surplus	4.1.3	12,166	7,752
Total other economic flows - other comprehensive income		**12,166**	**7,752**
Comprehensive result		**18,111**	**6,092**

The accompanying notes form part of these financial statements.

Balance sheet

As at 30 June 2026 **($ thousand)**

	Notes	2026	2025
Assets		$	$
Financial assets			
Cash and deposits	6.3	18,361	18,935
Receivables	5.1.1	1,706	1,341
Total financial assets		**20,067**	**20,276**
Non-financial assets			
Inventories	5.3	823	918
Property, plant and equipment	4.1	169,491	154,806
Intangibles	4.2	-	-
Other non-financial assets		404	244
Total non-financial assets		**170,718**	**155,968**
Total assets		**190,785**	**176,244**
Liabilities			
Payables	5.2.1	3,971	2,296
Contract Liabilities	5.2.2	5,510	10,326
Borrowings	6.1	538	592
Employee related provisions	3.1.2	3,502	3,227
Other Provisions	5.4	-	650
Total liabilities		**13,521**	**17,091**
Net assets		**177,264**	**159,153**
Equity			
Accumulated surplus/(deficit)		4,321	(1,624)
Physical asset revaluation surplus	8.2	94,950	82,784
Contributed capital		77,993	77,993
Net worth		**177,264**	**159,153**

The accompanying notes form part of these financial statements.

Cash flow statement

For the financial year ended 30 June 2026 **($ thousand)**

	Notes	2026	2025
Cash flows from operating activities		$	$
Receipts from customers and other entities		39,218	35,178
Receipts from Government (recognised)		98	993
Receipts from Government (deferred)		273	1,864
Interest received		751	749
Payments to suppliers and other expenses		(13,353)	(14,667)
Payments to employees		(19,010)	(16,970)
Goods and services tax paid to the ATO		(1,682)	(1,490)
Net cash flows from operating activities		**6,295**	**5,657**
Cash flows from investing activities			
Payments for property, plant and equipment		(6,762)	(7,160)
Proceeds from property, plant and equipment		107	5
Net cash flows used in investing activities		**(6,655)**	**(7,155)**
Cash flows from financing activities			
Payment of borrowings and Principal portion of Lease Liability		(215)	(188)
Net cash flows from financing activities		**(215)**	**(188)**
Net decrease in cash and cash equivalents		(574)	(1,686)
Cash and cash equivalents at beginning of financial year		18,935	20,621
Cash and cash equivalents at end of financial year	6.3	**18,361**	**18,935**

The accompanying notes form part of these financial statements.

Statement of changes in equity

For the financial year ended 30 June 2026 **($ thousand)**

	Notes	PHYSICAL ASSET REVALUATION SURPLUS	ACCUMULATED SURPLUS/(DEFICIT)	CONTRIBUTIONS BY OWNER	TOTAL
		$	$	$	$
Balance at 1 July 2024		75,032	40	77,993	153,065
Net result from continuing operations		-	(1,663)	-	(1,663)
Other comprehensive income for the year		7,752	-	-	7,752
Balance at 30 June 2025		**82,784**	**(1,624)**	**77,993**	**159,154**
Net result from continuing operations		-	5,945	-	5,945
Other comprehensive income for the year		12,166	-	-	12,166
Balance at 30 June 2026		**94,950**	**4,321**	**77,993**	**177,264**

The accompanying notes form part of these financial statements.

1 ABOUT THIS REPORT

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

The Nature parks is a not-for-profit entity established by government gazette under the *Crown Land (Reserves) Act 1978*.

Its principal address is:

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

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

Basis of preparation

These financial statements are Tier 2 general purpose financial statements prepared in accordance with AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* (AASB 1060) and Financial Reporting Direction 101 *Application of Tiers of Australian Accounting Standards* (FRD 101).

These financial statements are in Australian dollars, and the historical cost convention is used unless a different measurement basis is specifically disclosed in the notes to the financial statements.

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

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

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

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

Revisions to accounting estimates are recognised in the period in which the estimate is revised and in future periods that are affected by the revision. Judgements and assumptions made by management in applying AAS

that have significant effects on the financial statements and estimates are disclosed in the notes under the heading: 'Significant judgement or estimates'.

These financial statements cover Nature Parks as an individual reporting entity and include all the controlled activities of the Nature Parks. There is no entity consolidated into the Nature Parks.

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

Compliance information

These general-purpose financial statements have been prepared in accordance with the FMA and applicable Australian Accounting Standards (AASs), which include Interpretations, issued by the Australian Accounting Standards Board (AASB).

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

2 FUNDING DELIVERY OF OUR SERVICES

Introduction

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

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

Structure

2.1 Summary of revenue and income that funds the delivery of our services 74

2.2 Income from transactions 74

2.1 Summary of revenue and income that funds the delivery of our services

($ thousand)

	Notes	*2026*	*2025*
Sale of goods and services	2.2.2	34,741	31,750
Grants, Donation and Sponsorship	2.2.3	5,579	6,127
Interest income	2.2.1	751	749
Other income	2.2.5	837	264
Total revenue and income from transactions		**41,908**	**38,890**

	2026	2025
Timing of Transfer of Goods and Services		
Point in Time	35,905	33,438
Over time	6,003	5,452
Total	**41,908**	**38,890**
Primary Geographic Market		
Australia	41,908	38,890
Other Countries	-	-

Revenue and income that fund delivery of the Nature Parks services are accounted for consistently with the requirements of the relevant accounting standards disclosed in the following notes.

2.2 Income from transactions

2.2.1 Interest income

Interest income includes interest received on cash and deposits.

2.2.2 Sale of goods and services

($ thousand)

	Notes	2026	2025
		$	$
Supply of services - Admissions		27,854	24,944
Sale of goods - Retail and souvenirs		6,887	6,806
Total supply of services and sale of goods		**34,741**	**31,750**

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

Performance obligations and revenue recognition policies

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

- Revenue from the supply of services is recognised at a point in time when the performance obligation is satisfied, being when the customer gains entry to and accesses the attraction; and over time when the customer simultaneously receives and consumes the services as it is provided
- Revenue from the sale of goods is recognised at a point in time when the goods are transferred and have been accepted by the customer.

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

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

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

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

2.2.3 Grants

($ thousand)

	Notes	2026	2025
		$	$
Grants from Government		5,218	5,993
Other grants, donations and sponsorship		361	134
Total grant income		**5,579**	**6,127**

Grants recognised under AASB 1058

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

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

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

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

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

The Nature Parks received State Government funding through the Department of Energy, Environment and Climate Action of $8.0M 2023-2024, and $1.8M 2024-2025, for the construction of a non-financial asset. The funding was capital in nature and is deferred under AASB 1058. Income from the grant was recognised progressively as the asset was constructed, reflecting the Nature Parks' obligation to deliver the asset. Progress towards satisfaction of this obligation was measured based on project costs incurred relative to total expected project costs, as this method most closely reflected the extent of construction completed.

During 2025-26, $4.8 million was recognised as revenue, consistent with construction progress and project expenditure incurred during the year. The remaining grant funding continues to be recognised as deferred income and will be recognised as revenue as the related performance obligations are satisfied.

Grants recognised under AASB 15

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

or shortly after the relevant obligation is satisfied.

2.2.4 Assets and services received free of charge or for nominal consideration

Voluntary Services: Contributions in the form of services are only recognised when a fair value can be reliably determined and the services would have been purchased if not donated. The Nature Parks did not receive any volunteer services and does not depend on volunteers to deliver its services.

2.2.5 Other income

($ thousand)

	Notes	2026	2025
		$	$
Educations tours		32	28
Rental income		333	352
Miscellaneous income		472	(116)
Total other income		**837**	**264**

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

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

3 THE COST OF DELIVERING SERVICES

Introduction

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

Structure

3.1 Expenses incurred in delivery of services 78
3.2 Cost of Sales 80
3.3 Other operating expenses 80

3.1 Expenses incurred in delivery of services

($ thousand)

	Notes	*2026*	*2025*
Employee expenses	3.1.1	19,286	17,138
Cost of Sales	3.2	2,895	2,872
Other operating expenses	3.3	9,505	9,572
Total expenses incurred in delivery of services		**31,686**	**29,582**

3.1.1 Employee expenses in the comprehensive operating statement

($ thousand)

	2026	2025
	$	$
Salaries and wages	14,590	13,077
Payroll tax and Workcover	1,211	885
Superannuation[(a)]	2,054	1,705
Annual leave and long service leave	1,431	1,471
Total employee expenses	**19,286**	**17,138**

Notes:

(a) Defined contribution superannuation expenses and defined benefit superannuation expenses have been combined.

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

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

3.1.2 Employee-related Provisions

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

($ thousand)

	2026	2025
	$	$
Current provisions		
Annual leave		
Unconditional and expected to settle within 12 months	1,036	971
Long service leave		
Unconditional and expected to settle within 12 months	194	186
Unconditional and expected to settle after 12 months	933	888
Provisions for on costs		
Unconditional and expected to settle within 12 months	39	34
Unconditional and expected to settle after 12 months	189	164
Accrued wages	747	697
Total current provisions for employee benefits	**3,138**	**2,940**
Non-current provisions		
Employee benefits	302	242
On-costs	62	45
Total non-current provisions for employee benefits	**364**	**287**
Total provisions for employee benefits	**3,502**	**3,227**

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

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

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

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

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

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

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

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

Conditional LSL is disclosed as a non-current liability. There is a conditional right to defer the settlement of

the entitlement until the employee has completed the requisite years of service. This non-current LSL is measured at present value.

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

3.2 Coast of sales

($ thousand)

	2026	2025
	$	$
Cost of sales - Retail and souvenirs	2,895	2,872
Total cost of sales	**2,895**	**2,872**

Cost of sales: When inventories are sold, the carrying amounts of those inventories are recognised as an expense in the period in which the related income is recognised. Any reversal of a previous inventory write-down resulting from an increase in net realisable value is recognised as a reduction in inventory expense in the period in which the reversal occurs.

3.3 Other operating expenses

($ thousand)

	2026	2025
	$	$
Advertising	242	176
Bank Charges	407	375
Consultants & other advice	303	154
Contractors	4,882	5,045
Doubtful debt	(11)	24
Fringe benefits tax	45	47
Insurance (excluding motor vehicle)	181	168
Lease expense	18	18
Legal expenses	202	324
Materials and supplies	773	930
Motor vehicle expenses	179	184
Memberships, licences and commissions	1,118	835
Utilities	387	387
Training	226	250
Telephone and internet	139	182
Travel and entertainment	276	201
Miscellaneous expense	138	272
Total other operating expenses	**9,505**	**9,572**

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

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

4 KEY ASSETS TO SUPPORT SERVICE DELIVERY

Introduction

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

Structure

4.1 Property, plant and equipment 81
4.2 Intangible assets 86

4.1 Property, plant and equipment

($ thousand)

	Gross carrying amount 2026	Accumulated depreciation 2026	Net carrying amount 2026
	$	$	$
Land at fair value	86,768	-	86,768
Buildings at fair value	95,232	(32,805)	62,427
ROU Buildings at cost	1,403	(1,056)	347
Boardwalks at fair value	18,521	(5,660)	12,861
Car parks at fair value	4,320	(2,390)	1,930
Motor vehicles at fair value	1,552	(1,223)	329
Furniture and fittings at fair value	2,243	(2,184)	59
Plant and equipment at fair value	4,506	(3,807)	699
ROU Plant and equipment at cost	42	(37)	5
Computer hardware at fair value	1,944	(1,769)	175
ROU Motor Vehicles at cost	102	(1)	101
Leasehold improvements at fair value	961	(443)	518
Work in progress at cost	3,271	-	3,271
Net carrying amount	220,865	(51,375)	169,491

($ thousand)

	Gross carrying amount 2025	Accumulated depreciation 2025	Net carrying amount 2025
	$	$	$
Land at fair value	65,016	-	65,016
Buildings at fair value	99,452	(22,413)	77,039
ROU Buildings at cost	1,364	(893)	471
Boardwalks at fair value	8,953	(1,955)	6,998
Car parks at fair value	1,975	(870)	1,105
Motor vehicles at fair value	1,720	(1,189)	531
Furniture and fittings at fair value	2,199	(2,158)	41
Plant and equipment at fair value	4,297	(3,563)	734
ROU Plant and equipment at cost	42	(28)	14
Computer hardware at fair value	1,840	(1,582)	258
ROU Motor Vehicles at cost	-	-	
Leasehold improvements at fair value	961	(379)	582
Work in progress at cost	2,018	-	2,018
Net carrying amount	189,837	(35,031)	154,806

Items of property, plant and equipment 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. The cost of constructed non-financial physical assets includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

The following tables are right-of-use assets included in the PPE balance, presented by subsets of buildings, and plant and equipment.

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

($ thousand)

	Gross carrying amount 2026	Accumulated depreciation 2026	Net carrying amount 2026
	$	$	$
Buildings at cost	1,403	(1,056)	347
Plant and equipment at cost	42	(37)	5
Motor Vehicles at cost	102	(1)	101
Net carrying amount	1,547	(1,094)	453

	Gross carrying amount 2025	Accumulated depreciation 2025	Net carrying amount 2025
	$	$	$
Buildings at cost	1,364	(893)	471
Plant and equipment at cost	42	(28)	14
Motor Vehicles at cost	-	-	-
Net carrying amount	1,406	(921)	485

($ thousand)

	Buildings	Plant and Equipment	Motor Vehicles
	$	**$**	**$**
Opening balance - 1 July 2025	471	14	-
Additions	39	-	102
Disposals	-	-	-
Depreciation	(163)	(8)	(1)
Closing balance - 30 June 2026	347	6	101

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

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

Right-of-use asset – Subsequent measurement

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

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

remeasurements of the lease liability.

Fair value measurement of property, plant and equipment

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

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

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

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

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

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

Impairment of right-of-use assets

The Nature Parks has assessed all right-of-use assets for impairment, and no indicators of impairment are identified as at 30 June 2026.

Impairment of property, plant and equipment

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

4.1.2 Depreciation and amortisation

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

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

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

The estimated useful lives, residual values and depreciation methods are reviewed at the end of each annual reporting period and adjusted where appropriate. Following the valuation assessment completed by Valuer General Victoria (VGV) during the year, the useful life of the Boardwalk asset has been revised to 20 years, reflecting the durability and expected service life of its fibre-reinforced polymer (FRP) construction.

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

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

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

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

($ Thousand)

	Crown Land	Buildings	Boardwalks	Car parks	Motor vehicles	Furniture & fittings	Plant & equipment	Computer hardware	Leasehold improvements	Work in progress	Total property, plant & equipment
2026	$	$	$	$	$	$	$	$	$	$	$
Carrying amount as at 1 July 2025	65,016	77,509	6,998	1,105	531	41	748	258	582	2,018	**154,806**
Additions	-	-	-	-	102	44	227	104	-	6,426	**6,903**
Transfer from work in progress	-	226	4,947	-	-	-	-	-	-	(5,173)	**-**
Disposals	-	(16)	(35)	-	(11)	-	(3)	-	-		**(65)**
Revaluation[(a)]	21,752	(12,380)	1,877	917	-	-	-	-	-	-	**12,166**
Depreciation and amortisation expense	-	(2,566)	(927)	(91)	(191)	(26)	(268)	(187)	(64)	-	**(4,320)**
Carrying amount as at 30 June 2026	**86,768**	**62,773**	**12,860**	**1,931**	**431**	**59**	**704**	**175**	**518**	**3,271**	**169,491**

	Crown Land	Buildings	Boardwalks	Car parks	Motor vehicles	Furniture & fittings	Plant & equipment	Computer hardware	Leasehold improvements	Work in progress	Total property, plant & equipment
2025	$	$	$	$	$	$	$	$	$	$	$
Carrying amount as at 1 July 2024	65,016	77,456	1,496	1,196	651	61	685	279	646	3,382	**150,868**
Additions	-	-	-	-	67	40	350	184	-	6,520	**7,161**
Transfer from work in progress	-	1,866	6,018	-	-	-	-	-	-	(7,884)	**-**
Disposals	-	-	-	-	-	-	(1)	-	-		**(1)**
Revaluation	-	7,752	-	-	-	-	-	-	-	-	**7,752**
Depreciation and amortisation expense	-	(9,565)	(516)	(91)	(187)	(60)	(286)	(205)	(64)	-	**(10,974)**
Carrying amount as at 30 June 2025	**65,016**	**77,509**	**6,998**	**1,105**	**531**	**41**	**748**	**258**	**582**	**2,018**	**154,806**

Notes:

(a) During the year, Phillip Island Nature Parks obtained an updated independent valuation from Valuer-General Victoria for land and buildings held at fair value. The valuation incorporated market evidence, land rates, Community Service Obligation adjustments and other valuation inputs available at the reporting date. The valuation approach remained consistent with prior periods and was prepared in accordance with AASB 13 Fair Value Measurement. Management has assessed the resulting movement in valuation as a change in accounting estimate under AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors. The effect of the revised estimate has been recognised prospectively in the current reporting period and no prior period restatement has been made.

4.2 Intangible assets

($ thousand)

	2026	2025
Non-current	$	$
Software at cost	2,448	2,448
Less accumulated amortisation	(2,448)	(2,448)
Net book value at end of financial year	**-**	**-**

Initial recognition

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

Subsequent measurement

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

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

Impairment of intangible assets

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

5 OTHER ASSETS AND LIABILITIES

Introduction

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

Structure

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5.1 Other assets

5.1.1 Receivables

($ thousand)

	2026	2025
Contractual	$	$
Sale of goods and services	1,748	1,394
Allowance for impairment losses of contractual receivables	(40)	(51)
Other receivables	(2)	(2)
Total contractual receivables	**1,706**	**1,341**
Represented by		
Current receivables	**1,706**	**1,341**

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

5.2 Other liabilities

5.2.1 Payables

($ thousand)

	2026	2025
Contractual	$	$
Supplies and services	1,026	1,138
Accrued expenses	2,942	1,142
Total contractual payables	**3,968**	**2,280**
Statutory		
GST Payable	3	16
Total statutory payables	**3**	**16**
Represented by		
Current payables	**3,971**	**2,296**

Payables consist of:

- **Contractual payables**: Classified as financial instruments and measured at amortised cost. Accounts payable represent liabilities for goods and services provided to the Nature Parks prior to the end of the financial year that are unpaid

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

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

The following table discloses the maturity of contractual financial liabilities.

($ thousand)

			Maturity dates			
	Carrying amount	Nominal amount	Less than 1 month	1-3 months	3 months - 1 year	1-5 years
2026	$	$	$	$	$	$
Payables	3,968	3,968	3,946	22	-	
Total payables	**3,968**	**3,968**	**3,946**	**22**	**-**	**-**
2025	$	$	$	$	$	$
Payables	2,280	2,280	1,964	165	151	
Total payables	**2,280**	**2,280**	**1,964**	**165**	**151**	**-**

5.2.2 Contract liabilities

($ thousand)

	2026	2025
Contract Liabilities		
Opening balance	10,326	13,455
Add: Payments received for performance obiligations yet to be completed during the period	920	872
Add: Grant consideration for sufficiently specific performance obligations received during the year	715	2,603
Less: Revenue recognised in the reporting period for the completion of a performance obligation	(872)	(476)
Less: Grant Revenue recognised as per obligations met	(5,579)	(6,128)
Total contract liabilities	**5,510**	**10,326**
Represented by		
Current contract liabilities	**5,510**	**10,326**

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

5.3 Inventories

($ thousand)

	2026	2025
Current inventories	$	$
Inventories held for sale at cost		
Penguin Parade	664	734
Koala Conservation Reserve	88	94
Churchill Island	95	102
Total current inventories	**847**	**930**
Less provision for inventory obsolescence	(24)	(12)
Total inventories	**823**	**918**

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

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

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

5.4 Other provisions

($ thousand)

	2026	*2025*
Provision for Remediation	-	650
Total current provisions	-	650
Non current provisions		
Onerous contracts	-	-
Make good provision	-	-
Total non current provisions	-	-
Total other provisions	-	650

Other provisions are recognised when the Nature Parks has a present obligation, the 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.

Reconciliation of movements in other provisions

($ thousand)

	Provision for remediation	*Total 2026*
Opening balance	650	650
Additions including adjustments resulting from changes in discounted amount	-	-
Amounts charged against the provision		-
Used amounts reversed	(650)	(650)
Closing balance	**-**	**-**

When some or all of the economic benefits 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.

6 HOW WE FINANCED OUR OPERATIONS

Introduction

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

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

Structure

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6.1 Borrowings

($ thousand)

	2026	2025
Current borrowings	$	$
Lease liabilities [(a)]	219	180
Total current borrowings	219	180
Non current borrowings		
Lease liabilities	319	412
Total non current borrowings	319	412
Total borrowings	**538**	**592**

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

	2026	2025
Undiscounted future payments	$	$
Not later than one year	240	198
Between one and five years	341	428
More than five Years		-
Minimum Lease Payments	**581**	**626**
Less future finance charges	43	34
Total Lease liabilitites	**538**	**592**

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

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

Interest Expense

($ thousand)

	2026	2025
	$	$
Interest expense on lease liabilities	19	18
Total amount recognised in the statement of comprehensive statement	**19**	**18**

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

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

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

6.2 Leases

6.2.1 Right-of-use assets

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

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

6.2.2 Recognition and measurement of leases as a lessee

The following amounts are recognised in the Statement of Cashflows for the year ending 30 June 2026 relating to leases.

($ thousand)

	2026	2025
	$	$
Total cash outflow for leases	**215**	**188**

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

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

Lease liability – initial measurement

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

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

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

Lease liability – subsequent measurement

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

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

Presentation of right-of-use assets and lease liabilities

The Nature Parks presents right-of-use assets as 'property plant equipment' '(refer to note 4.1). Lease liabilities are presented as 'borrowings' in the balance sheet (refer to note 6.1).

6.3 Cash flow information and balances

Cash and deposits, including cash equivalents, comprise cash on hand and cash at bank. The Nature Parks bank accounts are held in the Central Banking System (CBS) under the Standing Directions 2018.

($ thousand)

	2026	2025
	$	$
Cash on hand	-	5
Cash at bank - trading account	9,638	7,871
Cash at bank - major project	7,669	10,050
Cash at bank - defined benefits contingency fund	1,054	1,013
Balance as per cash flow statement	**18,361**	**18,939**

Note:

(a) Cash and deposits bear variable interest rates with a weighted-average interest rate of 4.03% during 2025-26

6.4 Commitments for expenditure

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

6.4.1 Total commitments payable

($ thousand)

Nominal amounts 2026	Less than 1 year	1 - 5 years	5+ years	Total
	$	$	$	$
Capital expenditure commitments payable	5,272	840	-	6,112
Operating lease commitments payable[(a)]	-	-	-	-
Total commitments (inclusive of GST)	5,272	840	-	6,112
Less GST recoverable	479	76		555
Total commitments (exclusive of GST)	4,793	765	-	5,557

Nominal amounts 2025	Less than 1 year	1 - 5 years	5+ years	Total
	$	$	$	$
Capital expenditure commitments payable	3,085	-	-	3,085
Operating lease commitments payable(a)	-	-	-	-
Total commitments (inclusive of GST)	3,085	-	-	3,085
Less GST recoverable	280	-		280
Total commitments (exclusive of GST)	2,805	-	-	2,805

Note:

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

At 30 June 2026, the Nature Parks holds $4.2 million of deferred grant related to capital work. This amount has been contractually committed as disclosed in the 2026 commitment table above.

7 FINANCIAL INSTRUMENTS, CONTINGENCIES AND VALUATION JUDGEMENTS

Introduction

It is often necessary for the Nature Parks to make judgements and estimates associated with recognition and measurement of items in the financial statements. This section sets out financial instrument specific information, as well as those items that are contingent in nature or require a higher level of judgement to be applied, which for the Nature Parks related mainly to fair value determination.

Structure

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7.1 Financial instruments specific disclosures

Introduction

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

Categories of financial assets

Financial assets at amortised cost

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

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

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

The Nature Parks recognises the following assets in this category:

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

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired
- Nature Parks retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement
- Nature Parks has transferred its rights to receive cash flows from the asset and either:
- has transferred substantially all the risks and rewards of the asset
- has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

Where the Nature Parks has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of the Nature Parks continuing involvement in the asset.

Categories of financial liabilities

Financial liabilities at amortised cost

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

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

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised as an 'other economic flow' in the Comprehensive Operating Statement.

7.1.1 Financial instruments – Net gain/(loss) on financial instruments by category

($ thousand)

2026	Carrying amount	Net gain/(loss)	Total interest income/ (expense)	Fee income/ (expense)	Impairment loss
Financial assets at amortised cost					
Cash and deposits	18,361	43	751		
Trade receivables[(a)]	1,706				
Total financial assets at amortised cost	**20,067**	**43**	**751**		
Financial liabilities at amortised cost					
Trade payables[(a)]	3,971				
Borrowings	538		(19)		
Total contractual financial liabilities	**4,509**		**(19)**		

($ thousand)

2025	Carrying amount	Net gain/(loss)	Total interest income/ (expense)	Fee income/ (expense)	Impairment loss
Financial assets at amortised cost					
Cash and deposits	18,935	5	749		
Trade receivables[(a)]	1,341				
Total financial assets at amortised cost	**20,277**	**5**	**749**		
Financial liabilities at amortised cost					
Trade payables[(a)]	2,296				
Borrowings	592		(18)		
Total contractual financial liabilities	**2,888**		**(18)**		

Note:

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

7.2 Contingent assets and contingent liabilities

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

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

7.2.1 Contingent assets

Contingent assets are possible assets that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

These are classified as either quantifiable, where the potential economic benefit is known, or non-quantifiable. The Nature Parks did not have any contingent assets as at 30 June 2026 (30 June 2025: nil).

7.2.2 Contingent liabilities

Contingent liabilities are:

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

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

Non-quantifiable contingent liabilities

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

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

The Nature Parks is not aware of any material threatened or existing legal actions or other contingencies between the Nature Parks and third parties as at 30 June 2026 (2025:NIL).

7.3 Fair value determination

Significant judgement: Fair value measurements of assets and liabilities

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

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

Land, buildings, plant and equipment are carried at fair value.

Fair value hierarchy

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

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

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

The Valuer General Victoria (VGV) is the Nature Parks independent valuation agency. In conjunction with VGV, the Nature Parks monitors changes in the fair value of each asset and liability through relevant data sources to determine whether revaluation is required.

How this section is structured

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

- Valuation techniques
- Details of significant assumptions used in the fair value determination.

7.3.1 Fair value determination: Non-financial physical assets

Valuation techniques and significant assumptions of non-financial physical assets measured at fair value

The last scheduled full independent valuation of all Nature Parks non-financial physical assets was performed by VGV in 2021. During the year, Phillip Island Nature Parks obtained an updated independent valuation from Valuer-General Victoria for land and Buildings held at fair value. The valuation incorporated market evidence, land rates, Community Service Obligation adjustments and other valuation inputs available at the reporting date. The valuation approach remained consistent with prior periods and was prepared in accordance with *AASB 13 Fair Value Measurement*. Management has assessed the resulting movement in valuation as a change in accounting estimate under *AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors*. The effect of the revised estimate has been recognised prospectively in the current reporting period, and no prior period restatement has been made.

As a result of the updated valuation and the annual fair value assessment required under *Financial Reporting Direction (FRD) 103 Non-Financial Physical Assets,* revaluation adjustments of $21.8 million for land, $(12.4) million for buildings, and $2.8 million for boardwalks and car parks were recognised during the year as a change in accounting estimate under *AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors*.

For all assets measured at fair value, the Nature Parks considers the current use is the highest and best use.

Plant and equipment is held at fair value. When plant and equipment is specialised in use, such that it is rarely sold, fair value is determined using the current replacement cost method.

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

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

The CSO adjustment reflects the valuer's assessment of the impact of restrictions associated with an asset to the extent that is also equally applicable to market participants. This approach is in light of the highest and best use consideration required for fair value measurement and takes into account the use of the asset that is physically possible, legally permissible, and financially feasible.

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

Description of significant assumptions applied to fair value measurement.

2026 and 2025	*Valuation technique*	*Significant assumption*	*Range (weighted average)*
Specialised land	Market approach	Community service obligation (CSO) adjustment	50-70 per cent (60 per cent)
Specialised buildings	Current replacement cost	Useful life of specialised buildings	30-60 years (45 years)
Vehicles	Current replacement cost	Useful life of vehicles	3-5 years (3 years)
Plant and equipment	Current replacement cost	Useful life of plant and equipment	5-10 years (7 years)

8 OTHER DISCLOSURES

Introduction

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

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8.1 Ex gratia expenses

Ex gratia expenses are the voluntary payments of money or other non-monetary benefit (e.g. a write off) that are not made either to acquire goods, services or other benefits for the entity or to meet a legal liability, or to settle or resolve a possible legal liability of or claim against the entity. 2026: $0 ($2025: $0)

8.2 Reserves

	2026	2025
Physical asset revaluation surplus[(a)]	$	$
Balance at beginning of financial year	82,784	75,032
Revaluation increments/(decrements)	12,166	7,752
Balance at end of financial year	94,950	82,784
Net changes in reserves	12,166	7,752

Note:

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

8.3 Other economic flows included in net result

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

($ thousand)

	2026	*2025*
Net gain/(loss) on non financial assets		
Net gain/(loss) on disposal of property plant and equipment	43	5
Total net gain/(loss) on non financial assets	43	5
Total other economic flows included in net result	**43**	**5**

8.4 Responsible persons

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

Names

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

Minister for Environment	The Hon. Steve Dimopoulos MP	1 July 2025 to 15 April 2026
Minister for Environment	The Hon. Enver Erdogan MLC	15 April 2026 to 30 June 2026
Accountable Officer	Catherine Basterfield, Chief Executive Officer	1 July 2025 to 30 June 2026

Board Members

Michaela Salvato, Board Member	1 July 2025 to 30 June 2026
Michaela Salvato, Interim Board Chair	7 October 2025 to 7 December 2025
Dr Geoff Wescott, Board Member	1 July 2025 to 30 June 2026
Michelle Dickson, Board Member	1 July 2025 to 30 June 2026
Beverley Munro, Board Member	1 July 2025 to 30 June 2026
Fiona Mellor, Board Member	1 July 2025 to 30 June 2026
Yvonne Dickson, Board Member	1 July 2025 to 30 June 2026
Matthew McDonald, Board Chair	9 December 2025 to 30 June 2026
Kevin Love, Board Chair	1 July 2025 to 7 October 2025

Remuneration

Remuneration received or receivable by the Accountable Officer in connection with the management of the Nature Parks during the reporting period was in the range: $300,000–309,999 (2025: $290,000–299,999).

Remuneration of the Accountable Officer	2026	2025
$290,000 - $299,999		1
$300,000 - $309,999	1	

8.5 Remuneration of executives

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

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

($ thousand)

Remuneration of executives	2026	2025
	$	$
Total remunerations	837	847
Total number of executives	5	4
Total annualised employee equivalents[(a)]	4	4

Notes:

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

8.6 Related parties

Nature Parks is a wholly owned and controlled entity of the State of Victoria. Related parties of the Nature Parks include:

- all key management personnel and their close family members and personal business interests (controlled entities, joint ventures and entities they have significant influence over)

- all Cabinet Ministers and their close family members
- all departments and public sector entities that are controlled and consolidated into the whole of state consolidated financial statements.
- Penguin Foundation Limited

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

Significant transactions with government-related entities

The Nature Parks received funding from, and made payments to, government related entities of $298K received (2025: $2.5 million received) and $0.7K paid (2025: $0.1 million paid) respectively.

During the year, Nature Parks had the following government-related entity transactions:

The Nature Parks received;

- $24K Department of Jobs, Skills, Industry and Regions
- $249K Department of Energy, Environment and Climate Action
- $25K Melbourne Water

The Nature Parks paid;

- $0.7K Department of Energy, Environment and Climate Action representing work on a research project

Key management personnel (KMP) of the Nature Parks includes the Portfolio Minister for Environment, the Hon. Steve Dimopoulos MP, the Hon. Enver Erdogan MLC and members of the Board of Directors and Chief Executive Officer as detailed in section 8.4.

Remuneration of key management personnel

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

($ thousand)

Compensation of KMPs	2026	2025
	$	$
Total remunerations[(a)]	483	480

Note:

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

Transactions and balances with key management personnel and other related parties

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

Outside of normal citizen type transactions with the Nature Parks, there were no related party transactions that involved key management personnel, their close family members and their personal business interests.

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

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

8.7 Remuneration of auditors

($ thousand)

Remuneration of Auditors	2026	2025
	$	$
Victorian Auditor General's Office	29	26
Total remuneration of auditors	**29**	**26**

Note:

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

8.8 Subsequent events

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

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

The Phillip Island Nature Parks Board of Management notes the following events that have occurred since 30 June 2026:

- Subsequent to year end, H5N1 avian influenza was detected in Victoria, including detections on Phillip Island and within areas managed by Phillip Island Nature Parks. Management assessed the implications of these events for the Nature Parks and considered whether they gave rise to any material financial reporting impacts. At the date the financial statements were authorised for issue, no government-imposed restrictions, material obligations or other circumstances requiring adjustment to the financial statements had arisen. Accordingly, no adjustment has been recognised.

12. APPENDICIES

Disclosure index

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

LEGISLATION	REQUIREMENT	PAGE REFERENCE
Standing Directions and Financial Reporting Directions		
Report of operations		
Charter and purpose		
FRD 22	Manner of establishment and the relevant Ministers	39, 101
FRD 22	Purpose, functions, powers and duties	39
FRD 8	Departmental objectives, indicators and outputs	13-39
FRD 22	Key initiatives and projects	13-29
FRD 22	Nature and range of services provided	4-7
Management and structure		
FRD 22	Organisational structure	35
Financial and other information		
FRD 8	Performance against output performance measures	10-12
FRD 8	Budget portfolio outcomes	8-9
FRD 10	Disclosure index	105
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FRD 15	Executive disclosures	101
FRD 22	Employment and conduct principles	37
FRD 22	Occupational health and safety policy	41-43
FRD 22	Summary of the financial results for the year	10-12
FRD 22	Significant changes in financial position during the year	11
FRD 22	Major changes or factors affecting performance	10
FRD 22	Subsequent events	103
FRD 22	Application and operation of Freedom of Information Act 1982	52
FRD 22	Compliance with building and maintenance provisions of Building Act 1993	53
FRD 22	Statement on National Competition Policy	53
FRD 22	Application and operation of the Public Interest Disclosures Act 2012	54
FRD 22	Details of consultancies over $10 000	50
FRD 22	Details of consultancies under $10 000	51
FRD 22	Disclosure of government advertising expenditure	50
FRD 22	Disclosure of ICT expenditure	51
FRD 22	Reviews and studies expenditure	51
FRD 22	Statement of availability of other information	62

LEGISLATION	REQUIREMENT	PAGE REFERENCE
Standing Directions and Financial Reporting Directions		
FRD 22	Disclosure of emergency procurement	56
FRD 22	Disclosure of social procurement activities under the Social Procurement Framework	56
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FRD 24	Reporting of environmental data	57
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SD 5.2.3	Declaration in report of operations	9
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SD 5.2.1(a)	Compliance with Standing Directions	50,65
SD 5.2.1(b)	Compliance with Model Financial Report	72
Other disclosures as required by FRDs in notes to the financial statements [(a)(b)]		
FRD 9	Departmental Disclosure of Administered Assets and Liabilities by Activity	87
FRD 11	Disclosure of Ex gratia Expenses	100
FRD 13	Disclosure of Parliamentary Appropriations	102
FRD 21	Disclosures of Responsible Persons, Executive Officers and other Personnel (Contractors with Significant Management Responsibilities) in the Financial Report	100
FRD 103	Non-Financial Physical Assets	81
FRD 110	Cash Flow Statements	70
FRD 112	Defined Benefit Superannuation Obligations	78
FRD 114	Financial Instruments – general government entities and public non-financial corporations	94
Legislation		
Freedom of Information Act 1982 (Vic) (FOI Act)		52
Building Act 1993		53
Public Interest Disclosures Act 2012		54
Disability Act 2006		55
Local Jobs Act 2003		50
Financial Management Act 1994 [(b)]		50

Notes:
References to FRDs have been removed from the Disclosure Index if the specific FRDs do not contain requirements that are in the nature of disclosure.
Refer to the Model financial statements section (Part two) for further details.

Thank you

Our achievements are made possible and amplified with the ongoing support from our community, partners, collaborating organisations and major supporters. We are indebted to our many volunteers who dedicate their time and efforts. We would like to extend a special thank you to the following organisations and groups for their exceptional support in 2025–2026.

OUR COMMUNITY	OUR PARTNERS
Barb Martin Bushbank Nursery	Bass Coast Reconciliation Network
Barrithbarrith Gathering Place Steering Committee	Bass Coast Shire Council
Bass Coast Health	Bass Coast South Gippsland Reconciliation Group
BirdLife Bass Coast	Bunurong Land Council Aboriginal Corporation
Friends of Churchill Island Society Inc.	Country Fire Authority (CFA)
Local landholders	Cowes Veterinary Clinic
Local schools	Department of Transport and Planning
National Trust (Bass Coast Branch)	Destination Gippsland
Phillip Island and District Historical Society	Destination Phillip Island
Phillip Island Bass Coast Dog Owners Association	Gippsland Veterinary Group
Phillip Island Business Network	Melbourne Water
Phillip Island Boardriders Club	Odonata Foundation
Phillip Island Land Alliance	State Emergency Services (Cowes)
Phillip Island National Surfing Reserve Community Working Group	Tourism Australia
Phillip Island Progress Association	Victorian Tourism Industry Council
Preserve Westernport Action Group	Visit Victoria
Smith's Beachcombers Association	Western Port Biosphere Reserve
Wildlife foster carers and shelter operators	Westernport Water
Woolamai Beach Surf Life Saving Club	Wildlife Coast Cruises
	Wildlife Victoria

OUR COLLABORATING ORGANISATIONS	
Australian Academy of Science	Office of the Threatened Species Commissioner
Australian Antarctic Division	Parks Victoria
Australian Geographic	Pinniped Entanglement Group
Australasian Seabird Group	Port Phillip and Western Port Catchment Management Authority
BirdLife Australia	Victorian Ornithological Research Group Inc.
Centre d'Etudes Biologiques de Chizé (France)	Reconciliation Australia
CESAR	Regional Roads Victoria
Chisholm Institute	RMIT University
Conservation Planning Specialist Group (CPSG) Australasia	RF McLaughlin
CSIRO	RSPCA
Deakin University	Royal Botanic Gardens
Ecological Horizons	Sheppard Associates
Ecotourism Australia	South Australian Research and Development Institute
Estacion Ecologica de Doñana (Spain)	South East Trawl Fishing Industry Association
Federation University	Surfing Victoria
Flinders University	Sustainability Victoria
French National Centre for Scientific Research (CNRS)	Swedish University of Agricultural Sciences
Greening Australia	Telematics Trust
Heritage Victoria	The Andrews Foundation
Institut Pluridisciplinaire Hubert Curien (France)	The University of Melbourne
Institut de Ciencias del Mar (Spain)	Tiverton Rothwell Partnering
Juro Pty Ltd	Trust for Nature
IUCN Penguin Specialist Group	Tourism Australia
La Trobe University	Universidad de Barcelona (Spain)
Kids Teaching Kids Program	Université de Strasbourg (France)
Melbourne Water	University of Adelaide
Macquarie University	University of Otago
Marie Curie Award, European Union	University of Paris Sud (France)
Melbourne Convention Bureau	University of Queensland
Monash University	University of Sydney
Moonlit Sanctuary	University of Tasmania
Museum Victoria	University of Western Australia

OUR COLLABORATING ORGANISATIONS	
National Trust of Australia (Victoria)	Victoria University
National Centre for Coasts and Climate	WWF Australia
Netherlands Institute of Ecology	Zoos Victoria
Network for Ecological Research on Artificial Light (NERAL)	

MAJOR SUPPORTERS
Department of Energy, Environment and Climate Action
Department of Jobs, Skills, Industry and Regions
Penguin Foundation
Visit Victoria



ACCREDITATION

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

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

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

ECO CERTIFIED advanced ecotourism

ROC RESPECTING OUR CULTURE certified

Phillip Island NATURE PARKS

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