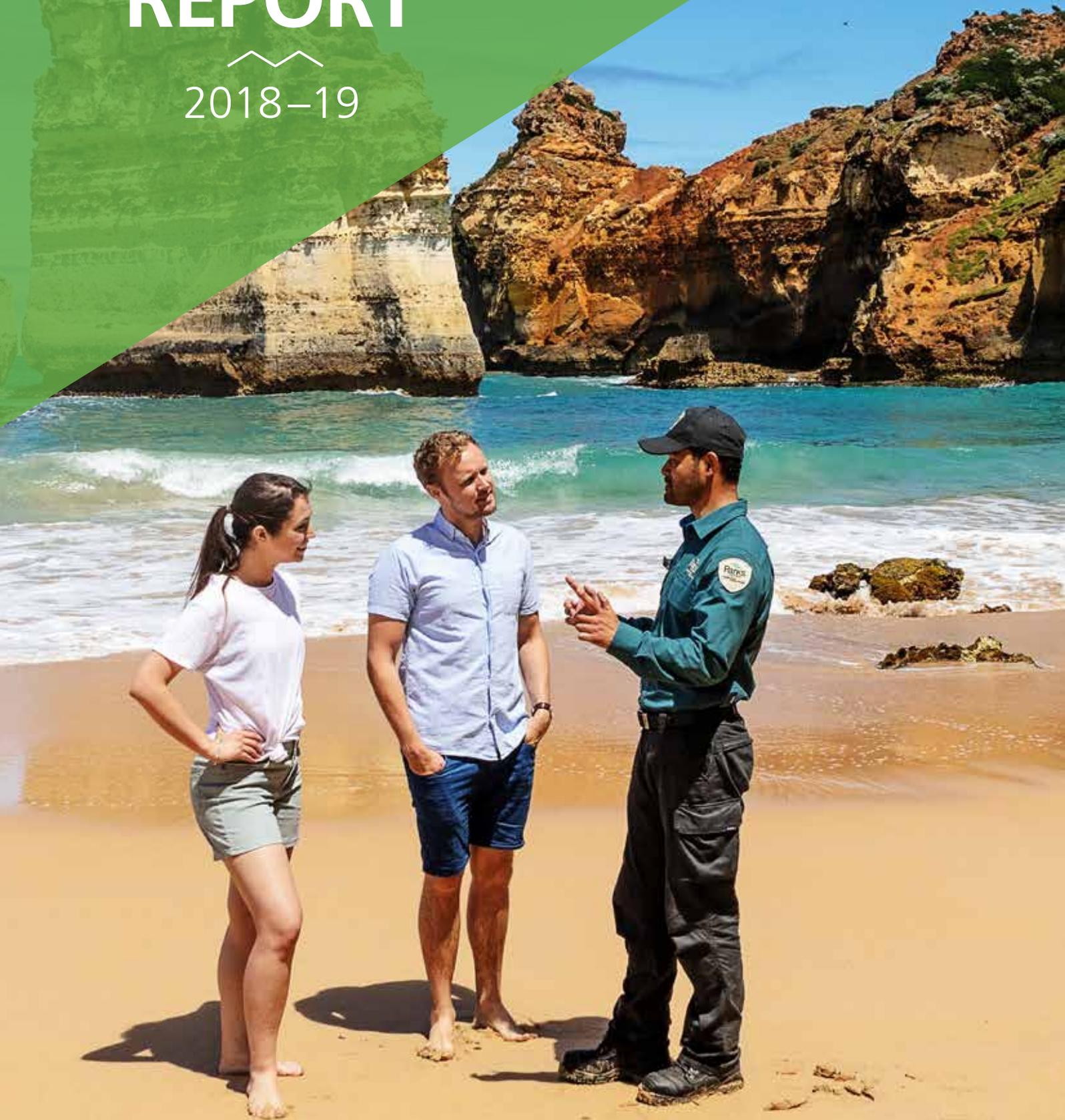


ANNUAL REPORT

2018-19





Copyright © State of Victoria, Parks Victoria 2019
Level 10, 535 Bourke Street, Melbourne VIC 3000
ISSN 1448 – 9082
ISSN 1448 – 9090 (online)
Published on www.parks.vic.gov.au

Acknowledgement of Country

Aboriginal people, through their rich culture, have been connected to the land and sea, for tens of thousands of years. Parks Victoria respectfully acknowledges Aboriginal Traditional Owners, their cultures, knowledge and their continuing connection to and cultural obligation to care for their Country.

This publication may be of assistance to you but Parks Victoria and its employees do not guarantee that the publication is without flaw of any kind or is wholly appropriate for your particular purposes and therefore disclaims all liability for any error, loss or other consequence which may arise from you relying on any information in this publication.

Cover image 📍 Bay of Islands Coastal Park

Inside cover image 📍 Plains Wanderer, Terrick Terrick National Park

Contents

Chair's Overview	ii
Chief Executive Officer's Overview	iii
About Parks Victoria	1
Our Achievements	5
Conserving Victoria's Special Places	7
Connecting People and Parks	11
Providing Benefits Beyond Park Boundaries	17
Enhancing Organisational Excellence	21
Disclosure Index	26
Governance and Organisational Structure	28
Workforce Data	34
Other Disclosures	36
Financial Report for the year ended June 2019	43

Chair's Overview

In accordance with the *Financial Management Act 1994*, I am pleased to present Parks Victoria's Annual Report for the 2018–19 financial year.

This year saw some significant reforms introduced to support our organisation in discharging its responsibilities to the Government and the Victorian community.

During 2018, the Victorian Government introduced the Parks Victoria Bill 2018 into the Parliament, which was passed with bipartisan support, and became law: the *Parks Victoria Act 2018* (the Act). The new Act provides Parks Victoria with clear Objects and Functions, supported by a Ministerial Statement of Obligations – which outlines the organisation's key priorities and areas of focus. The Act has also provided for a significant streamlining and strengthening of Parks Victoria's operational powers.

In the 2018–19 State Budget the Victorian Government provided ongoing enhanced funding support to Parks Victoria. This is a significant outcome that has provided key support for core operations; particularly in the regions.

Key areas of focus and achievement in 2018–19 included:

- further enhancement of our engagement with Traditional Owners
- significantly improved delivery of capital works and major projects
- further development of the organisation's culture to support effective service delivery and good community engagement
- completion of a number of key park and conservation plans
- delivery of broad-scale pest control programs in vulnerable areas of the parks estate.

The year has not been without its challenges.

2019 brought one of the most active fire seasons Victoria has seen in the decade following Black Saturday. The Board extends its sympathies to all Victorians who were impacted by bushfires, and we extend our thanks and admiration to our staff for the role they play as emergency management professionals.

The year has also highlighted the important role Parks Victoria plays in protecting the heritage of Aboriginal Peoples within the parks estate and supporting their ongoing connection to their traditional lands.

The Board is also committed to working with tourism operators, key park users groups and the community to ensure that the sustainable use of our parks continues.

I would like to thank my Board colleagues for their hard work and wise counsel, our CEO Matthew Jackson and all of our wonderful staff for their commitment and hard work over the year. I also wish to acknowledge the Secretary and staff at the Department of Environment, Land, Water and Planning for their invaluable support. Our close partnership is critical for the good management of Victoria's public lands.

With a strengthened Act and funding, the coming year is one of focus and delivery, with a particular emphasis on good community engagement, our partnerships with Traditional Owners, and sustainable environmental outcomes for both the parks estate and Parks Victoria as an organisation.



Jeff Floyd
Chair

Chief Executive Officer's Overview

It gives me great pleasure to present an overview of Parks Victoria's service delivery, key achievements and challenges in 2018–19. These included:

- Delivering over 80 per cent of our projected capital program – a significant improvement on previous years despite managing a significant fire response season. This included projects such as Badger Weir, Grampians Peaks Trail, Shipwreck Coast Stage 1 and Kerferd, Seaford and Mornington Pier upgrades
- Delivering broad-scale pest control programs across the state, including aerial deer control in the Alpine National Park, contributing to our largest recorded area of pest control in a single year
- Working in partnership with Traditional Owners Gunaikurnai and Dja Dja Wurrung people to deliver Victoria's first Joint Management Plans for areas of the Victorian parks estate
- Delivering biodiversity management programs as part of the Victorian Government's Biodiversity 2037 Strategy
- Developing a new approach to park management standards, ensuring our parks are open, safe and clean
- Discussions with the wider Victorian community regarding maintaining access to the parks estate whilst ensuring the protection of natural and cultural heritage values
- Managing the continuous growth in visitation across the parks estate
- Discussions with the wider Victorian community regarding the management of pest animals whilst ensuring the protection of natural and cultural heritage values.

We have also been focused on improving ourselves and our performance as an organisation. The Executive Management Team and I have led our people as we have delivered:

- A culture reform program including face-to-face staff engagement with 1,200 staff across the organisation
- Improved financial and procurement discipline
- Improved project management and service delivery
- Leadership development programs.

Having a culture of organisational excellence is a minimum expectation that the community rightly has, and which we will always strive to achieve, and ensure that Parks Victoria is a great place to work.

Our ongoing commitment to our Safety First Zero Injuries program and ensuring the safety of our people again has been first and foremost in our mind as we

deliver services. I am pleased to report that, in 2018–19, we achieved a further reduction in the frequency of workplace safety incidents.

I would like to acknowledge the professionalism and dedication of our whole organisation, which was on display during the 2018–19 fire season with up to 450 staff involved daily in fire responsibilities, in partnership with Forest Fire Management Victoria. This fire season was the largest I have experienced as Chief Executive Officer – with our staff often involved in the direct protection of life and property in addition to protection of environmental and cultural heritage values.

Touring post fire-grounds in Holy Plains and Bunyip State Parks was a stark reminder of the power of nature. This year also saw the commemoration of ten years from Black Saturday. This was a significant milestone for our staff and Victorians to remember the devastation of the 2009 fire season. This ability to contribute to emergency management, while delivering our core park management services to the community, is one we as a team all take pride in.

I look forward to continuing to work with our people, our key partners within government, the community and Traditional Owners to achieve great things for our parks in 2019–20.



Matthew Jackson
Chief Executive Officer

About Parks Victoria

Who we are

Parks Victoria commenced operations on 12 December 1996 and was established as a statutory authority under the *Parks Victoria Act 1998*, to manage Victoria's diverse parks system. Re-established under the *Parks Victoria Act 2018*, with clear objectives and functions, we now act as a strengthened park management agency for the community and the environment. We care for 18 per cent of Victoria's landmass (4.1 million hectares).

We manage this estate in partnership with Traditional Owners, government and non-government organisations, park neighbours, friends' groups and the broader community.

Our Ministers

The responsible minister from 1 July 2018 to 30 June 2019 was the Honourable Lily D'Ambrosio MP, Minister for Energy, Environment and Climate Change. Parks Victoria is also accountable to the Honourable Melissa Horne MP, Minister for Ports and Freight.

What we manage

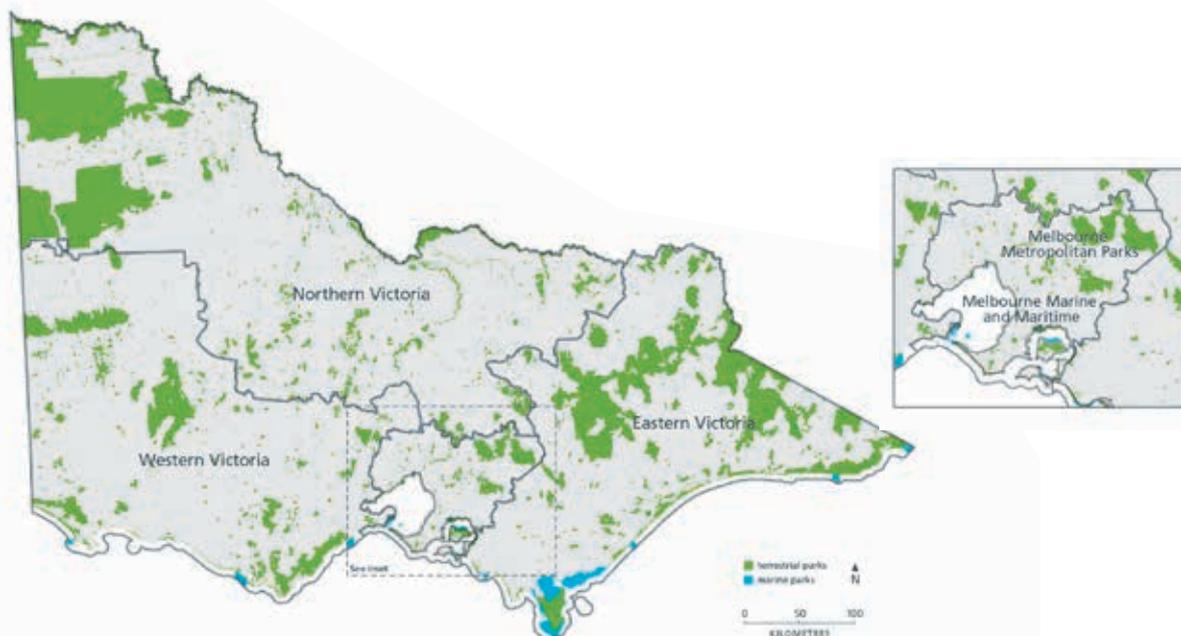
The network of parks that we manage includes national and state parks, marine parks and sanctuaries, wilderness areas, regional and metropolitan parks. Within the estate there are thousands of Aboriginal and post-European cultural and heritage sites, a range of historic gardens, several local ports and major rivers, many piers, and around 70 per cent of Victoria's coastline.

Parks Victoria is also the Local Port Manager for Port Phillip Bay, Western Port and Port Campbell, and the Waterway Manager for the Yarra and Maribyrnong rivers.

Administrative Boundaries

Parks Victoria manages land and facilitates on-water recreation across five regions:

- Melbourne Metropolitan Parks
- Melbourne Marine and Maritime
- Northern Victoria
- Western Victoria
- Eastern Victoria



Our Vision

Parks Victoria is a world-class park service ensuring healthy parks for healthy people.

Our Purpose

At Parks Victoria, we inspire the community to conserve and enjoy Victoria's unique natural and cultural heritage. Together, we care for Country and promote the value of our parks and waterways for the benefit of all Victorians and their visitors.

Healthy Parks Healthy People

Healthy Parks Healthy People is the very foundation of how we manage parks and gives us the opportunity to improve the health of both our parks and communities.

Healthy Parks Healthy People aims to unlock the power of nature and parks for their preventative and restorative health and wellbeing benefits, while conserving biodiversity.

Healthy Parks Healthy People has become a worldwide movement that recognises the fundamental connections between human health and environmental health.

Strategic Plan – Shaping our Future

Parks Victoria's Strategic Plan 'Shaping our Future' is made up of three service delivery themes that focus on what we will deliver to the community and government, and a fourth theme describing how we will deliver these services as an organisation. The organisation's Corporate and Business Plans are focused on delivering the key outcomes in each of these areas.



Parks Victoria Act

The *Parks Victoria Act 2018* (the Act) came into effect on 12 September 2018 and established our organisation as an authority which:

- represents the Crown
- reports directly to the Minister for Energy, Environment and Climate Change
- has clear powers and accountabilities.

The key governance and planning elements under this new Act are:

- The Minister may give directions to Parks Victoria
- A 'Statement of Obligations' from the Minister which sets out Parks Victoria's obligations

- a 'Land Management Strategy' which 'sets out the general long-term directions, strategies and priorities for the protection, management and use' of land managed by Parks Victoria.

Parks Victoria's objects and functions are defined in section 7 and 8 of the Act. Parks Victoria must have regard to its objects when performing its functions, exercising its powers and carrying out its duties.

The Minister provided Parks Victoria with a Statement of Obligations on 27 October 2018. The Land Management Strategy is under development and is due to be completed by mid-2020.

Our Ethical Framework

Parks Victoria's Ethical Framework includes eight commitments and 11 guiding principles that are core to Parks Victoria, underpinning our vision, strategy and culture.

Victorian Public Sector Values

Responsiveness

Integrity

Impartiality

Accountability

Respect

Leadership

Human Rights

Our Commitments

As stewards of Victoria's parks, we will:

- 1. Put safety first**
We prioritise safety, acting consciously every day to keep ourselves and our teams safe
- 2. Provide excellent customer service**
We actively listen to, consult with and respond to our customers
- 3. Collaborate**
We work cooperatively towards achieving the organisation's goals
- 4. Lead innovation**
We think creatively, share knowledge, and remain open to new ways of thinking and operating
- 5. Be accountable**
We take responsibility for the results of our decisions, actions and behaviours
- 6. Act with integrity**
We are open, honest and ethical and treat all people with respect
- 7. Lead environmental and heritage management**
We are responsible managers of our environment and heritage
- 8. Earn the community's trust**
We manage our resources to benefit the community.

Our Guiding Principles

- We do not accept harm occurring to ourselves and the people we work with so we look out for each other, both physically and mentally
- We facilitate appropriate access to parks
- We help each other to progress the work of Parks Victoria
- We are constantly trying to improve how we do things. We are careful to make decisions based on best evidence and experience
- We act humanely and ethically in our treatment of animals
- We take the necessary decisions and actions to actively manage a healthy ecosystem
- We support and encourage those who call out behaviours and actions that contravene our ethical framework
- We respect each other and keep our workplaces free from discrimination, harassment and bullying
- We respect Traditional Owners as partners in the management of Country
- We strive for 100 per cent compliance with environmental and heritage regulations and disclose all breaches
- We depend on community trust; we spend money on behalf of the community and other funders and will carefully manage our time and resources

Our Planning Framework

Our planning framework was further developed in 2018–19 to address legislative requirements and the Victorian Government Performance Management Framework.

GUIDANCE



SUPPORTING FRAMEWORKS



Our Achievements

The year in review

CONSERVING VICTORIA'S SPECIAL PLACES

Page 7

Increase the resilience of natural and cultural assets in parks and maintain ecosystem services in the face of climate change and other stressors

Strategic directions

1. **Improve our approach using contemporary science to manage priority natural and cultural assets in parks**
2. **Conserve and restore ecological processes in priority locations**
3. **Develop and foster partnerships with Traditional Owners to effectively implement Traditional Owner Settlement outcomes, including joint management**
4. **Promote enjoyment and understanding of our natural and cultural heritage, and conserve and manage important sites with the community**

2018–19 highlights

- Wilsons Promontory Marine National Park won Platinum award through the Global Ocean Refuge project
- Barmah National Park Strategic Action Plan released for public consultation
- Delivered Safer Together fire ecology research projects
- Supported the Dhelkunya Dja and Gunaikurnai Traditional Owner Land Management Boards in their development of Victoria's first joint management plans
- Identified and recorded more than 400 new places or other values which were added to the Victorian Aboriginal Heritage Register, working with Traditional Owners
- Developed an Aboriginal Cultural Heritage Plan to protect and conserve Aboriginal cultural heritage
- Completed restoration works to Werribee Park Glasshouse, Days Mill and Coolart Homestead
- Completed stage two of the deer aerial shooting trial at Alpine National Park to assess effective and efficient control methods and to preserve sensitive vegetation
- Completed Conservation Action Plans for the Wimmera and Grampians landscapes
- Wildlife surveys in Yarrara and Mallanbool Flora and Fauna Reserves found 10 new birds, three new mammals and five new reptiles in the reserves
- Fauna Survey at Terrick Terrick National Park recorded 10 new birds, three new mammals and five new reptiles and detected 32 critically endangered Plains-wanderers

CONNECTING PEOPLE AND PARKS

Page 11

Improve the health and wellbeing of Victorians through the management of a parks estate that is valued by the community

Strategic directions

1. **Strive to keep parks safe, open, clean and maintained**
2. **Provide and maintain quality infrastructure to support visitation**
3. **Attract and connect with visitors in meaningful ways**
4. **Provide modern and engaging ways to enhance individuals experience while in parks**

2018–19 highlights

- Glamping (glamorous camping) trial hosted 444 guests who provided over 96 per cent positive feedback on their experience at Lake Eildon and Mount Buffalo national parks
- Invested in innovative design technologies to help people of all abilities experience nature
- Delivered a training day for the Access All Terrain program that gives people with disabilities the opportunity to experience camping in partnership with YMCA Victoria
- Completed 60km of track upgrades on the Grampians Peaks Trail
- Delivered 888 Junior Ranger program activities in 104 parks, engaging 10,203 children and 6,310 adults
- Commemorated the tenth anniversary of the 2009 Black Saturday bushfires by reopening a walking track at Kinglake National Park
- Received the highest recorded level of volunteer contributions, with 22,000 attendees providing \$11.8 million worth of in-kind contribution
- Launched new commercial opportunities including three expressions of interest, 11 licenses for Yarra River berthing sites and three new leases
- Badger Weir Picnic Area in Yarra Ranges National Park reopened with upgraded visitor facilities
- Appointed as an official partner of the Australian Heritage Festival and hosted 67 additional events at 14 heritage places, attracting 2,400 visitors

PROVIDING BENEFITS BEYOND PARK BOUNDARIES

Contribute to the safety, living standards and wellbeing of Victorians

Page 17

Strategic directions

1. Assist in keeping Victorians safe
2. Grow world-class nature-based visitor economy opportunities in parks
3. Actively promote and market the value of park ecosystems services and deliver programs that contribute to productive, healthy and prosperous communities

2018–19 highlights

- Parks Victoria had 741 staff accredited and responded to emergencies including 2,072 bushfires as part of Forest Fire Management Victoria. This included major fires such as those in Bunyip, Rosedale, Hepburn, and many fires in the Alpine landscape in Eastern Victoria
- Developed a new Memorandum of Understanding for Emergency Management with Department of Environment, Land, Water and Planning (DELWP) that outlines respective roles and responsibilities in fire and other emergencies
- Continued to participate in delivery of Safer Together program in partnership with DELWP, the Country Fire Authority (CFA) and State Emergency Service (SES)
- Upgraded the surface and condition of Defence Road at Point Nepean National Park, and introduced new safety measures to improve the visitor experience through the Point Nepean Master Plan
- Launched a new open-air electric vehicle tour of the Dandenong Ranges Botanic Gardens to enable people of all ages and abilities to enjoy the gardens
- Published Albert Park Master Plan, released Plenty Gorge Master Plan, developed Belfast Coastal Reserve Management Plan and commenced implementation of the Point Nepean Master Plan

ENHANCING ORGANISATIONAL EXCELLENCE

Our Strategic Imperatives

Page 21

Strategic directions

1. Focus on improving safety, culture and people
2. Move to a more effective operational model
3. Grow our organisational capacity and capability
4. Build our brand and identity

2018–19 highlights

- Developed risk treatment plans for 22 newly identified high-consequence health, safety and environmental risks
- Delivered over 200 health, safety and environment inductions
- Released a Chemical Management and Dangerous Goods Strategy
- Developed an Aboriginal Employment and Wellbeing Strategy and implemented cultural awareness training
- Rolled out new e-learning modules for employees on workplace gender equality, cultural competence and LGBTI awareness and inclusion
- Secured the first official Principal Partnership in support of the Junior Rangers education program with Macpac Wilderness Equipment
- Achieved gold awards at the Victorian Tourism Awards for accessibility initiatives and Parks Victoria's volunteer programs
- Awarded the Best Use of Technology Award at the Parks and Leisure Australia 2019 Regional Awards of Excellence, and won the Innovation category at the 2019 Volunteering Victoria State Awards
- Won the Cross-Cultural Management award from the Australian Institute of Human Resources

Conserving Victoria's Special Places

Increasing the resilience of natural and cultural assets in parks and maintain ecosystem services in the face of climate change and other stressors

Improve our approach using contemporary science to manage priority natural and cultural assets in parks

Evidence-based decision making with effective monitoring and community empowerment

The statewide science monitoring and management effectiveness program highlights include:

- Initiated new projects through the Research Partners Panel, such as remote sensing and mapping of marine national parks and measuring the condition and recovery of alpine habitats
- Upgraded the Environmental Information System that captures on-ground environmental management activities
- Completed divisional environmental data audit and improved data quality, accessibility and sharing
- Delivered thermal imaging projects and hosted a national forum on innovation and new developments in infrared remote sensing technology
- Facilitated citizen science marine, grassland and woodland programs that informed park management decisions
- Surveyed grasslands at Terrick Terrick National Park finding evidence of breeding by Plains-wanderers
- Added ten new birds, three new mammals, and five new reptiles to the list of species found in Yarrara and Mallanbool Flora and Fauna Reserves in September 2018.

Biodiversity protection for Wilsons Promontory Marine National Park

Wilsons Promontory Marine National Park has been recognised as one of six sites in the world and the first in Australia to receive a Platinum award in the Global Ocean Refuge System (GLORES). This acknowledges Wilsons Promontory Marine National Park as one of the world's best marine protected areas.

The award recognises nearly 20 years of Parks Victoria working with over 30 partner organisations. This collaborative effort means the marine national park now meets the highest science-based standards for biodiversity protection and best practices for management and enforcement, making an outstanding contribution to saving marine life for future generations.

Conserve and restore ecological processes in priority locations

Managing threats to Ramsar Wetlands

A major achievement of Parks Victoria's Ramsar site management has been the development of the draft *Strategic Action Plan for the Protection of Floodplain Marshes in Barmah National Park and Barmah Forest Ramsar Site 2019–2023*, released for public comment in April 2019. This was developed in response to the declining condition and extent of the floodplain marshes at the Barmah Ramsar site, and identifies a range of actions to reduce further threats to this wetland type.

Sustainable hunting program

Parks Victoria has partnered with the Australian Deer Association and the Sporting Shooters' Association of Australia to ensure skilled and accredited volunteer expertise is used for on-ground delivery of the program.

In 2018–19, Parks Victoria installed new site identification and regulatory signage at 130 State Game Reserves as part of the Sustainable Hunting Action Plan. The signs included the 'RESPECT' campaign logo that has been adopted by hunting organisations, government agencies and private industry as a sign of Parks Victoria's commitment to promoting responsible hunting.

New entry points were constructed to improve access to seven State Game Reserves that either had undefined access or were otherwise fenced off.

Conservation programs delivered through Biodiversity 2037 funding

In 2018, Parks Victoria received \$10.3 million over three years to lead delivery of 22 priority landscape scale conservation programs across the state. Parks Victoria also received funding to support 12 additional Biodiversity Response Plan projects on the parks estate led by other agencies, with five more projects being fully delivered by other agencies. On-ground works commenced in 2018–19. The funding has strengthened Parks Victoria's environmental programs in 2018–19 including:

- Reducing the impacts of goats and deer in the Grampians National Park
- Control of Sambar deer, foxes and feral cats at Wilsons Promontory National Park
- Protecting and enhancing the semi-arid woodlands of Taparoo in north-west Murray Sunset National Park with year one focussing on goats and weeds.

Improving Sallow Wattle removal

As part of the Victorian Government's Biodiversity 2037 initiative, an adaptive experimental monitoring program was delivered to examine the effectiveness of brush cutting, manual removal, mulching and use of herbicides to control Sallow Wattle, which is an overabundant native weed. Mulching was found to be the most efficient and cost effective. Science, research and monitoring helped measure results and will inform future decision-making.

Invasive species management – feral pigs

A new program on Lindsay Island, part of Murray-Sunset National Park, has been established to tackle feral pigs using remotely operated gates on traps.

The pigs destroy native vegetation by digging up large areas to look for food. They can also carry and transfer diseases.

The traps are cages set with bait and equipped with cameras to monitor movement. Rangers can see when a pig has entered the cage and then close the gate using a code on their phone. The new technology has meant that rangers can more efficiently manage the traps without travelling long distances to check them. This program has been funded through Biodiversity 2037.

Conservation Action Plans to guide investment

Parks Victoria is continuing to roll out Conservation Action Plans to guide investment in environmental conservation. These plans are designed to enable monitoring of landscape health, define conservation outcomes and prioritise on-ground strategies and actions.

Parks Victoria published Conservation Action Plans for the Wimmera landscape in September 2018 and Grampians landscape in February 2019. The plan for the Mallee landscape has been completed, and the River Red Gum, Gippsland Plains and Strzeleckis, Western Plains and Wetlands, and Great Otways plans are in development.

Protection of sensitive alpine habitats

In 2019 Parks Victoria completed stage two of its aerial shooting program targeting deer to conserve unique vegetation with high conservation value by reducing deer numbers in isolated parts of the Alpine National Park.

The program forms part of the comprehensive deer control trial that Parks Victoria commenced in 2015, which has involved on-ground operations utilising both contractors and volunteer shooters from the Australian Deer Association and the Sporting Shooters Association of Australia.

Aerial shooting proved to be the most efficient, cost effective, safe, and humane method of managing deer. More than 130 deer were shot in just over 18 hours of aerial shooting time. This adds to the 119 deer that were shot in the first stage of the trial, equating to a deer approximately every eight minutes over the course of the trial.





Develop and foster partnerships with Traditional Owners to effectively implement Traditional Owner Settlement outcomes, including joint management

In 2018–19, Parks Victoria worked closely with Traditional Owner boards and corporations across the state on settlement outcomes and joint management including:

- Supporting the Dhelkunya Dja and Gunaikurnai Traditional Owner Land Management Boards in their development of Victoria's first joint management plans
- Jointly managing nine parks and reserves under Aboriginal Title in partnership with Gunaikurnai Land and Waters Aboriginal Corporation
- Supporting the review of the Dja Dja Wurrung Recognition and Settlement Agreement, and the establishment of revised joint management governance arrangements
- Working with Taungurung Land and Waters Council to establish an effective delivery partnership for the Taungurung Recognition and Settlement Agreement, and defining joint management arrangements.

Promote enjoyment and understanding of our natural and cultural heritage, and conserve and manage important sites with the community

Protecting Aboriginal Cultural heritage

In 2018–19, Parks Victoria drafted an Aboriginal Cultural Heritage Plan to clarify the organisation's objectives for protecting and conserving Aboriginal cultural heritage across the parks estate. Early consultation on the Aboriginal Cultural Heritage Plan was undertaken with the Victorian Aboriginal Heritage Council and Registered Aboriginal Party Forum, who were supportive of the proposed approach. The draft plan is currently being reviewed and is expected to be released in late 2019.

Work to identify, record and preserve Aboriginal heritage in partnership with Traditional Owners included:

- Adding over 400 new registrations to the Victorian Aboriginal Heritage Register including middens, quarries, artefact scatters and 40 scarred trees that had not previously been recorded
- Distributing 2,000 copies of the Aboriginal Heritage Identification Guide to support Parks Victoria employees, DELWP employees and key visitor groups to recognise Aboriginal cultural heritage places on the estate
- Conducting an audit of all the Parks Victoria depots and work centres to identify Aboriginal objects and artefacts to ensure these are appropriately recorded and preserved
- Releasing updated Aboriginal cultural heritage policy and refreshed procedures for complying with the *Aboriginal Heritage Act 2006*
- In partnership with the People and Parks Foundation and First People of the Millewa Mallee, over \$500,000 of philanthropic funding was secured (with thanks to the Vizard Foundation and Helen Macpherson Smith Foundation) to continue work on Resting Places – Healing Country Together, an Ancestral Remains reburials program. In 2018–19, this work included using drone technology to build 3D imagery of parts of the dune system along the Murray River and moving sand back to protect Aboriginal burial places and stabilise and preserve these sensitive areas.

Improving cultural built heritage

Parks Victoria has obligations under the *Heritage Act 2017* that governs the management of heritage places included on the Victorian Heritage Register¹.

In 2018–19 major repair works undertaken included:

- Rebuild of Werribee Park Glasshouse
- Completion of \$500,000 of conservation works at Days Mill
- Repairs to the Coolart Homestead and outbuildings
- The Days Mill and Coolart Homestead works were supported by the Living Heritage Grants Program through Heritage Victoria.

¹ The Register is established under the *Heritage Act 2017* and is a record of sites of state heritage significance.

Key Performance Indicators

Definition of year-end results:

Target met	✓	Target has been met or exceeded within agreed timeframes
Target not met	✗	Target has not been met – exceeds 5% variance (Significant variance that requires explanation)
	(x)	Target has not been met – within 5% variance
No result	◆	Recorded as N/M = Not measured

Conserving Victoria's Special Places

KPI	2017–18 target	2017–18 actual	2018–19 target	2018–19 actual	Year end status
Total area of estate managed by Parks Victoria*	4,111,000	4,111,000	4,111,000	4,111,000	✓
Number of hectares treated to minimise the impact of pest plants, pest animals and overabundant native animals and plants in parks managed by Parks Victoria	1,100,000	1,100,000	1,100,000	1,514,000	✓
Number of Traditional Owner groups with new partnership agreements with Parks Victoria	60%	20%	3	1	✗
<p>A partnership agreement with Gunaikurnai is in place. Parks Victoria is currently in negotiation with three additional groups. The timeline for finalising the agreements is determined by the readiness of the Traditional Owner group(s).</p>					
Percentage of high priority historic heritage places within the park estate with a current condition assessment	60%	77%	70%	78%	✓
Percentage of high priority historic heritage places within the park estate with a current condition assessment and with a Management Plan	20%	61%	20% (of 70%)	62%	✓

Connecting People and Parks

Improving the health and wellbeing of Victorians through the management of a parks estate that is valued by the community

Strive to keep parks open, safe and clean

In 2018–19, field staff focused their efforts on maintaining and improving park services and presentation in priority visitor locations, including ranger presence, park presentation, and maintaining access to visitor sites and facilities.

Parks Victoria is aiming for:

- safe, open, clean and maintained parks
- positive feedback and subsequent advocacy from community and stakeholders
- clarity of expectations for regional teams, and empowerment to make decisions about service delivery.

Track reopened for tenth anniversary of the 2009 Victorian Bushfires

To commemorate the tenth anniversary of the 2009 Black Saturday fires a walking track at Jehosaphat Gully, Kinglake National Park was reopened. The damage to trees along the track due to the fires was so extensive it was thought the popular track would never be safe to reopen.



Provide and maintain quality infrastructure to support visitation

Southgate Floating Landing

Southgate is the prime berthing location for commercial passenger boats on the Yarra River.

The organisation delivered a \$2 million project installing floating landings at Southgate Wharf, supporting the commercial passenger boat industry.

Opened in November 2018, the old fixed landing did not meet the access requirements for commercial vessels at various tides, nor did the facilities meet current accessibility standards for passengers.

The new floating berths offer much better access for people with additional mobility needs and provide a better visitor experience.

Grampians Peaks Trail

Progress on Stage Two of the Grampians Peaks Trail, a 160km world class walking experience has continued. During 2018–19 Parks Victoria delivered upgrades to 60km of existing trail.

In April 2019, Parks Victoria appointed the construction tender for the remaining 102km of track.

In January 2019, Gariwerd Traditional Owners were engaged to consider future career opportunities arising from the development of the trail.

Shipwreck Coast Master Plan Stage One

Following community engagement, designs were finalised and construction works were released for tender in November 2018. The contract for the Port Campbell Pedestrian Bridge was awarded in June 2019, and works commenced to build a connection from Port Campbell to the Discovery Trail and Port Campbell National Park.

Construction works for waste water and potable water pipeline project, connecting the Twelve Apostles Visitor Centre and the Port Campbell treatment plant, were released for tender in December 2018.

Badger Weir picnic area reopened

In April 2019, new and improved picnic grounds opened at Badger Weir in the Yarra Ranges National Park. The area was closed in 2016 after a storm caused significant and widespread damage to the park, including hundreds of fallen trees and damage to infrastructure.

Badger Weir site is home to forests of tall Mountain Ash and tree ferns that support native animals such as possums, bats, owls, parrots and Crimson Rosellas.

Improvements include new barbeques, picnic tables, shelters, paths, toilets, signage, fencing and a new footbridge and staircase to the weir.



Olinda Precinct Project nature-based play space

The construction of a nature-based play space as part of the Olinda Precinct Project began in January 2019.

The nature-based play space will cater for all abilities and include a changing-places toilet equipped with full sized change tables and hoists to meet the needs of people with severe and profound disabilities. Children from the local school contributed to the design of sculptural elements in the park by designing the mosaic tiles used in the artwork.

Attract and connect with visitors in meaningful ways

ParkConnect

Three years since Parks Victoria introduced ParkConnect, the customer relationship management system continues to deliver financial, efficiency, compliance, customer service and community engagement benefits.

ParkConnect increases the organisation's ability to build a better understanding of Parks Victoria's visitors and stakeholders in order to develop stronger relationships.

In 2018–19, improvements to ParkConnect included:

- an education module so schools and tour operators can submit group visit information online
- the addition of Traditional Owner Partnerships information to improve understanding of Traditional Owner partners across Parks Victoria.

ParkConnect resulted in Parks Victoria winning the Best Use of Technology Award at the Parks and Leisure Australia 2019 Regional Awards of Excellence and winning the Innovation category at the 2019 Volunteering Victoria State Awards.

Attracting Culturally and Linguistically Diverse (CALD) Communities

Parks Victoria's first Cultural Diversity Action Plan was completed and launched in Cultural Diversity Week 16–24 March 2019.

Key actions implemented included:

- An online cultural competency training module for Parks Victoria staff
- A new program with the Southern Migrant and Refugee Centre to encourage visits to Lysterfield Park for health and social connection
- Partnering with the Centre for Culture, Ethnicity and Health on a trial introductory e-learning package for front line staff delivering Junior Ranger programs
- A new partnership with Bendigo Community Health enabling more Bendigo residents to access walks in parks for their health and wellbeing. This includes reducing the information, language and cultural barriers so that the growing Karen Community can also access parks.

Parks for health benefits

In 2018–19 Parks Victoria undertook a range of activities with health and wellbeing benefits including:

- Running nearly 100 Welcome Walks and Nature Walks across 28 parks to provide a safe ranger or volunteer guided introduction to walking in parks
- Hosting the inaugural Nature is Good Medicine Summit that attracted more than 100 senior decision makers from the health, community and environment sectors to generate new health in nature partnerships
- Implementing the Healthy Food Choices program at Parks Victoria's retail outlets. Monash University assessed there was an eight per cent improvement in healthy food options provided.

Volunteer programs

In 2018–19, Parks Victoria had the highest level of volunteer contribution on record with 301,296 volunteering hours from over 22,000 volunteers across 174 different parks and reserves.

This network includes 244 organisations that use volunteers that partner with Parks Victoria. Volunteers partake in many practical activities with environmental monitoring, habitat restoration and gardening the most predominant. The volunteer network has provided over \$11.8 million of in-kind support this year.

Highlights from 2018–19 include:

- The Campground Host program in its 18th year expanded to include two new sites, Point Hicks and Kooyoora State Park. The program attracted a diverse group of volunteers and directly benefited more than 5,000 visitors
- The number of Volunteer Track Ranger placements grew to 107 and attracted interest from interstate and international volunteers
- A successful pilot program of 17 Volunteer Park Guides over 45 days at Yarra Bend Park and Alpine National Park. All participants surveyed reported that they learnt something new and would attend another Park Guides Tour
- Volunteer Sherpas continued to operate in both the Grampians and Dandenong Ranges national parks with all-terrain TrailRiders made available to assist visitors with mobility issues to access and experience nature.



Connecting to Heritage

To showcase the diverse and significant historic places in parks and promote Parks Victoria as a steward for heritage places, Parks Victoria was an official partner of the Australian Heritage Festival, coordinated by the National Trust of Australia (Victoria).

Throughout the month-long festival, Parks Victoria hosted 67 additional events at 14 heritage places, attracting more than 2,400 visitors.

The concurrent Tree of the Year competition raised the profile of the King Billy Tree in the Alpine National Park, coming second overall with a total of 901 'likes' on Facebook.



Junior Ranger and children's programs

Parks Victoria's Junior Ranger program delivered 888 activities this financial year, engaging 10,203 children and 6,310 adults, totalling 16,513 people. This is an increase of approximately 3,800 people on 2017–18.

In 2018–19, the program expanded by providing activities in 103 parks and delivering programs throughout the school term in addition to the usual school holiday program. This included trialling a series of garden exploration activities at Werribee Park, holding a Junior Ranger art exhibition at Herring Island and a series of coordinated beach clean-up activities for World Oceans Day. This trend will continue to expand through 2019–20 with a focus on leveraging onto appropriate opportunities with partner organisations and suitable themed days.

Provide modern and engaging ways to enhance individuals' experience while in parks

Helping people of all abilities experience nature

Parks Victoria aims to create park and waterway facilities, experiences, and communication channels that are inclusive and positive for Victorians of all abilities.

In 2018–19, Parks Victoria invested in a number of programs and innovative design technologies by:

- Continuing a bushwalking program for vision impaired people
- Hosting 'come and try' days using Volunteer Sherpas to allow more visitors who are less mobile to enjoy Parks
- Installing an electric hoist to assist wheelchair users safely in and out of boats at Patterson River
- Developing more social scripts at Serendip Sanctuary and Buchan Caves to help families with children on the autism spectrum to enjoy beautiful parks
- Partnering with YMCA Victoria for a pilot program to equip people with spinal cord injuries with the skills to go camping
- As a member of the Changing Places Advisory Committee and the Visitability Advisory Group, providing advice on accessible toilets and other facilities as well as input on planning and future projects.

Access All Terrain program

As part of the Access All Terrain program Parks Victoria and YMCA Victoria ran an accessible camping trip at Wilsons Promontory National Park in March 2019. The two night trip provided participants with the opportunity to connect with like-minded people who share a passion for the outdoors and to feel the adventure of camping in tents: an exercise taken for granted by many, but a real achievement for people with higher physical needs. Participants heard from rangers about the landscape, enjoyed Norman Beach on beach wheelchairs assisted by Volunteer Sherpas.

This program won the VicHealth Innovation Award at the 2019 Disability Sport Awards. The award recognises a sustainable initiative or program that helps Victorians with a disability take part in sport or recreation.

Achieve investment in new visitor experiences and commercial opportunities for major visitor sites

New commercial opportunities developed in 2018–19 included:

- Wonthaggi State Coal Mine Café
- Brimbank Park Cafe
- Yarra Bend Park Restaurant and Function Centre and Studley Park Golf Course
- Licenses for 11 Yarra River commercial berthing sites
- Two management agreements with operators for the Glamping Trial
- A lease and power purchase agreement to Energy Innovation Co-Operative Limited for a solar panel array at the State Coal Mine Historic Area Wonthaggi
- A lease to Victorian Indigenous Nurseries Co-Operative Limited for a wholesale indigenous plant nursery at Yarra Bend Park
- A lease for a rural themed tourist facility at Chesterfield Farm, Dandenong Valley Parklands
- A licence to a sharefarmer for a residence and grazing areas at Haining Park.

Further opportunities, either in market or where successful proponents are yet to be confirmed, include the Grants Kiosk in the Dandenong Ranges, the Point Nepean Shuttle and licences for Yarra River Activation sites.

During 2018–19, Parks Victoria completed the statewide Mobile Trading Trial, offering 12 sites for local businesses trading from a mobile structure, trailer or vehicle. These businesses served more than 1,000 park visitors food or beverages.

Following a successful Lower Yarra River Activation Trial in 2017–18 when Parks Victoria tested two on-water goods and beverage offers (Supafish and Arbory Afloat), Parks Victoria developed expressions of interests for future commercial berthing and stationary floating concepts. Both businesses in the trial were granted an extension to operate over the 2018–19 summer, with Arbory Afloat accepting.

Glamping in Parks Trial

The Glamping in Parks Trial was a 12-week installation from October to December 2018 within Lake Eildon and Mount Buffalo National Parks to test the concept, model and operations of facilitated camping in parks and obtain market feedback.

Trial results indicated strong support from the 444 guests who reserved a place in the trial. A communications campaign to promote the trial received excellent media coverage with a total of 42 articles reaching over 9.7 million viewers. Importantly, the trial expanded the appeal of camping and hosted visitors who do not typically visit parks.



Key Performance Indicators

Definition of year-end results:

Target met	✓	Target has been met or exceeded within agreed timeframes
Target not met	✗	Target has not been met – exceeds 5% variance (Significant variance that requires explanation)
	(✗)	Target has not been met – within 5% variance
No result	◆	Recorded as N/M = Not measured

Connecting people and parks

KPI	2017–18 target	2017–18 actual	2018–19 target	2018–19 actual	Year end status
Number of visits to Parks Victoria managed estate	99–101	N/M	101–103 million	131 million	✓
a. Number of visits to National, State, urban and other terrestrial parks	54–55	N/M	55–56 million	79 million	✓
b. Number of visits to piers and jetties	45–46	N/M	46–47 million	52 million	✓
Significant built park assets managed by Parks Victoria rated in average to excellent condition	88%	87.3%	88%	86.9%	(✗)
Significant built bay assets managed by Parks Victoria rated in average to excellent condition	80%	75.3%	80%	70%	✗
PV is working with Department of Transport on funding bids to replace priority assets, and a forward asset strategy. If funded, the forward asset strategy will help address longer-term solutions for asset condition. This will ensure preventative maintenance is planned and undertaken.					
Number of volunteer hours contributed to Parks Victoria programs and activities	220,000–250,000	281,776	240,000–270,000	301,296	✓
Total number of participants in Parks Victoria guided Interpretation and Education activities	25,000	25,691	26,000	40,709	✓
This measure excludes visitation numbers from commercial tours run at Buchan Caves, Wonthaggi State Coal Mine and Werribee Park.					
Level of satisfaction of visitors to parks	80–85%	85.2	80–85	N/M	◆
Level of satisfaction with Parks Victoria management of parks	80–85%	80.5	80–85	N/M	◆
The Visitor Number Monitor and Visitor Satisfaction Monitor are biennial research projects conducted in alternating years. In 2018–19, the Visitor Number Monitor was conducted. The Visitor Satisfaction Monitor will be conducted in 2019–20.					

Providing Benefits Beyond Park Boundaries

Contributing to the safety, living standards and well-being of Victorians

Assist in keeping Victorians safe

New fire model with Department of Environment, Land, Water and Planning

In December 2018 Parks Victoria and DELWP signed a new *Memorandum of Understanding (MOU) for Emergency Management* that replaced the 2013 *Fire Management Arrangement*.

The new agreement outlines respective roles and responsibilities in instances of fire and other emergencies. All fire and emergencies where DELWP is the control agency are now covered in the MOU including blue-green algae outbreaks, dam failure, cetacean stranding and marine pest invasions.

The Cooperative Operating Plan for 2018–19 was agreed to as part of the MOU and sets out the activities, funding allocation and Project Fire Fighter arrangements between Parks Victoria and DELWP.

In 2018–19, Parks Victoria contributed to keeping Victorians safe by having:

- provided more than 741 accredited staff to assist in emergencies
- added 213 Project Firefighters over the spring to autumn period
- contributed 122 staff with leadership roles in emergency management
- responded to 2,072 bushfires on public land.

Melbourne Fire and Emergency Program

To reduce the risk of bushfires and improve preparedness in Melbourne following the 2009 bushfires, the Melbourne Fire and Emergency Program was initiated. Much of the program work directly protects houses adjoining parks across Melbourne. Under the 2018–19 program, Parks Victoria:

- upgraded 31km of fuel breaks
- slashed 880km of fuel breaks
- upgraded 25km of roads and tracks to improve access for fire vehicles.

Planned burning and mechanical fuel treatment

In 2018–19, approximately 134,901ha of land was treated to reduce the risk of bushfires in Victoria.

Works undertaken included:

- contributing to the delivery of approximately 130,701ha of planned burning
- approximately 4,200ha of mechanical fuel treatment.

Community engagement to reduce bushfire risk and support the delivery of Safer Together

In 2018–19 Parks Victoria worked alongside DELWP, the Country Fire Authority (CFA) and State Emergency Service (SES) to deliver the Safer Together program, including:

- participating in multi-agency bushfire awareness and engagement activities held for local communities and visitors
- carrying out joint exercises with CFA volunteer brigades, and local councils to build capacity, make connections, test equipment and knowledge
- running the All Fired Up Junior Ranger program
- releasing a video series about activities Parks Victoria undertakes to reduce bushfire risk.

Partnership with New Zealand firefighters

During March and April 2019, New Zealand firefighters supported Forest Fire Management Victoria (FFMVic) with the firefighting efforts and clean up as a result of fires that swept across 100,000ha of the Alpine National Park.

Forty-two New Zealand firefighters assisted FFMVic crews battling constantly changing weather conditions in extremely difficult and remote terrain.

Together, Australian and New Zealand firefighters worked to regain access and make safe the expansive track network around Lake Tali Karng in the Alpine National Park. Led by Parks Victoria rangers familiar with the tough terrain, the specialist firefighters skilled in working in arduous conditions were transported by helicopter, or hiked in with a six hour return trip. Tali Karng is sacred to the Gunaikurnai people, known as the 'hidden lake' in part due to the considerable effort required to get there.



Grow world-class nature-based visitor economy opportunities in parks

In 2018–19, Parks Victoria:

- published the Albert Park Master Plan for the future for Melbourne's iconic park
- released the Plenty Gorge Master Plan to meet the increasing needs of the growing community
- worked with the community to develop the Belfast Coastal Reserve Management Plan.

Point Nepean Master Plan

Following its launch in January 2018, Parks Victoria commenced implementation of the Point Nepean Master Plan. The plan includes:

- a new camping experience at the Quarantine Station
- repair of Defence Road out to Fort Nepean
- uplift of the Quarantine Station disinfecting complex
- parkwide interpretation and storytelling
- improved visitor amenities.

Stage one of repairs to the Defence Road was completed in December 2018.

Actively promote and market the value of park ecosystems services and deliver programs that contribute to productive, healthy and prosperous communities

During 2018–19, Parks Victoria has actively supported Melbourne Water in the first stages of developing the Yarra Strategic Plan, which will give effect to the community's long-term vision for the Yarra and support collaborative management of the river. Support was also provided to DELWP in shaping the future of the Yellingbo area.



Streamlining processes to enable longer term licences

Parks Victoria licenses 64 diverse types of tourism activities provided by tour operators and activity providers across 680 parks and reserves.

Changes in policy to reduce red tape enabled tour operators with demonstrated good compliance history to apply for longer licence terms. This has resulted in a 207 per cent increase in the number of tour operators holding three-year licences (172 tour operators with three-year licences in 2018–19, up from 56 in 2017–18), and nine tour operators holding five-year licences.

Improved bicycle access to Fort Nepean

The new road surface and safety features on the repaired Defence Road allows cyclists to ride beyond Fort Pearce to Fort Nepean via the picturesque Narrows: a thin stretch of land flanked by the Bass Strait and Port Phillip Bay.

Now a number of cycling options are available to complement existing pedestrian and shuttle bus routes. E-bikes can also be hired from the Port Nepean Information Centre in the Quarantine Station. Racks will be available to store bikes at Fort Nepean’s entrance.



Dandenong Ranges Botanic Gardens more accessible

Since April 2019, visitors of all ages and abilities have been able to enjoy and explore the Dandenong Ranges Botanic Gardens by taking a guided tour of the gardens in an open-air electric vehicle that can seat up to 13 people.

Victoria’s cool-climate botanic gardens are host to a significant variety of plant species, with visitors enjoying a blend of coloured blooms of rhododendrons, azaleas, camellias, cherries and daffodils. During 2018–19, over 190,000 people visited the gardens.



Key Performance Indicators

Definition of year-end results:

Target met	✓	Target has been met or exceeded within agreed timeframes
Target not met	✗	Target has not been met – exceeds 5% variance (Significant variance that requires explanation)
	(✗)	Target has not been met – within 5% variance
No result	◆	Recorded as N/M = Not measured

Providing Benefits Beyond Park Boundaries

KPI	2017–18 target	2017–18 actual	2018–19 target	2018–19 actual	Year end status
Number of staff with accreditation in a fire role	700	721	700	741	✓
Contribution to bushfire preparedness, readiness, response, fuel management and emergency recovery	52,479	57,973	52,479	69,980	✓
This measure and its target are set under the Fire Management Agreement with DELWP and was changed in 2017–18 to measure total days contributed, rather than a percentage, to align with this Agreement.					
Number of bookings at Parks Victoria estate camping and accommodation sites	100,000	105,052	102,000	125,820	✓
Number of Licensed Tour Operators in parks	430	496	520	475	✗
With the growth of the visitor economy we are finding significant consolidation and investment in the Licensed Tour Operator Sector. In 2018–19 there was a 200% increase in the number of tour operators holding 3-year licenses (170 tour operators, up from 56 in 2017–18).					

Enhancing Organisational Excellence

Our Strategic Imperatives

These Strategic Imperatives focused our efforts on delivering great services through building a strong and vibrant organisation. These enabled us to take a balanced approach when faced with decisions between competing priorities.

Focus on improving safety, culture and people

Safety First Zero Injuries program

Parks Victoria's highest priority is the health, safety and wellbeing of its staff. The fourth year of the *Safety First Zero Injuries* program has continued to result in an improved safety culture for all employees ensuring safety is at front of mind in all that Parks Victoria does.

Key achievements during 2018–19 included:

- Development of Health Safety and Environment (HSE) management system framework
- Development of HSE document architecture and job safety planning concepts
- Development of HSE management system procedures
- Identification and prioritisation of 22 high-consequence health, safety and environmental risks and subsequent risk treatment plans.
- Completion of HSE management system gap analysis audit
- Continuation of a monthly safety campaign that covers key HSE topics to keep safety front-of-mind
- Continuation of safety walk-and-talks by the executive team as a means to demonstrate visible safety leadership and provide opportunities to engage and build trust with the workforce

- Implementation of a renewed organisational health and safety consultative structure
- Delivery of over 200 health, safety and environment inductions
- Delivery of the Chemical Management and Dangerous Goods Strategy
- Continuation of asbestos assessment and remediation in buildings and dumps.

Safety performance

In 2018–19, our health and safety performance was measured through the Total Recordable Injury Frequency Rate (TRIFR). TRIFR comprises lost time, medical treatment and restricted work injuries. The TRIFR reduced from 17.7 in 2017–18 to 16.1 in 2018–19. The reduction shows continued improvement and is a reflection of the strong safety culture in the organisation.

As a lead indicator, reporting of hazards and near misses is encouraged as a proactive approach to improving safety performance and preventing injuries, by reporting events that have the potential to cause harm and identify trends.

In 2018–19, 441 hazards were reported, providing opportunity to identify appropriate corrective actions required to prevent recurrence of the event.

Reported incidents	2014–15	2015–16	2016–17	2017–18	2018–19
Number of incidents	217	508	531	601	564
Rate per 100 FTEs	22.6	51.1	52.6	33.0	47.7
Lost Time Injury Frequency Rate	24.9	18.9	18.5	12.6	8.5

'Lost time' standard claims	2014–15	2015–16	2016–17	2017–18	2018–19
No. 'lost time' standard claims	27	23	13	20	19
Average cost per claim	\$35,126	\$40,607	\$46,570	\$89,775	\$45,169



In 2018–19, Parks Victoria continued to build and implement our Health, Safety, and Environment Management System which aligns with ISO 14001 and ISO 45001. The management system will support a strong safety culture by improving the procedures and processes for undertaking work in a safe and environmentally sound manner.

Safety and Environment is imbedded into the way Parks Victoria does business and the introduction of a three-tiered Health and Safety Consultative Structure in 2018–19 has enabled staff to share with and learn from each other, in turn making Parks Victoria safer for its people.

Celebrating good news stories and successes is important to our people and the culture Parks Victoria want to build on. Introducing the HSE Monthly Topic has informed staff about known risks and created regular conversations based on targeted risks identified through hazard and incident reporting data and seasonal business activities.

People Strategy

Parks Victoria's goal is to be an employer of choice and to develop a resilient workforce that can cope with change and disruptions while continuing to deliver park management services on behalf of the Victorian Government.

Key achievements of the People Strategy for 2018–19 included:

- Development of a Wellbeing Framework
- Design and implementation of the Aboriginal Employment and Wellbeing Strategy
- Implementation of cultural awareness training
- Continued implementation of local People Matter Survey improvement plans
- Implementation of a quarterly service recognition event process
- Implementation of the *Cultivating Culture, Growing Together* program, a whole of organisation approach to building Parks Victoria's desired culture.

Diversity and Inclusion

Over 2018–19, Parks Victoria delivered a range of initiatives designed to build a safe and inclusive workplace.

Parks Victoria launched new e-learning modules on workplace gender equality, cultural competence and LGBTI awareness.

As part of a new partnership between Parks Victoria, the Office for Disability and the National Disability Insurance Agency, Parks Victoria was a recipient of Disability and Accessibility awareness training. The Office for Disability engaged Get Skilled Access, a training provider funded, owned and operated by Paralympic Gold Medallists Dylan Alcott and Nick Morris.

Parks Victoria won the Cross Cultural Management award from the Australian Institute of Human Resources. This award recognises excellence in cross cultural management initiatives and programs in the workplace.

Parks Victoria partnered with AMES Australia to engage with culturally and linguistic diverse (CALD) communities around Werribee Park. Training and employment pathways were provided to CALD communities in the *Working Beyond the Boundaries* program.

Grow our organisational capacity and capability

Increase sustainable financial support to Parks Victoria through philanthropy and sponsorship

The *Parks Victoria Act 2018* enables Parks Victoria to seek new sustainable financial revenue streams through sponsorship and philanthropy.

In 2018–19, the Corporate Partnerships Program was developed in line with the Victorian Government Sponsorship Policy, to enable incoming commercial sponsorship agreements for financial or in-kind gain for Parks Victoria programs, projects and services.

Macpac Wilderness Equipment, an outdoor adventure apparel company, commenced their three-year partnership with Parks Victoria in July 2019, helping to grow an important education program across the state.

Philanthropic activities are managed through the People and Parks Foundation that gains funding support for key priority projects for Parks Victoria.

Enhance financial and commercial discipline and rigour

Parks Victoria's annual budget supports the delivery of the Annual Business Plan. It is based on funding for Victorian government commitments and an allocation from the Parks and Reserves Trust Account.

Overall financial performance

Parks Victoria achieved a net result from transactions surplus of \$0.015 million for the 2018–19 financial year. This surplus exceeded budget expectations and was primarily due to additional funding being received in 2018–19, mostly tied to specific purpose capital grants for projects which will be delivered in 2019–20 and beyond.

Financial position – income statement

For the 2018–19 financial year, Parks Victoria received \$266.1 million in income, which was \$16.4 million higher than budgeted. This additional income primarily relates to the delivery of project fire fighters and fire suppression programs, and other Government grants tied to specific purpose projects. The higher expenditure levels compared to the previous year represent a stronger focus on the delivery of specific purpose projects.

A comprehensive result of (\$400.2 million) included net decrements in physical asset revaluation of (\$395.3 million), mainly relating to the annual revaluation of crown land and land improvements, as well as losses of (\$4.9 million) arose from the revaluation of long service leave liability and actuarial loss of Defined Benefit Superannuation Scheme both due to changes in the bond interest rates.

Five year financial summary

(\$'000)	2019	2018	2017	2016	2015
Revenue from Government	113,115	117,065	103,447	97,672	76,773
Total income from transactions	266,133	262,313	238,238	239,515	203,284
Total expenses from transactions	266,118	249,176	231,054	223,352	209,510
Net Result from transactions	15	13,137	7,184	16,163	(6,226)
Net Result	(4,310)	12,060	6,163	13,848	(7,797)
Comprehensive result	(400,197)	220,329	232,958	336,980	(5,651)
Net cash flow from operating activities	20,489	29,479	21,282	32,002	9,833
Total assets	5,281,000	2,800,357	2,523,650	2,278,746	1,919,219
Total liabilities	74,690	68,269	60,719	64,348	53,251

Financial position – Balance Sheet

Total assets at the end of the 2018–19 financial year were \$5.2 billion, an increase of \$2.5 billion from the previous year. In accordance with the *Parks Victoria Act 2018*, DELWP transferred National Parks and land maintained under the land record (all rights, property and assets) of \$2.8 billion to Parks Victoria in 2018–19. This increase was partially offset by the impact from a revaluation of crown land and land improvements, following an annual fair value assessment using land indices provided by the Valuer-General Victoria, that indicated a significant downward movement of (\$0.4 billion) in that asset class. Full physical re-valuations of Parks Victoria's asset base are undertaken every five years, with the next scheduled to be performed in June 2021.

Cash flows

Total cash and deposits at the end of the year was \$163.9 million, of which \$114.6 million related to the unspent component of specific purpose grants Parks Victoria has received to undertake various projects in 2019–20 and beyond. The remaining balance of \$49.3 million represents cash and cash equivalents required to meet other short term current liabilities as they fall due.

Building our skills and connections

Accessibility and volunteering initiatives win big

Parks Victoria's commitment to accessibility and the enormous contribution of its volunteers have been recognised on state and national stages at the Victorian Tourism Awards which represent an industry framework for peer recognition that fosters a culture for business development excellence and innovation.

In November 2018, Parks Victoria claimed its second consecutive Gold award in the Specialised Tourism Services category and received the Gold award for Outstanding Contribution by Volunteers category.

Parks Victoria showcased services and information at a number of events and expos throughout 2018–19 including:

- What's Out There day at Austin Health's Royal Talbot Rehabilitation Centre
- Disability Sport and Recreation Festival held in Melbourne in December 2018
- Source Kids Disability Expo with the Trailrider held in Melbourne in March 2019.

World Protected Area Leaders Forum

Parks Victoria was proud to host the 11th World Protected Areas Leaders Forum (WPALF) that took place in March 2019 at Herring Island, Albert Park and Wilsons Promontory National Park. This annual event brings together agency leaders to discuss management challenges and opportunities, share knowledge and network with peers. The Forum was hugely successful, with 36 national and international park and protected



area managers congregating to discuss one key theme: The Strategic Value of Tourism for Parks and Protected Areas – Management Responses to Planning Cycles and Growing Demands. Participants will use the learnings to improve sustainable tourism practices and continue to deliver world-class nature-based experiences while conserving the environment for future generations.

Hosting Julia Miranda Londoño

In October 2018, Parks Victoria supported the visit of Julia Miranda Londoño, who has held the role of Director General of National Parks of Colombia for 15 years. Ms Londoño shared her wisdom and experience in several sessions at the International Parks and Leisure Congress held at the MCG, as well as at the Women in Conservation Masterclass held exclusively for Parks Victoria staff. The masterclass also featured a panel of six accomplished female conservation leaders and was attended by 60 staff.



US National Parks Service placement at Wilsons Promontory National Park

Parks Victoria hosted Kevin Schneider, Superintendent of Acadia National Park in Maine, for a two-week placement as part of the 'Learning from our Colleagues Abroad' program. This is the second time the US National Park Service has sent a senior staff member to Wilsons Promontory National Park. This program allows for valuable knowledge sharing and has formed the basis of a 'sister park' relationship.

Key Performance Indicators

Definition of year-end results:

Target met	✓	Target has been met or exceeded within agreed timeframes
Target not met	X	Target has not been met – exceeds 5% variance (Significant variance that requires explanation)
	(X)	Target has not been met – within 5% variance
No result	◆	Recorded as N/M = Not measured

Enhancing Organisational Excellence

KPI	2017–18 target	2017–18 actual	2018–19 target	2018–19 actual	Year end status
Total Reportable Injury Frequency Rate (TRIFR) This measure is an internal safety indicator, which measures the rate injuries are occurring and demonstrates current and ongoing focus on safety and wellbeing. Quantity (per million hours worked)	21	17.7	17.7	16.1	✓
Employee engagement index Measure is based on the 2016 Victorian Public Sector Commission People Matters survey results. The survey is conducted biennially. Parks Victoria's result in the 2016 survey was 63.	65	63	66	60	X
Parks Victoria invested in supporting leaders to build accountable and engaged teams through a defined culture program during 2018-19. This work will continue over the next 12 months to improve employee engagement and pride in working for Parks Victoria.					
Employee satisfaction index Overall job satisfaction is measured via the Victorian Public Sector Commission People Matters Survey. The survey is conducted biennially.	65	63	66	67	✓
Total output cost (variation between actual expenditure and budget) This measure indicates delivery performance against original budget expectations. It is also a measure of timeliness of program delivery for core operations and specific purpose projects.	Within +/- 5% of budget	-5.7 (under budget)	Within +/- 5% of budget	+6.3% (over budget)	(X)

Compliance and Disclosures

Disclosure Index

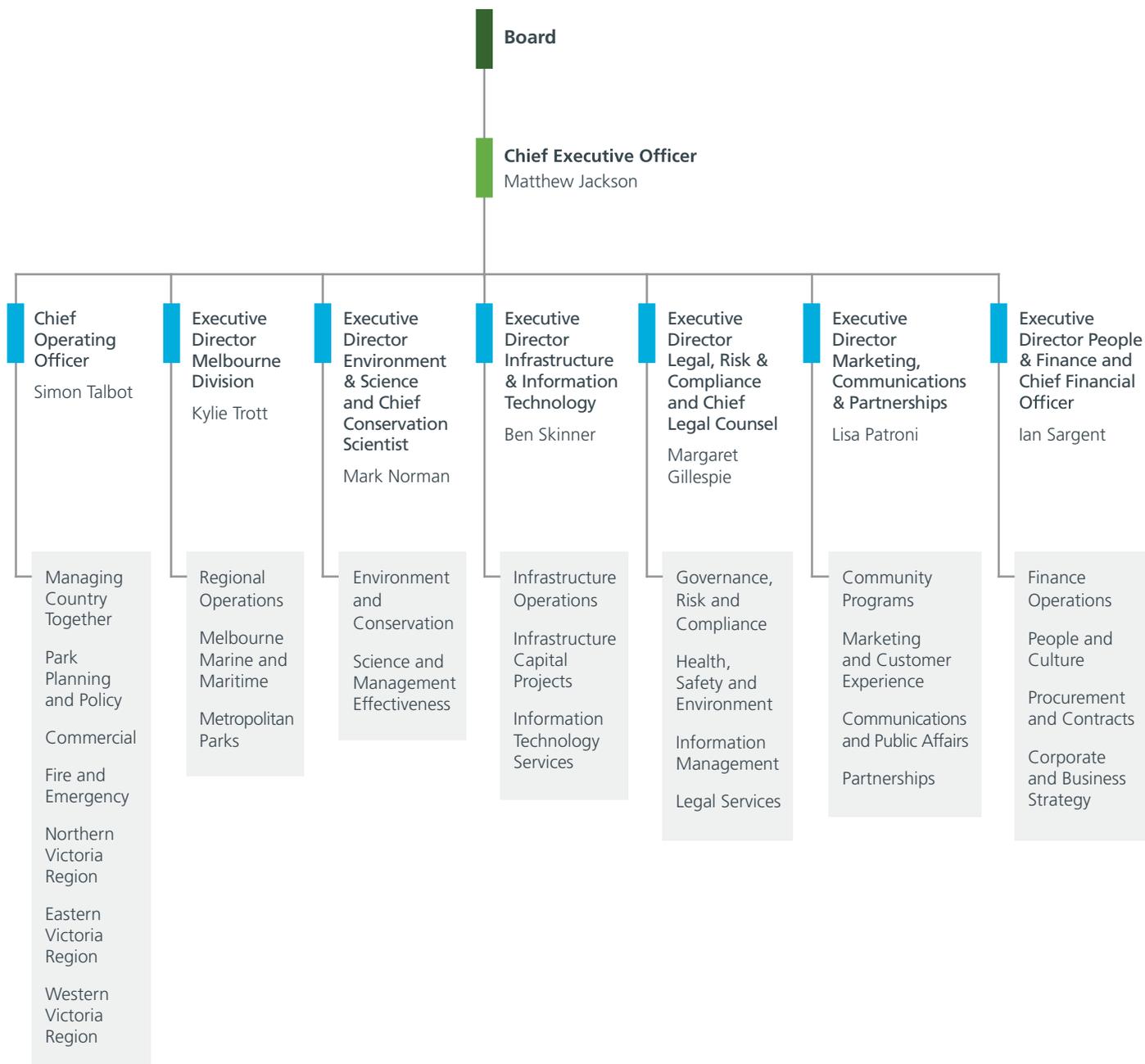
Parks Victoria's 2018–19 Annual Report is prepared in accordance with all relevant Victorian legislation.

This index has been prepared to facilitate identification of Parks Victoria's compliance with statutory disclosure requirements.

Source (Legislation)	Title of Disclosure (Requirement)	Page(s)
Declaration in Report of Operations		
SD 5.2.3	Responsible Body declaration	ii
Year in Review		
MRO	Vision, Mission, Values	2–3
None	Chairman's Report	ii
FRD 22H	Manner of establishment & Minister/s	1, 3
FRD 22H	Nature & range of services provided	1, 5–6
FRD 22H	Objectives, functions, powers & duties	1, 3–4
Performance reporting (non-financial)		
FRD 22H	Performance reporting (non-financial) – achievements, operational performance & key initiatives	5–25
Performance reporting – financial		
FRD 22H	Five year financial summary	23
MRO; FRD 22H,	Current year financial review	23
FRD 22H	Significant changes in financial position	23
FRD 22H	Significant changes or factors affecting performance	41
FRD 22H	Subsequent Events	91
Governance and Organisational Structure		
FRD 22H	Organisational structure & corporate governance	28
FRD 22H	Governing Board	29–30
FRD 22H	Audit Committee membership	30
FRD 22H	Board Committees	30–31
FRD 22H	Occupational Health & Safety	21–22
FRD 22H	Employment & Conduct Principles	3
Workforce data		
FRD 22H	Public sector values & employment principles	22
FRD 22H, FRD 29C	Workforce data	34
FRD 15E	Executive Officer data	32–33, 35
FRD 21C	Executive Officer data (financial statements)	85–88

Source (Legislation)	Title of Disclosure (Requirement)	Page(s)
Other Disclosures		
FRD 25D	Local Jobs First – Victorian Industry Participation Policy (VIPP)	36
FRD 22H	Government advertising expenditure	36
FRD 22H	Consultancy expenditure	37
FRD 22H	ICT expenditure	37
FRD 12B	Major contracts	38
FRD 22H	Freedom of Information	38
FRD 22H	<i>Building Act 1993</i>	39
FRD 22H	Competitive Neutrality Policy	39
PD Act; FRD 22H	<i>Protected Disclosure Act 2013</i>	39
Disability Act	<i>Disability Act 2006</i>	39–40
Establishing Act, MRO	Compliance with <i>Establishing Act</i>	40
FRD 24C	Office-based environmental impacts	40
FRD 22H	Additional information available on request	41
SD 5.1.2	Financial management compliance attestation	42
FRD 10A	Disclosure Index	26–27
Legislation		
	<i>Freedom of Information Act 1982</i>	38
	<i>Building Act 1993</i>	39
	<i>Protected Disclosure Act 2012</i>	39
	<i>Victorian Industry Participation Policy Act 2003</i>	36
	<i>Financial Management Act 1994</i>	44
	<i>Disability Act 2006</i>	39–40

Governance and Organisational Structure



Board (Governing Board)

Jeff Floyd (Chair)

Term of office end date: 31 July 2020

Jeff is an Adjunct Professor at the College of Business, Victoria University. He has had an extensive career as a chief executive officer, including as inaugural CEO Parks Victoria, CEO Victorian Government Office of Trade and Investment, CEO Tourism Victoria and CEO AAA Tourism. Jeff has served over 30 years as a director on government and not-for-profit boards.

Graham Atkinson

Term of office end date: 31 July 2020

Graham is a board member of the Federation of Victorian Traditional Owners Corporation and chair of Barpa Pty Ltd, a joint construction venture. He is the chair of the Dhelkunya Dja Land Management Board, a former chair of the Dja Dja Wurrung Clans Aboriginal Corporation and is also a director of Djandak Enterprises, which is a subsidiary of Dja Dja Wurrung Clans Aboriginal Corporation.

Graham is a board member of the Judicial Commission of Victoria, a board member of the North Central Catchment Management Authority, and a member of its Audit and Risk Management Committee. He is a director of a social research consulting group, Atkinson Consulting Group.

Lisa Marty

Term of office end date: 31 July 2020

Lisa Marty is a co-chair and trustee director of First Super, the industry superannuation fund for the timber, pulp and paper, furniture and joinery industries and was the chief executive officer of the Victorian Association of Forest Industries from 2012 to 2014.

Lisa has extensive experience in policy development, stakeholder engagement, governance and strategy. She is also a director of Skills Impact, a national skills services organisation, and a member of the Australian Agricultural Industry Advisory Council.

John Pandazopoulos

Term of office end date: 31 July 2020

John is chair of Destination Phillip Island Regional Tourism Board, chair of the Victoria Government's Visitor Economy Ministerial Advisory Committee and deputy chair of the William Angliss Institute, Australia's specialist food, tourism, hospitality and events educator.

John has over 28 years' experience in public policy, governance and government, both at a local and state level. Over this time, he served as a Victorian minister in the tourism, multicultural affairs, major projects and racing and gaming portfolios and was a local councillor and mayor of the City of Berwick as well as an executive of the Municipal Association of Victoria.

Christine Trotman

Term of office end date: 31 July 2020

Christine is the chief executive officer of a rural health service in Gippsland and lives on a beef farm in South Gippsland. She has held executive roles in health, disability services and education and holds qualifications in governance, accounting and business management.

Christine has extensive experience serving on a range of boards and committees in the not-for-profit sector and is chair of the Lower Yarra River Management Advisory Committee.

Annette Vickery

Term of office end date: 31 July 2020

Annette is an Aboriginal woman from Gunditjmara in Western Victoria, and lives and works with pride on the land of the people of the Kulin nations. She is the deputy chief executive officer of the Victorian Aboriginal Legal Service, a fellow of the Australian Institute of Managers and a graduate of the Australian Institute of Company Directors.

Annette has extensive experience in the public and private sector, community and stakeholder engagement, organisational capability and capacity building and change management.

Kate Vinot

Term of office end date: 31 July 2020

Kate is an experienced non-executive director who brings energy, intellectual rigour and deep executive and board experience to her roles. She has nearly 20 years' experience in executive general management and chief executive officer positions in private and public-sector businesses. Her line management responsibilities have encompassed strategy, business systems, risk, safety and environmental management, urban planning, asset management, sustainability, climate change and climate change policy, smart city initiatives, research and development and innovation. She has degrees in Civil Engineering, Economics and Business Administration. Kate's current roles include Chair, Zoos Victoria, member of the Uniting AgeWell Audit Committee and General Manager, Energy and Resources at the Bureau of Meteorology.

Helen Weston

Term of office end date: 31 July 2020

Helen is the chair of the Working Heritage Inc. Committee of Management, which conserves heritage properties located on public land for community and commercial use.

Helen has also been a director of an environmental planning firm for the past 25 years and is a Fellow of the Planning Institute of Australia, a Certified Practising Planner and a member of the Environment Institute of Australia.

Board Attendance

There were 10 scheduled Board meetings and two special meetings.

Total meeting attendance in 2018–19

Attendees	Number of meetings
Jeff Floyd (Chair)	11
Graham Atkinson	10
Lisa Marty	11
John Pandazopoulos	8
Christine Trotman	11
Annette Vickery	11
Kate Vinot	12
Helen Weston	11

Board Committees

Audit, Risk and Compliance Committee

The Audit, Risk and Compliance Committee oversees and advises on matters of accountability and internal controls affecting the operations of Parks Victoria as required by the Standing Directions of the Minister for Finance under the *Financial Management Act 1994*. The role of the Committee is to assist the Board in the effective discharge of its responsibilities in overseeing the areas of statutory reporting, internal controls, risk management (including insurance and legal proceedings), compliance and the internal and external audit functions.

During 2018–19, the Committee consisted of Kate Vinot (Chair), Jeff Floyd, John Pandazopoulos and Graham Atkinson. There was one external independent Committee member, Pranay Lodhiya. The Committee met four times in 2018–19.

Total meeting attendance in 2018–19

Attendees	Number of meetings
Kate Vinot (Chair)	4
Jeff Floyd	3
John Pandazopoulos	3
Graham Atkinson	4
Pranay Lodhiya	3

Aboriginal Engagement Committee

The role of the Aboriginal Engagement Committee is to provide advice to the Board on strengthening Aboriginal engagement and recognising and promoting cultural heritage values to Parks Victoria and the community.

During 2018–19, the Committee consisted of Graham Atkinson (Chair), Annette Vickery, Jeff Floyd and John Pandazopoulos and two external independent Committee members: Mick Harding and Marcus Stewart. The Committee met four times in 2018–19.

Total meeting attendance in 2018–19

Attendees	Number of meetings
Graham Atkinson (Chair)	4
Annette Vickery	3
Jeff Floyd	3
John Pandazopoulos	3
Marcus Stewart (external member)	2
Mick Harding (external member)	3

Commercial Business Committee

The Commercial Business Committee is responsible for supporting and enhancing Parks Victoria's commercial performance and providing advice on aspects of strategy and implementation in support of Parks Victoria's commercial portfolio.

During 2018–19, the Committee consisted of John Pandazopoulos (Chair), Jeff Floyd, Helen Weston and Lisa Marty and one external independent Committee member: Dean Minett. The Committee met four times in 2018–19.

Total meeting attendance in 2018–19

Attendees	Number of meetings
John Pandazopoulos (Chair)	4
Jeff Floyd	4
Helen Weston	4
Lisa Marty	3
Dean Minett	4

Conservation and Science Committee

The Conservation and Science Committee is responsible for the development and implementation of a strategic and evidence-based environment and conservation program to improve the effectiveness of park management.

During 2018–19, the Committee consisted of Lisa Marty (Chair), Helen Weston and Jeff Floyd. There were three external independent Committee members: Andrew Grant, Gerry Quinn, and Rachel Lowry. The Committee met four times in 2018–19.

Total meeting attendance in 2018–19

Attendees	Number of meetings
Lisa Marty (Chair)	3
Helen Weston	4
Jeff Floyd	4
Andrew Grant (external member)	3
Gerry Quinn (external member)	4
Rachel Lowry (external member)	4

People and Safety Committee

The People and Safety Committee is the appointed remuneration committee. It has responsibility for determining the organisation's policy and practice for executive remuneration and packages under the Victorian Public Sector Commission Policy. The Committee reviews, monitors and makes recommendations to the Board on the following issues:

- workplace health and safety
- setting of performance measures and review of the performance of the Chief Executive
- compliance with executive remuneration requirements
- human resources policies.

During 2018–19, the Committee consisted of Christine Trotman (Chair), Annette Vickery, Lisa Marty, Helen Weston and Jeff Floyd. The Committee met four times in 2018–19.

Total meeting attendance in 2018–19

Attendees	Number of meetings
Christine Trotman (Chair)	4
Annette Vickery	3
Lisa Marty	4
Helen Weston	4
Jeff Floyd	3

Planning, Project and Asset Management Committee

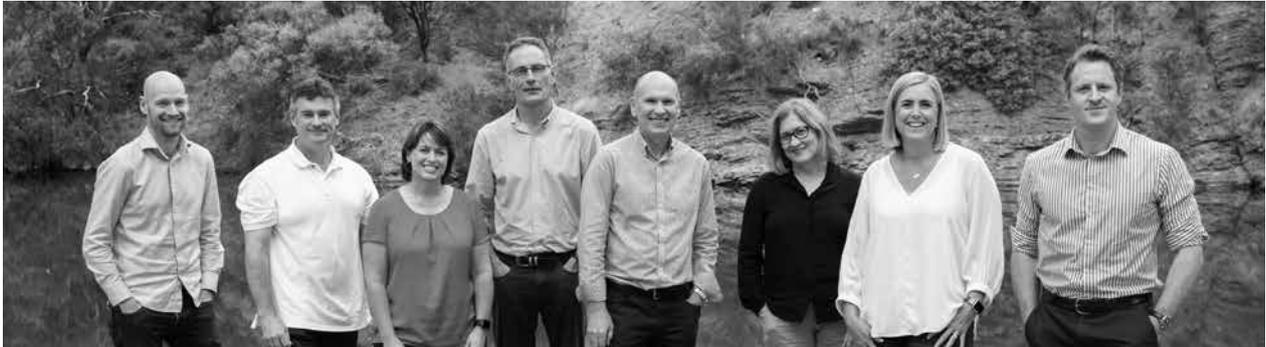
The Planning, Project and Asset Management Committee oversees and provides advice to the Board on Parks Victoria's strategic capital works program, related business case development, master and precinct planning, and built asset management across the Parks Victoria portfolio.

During 2018–19, the Committee consisted of Helen Weston (Chair), John Pandazopoulos and Kate Vinot and one external independent Committee member, David Gundy. The Committee met four times in 2018–19.

Total meeting attendance in 2018–19

Attendees	Number of meetings
Helen Weston (Chair)	4
John Pandazopoulos	3
Kate Vinot	4
David Gundy (external member)	3

Executive Management Team



Matthew Jackson, Chief Executive Officer

Matthew joined Parks Victoria as Chief Executive Officer in February 2017 and has been involved in nature-based tourism and education for most of his career. He has extensive experience in environmental research, conservation, wildlife management, operational management and stakeholder relations in both public and private sectors.

Prior to Parks Victoria, Matthew was the Chief Executive Officer at Phillip Island Nature Parks. He oversaw significant change at Phillip Island Nature Parks that involved a high level of community consultation and the delivery of major environmental outcomes and significant new tourist attractions.

He is a current Board member of the Victoria Tourism Industry Council (VTIC) and committee member of the Victorian Government's Visitor Economy Ministerial Advisory Committee (VEMAC), a Victorian Fellow of the Institute of Public Administration Australia (IPAA) and a Club Melbourne Ambassador.

Matthew holds a Master of Business Administration from Southern Cross University.

Simon Talbot, Chief Operating Officer

Simon joined Parks Victoria in May 2017 bringing more than 20 years' experience across the mining, agriculture, forestry and food sectors.

Simon is responsible for the overall management of park operations, planning and commercial delivery ensuring high quality outcomes as a result of promoting a performance oriented culture that encourages accountability and service delivery. He is committed to improving visitor facilities and commercial opportunities by ensuring accurate and transparent performance analysis and driving a Safety First culture.

Simon holds a Master of Business Administration from the University of New South Wales, a Bachelor of Science from the University of Tasmania and is a qualified Occupational Health and Safety auditor.

Kylie Trott, Executive Director Melbourne

Kylie joined Parks Victoria in 2005 and been Executive Director for Melbourne Division since November 2018.

Kylie is responsible for the management of park operations in the greater Melbourne area, and is committed to connecting Victorians to nature by improving visitor experiences in urban parks, waterways and the local ports (Port Phillip and Western Port). Kylie has extensive leadership, planning, policy development, project management, strategic and business reform experience.

Kylie holds a Bachelor of Applied Science (Environmental Management), Graduate Certificate of Applied Science (Environmental and Heritage Interpretation), Diploma of Business (Project Management) and a Diploma of Management.

Dr Mark Norman, Chief Conservation Scientist and Executive Director of Environment and Science

Mark joined Parks Victoria in April 2016 and previously was Head of Sciences at Museums Victoria.

Mark is responsible for Parks Victoria's nature conservation and research programs, ensuring effective evidence-based conservation management and support for environmental program delivery across the state. His team works closely with a wide range of researchers, partner agencies, Traditional Owners, stakeholders and community groups.

Mark holds a Bachelor of Science (Hons) in Zoology, a Diploma of Education (Biology and Environmental Science), and a Doctorate of Zoology from University of Melbourne.

Ben Skinner, Executive Director Infrastructure and Information Technology

Ben joined Parks Victoria in January 2018 as Executive Director of Infrastructure and Information Technology bringing 16 years' experience in engineering and capital project delivery across the private and higher education sectors in Australia and the United Kingdom.

Ben is responsible for the delivery of the annual capital works program and asset management planning function including fleet and facilities management. He ensures the organisation is equipped with fit for purpose technology and IT support to improve efficiency and effectiveness in service delivery.

Ben holds a Masters of Business Administration and Bachelor of Engineering (Mechanical – CPEng).

Margaret Gillespie, Executive Director Legal, Risk and Compliance and Chief Legal Counsel

Margaret joined Parks Victoria in 2006 is responsible for management of risk, compliance, insurance, information management and health safety and environment functions.

Margaret is an experienced commercial lawyer whose career has spanned private practice and in-house private sector positions in large listed companies in New York, London and Melbourne.

Margaret holds a Masters of Public International Law from the University of London and a Bachelor of Laws and a Bachelor of Arts from the University of Melbourne. She is a member of the New York Bar.

Lisa Patroni, Executive Director Marketing, Communications and Partnerships

Lisa joined Parks Victoria as Executive Director of Marketing and Communications in October 2017.

Lisa is responsible for leading unified communication to raise Parks Victoria's profile and maintain its brand and public reputation. She is overseeing Parks Victoria's digital transformation, which involves a new website, social media presence and accommodation booking system.

Previously Head of International, Tourism, Government, Community and Communications at Victoria Racing Club, Lisa has a strong background in marketing, stakeholder management, government relations, tourism and major events, with a proven ability to manage complex stakeholder relationships.

Ian Sargent, Executive Director People and Finance and Chief Financial Officer

Ian joined Parks Victoria in July 2016 as Executive Director People and Finance and Chief Financial Officer. Prior to joining Parks Victoria, Ian was the Chief Finance Officer at Barwon Health and WorkSafe Victoria.

Ian is responsible for the organisation's financial strategy, corporate and business planning, procurement, and human resource functions. Ian champions Parks Victoria's preferred culture, promoting teamwork, employee development and empowerment in order to foster a high performance organisation.

Ian is a Certified Practising Accountant, holds a Masters of Applied Finance from Macquarie University and a Bachelor of Business (Accounting) from Victoria University.

Workforce Data

Workforce profile as at 19 June 2019

On 19 June 2019, Parks Victoria employed 943.8 full time equivalent (FTE) ongoing staff, compared with 938.2 FTE ongoing staff at the end of financial year in 2018. The proportion of women was 36 per cent, which is consistent with the figures reported in the Parks Victoria Annual Report 2017–18. Employees have been correctly classified in workforce data collections. Grading classifications are listed in the *Parks Victoria Enterprise Agreement 2016*.

	Number (headcount)	Ongoing employees			Fixed term and casual
		Full time and WorkCover (headcount)	Part time (headcount)	FTE	FTE
June 2019	1002	868	134	943.8	281.9
June 2018	996	879	117	938.2	225.1
June 2017	968	855	113	909.8	128.1

	June 2019			June 2018		
	Ongoing and Workcover		Fixed term and casual	Ongoing and Workcover		Fixed term and casual
	Number (headcount)	FTE	FTE	Number (headcount)	FTE	FTE
Gender						
Male	643	632.5	156.3	649	640.2	121.5
Female	359	311.3	125.7	347	298	103.6
Age						
Under 25	8	8	36.6	12	12	20
25–34	149	144.1	107.4	148	142.6	84.9
35–44	267	244.8	64.4	274	250.6	55.1
45–54	290	274.9	43.6	272	259	39.8
55–64	237	227.1	27.4	241	230.5	23.3
Over 64	51	44.8	2.6	49	43.6	2
Classification						
Grade 01	1	0.8	25	2	0.8	7.6
Grade 2.1	92	84.2	128.2	93	86.8	103.5
Grade 2.2	110	101.4	10.6	108	98.9	11
Grade 2.3	134	123.5	6	134	125.4	4
Grade 03	126	119.3	23.7	127	119.7	16
Grade 04	153	146.2	17.8	160	152.3	16
Grade 05	115	106.5	15.1	108	98.3	17.8
Grade 06	121	114.5	19.3	113	107.7	13.7
Grade 07	99	96.5	5.8	99	96.3	4.8
Grade 08	51	50.9	6	52	52	3
Executives	0	0	24.5	0	0	27.7

Executive Officer Data

There were total of 25 Parks Victoria executive officers at 19 June 2019. All were classified as Fixed Term. All executive officers are employed with remuneration over \$100,000.

	19 June 2019		21 June 2018	
	Fixed Term	2019 Total	Fixed Term	2018 Total
Executive E01	1	1	1	1
Executive E02	6	6	6	6
Executive E03	18	18	21	21
Grand Total	25	25	28	28

Other Disclosures

Local Jobs first – Victorian Industry Participation Policy (VIPP)

Departments and public bodies are required to comply with the *Victorian Industry Participation Policy Act 2003*, which applies to all tenders over \$3 million in metropolitan Melbourne and \$1 million in regional Victoria.

In 2018–19 Parks Victoria was fully compliant with this policy. During the financial year ending 30 June 2019, Parks Victoria commenced five programs and projects with VIPP application. Four of the projects are within regional Victoria, two at Mt Buffalo are valued at \$134,000 and \$269,000, which form part of a larger program of works totalling \$1.5 million. Two other projects are situated in Western Victoria at Maits Rest and Port Campbell valued at \$1.59 million and \$4.15 million respectively. All four projects have completed the design and tendering phases and will be delivered in the 2019–20 financial year.

The fifth project was the new Albert Park Office and Depot project situated in Albert Park in Melbourne and was valued at approximately \$4.6 million. Although an initial VIPP assessment was completed by the builder unfortunately, when the building was nearing completion, the builder went into liquidation and Parks Victoria was unable to get access to any updated VIPP progress or compliance documentation from the builder. At the time, the balance of works to be completed was estimated at \$1.6 to \$1.8 million. Parks Victoria engaged a Contract Manager under a new contract to complete the works and, as the cost of the works was less than the \$3 million threshold for metropolitan Melbourne, the Department of Jobs, Precincts and Regions VIPP Program Manager agreed that VIPP would not apply for the remaining scope of works. The building achieved practical completion on 19 February 2019.

One of the largest projects currently being undertaken by Parks Victoria is the Grampians Peaks Trail (GPT) Stage 2. Stage 2 of the project has received \$20.2 million of State Government funding, and \$10 million of Australian Government funding, bringing the total project budget to \$30.2 million.

The GPT project meets the first two VIPP assessment criteria:

- the procurement activity is wholly or partially funded by the State Government
- the procurement activity meets or exceeds \$1 million in regional Victoria
- however, the project does not satisfy the third criteria:
- the procurement activity contains contestable goods and services.

Goods and services are considered to be contestable where there are competitive international suppliers and local suppliers. The goods and services associated with the GPT were deemed not considered contestable because the overwhelming majority of the costs associated with this project are direct labour costs located remotely in the Grampians National park and these costs are not considered to be in direct competition with overseas labour costs.

The next largest cost item is the material supply costs for the hiker camps, lookout railing and pedestrian bridges. The possible items that may be sourced overseas are steel supply and timber supply. Although these materials may originate overseas, they will be supplied into Australia via local suppliers and the fabrication and assembly will be locally undertaken.

The GPT consists of a large scope of works and services that were identified and submitted to the Industry Capability Network (ICN) and reviewed and verified by the ICN. From that review a VIPP Contestability Assessment was issued on 22 June 2016 by the VIPP Program Manager that indicated that certified VIPP Plans are not required for the Grampians Peaks Trail, however objectives and fundamentals of VIPP still apply to any tenders.

Government advertising expenditure

Parks Victoria did not undertake any advertising campaigns with a total media buy of \$100,000 or greater (exclusive of GST) during 2018–19.

Consultancy expenditure

Details of consultancies under \$10,000

In 2018–19, Parks Victoria engaged six consultancies where the fees payable was less than \$10,000. The total cost of these consultancies was \$31,250.85.

Details of consultancies over \$10,000

In 2018–19, Parks Victoria engaged six consultancies where the fees payable was \$10,000 or greater. The total cost of these consultancies was \$214,004. Details of individual consultancies can be viewed below.

Consultancy	Purpose of consultancy	Expenditure 2018–19 (\$)
Australian Continuous Improvement Group Pty Ltd	Review of the research permit application process	10,500
Mercer Consulting (Australia) Pty Ltd	Mercer Consulting – Professional fees for Services by David Yong on 26 October 2018	15,000
Nous Group Pty Ltd	Organisational Review of Internal Communications and Government Liaison Function	20,000
FM Intelligence Pty Ltd	OH&S Legislation and essential services requirements review	69,300
FM Intelligence Pty Ltd	Parks Victoria Facilities Management Services Review	39,204
Jacobs Group (Australia) Pty Ltd	Built Infrastructure Strategy	60,000
Total	5 consultancies	\$214,004

ICT expenditure

Information and communication technology (ICT) expenditure

Parks Victoria had a total ICT expenditure of \$20.3 million in 2018–19, consisting of the following:

Business As Usual (BAU) ICT Expenditure

\$12.44 million

Non-Business As Usual (non-BAU) ICT Expenditure (Total = Operational expenditure & Capital Expenditure)

\$7.86 million

Operational Expenditure

\$1.48 million

Capital Expenditure

\$6.38 million

Notes:

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

Major contracts

Parks Victoria entered into no contracts greater than \$10 million in 2018–19.

Freedom of Information

The *Freedom of Information Act 1982* allows the public the right of access to documents held by Parks Victoria. 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 Parks Victoria. This comprises documents both created by Parks Victoria or supplied to Parks Victoria 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 Parks Victoria will be available on Parks Victoria's website in 2019–20 under its Part II Information Statement.

The Act allows Parks Victoria 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 Parks Victoria in-confidence.

From 1 September 2017, the Act has been amended to reduce the Freedom of Information (FOI) processing time for requests received from 45 to 30 days. However, when external consultation is required the processing time automatically reverts to 45 days. Processing time may also be extended by periods of 30 days, in consultation with the applicant. With the applicant's agreement this may occur any number of times.

If an applicant is not satisfied by a decision made by Parks Victoria, 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 by posting or emailing a completed FOI application form (available on our website) and payment of an application fee of \$29.60. Access charges may also be payable if the document pool is large, and the search for material, time consuming. Requests

can also be made by letter. For details of the FOI process please refer to the Parks Victoria website. Requests can be sent to:

foi@parks.vic.gov.au

or

FOI Officer
Parks Victoria
Level 10, 535 Bourke Street

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

FOI statistics/timeliness

During 2018–19, Parks Victoria received 50 applications. Of these requests:

- three were from Members of Parliament
- two from the media
- eight were courtesy consultations from other agencies
- the remainder were from the general public.

Parks Victoria made 30 FOI decisions during the 12 months ending 30 June 2019.

- Five decisions were made within the statutory 30 day time period
- Four decisions were made within the extended statutory 30 to 45 day time period
- 14 decisions were made within 46 to 90 days (time periods extended by agreement with the applicants)
- No decisions were made in greater than 90 days.

In addition, seven decisions were made relating to requests carried forward from 2017–18. It is estimated that these were made within the extended statutory 30 to 45 day time period.

During 2018–19, one request was subject to a complaint and internal review by OVIC. No requests progressed to VCAT.

Further information

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

Building Act 1993

Parks Victoria manages over 4,000 buildings varying in scale and age such as heritage buildings, workforce office accommodation and depots and visitor buildings that are often leased to third parties. These buildings are located at multiple locations across the state and consequently most are required to be included in this statement of compliance with the building and maintenance provisions of the *Building Act 1993* in relation to those buildings.

This financial year Parks Victoria engaged FM Intelligence Pty Ltd to undertake a desktop audit against compliance with the building and maintenance provisions of the *Building Act 1993*. The audit identified some areas of non-compliance and a risk-based approach is now being used to prioritise and address areas of non-compliance based on the current availability of resources.

Competitive Neutrality Policy

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

Parks Victoria continues to comply with the requirements of the Competitive Neutrality Policy.

Protected Disclosure Act 2013

The *Protected Disclosure Act 2013* enables people to make disclosures about improper conduct by public officers and public bodies. The Act aims to ensure openness and accountability by encouraging people to make disclosures and protecting them when they do. A protected disclosure is a complaint of corrupt or improper conduct by a public officer or a public body. Parks Victoria is a 'public body' for the purposes of the Act. Improper or corrupt conduct involves substantial:

- mismanagement of public resources
- risk to public health or safety or the environment or
- corruption.

The conduct must be criminal in nature or a matter for which an officer could be dismissed.

A person can make a protected disclosure about Parks Victoria or its Board Members, officers or employees by contacting the Independent Broad-Based Anti-corruption Commission (IBAC) on the contact details provided below.

Please note that Parks Victoria is not able to receive protected disclosures.

Parks Victoria has established procedures for the protection of persons from detrimental action in reprisal for making a protected disclosure about Parks Victoria or its employees.

Information about Parks Victoria's procedures is on its website at www.parks.vic.gov.au.

For further information, contact the Chief Legal Counsel, Parks Victoria, Level 10, 535 Bourke Street, Melbourne 3000.

Alternatively contact the Independent Broad-Based Anti-Corruption Commission (IBAC) Victoria, Level 1, North Tower, 459 Collins Street, Melbourne Victoria 3000 or via www.ibac.vic.gov.au

Disability Act 2006

The *Disability Act 2006* requires all Victorian public sector bodies including Parks Victoria, to prepare a disability action plan and report on its implementation in their annual report. Parks Victoria's *Disability Action Plan 2017–2020* is a three-year plan that enables visitors with a disability, their families and carers to obtain the health and wellbeing benefits from park visits. During 2018–19 Parks Victoria:

- Delivered a Sherpa Volunteer Program in the Dandenong Ranges, Wilsons Promontory and the Grampians National Park
- In partnership with YMCA Victoria, delivered the Access All Terrain camping and wheelchair skills program for spinal cord injured wheelchair users to tent camp and learn how better to access outdoors. This included use of the TrailRider, the Sherpa Volunteer Program and beach wheelchairs to provide trail and beach access for campers. This program won the VicHealth Initiative of the Year
- Implemented social scripts for children on the autism spectrum at Serendip Wildlife Reserve, Jells Park, Brimbank Park, Wilsons Promontory National Park and Buchan Caves Reserve

- Supported Milparinka, a community organisation, to provide forest therapy programs for adults with cognitive disabilities in Gresswell Forest Reserve
- Supported the Walk in the Park partnership with Blind Sports Australia to encourage vision-impaired visitors to experience nature, including a camp at the Grampians National Park and walks at Tarra-Bulga National Park.

Compliance with Establishing Act

Parks Victoria’s obligations regarding the performance of functions and the exercise of statutory powers are defined in the Statement of Obligations, issued by the Minister for Energy, Environment and Climate Change in accordance with Section 37 of the *Parks Victoria Act 2018*. Parks Victoria is required to monitor compliance with the obligations set out in the Statement, report on non-compliance and take remedial action in relation to non-compliance.

Office-based environmental impacts

As a custodian of the environment, Parks Victoria is extremely active in monitoring and reducing its environmental footprint. To further improve Parks Victoria environmental performance, a number of new initiatives were implemented during 2018–19 including:

- The opening of an eco-friendly Albert Park office and depot including a 37Kw solar system
- The installation of LED lighting in Albert Park
- Introduced a new waste management plan for Parks Victoria’s Bourke St office
- Integrated sustainability activities in the Commercial directorate so caterers are obligated to provide food in sustainable receptacles, event managers adhere to sustainable principles and single use plastics are reduced in Parks Victoria’s tenancies

- A 99Kw solar installation at the Wonthaggi State Coal Mine
- Installation of a new solar hybrid system at Mount Buffalo Chalet that saves up to 300l of diesel per week
- The introduction of hybrid-only vehicles to the passenger motor vehicle fleet
- The approval of Parks Victoria Sustainability Action Plan.

Energy, water and sustainability data is only produced and reported on a calendar year basis, therefore the data below is as at the end of December 2018. The data is reported on a calendar year basis to help avoid the impact of ‘data lag’, which is the difference between the time of consumption and the time of bill issue and payment.

The below noted 2018 results have been impacted by:

- Rainfall in Victoria during 2018 was about 25 per cent below average, the lowest since 2006
- The year was much drier than 2017 for Victoria as a whole
- Victoria’s rainfall in September was nearly 65 per cent below average (the second-driest September on record) and in October it was 51 per cent below average, resulting in Victoria’s ninth-driest spring on record.

Item	2014	2015	2016	2017	2018
Purchased Electricity (MW)	3,982	3,661	3,297	4,035	3,911
Purchased (town) Water (ML)	198	254	177	258	293
Greenhouse Gas Emissions (Tonnes CO ₂ -e)	9,617	9,323	8,133	8,669	9,157

Additional information available on request

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

- a statement of completion of declarations of interests by relevant officers
- details of publications produced by Parks Victoria about itself, and how these can be obtained
- details of any major external reviews carried out on Parks Victoria
- details of major research and development activities undertaken by Parks Victoria
- details of major promotional, public relations and marketing activities undertaken by Parks Victoria to develop community awareness of the entity and its services
- details of changes in prices, fees, charges, rates and levies charged
- details of overseas visits undertaken.

For details of the FOI process please refer to the Parks Victoria website. Requests for documents can be made by writing a letter or completing the Freedom of Information application form, enclosing payment of \$29.60 and forwarding to:

FOI Officer
Parks Victoria
Level 10, 535 Bourke Street
Melbourne Vic 3000

Additional information included in annual report

Details in respect of the following items have been included in Parks Victoria's annual report, on the pages indicated below:

- assessments and measures undertaken to improve the occupational health and safety of employees (on pages 21–22)
- a list of Parks Victoria's major committees, the purposes of each committee, and the extent to which the purposes have been achieved (on pages 30–31).

Information that is not applicable to Parks Victoria

The following information is not relevant to Parks Victoria for the reasons set out below:

- details of shares held by a senior officer as nominee, or held beneficially in a statutory authority or subsidiary (note: Parks Victoria does not issue shares nor does it hold shares in any joint venture or subsidiary).

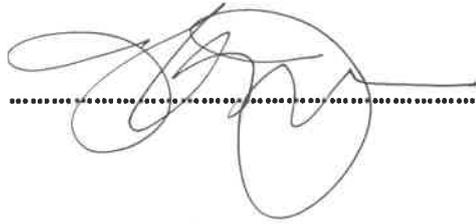
Factors affecting performance

There were no significant changes or factors affecting performance. All significant variances (>5%) in performance have been explained throughout this report.

Financial Management Compliance Attestation Statement

I **Jeff Floyd**, on behalf of the Responsible Body, certify that in 2018-19 **Parks Victoria** has complied with the applicable Standing Directions of the Minister for Finance under the *Financial Management Act 1994* and Instructions.

Signature



A handwritten signature in black ink, appearing to be 'Jeff Floyd', written over a horizontal dotted line.

Date

27/8/19

Financial Report for the year ended 30 June 2019

Comprehensive Operating Statement	45
Balance Sheet	46
Statement of Changes in Equity	47
Cash Flow Statement	48
Notes to the Financial Statements	50

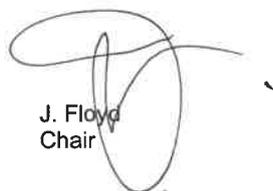
Statutory Certificate

We certify that the attached financial statements for Parks Victoria have been prepared in accordance with Standing Direction 5.2 of the Financial Management Act 1994, applicable Financial Reporting Directions and 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 notes to and forming part of the financial statements, presents fairly the financial transactions during the year ended 30 June 2019 and the financial position of Parks Victoria at 30 June 2019.

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 27 August 2019.



J. Floyd
Chair



M. Jackson
Chief Executive Officer



I. Sargent
Chief Financial Officer

Dated at Melbourne: 27 August 2019

Comprehensive Operating Statement

For the year ended 30 June 2019

	Notes	2019 \$'000	2018 \$'000
Continuing operations			
Income from transactions			
Parks and Reserves Trust funding	2.2.1	97,504	101,114
Government funding	2.2.2	113,115	117,065
Interest	2.2.3	3,596	3,194
Other income	2.2.4	51,918	40,940
Total income from transactions		266,133	262,313
Expenses from transactions			
Employee benefits expenses	3.2.1	150,553	133,143
Depreciation and amortisation	4.1.2	14,222	13,341
Operating expenses	3.2.5	45,215	45,789
Other operating expenses	3.2.6	56,128	56,903
Total expenses from transactions		266,118	249,176
Net result from transactions		15	13,137
Net gain/(loss) on non-financial assets	8.2.1	–	–
Net gain/(loss) on financial instruments	8.2.1	(71)	(40)
Other gains/(losses) from other economic flows	8.2.1	(4,254)	(1,037)
Total other economic flows included in net result		(4,325)	(1,077)
Net result		(4,310)	12,060
Other economic flows – other comprehensive income			
Items that will not be reclassified to net result			
Actuarial gain/(loss) recognised in a year	8.2.2	(598)	1,219
Changes in physical asset revaluation surplus	8.3	(395,289)	207,050
Total other economic flows – other comprehensive income		(395,887)	208,269
Comprehensive result		(400,197)	220,329

The above Comprehensive Operating Statement should be read in conjunction with the accompanying notes.

Balance Sheet

As at 30 June 2019

	Notes	2019 \$'000	2018 \$'000
Assets			
Financial assets			
Cash and deposits	6.1.1	163,949	30,872
Receivables	5.1	8,800	14,835
Investments and other financial assets	4.3	–	125,000
Total financial assets		172,749	170,707
Non-financial assets			
Inventories		349	193
Property, plant and equipment	4.1	5,097,041	2,619,833
Intangible assets	4.2	6,878	6,288
Superannuation defined benefits asset	3.2.4.(c)	–	740
Other non-financial assets		3,983	2,596
Total non-financial assets		5,108,251	2,629,650
Total assets		5,281,000	2,800,357
Liabilities			
Trade and other payables	5.2	28,571	27,558
Employee benefit provisions	3.2.2	45,684	40,711
Superannuation defined benefits liability	3.2.4.(c)	435	–
Total liabilities		74,690	68,269
Net assets		5,206,310	2,732,088
Equity			
Accumulated surplus/(deficit)		121,826	126,734
Physical asset revaluation surplus	8.3	1,496,224	1,891,512
Contributed capital	8.4	3,588,260	713,842
Total equity		5,206,310	2,732,088

The above Balance Sheet should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

For the year ended 30 June 2019

	Notes	Physical Asset Revaluation Surplus \$'000	Accumulated Surplus / (Deficit) \$'000	Contributed Capital \$'000	Total \$'000
Balance at 1 July 2017		1,684,462	113,455	665,016	2,462,933
Other comprehensive income		207,050	1,219	–	208,269
Net result		–	12,060	–	12,060
Net contribution by owner		–	–	48,826	48,826
Balance at 30 June 2018		1,891,512	126,734	713,842	2,732,088
Balance at 1 July 2018		1,891,512	126,734	713,842	2,732,088
Other comprehensive income		(395,289)	(598)	–	(395,886)
Net result		–	(4,310)	–	(4,310)
Net contribution by owner	8.4	–	–	2,874,418	2,874,418
Balance at 30 June 2019		1,496,224	121,826	3,588,260	5,206,310

The Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Cash Flow Statement

For the year ended 30 June 2019

	Notes	2019 \$'000	2018 \$'000
Cash flows from operating activities			
Receipts			
Receipts from Parks and Reserves Trust		97,504	101,614
Receipts from government for operations		140,193	129,252
Receipts from government for Base Funding Review		6,419	6,419
Receipts from customers/other sources		39,616	34,527
Receipts from Australian Taxation Office (ATO) relating to Goods and Services Tax (GST)		11,467	9,931
Interest received		4,327	3,184
Total receipts		299,526	284,927
Payments			
Payments to government for revenue collected from national parks		(12,723)	(12,037)
Payments to suppliers and employees		(266,314)	(243,411)
Total payments		(279,037)	(255,448)
Net cash inflow from operating activities	6.1.2	20,489	29,479
Cash flows from investing activities			
Payments for property, plant and equipment		(37,702)	(26,999)
Payments for other assets (investment with Treasury Corporation of Victoria)		(15,878)	(25,000)
Proceeds from sale of property, plant and equipment		10	7
Proceeds from other financial assets (Investments redeemed from Treasury Corporation of Victoria)		140,878	–
Net cash inflow (outflow) from investing activities		87,308	(51,992)
Cash flows from financing activities			
Receipts from government – contributed capital		25,280	18,799
Net cash inflow from financing activities		25,280	18,799
Net increase (decrease) in cash and cash equivalents		133,077	(3,714)
Cash and cash equivalents at the beginning of the financial year		30,872	34,586
Cash and cash equivalents at end of year	6.1.1	163,949	30,872

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the ATO, is classified as operating cash flows and disclosed therein.

The above Cash Flow Statement should be read in conjunction with the accompanying notes.

Contents of the notes to the financial statements

1	About this report	50	5	Other assets and liabilities	75
1.1	Background	50	5.1	Receivables	75
1.2	Summary of significant accounting policies	50	5.1.1	Movement in allowance for expected credit losses of contractual receivables	76
2	Funding delivery of our services	52	5.1.2	Aging analysis of contractual receivables	76
2.1	Summary of income that funds the delivery of our services	53	5.1.3	Nature and extent of risk arising from contractual receivables	76
2.2	Income from transactions	53	5.2	Trade and other payables	76
2.2.1	Parks and Reserves Trust funding	53	6	Financing our operations	77
2.2.2	Government funding	53	6.1	Cash flow information and balances	77
2.2.3	Interest	54	6.1.1	Cash and deposits	77
2.2.4	Other income	54	6.1.2	Reconciliation of net result for the period to net cash flows	77
3	The cost of delivering services	55	6.1.3	Credit card and merchant facilities	77
3.1	Summary of expenses incurred in delivery of services	55	6.2	Commitments for expenditure	78
3.2	Expenses incurred in delivery of services	55	6.2.1	Capital commitments	78
3.2.1	Employee benefits in the comprehensive operating statement	55	6.2.2	Lease commitments	78
3.2.2	Employee benefits in the balance sheet	56	7	Risks, contingencies and valuation judgements	79
3.2.3	Superannuation	58	7.1	Financial instruments specific disclosures	79
3.2.4	Defined superannuation benefit	59	7.2	Contingent liabilities and contingent assets	82
3.2.5	Operating expenses	61	8	Other disclosures	83
3.2.6	Other operating expenses	62	8.1	Ex-gratia expenses	83
4	Key assets available to support output delivery	63	8.2	Other economic flows included in net result	83
4.1	Property, plant and equipment	63	8.3	Physical asset revaluation surplus	84
4.1.1	Classification by public safety and environment – carrying amounts*	63	8.4	Contributed capital	84
4.1.2	Depreciation and amortisation	67	8.5	Changes in accounting policy	85
4.1.3	Crown land and land improvements at fair value, where Parks Victoria is a Committee of Management	68	8.6	Responsible persons and executive officer disclosures	85
4.1.4	Fair value measurement hierarchy for assets	69	8.7	Auditor's remuneration	89
4.1.5	Reconciliation of level 3 fair value	72	8.8	Volunteer resources provided free of charge	89
4.1.6	Description of significant unobservable inputs to Level 3 valuations as at 30 June 2019	73	8.9	Interest in other entities	89
4.2	Intangible assets	73	8.10	Australian Accounting Standards issued that are not yet effective	89
4.3	Other financial assets	74	8.11	Post balance date events	91
4.4	Committed funds	74	8.12	New accounting standards and interpretations	91
			Auditor's Report		92

Notes to the financial statements

For the year ended 30 June 2019

1 About this report

1.1 Background

1.1.1 Reporting entity

Parks Victoria is a not-for-profit individual reporting entity. Parks Victoria was established as a public authority on 3 July 1998 under the *Parks Victoria Act 1998*. The *Parks Victoria Act 1998* was given Royal Assent on 26 May 1998 and was proclaimed on 3 July 1998.

On 12 September 2018, *Parks Victoria Act 1998* was repealed and a new *Parks Victoria Act 2018* (Act) came into effect. The Act clarifies Parks Victoria's management responsibilities and provides clear objectives, functions and land management powers integral to its efficient and effective operation.

The principal address is:
Level 10/535 Bourke Street, Melbourne, VIC 3000

1.1.2 Objects and funding

The objects of Parks Victoria are to–

- (a) protect, conserve and enhance Parks Victoria managed land, including its natural and cultural values, for the benefit of the environment and current and future generations; and
- (b) recognise and support traditional owner knowledge of and interests in Parks Victoria managed land; and
- (c) provide for and encourage the community's enjoyment of and involvement in Parks Victoria managed land; and
- (d) improve the community's knowledge and appreciation of Parks Victoria managed land; and
- (e) contribute to the well-being of the community through the effective protection and management of Parks Victoria managed land; and
- (f) contribute to the achievement of State and regional land management outcomes as far as is consistent with the effective protection and management of Parks Victoria managed land.

Parks Victoria is primarily funded by the Victorian Government. The Government draws on funds from the Parks and Reserves Trust (Trust) to fund Parks Victoria's operations in metropolitan parks and waterways. The Trust is funded by a parks charge levied on properties within the Melbourne metropolitan area.

These general purpose financial statements have been prepared in accordance with the *Financial Management Act 1994* and applicable Australian Accounting Standards, including Interpretations (AASs). AASs include Australian equivalents to International Financial Reporting Standards.

1.2 Summary of significant accounting policies

1.2.1 General

Statement of compliance

The financial statements as at 30 June 2019 comply with the relevant Financial Reporting Directions (FRDs) issued by the Department of Treasury and Finance and relevant Standing Directions (SD) authorised by the Minister for Finance. The financial statements are prepared in accordance with the Financial Management Act (FMA) and applicable Australian Accounting Standards (AASs) which include Interpretations, issued by the Australian Accounting Standards Board (AASB).

Under Australian Accounting Standards, there are requirements that apply specifically to not-for-profit entities. Parks Victoria has analysed its purpose, objects, and operating philosophy and determined that it does not have profit generation as a prime objective. Where applicable, the AASs that relate to not-for-profit entities have been applied.

The financial statements were authorised for issue by the Board of Parks Victoria on 27 August 2019.

Notes to the financial statements

For the year ended 30 June 2019

1.2 Summary of significant accounting policies (continued)

1.2.2 Basis of accounting preparation and measurement

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

The accrual basis of accounting has been applied in the preparation of these financial statements whereby assets, liabilities, equity, income and expenses are recognised in the reporting period to which they relate, regardless of when cash is received or paid. Amounts disclosed as income, expenses, assets and liabilities are, where applicable, net of returns, allowances and duties and taxes.

Revenues, expenses, assets and liabilities are recognised net of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense.

Receivables and payables are stated inclusive of GST. The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables.

Amounts in the financial statements have been rounded to the nearest thousand dollars, unless otherwise stated. Figures in the financial statements may not equate due to rounding.

In the application of AASs, management is required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on 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.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

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 relevant notes.

Historical cost is based on the fair values of the consideration given at the time in exchange for assets.

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

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2019 and the comparative information presented for the year ended 30 June 2018.

Notes to the financial statements

For the year ended 30 June 2019

1.2 Summary of significant accounting policies (continued)

1.2.3 Scope and presentation of financial statements

Comprehensive Operating Statement

The Comprehensive Operating Statement comprises three components, being 'net result from transactions', 'other economic flows included in net result', as well as 'other economic flows – other comprehensive income'. The sum of the former two, represents the net result.

The net result is equivalent to profit or loss derived in accordance with AASs. This classification is consistent with the whole of government reporting format and is allowed under AASB 101 *Presentation of Financial Statements*.

Balance Sheet

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

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

Statement of Changes in Equity

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

Cash Flow Statement

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

2 Funding delivery of our services

Introduction

Parks Victoria's functions are to manage parks, reserves, other land under control of the state and waterways for the purposes of conservation, recreation, leisure, tourism or water transport. The network of parks it manages includes state and metropolitan parks, national parks, marine parks and sanctuaries, wilderness areas, Aboriginal cultural places, post European heritage sites and significant portion of Victoria's coast line.

To perform its functions Parks Victoria receives grants from the Department of Environment, Land, Water and Planning (DELWP) through parliamentary appropriations. It also receives income by providing camping and roofed accommodation and leasing properties within the areas it manages.

Notes to the financial statements

For the year ended 30 June 2019

	Notes	2019 \$'000	2018 \$'000
2.1 Summary of income that funds the delivery of our services			
Income from transactions			
Parks and Reserves Trust funding	2.2.1	97,504	101,114
Government funding	2.2.2	113,115	117,065
Interest	2.2.3	3,596	3,194
Other income	2.2.4	51,918	40,940
Total income from transactions		266,133	262,313

2.2 Income from transactions

2.2.1 Parks and Reserves Trust funding

Funding from Parks and Reserves Trust		97,504	91,114
Additional funding from Parks and Reserves Trust		–	10,000
Total Parks and Reserves Trust funding		97,504	101,114

Parks and Reserves Trust (PRT) is funded by a parks charge. The charge has been included on the water, sewerage and drainage bills of residential and commercial properties and collected on behalf of Department of Environment, Land, Water and Planning which distributes it to Parks Victoria and other entities for the management and maintenance of metropolitan parks, gardens, trails and waterways. PRT income is recognised when invoiced by Parks Victoria.

2.2.2 Government funding

National / state parks and reserves funding		58,324	51,329
Parks Victoria Base Review Funding		6,419	6,419
Government grants for special projects		7,402	9,342
Program Initiatives (including tracks and trails and Good Neighbour programs)		597	707
Project fire fighter funding		9,843	8,059
Major works funding provided by the Department of Environment, Land, Water and Planning (DELWP)		15,667	23,208
Major works funding provided by the Department of Transport (DOT) and the Department of Jobs, Precincts and Regions		14,863	18,001
Total government funding		113,115	117,065

Government funding comes in the form of grants. Grant income arises from transactions in which a party provides goods or assets (or extinguishes a liability) to another party without receiving approximately equal value in return. While grants may result in the provision of some goods or services to the other party, they do not provide a claim to receive benefits directly of approximately equal value and are termed 'non-reciprocal' transfers. Receipt and sacrifice of approximately equal value may occur, but only by coincidence. Non-reciprocal grants are recognised as income when control over the grant is obtained.

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

Notes to the financial statements

For the year ended 30 June 2019

	2019 \$'000	2018 \$'000
2.2 Income from transactions (continued)		
2.2.3 Interest		
Interest from financial assets categorised as cash and deposits and other financial assets:		
Interest on bank deposits and other financial assets	3,596	3,194
Total interest	3,596	3,194
Interest income includes interest received or receivable on bank term deposits and other investments. Interest income is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.		
2.2.4 Other income		
Accommodation / camping fees	10,254	9,985
Funding sponsored by external parties	300	643
Rent, leases and licences	7,915	7,620
External sales	4,458	4,110
Berthing / mooring fees	531	496
Cave tour fees	1,197	1,171
Fire suppression costs, recovered from DELWP (note 3.2.1)	16,555	10,932
Fair value of assets received free of charge	470	590
Insurance claims	3,458	877
Other	6,780	4,516
Total Other Income	51,918	40,940

Accommodation / camping fees revenue is generated from various parks across the state for both roofed accommodation and camping, the major one being Wilson Promontory National Park, and is recognised as revenue when the accommodation is provided.

Rent, leases and licence revenue represents income that arise from leasing of properties and licences issued to conduct various activities within the areas managed by Parks Victoria. The revenue is recognised when it is earned.

External sales are mainly income generated from the commercial operations of stores located at various parks, and recognised as revenue at the point of sale.

Fire suppression costs recovered from DELWP is the income for the reimbursement of labour costs incurred relating to fire fighting activities, and recognised as revenue when invoiced or earned whichever occurs earlier.

Other income is various revenue generated throughout the year and is recognised when earned.

Notes to the financial statements

For the year ended 30 June 2019

3 The cost of delivering services

Introduction

This section provides an account of expenses incurred by Parks Victoria in performing its functions. This includes the payment of remuneration to its workforce and other associated costs to perform its operations and deliver services.

	Notes	2019 \$'000	2018 \$'000
3.1 Summary of expenses incurred in delivery of services			
Expenses incurred in delivery of services			
Employee benefits expenses	3.2.1	150,553	133,143
Operating expenses	3.2.5	45,215	45,789
Other operating expenses	3.2.6	56,128	56,903
Total expenses incurred in delivery of services		251,896	235,835

3.2 Expenses incurred in delivery of services

3.2.1 Employee benefits in the comprehensive operating statement

Salaries, wages, annual leave and long service leave		111,740	101,630
Termination benefits		298	324
Fire suppression costs (note 2.2.4)*		16,555	10,932
Superannuation – defined and accumulation plans		13,745	12,557
Payroll Tax		6,034	5,136
Fringe Benefits Tax		408	417
Other costs		1,773	2,147
Total Employee Benefits		150,553	133,143

* Fire suppression costs are expenses for Parks Victoria's salaries & wages incurred relating to fire fighting activities, and recognised as expenses when incurred and are fully recovered from DELWP.

Employee Benefits:

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

The amount recognised in the Comprehensive Operating Statement in relation to superannuation is employer contributions and salary sacrifice made by employees for both defined benefit and accumulation plans that are paid or payable during the reporting period.

Liabilities for wages and salaries that are expected to be settled wholly within 12 months of the reporting date are measured at their nominal amounts in respect of employees' services up to the reporting date. The nominal basis of measurement uses employee remuneration rates that the entity expects to pay as at each reporting date and does not discount cash flows to their present value. Non-vesting sick leave is not expected to exceed current and future sick leave entitlements, and accordingly, no liability has been recognised.

Notes to the financial statements

For the year ended 30 June 2019

	2019			2018		
	Current \$'000	Non- Current \$'000	Total \$'000	Current \$'000	Non- Current \$'000	Total \$'000
3.2 Expenses incurred in delivery of services (continued)						
3.2.2 Employee benefits in the balance sheet						
Employee benefits						
Annual Leave expected to be taken within the next 12 months	6,688	–	6,688	6,094	–	6,094
Annual Leave expected to be taken after the next 12 months	2,841	–	2,841	2,881	–	2,881
Long service leave – unconditional and expected to be taken within 12 months	2,436	–	2,436	2,236	–	2,236
Long service leave – unconditional and expected to be taken after 12 months	24,495	–	24,495	21,384	–	21,384
Long service leave – conditional	–	2,120	2,120	–	1,960	1,960
Total employee benefits	36,460	2,120	38,580	32,595	1,960	34,555
Employee benefit on-costs						
Annual Leave entitlements	1,617	–	1,617	1,453	–	1,453
Long service leave – unconditional and expected to be taken within 12 months	460	–	460	411	–	411
Long service leave – unconditional and expected to be taken after 12 months	4,627	–	4,627	3,932	–	3,932
Long service leave – conditional	–	400	400	–	360	360
Total employee related on-costs	6,704	400	7,104	5,796	360	6,156
Total employee benefits and related on-costs	43,164	2,520	45,684	38,391	2,320	40,711

Notes to the financial statements

For the year ended 30 June 2019

	2019 \$'000	2018 \$'000
3.2 Expenses incurred in delivery of services (continued)		
Reconciliation of movements in on-cost provisions		
Opening balance	6,156	5,690
Additional provisions recognised	3,502	2,539
Reductions arising from payments/other sacrifices of future economic benefits	(2,602)	(1,926)
Unwind of discount and effect of changes in the discount rate	48	(147)
Closing balance	7,104	6,156
Current	6,704	5,796
Non-current	400	360
Closing balance	7,104	6,156

Annual leave and long service leave entitlements expected to be settled wholly within 12 months of the reporting date are recognised as a provision for employee benefit in the balance sheet at their nominal values.

Annual leave and long service leave entitlements not expected to be settled within 12 months of the reporting date are recognised at the present value of the estimated future cash outflows to be made by Parks Victoria in respect of services provided by employees up to reporting date. Consideration is given to expected future employee remuneration rates, employment related on-costs and other factors including experience of employee departures and periods of service. In the determination of the long service leave entitlement liabilities, Parks Victoria use the wage inflation and discount rates released by the Department of Treasury and Finance.

Employee benefit provisions are reported as current liabilities where Parks Victoria does not have an unconditional right to defer settlement for at least 12 months. Consequently, the current portion of the employee benefit provision can include both short-term benefits (those benefits expected to be settled within 12 months of the reporting date), which are measured at nominal values, and long-term benefits (those benefits not expected to be settled within 12 months of the reporting date), which are measured at present values.

Employee benefit provisions that are reported as non-current liabilities also include long-term benefits such as non-vested long service leave (i.e. where the employee does not have a present entitlement to the benefit) that do not qualify for recognition as a current liability, and are measured at present value. The non-current liability for long service leave represents entitlements accrued for employees with less than 7 years of continuous service, where Parks Victoria has the right to defer the liability. On costs such as payroll tax, superannuation and workers compensation are recognised separately from the provision for employee benefits.

Notes to the financial statements

For the year ended 30 June 2019

	2019 \$'000	2018 \$'000
3.2 Expenses incurred in delivery of services (continued)		
3.2.3 Superannuation		
Parks Victoria contributes, in respect of its employees (including salary sacrifice), to superannuation schemes detailed as below:		
Scheme		
Defined benefit plans:		
Vision Super	1,127	1,202
Other	1,700	1,790
Accumulation plans:		
Vision Super	4,221	3,677
Vic Super	2,528	2,338
Other	4,169	3,550
Total contributions to all funds	13,745	12,557

Accumulation plans

Contributions are made by Parks Victoria to employee superannuation funds and are charged as expenses when incurred.

Employees engaged from 1 January 1994 are entitled to benefits under accumulation funds. Employees have the opportunity to make personal contributions to the funds at a self-nominated rate or amount. The minimum employer contribution to the fund, pursuant to the Superannuation Guarantee Charge was 9.5 per cent in 2019 (2018: 9.5 per cent).

As at the reporting date, there were no outstanding contributions payable to the above funds. There is also a separate provision made in regards to defined benefits plan (refer note 3.2.4.(c)).

Defined benefit plans

A liability or asset in respect of defined superannuation benefit plans is recognised in the Balance Sheet and is measured as the difference between the present value of employees accrued benefits at the end of the reporting period and the net market value of the superannuation plan's assets at that date. The present value of benefits as accrued benefits is based on expected future payments which arise from membership of the plans at the end of the reporting period. Consideration is given to expected future salary levels, resignation and retirement rates.

Expected future payments are discounted using rates of Commonwealth Government bonds with terms to maturity that match, as closely as possible the estimated future cash outflows.

The amount brought to account in the Comprehensive Operating Statement in respect of superannuation represents the contributions made to the superannuation plan, adjusted by the movement in the defined benefit plan liability or asset. All actuarial gains and losses are recognised in the Other Comprehensive Income (OCI) in the reporting period in which they occur.

Parks Victoria only recognises the liability for Vision Super defined benefit plans. Parks Victoria does not recognise the defined benefit liability in respect of any other plans because the entity has no legal or constructive obligation to pay future benefits relating to its employees.

Notes to the financial statements

For the year ended 30 June 2019

3.2 Expenses incurred in delivery of services (continued)

3.2.4 Defined superannuation benefit

Parks Victoria makes employer superannuation contributions in respect of employees engaged up until the 31st December 1993 to the Vision Super superannuation fund (the Fund). This Fund has two categories of membership, accumulation and defined benefit, which are funded differently. The defined benefit section provides lump sum benefits based on years of service and final average salary.

Obligations for contributions to the Fund are recognised in the Comprehensive Operating Statement when they are made or due.

Employees contribute at rates between 0 to 7.5 per cent of their superannuation salary. Parks Victoria contributes to the fund based on its commitments under the Employee Participation Agreement and Contribution Policy with the trustee of the fund.

	2019 \$'000	2018 \$'000
3.2.4 (a) Reconciliation of the present value of the defined benefit obligation		
Balance at the beginning of the year	35,297	33,860
Current service cost	831	785
Plan expenses	485	492
Interest cost	781	798
Contributions by plan participants	280	348
Actuarial (gain)/loss	2,026	449
Benefits paid	(7,339)	(1,435)
Present value of the defined benefit obligation at the end of the year	32,361	35,297
3.2.4 (b) Reconciliation of the fair value of plan assets		
Balance at the beginning of the year	36,037	34,040
Return on plan assets	2,206	2,452
Employer contributions	743	632
Contributions by plan participants	279	348
Benefits paid	(7,339)	(1,435)
Fair value of plan assets at the end of the year	31,926	36,037
3.2.4 (c) Reconciliation of the assets and liabilities recognised in the balance sheet		
Present value of the defined benefit obligation	32,361	35,297
Less: fair value of plan assets	(31,926)	(36,037)
Net superannuation liability/(asset)	435	(740)

Parks Victoria has recognised liability/(asset) in the balance sheet in respect of its defined superannuation benefit arrangements at 30 June 2019. Where a surplus exists in the plan, Parks Victoria may be able to take advantage of it in the form of a reduction in the required contribution rate, depending on the advice of the plan's actuary. If a deficit exists in the plan, Parks Victoria may be required to increase the required contribution rate, depending on the advice of the plan's actuary consistent with the plan's deed.

Notes to the financial statements

For the year ended 30 June 2019

3.2 Expenses incurred in delivery of services (continued)

Funding arrangements

Parks Victoria makes employer contributions to the defined benefit category of the Fund at rates determined by the Trustee on the advice of the fund's actuary. Parks Victoria's funding arrangements are comprised of three components as follows:

1. Regular contributions

These are ongoing contributions needed to fund the balance of benefits for current members and pensioners, at rates determined by the fund's trustee. For the year ended 30 June 2019, this rate was 12.0 per cent of member's salaries.

2. Funding calls

These contributions are made in respect of any funding shortfalls that may arise. The fund is required to comply with the superannuation prudential standards. Under the Superannuation Prudential Standard SPS 160, the Fund is required to target full funding of its vested benefits. There may be circumstances where:

- a fund is in an unsatisfactory financial position at an actuarial investigation, this happens when its Vested Benefit Index (VBI) is less than 100 per cent at the date of the actuarial investigation; or
- a fund's VBI is below its shortfall limit which is set at 97 per cent.

If either of the above occur the fund is required to put a plan in place so that the shortfall is fully funded within three years of the shortfall occurring. There may be circumstances where the Australian Prudential Regulation Authority (APRA) may approve a period longer than three years.

The fund monitors its VBI on a quarterly basis.

3. Retrenchment increments

These are additional contributions to cover the increase in liability arising from retrenchments. Parks Victoria reimburses the fund to cover the excess of the benefit paid as a consequences of retrenchment above the funded resignation or retirement benefit – calculated as the Vested Benefit Index (VBI) multiplied by the benefit.

Parks Victoria is also required to make additional contributions to cover the contribution tax payable on the contributions referred to above. Employees are also required to make member contributions to the fund. As such assets accumulate in the fund to meet member benefits as defined in the trust deed, as they accrue.

	2019 \$'000	2018 \$'000
3.2.4 (d) Expense recognised in the comprehensive operating statement		
Service cost	1,111	1,132
Member contribution	(280)	(348)
Net interest cost	4	14
Plan expense	485	492
Total superannuation expense	1,320	1,290
3.2.4 (e) Expense recognised in the other comprehensive income		
Actuarial (gain)/loss recognised in year	598	(1,219)
Total superannuation expense/(income) (Note 8.2.2)	598	(1,219)

Notes to the financial statements

For the year ended 30 June 2019

3.2 Expenses incurred in delivery of services (continued)

3.2.4 (f) Fair value of plan assets

The fair value of plan assets includes no amounts relating to:

- a) any of Parks Victoria's own financial instruments;
- b) any property occupied by, or other assets used by, Parks Victoria.

3.2.4 (g) Expected rate of return on plan assets

The expected return on plan assets assumption is determined by weighting the expected long-term return for each asset class by the target allocation of assets to each asset class and allowing for the correlations of the investment returns between asset classes. The returns used for each asset class are net of investment tax and investment fees. An allowance for administration expenses has also been deducted from the expected return.

	2019 % p.a	2018 % p.a
3.2.4 (h) Principal actuarial assumptions at the balance sheet date		
Discount rate (gross of tax)	1.03	2.29
Expected return on assets	4.50	4.50
Average salary increase rate	3.25	3.25

3.2.4 (i) Sensitivity – Impact on Defined Benefit Obligation as at balance sheet date

The following table shows the sensitivity of each significant actuarial assumption on the Defined Benefit Obligation as at 30 June 2019. It illustrates how the Defined Benefit Obligation would have been affected by changes in the assumptions that were reasonably possible at that date, by holding all other assumptions and data constant, but do not represent the best cases that could occur.

	2019 \$'000	2018 \$'000
Impact on Defined Benefit Obligation as at 30 June 2019 of:		
a) Increase in the Discount Rate of 1% p.a.	(1,990)	(1,941)
b) Decrease in the Discount Rate of 1% p.a.	2,254	2,175
c) Increase in the Salary Increase Rate of 1% p.a.	1,790	1,861
d) Decrease in the Salary Increase Rate of 1% p.a.	(1,673)	(1,739)

3.2.5 Operating expenses

Operational services	45,215	45,789
Total Operating expenses	45,215	45,789

Operational services are expenses incurred on delivering works on the ground across Victoria's park and waterways to maintain tracks, ports, manage pest and weeds, delivering biodiversity programs, protecting cultural heritage and preparing for fire, floods and other emergencies.

All expenses are recognised in the reporting period in which they are incurred.

Notes to the financial statements

For the year ended 30 June 2019

	2019 \$'000	2018 \$'000
3.2 Expenses incurred in delivery of services (continued)		
3.2.6 Other operating expenses		
Materials	5,764	6,586
Transport	6,820	6,196
Insurance premiums	9,473	9,491
Payments for works sponsored by external parties	499	440
Fair value of assets provided free of charge	–	6
Plant & Equipment	4,042	3,636
Telecommunications	1,740	2,572
IT Software & Hardware maintenance	5,590	5,078
IT Equipment Lease costs	(41)	1,530
Printing & Signage charges	1,017	1,146
Training & Education	1,572	1,398
Travel & Accommodation	1,235	1,098
Utility expenses	2,810	2,728
Property lease expenses	4,456	6,280
Other external services	11,151	8,718
Total other operating expenses	56,128	56,903

Other operating expenses generally represent the day-to-day running costs incurred in normal operations and are recognised in the reporting period in which they are incurred. It also includes other payments made and assets provided free of charge to third parties in line with Parks Victoria's operational requirements.

Notes to the financial statements

For the year ended 30 June 2019

4 Key assets available to support output delivery

Introduction

Parks Victoria controls Crown land, and assets on that Crown land, waterways and other investments that are utilised in fulfilling its functions. They represent the resources that have been entrusted to Parks Victoria to perform its functions and to deliver services.

4.1 Property, plant and equipment

4.1.1 Classification by public safety and environment – carrying amounts*

	Crown land and land improvements		Buildings and building improvements	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
Opening balance	2,356,316	2,117,805	82,598	85,948
Capitalisation of assets	5,525	–	12,184	–
Transfer of assets from DELWP	2,805,350	30,359	21,746	645
Fair value of assets received free of charge	343	68	127	522
Disposals / Transfers	–	(722)	–	(255)
Net revaluation increments/ decrements	(395,289)	211,302	–	–
Depreciation expense	(2,669)	(2,496)	(4,255)	(4,167)
Impairment loss	–	–	–	(95)
Asset transfer in / out of assets under construction	–	–	–	–
Other adjustments	1	–	–	–
Closing balance	4,769,577	2,356,316	112,400	82,598

	Plant, equipment, machinery and vehicles		Piers, jetties and river improvements		Antiques		Works in progress		Total	
	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000	2019 \$'000	2018 \$'000
	347	392	132,002	128,070	4,550	4,597	44,020	35,406	2,619,833	2,372,218
	298	238	5,576	13,357	–	–	37,403	26,761	60,987	40,356
	–	–	22,042	–	–	–	–	–	2,849,138	31,004
	–	–	–	–	–	–	–	–	470	590
	–	(6)	–	–	–	–	–	–	–	(983)
	–	–	–	–	–	–	–	–	(395,289)	211,302
	(256)	(277)	(5,527)	(5,269)	(46)	(46)	–	–	(12,753)	(12,255)
	–	–	–	(4,157)	–	–	–	–	–	(4,252)
	–	–	–	–	–	–	(25,344)	(18,147)	(25,344)	(18,147)
	1	–	(2)	1	–	(1)	–	–	(1)	–
	390	347	154,091	132,002	4,504	4,550	56,079	44,020	5,097,041	2,619,833

Notes to the financial statements

For the year ended 30 June 2019

4.1 Property, plant and equipment (continued)

4.1.1 Classification by public safety and environment – carrying amounts (continued)

The cost of constructed property, plant and equipment includes the cost of all materials used in construction, direct labour on the project, and an appropriate proportion of variable and fixed overheads. Items with a cost or value of \$5,000 (2018: \$5,000) or more, and a useful life of more than one year are recognised as an asset, all other items are expensed.

Initial recognition

Items of property, plant and equipment are measured initially at cost and subsequently valued at fair value, except Work in Progress (WIP), 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.

Impairment of property, plant and equipment

All non-financial assets are assessed annually for indications of impairment, except for Inventories, whenever there is an indication that the asset may be impaired. The assets concerned are tested as to whether their carrying value exceeds their recoverable amount. Where an asset's carrying value exceeds its recoverable amount, the difference is written off as an 'other economic flow', except to the extent that it can be charged to a physical asset revaluation surplus amount applicable to that class of asset.

If there is an indication that there has been a reversal in impairment, the carrying amount shall be increased to its recoverable amount. However this reversal should not increase the asset's carrying amount above what would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years.

The recoverable amount for most assets is measured at the higher of current replacement cost and fair value less costs to sell.

Revaluations of property, plant and equipment

Property, plant and equipment are measured at fair value in accordance with FRD 103H Non-Financial Physical Assets issued by the Minister for Finance. A full revaluation occurs every five years, based upon the asset's Government Purpose Classification, but may occur more frequently if fair value assessments indicate material changes in value. Revaluation increases or decreases arise from differences between an asset's carrying value and fair value.

To determine the fair value, an independent full revaluation of Parks Victoria's land and land improvements was performed by the Valuer-General Victoria. The effective date of the last scheduled full valuation was 30 June 2016. The fair value of the crown land is determined with regards to the property's highest and best use after due consideration is made for any legal or constructive restrictions imposed on the asset, public announcements or commitments made in relation to the intended use of the asset. Unrestricted fair value was determined by using the market approach, whereby assets are compared to recent comparable sales or sales of comparable assets adjusted for the community service obligation (CSO) to reflect the specialised nature of the land being valued.

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

An annual fair value assessment using the land indices provided by the Valuer-General Victoria, indicated a compound movement in the fair value to be material. In accordance with the requirements of FRD 103H Parks Victoria has performed a managerial revaluation of the land. The effective date of the managerial revaluation is 30 June 2019. The financial statements list land categories and values of Crown land over which Parks Victoria is the Committee of Management in note 4.1.3. This Crown Land remains the property of the State of Victoria. The next scheduled full revaluation will be conducted in June 2021.

The fair value of buildings that Parks Victoria intends to preserve because of their unique historical, cultural or environmental attributes, is determined (except antiques) at current replacement cost of the asset to reflect the already consumed or expired future economic benefits of the asset and any accumulated impairment. An independent valuation of Parks Victoria's buildings and improvements was performed by the Valuer-General Victoria to determine the fair value. The valuation was determined based on the current replacement cost of the assets. The effective date of the valuation was 30 June 2016. An annual fair value assessment using the building indices provided by the Valuer-General Victoria, indicated an immaterial movement in that assets class, so managerial revaluation was not required to be performed. The next scheduled full revaluation for this purpose group will be conducted in June 2021.

The fair value of piers, jetties and river improvements are valued using the current replacement cost method. This cost represents the replacement cost of the component after applying depreciation rates on a useful life basis.

Notes to the financial statements

For the year ended 30 June 2019

4.1 Property, plant and equipment (continued)

4.1.1 Classification by public safety and environment – carrying amounts (continued)

Replacement costs relate to costs to replace the current service capacity of the asset. Economic obsolescence has also been factored into the depreciated replacement cost calculation. An independent valuation of Parks Victoria's piers, jetties and river improvements was performed by the Valuer-General Victoria to determine the fair value. The valuation was determined based on the current replacement cost of the assets. The effective date of the valuation was 30 June 2016. An annual fair value assessment using the building indices provided by the Valuer-General Victoria, indicated an immaterial movement in that assets class, so managerial revaluation was not required to be performed. The next scheduled full revaluation for this purpose group will be conducted in June 2021.

The fair value of the antiques and artworks was determined using the market approach, whereby the value of the antiques and artwork was determined by comparing similar examples of the items in existence or sold. An independent valuation of Parks Victoria's antiques were performed by the Valuer-General Victoria to determine the fair value. The valuation was determined based on the market approach. The effective date of the valuation was 30 June 2016. Parks Victoria conducted a fair value assessment at 30 June 2018 with no material movement identified since the 2016 valuation. The next scheduled full revaluation for this purpose group will be conducted in June 2021.

The fair value of infrastructure systems and plant, equipment and vehicles, is normally determined by reference to the asset's current replacement cost. Plant and equipment are valued using the current replacement cost method. Depreciation is calculated on a straight-line basis to systematically write-off the cost of each asset over its expected useful life to the entity.

The Valuer-General provides guidance to asset valuers on the valuation rationale and appropriate level of "Community Service Obligation" discounts of 70% and 90% were applied to the land and land under water respectively.

Accounting treatment of revaluation

Net revaluation increases are credited directly to equity in the physical asset revaluation surplus, except to the extent that an increase reverses a net revaluation decrease in respect of that class of property, plant and equipment previously recognised as an expense (other economic flows) in the net result, the increase is recognised as income (other economic flows) in determining the net result.

Net revaluation decreases are recognised immediately as expenses (other economic flows) in the net results, except to the extent that a credit balance exists in the physical asset revaluation surplus in respect of the same class of property, plant and equipment in which case they are debited to the physical asset revaluation surplus.

Revaluation increases and decreases relating to individual assets within a class of property, plant and equipment are offset against one another within that class but are not offset in respect of assets in different classes.

Notes to the financial statements

For the year ended 30 June 2019

	2019 \$'000	2018 \$'000
4.1 Property, plant and equipment (continued)		
4.1.2 Depreciation and amortisation		
Depreciation		
Land improvements	2,669	2,496
Buildings and building improvements	4,255	4,167
Piers, jetties and river improvements	5,527	5,269
Plant and equipment, machinery & vehicles	256	277
Antiques	46	46
Total depreciation	12,753	12,255
Amortisation		
Intangibles	1,469	1,086
Total amortisation	1,469	1,086
Total depreciation and amortisation	14,222	13,341

Depreciation is applied to completed fixed assets including buildings and building improvements, piers, jetties and river improvements, land improvements and plant, equipment, machinery, and vehicles. Land is not depreciated.

Work in Progress is valued at cost and depreciation commences on completion of the works.

Depreciation is calculated on a straight-line basis to systematically write off the cost or revalued amount (net of residual value) of each non-current asset over its expected useful life.

Depreciation rates are reviewed annually and, if necessary, adjusted to reflect the most recent assessments of the useful lives and residual values of the respective assets.

Where assets have separate identifiable components that have distinct useful lives and/or residual values, a separate depreciation rate is determined for each component.

The expected useful life of each asset category is as follows:

Asset category	2019 Expected useful life (Years)	2018 Expected useful life (Years)
Buildings and building improvements	5 to 100	5 to 100
Piers, jetties and river improvements	6 to 100	6 to 100
Land improvements	1 to 100	1 to 100
Plant and equipment, machinery & vehicles	1 to 10	1 to 10
Antiques	100	100

Amortisation is calculated on a straight-line basis to systematically write off the cost or revalued amount of each intangible asset over its expected useful life to the entity.

Amortisation rates are reviewed annually and, if necessary, adjusted to reflect the most recent assessments of the useful lives and residual values of the respective assets.

The expected useful life of each Intangible assets category (computer software) is 5–10 years (2018: 10 years).

Notes to the financial statements

For the year ended 30 June 2019

4.1 Property, plant and equipment (continued)

4.1.3 Crown land and land improvements at fair value, where Parks Victoria is a Committee of Management

	2019		2018	
	Area (Hectares)	\$'000 (Net book value)	Area (Hectares)	\$'000 (Net book value)
Crown land				
Land Categories				
Bays Assets	3,235	120,941	3,235	131,097
Conservation Reserves	509,418	721,071	–	–
Metropolitan Parks	9,893	2,644,797	5,185	2,165,714
National Parks	3,476,753	1,206,923	–	–
Regional Parks	773	4,535	774	4,339
Total crown land at fair value land improvements	4,000,072	4,698,267	9,194	2,301,150
Total land improvements at fair value		71,310		55,166
Total Crown land and land improvements		4,769,577		2,356,316

Where any land has been permanently reserved under Crown Land (Reserves) Act 1978 for the purposes of a public park or garden or for the recreation convenience or amusement of the people, the government may appoint a Committee of Management to manage the land. Parks Victoria only recognises assets on land it controls as the Committee of Management.

Parks Victoria also manages other assets on behalf of the Crown under Management Services Agreements (MSAs). Assets managed under MSAs and any new assets constructed by Parks Victoria on behalf of the Crown in the areas managed under the MSAs are recognised in the asset register of the Department of Environment, Land, Water and Planning (DELWP).

The fair value of the crown land is determined with regards to the property's highest and best use after due consideration is made for any legal or constructive restrictions imposed on the asset, public announcements or commitments made in relation to the intended use of the asset adjusted for the Community Service Obligation (CSO) to reflect the specialised nature of the land being valued. CSOs of 70% and 90% were applied to the land and land under water respectively.

Notes to the financial statements

For the year ended 30 June 2019

4.1 Property, plant and equipment (continued)

4.1.4 Fair value measurement hierarchy for assets

	Carrying amounts as at 30 June 2019 \$'000	Fair value measurement at end of reporting period using:		
		Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Specialised land at fair value				
Crown land, land and land improvements	4,769,577	–	–	4,769,577
Total of land at fair value	4,769,577	–	–	4,769,577
Specialised buildings at fair value				
Buildings and building improvements	112,400	–	–	112,400
Total of buildings at fair value	112,400	–	–	112,400
Plant, equipment, machinery and vehicles at fair value				
Plant, equipment, machinery and vehicles	390	–	–	390
Total of plant, equipment, machinery and vehicles at fair value	390	–	–	390
Infrastructure at fair value				
Piers, jetties	113,052	–	–	113,052
Total of infrastructure at fair value	113,052	–	–	113,052
Infrastructure at fair value				
River improvements	41,039	–	–	41,039
Total of infrastructure at fair value	41,039	–	–	41,039
Antique assets at fair value				
Antiques and artworks	4,504	–	4,504	–
Total of cultural assets at fair value	4,504	–	4,504	–
Grand total	5,040,962	–	4,504	5,036,458

Notes to the financial statements

For the year ended 30 June 2019

4.1 Property, plant and equipment (continued)

4.1.4 Fair value measurement hierarchy for assets (continued)

	Carrying amounts as at 30 June 2018 \$'000	Fair value measurement at end of reporting period using:		
		Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Specialised land at fair value				
Crown land, land and land improvements	2,356,316	–	–	2,356,316
Total of land at fair value	2,356,316	–	–	2,356,316
Specialised buildings at fair value				
Buildings and building improvements	82,598	–	–	82,598
Total of buildings at fair value	82,598	–	–	82,598
Plant, equipment, machinery and vehicles at fair value				
Plant, equipment, machinery and vehicles	347	–	–	347
Total of plant, equipment, machinery and vehicles at fair value	347	–	–	347
Infrastructure at fair value				
Piers, jetties	115,648	–	–	115,648
Total of infrastructure at fair value	115,648	–	–	115,648
Infrastructure at fair value				
River improvements	16,354	–	–	16,354
Total of infrastructure at fair value	16,354	–	–	16,354
Antique assets at fair value				
Antiques and artworks	4,550	–	4,550	–
Total of cultural assets at fair value	4,550	–	4,550	–
Grand total	2,575,813	–	4,550	2,571,263

Consistent with AASB 13 Fair Value Measurement, Parks Victoria determines the policies and procedures for fair value measurements of property, plant and equipment.

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

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

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

Parks Victoria, according to the accounting policy, determines whether transfers have occurred between the levels in the hierarchy based on the lowest level of input that is significant to the fair value measurement at the end of the reporting period. There have been no transfers between levels during the period.

Notes to the financial statements

For the year ended 30 June 2019

4.1 Property, plant and equipment (continued)

4.1.4 Fair value measurement hierarchy for assets (continued)

Total of specialised land and total of specialised buildings

Specialised land is valued using the market approach adjusted for Community Service Obligation (CSO) which accounts for any legal or constrictive restrictions imposed on the assets such as current zoning, covenants, use, public announcements or commitments made in relation to the intended use of the land. As adjustments of CSO are considered as significant unobservable inputs, specialised land would be classified as Level 3 assets.

The value of specialised buildings was determined by the Valuer-General Victoria after deducting allowances for any physical deterioration and functional and economic obsolescence already occurred or expired (depreciated replacement cost). As depreciation adjustments are considered as significant, unobservable inputs in nature, specialised buildings are classified at Level 3 fair value measurements.

Plant, equipment, machinery and vehicles

Plant, equipment, machinery and vehicles are valued using the current replacement cost method. This cost represents the replacement cost of the plant, equipment, machinery and vehicles after applying depreciation rates on a useful life basis. Replacement costs relate to costs to replace the current service capacity of the asset.

As depreciation adjustments are considered as significant, unobservable inputs in nature, these assets are classified at Level 3 fair value measurements.

Infrastructure

Infrastructure comprises of piers, jetties and river improvements. Infrastructure assets are valued using the current replacement cost method. This cost represents the replacement cost of the component after applying depreciation rates on a useful life basis. Replacement costs relate to costs to replace the current service capacity of the asset. Economic obsolescence has also been factored into the depreciated replacement cost calculation.

Where it has not been possible to examine hidden works such as structural frames and floors, the use of reasonable materials and methods of construction have been assumed bearing in mind the age and nature of the building. The estimated cost of reconstruction including structure services and finishes as applicable.

An independent valuation of Parks Victoria's infrastructure was performed by Napier & Blakeley Pty Ltd on behalf of the Valuer General Victoria. The valuation was performed based on the current replacement cost of the assets. The effective date of the valuation is 30 June 2016.

As depreciation adjustments are considered as significant, unobservable inputs in nature, these assets are classified at Level 3 fair value measurements.

Antique assets

Antiques comprising sculptures, artworks and furniture. The value of antiques was determined by the Valuer-General Victoria by comparing similar examples of the items and artists work in existence throughout Australia and research on prices paid for similar examples offered at auction or through art galleries in recent years.

Antique assets are classified at Level 2 fair value measurements as their values are based on significant inputs and market values that are directly or indirectly observable.

Notes to the financial statements

For the year ended 30 June 2019

4.1 Property, plant and equipment (continued)

4.1.5 Reconciliation of level 3 fair value

	Specialised Land	Specialised Buildings	Plant, Equipment, Machinery and Vehicles	Piers, Jetties and River Improvements	Total Level 3 Assets
2019					
Opening balance	2,356,316	82,598	347	132,002	2,571,263
Purchases (sales)	2,811,218	34,057	298	27,618	2,873,192
Other Adjustments	–	–	–	(2)	(2)
Transfers in (out) of Level 3	–	–	–	–	–
Gains or losses recognised in net results					
Depreciation expense	(2,669)	(4,255)	(256)	(5,527)	(12,707)
Impairment loss	–	–	–	–	–
Subtotal	5,164,865	112,400	390	154,091	5,431,746
Gains or losses recognised in other economic flows – other comprehensive income					
Revaluation	(395,288)	–	–	–	(395,288)
Closing balance	4,769,577	112,400	390	154,091	5,036,458
2018					
Opening balance	2,117,805	85,948	392	128,070	2,332,215
Purchases (sales)	29,705	912	232	13,358	44,206
Transfers in (out) of Level 3	–	–	–	–	–
Gains or losses recognised in net results					
Depreciation expense	(2,496)	(4,167)	(277)	(5,269)	(12,208)
Impairment loss	–	(95)	–	(4,157)	(4,252)
Subtotal	2,145,014	82,598	347	132,002	2,359,961
Gains or losses recognised in other economic flows – other comprehensive income					
Revaluation	211,302	–	–	–	211,302
Subtotal	211,302	–	–	–	211,302
Closing balance	2,356,316	82,598	347	132,002	2,571,263

Notes to the financial statements

For the year ended 30 June 2019

4.1 Property, plant and equipment (continued)

4.1.6 Description of significant unobservable inputs to Level 3 valuations as at 30 June 2019

	Valuation technique	Significant unobservable inputs
Specialised Land	Market approach	Community Service Obligation (CSO) adjustment
Specialised Buildings	Current replacement cost	(1) Cost per building and (2) Useful life of specialised buildings
Plant, Equipment, Machinery and Vehicles	Current replacement cost	(1) Cost per unit and (2) Useful life of plant and equipment, machinery and vehicles
Piers/Jetties	Current replacement cost	(1) Cost per pier/jetty and (2) Useful life of piers, jetties
River Improvements	Current replacement cost	(1) Cost per river improvement and (2) Useful life of river improvements

Significant unobservable inputs have remained unchanged since June 2016.

	2019 \$'000	2018 \$'000
4.2 Intangible assets		
Computer software		
Gross carrying amount		
Gross carrying amount opening balance	13,286	8,497
Additions – internal development	2,059	4,789
Closing balance	15,345	13,286
Accumulated amortisation and impairment		
Opening balance	(6,998)	(5,912)
Amortisation expense	(1,469)	(1,086)
Closing balance	(8,467)	(6,998)
Net book value at the end of financial year	6,878	6,288

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

Notes to the financial statements

For the year ended 30 June 2019

	2019 \$'000	2018 \$'000
4.3 Other financial assets		
Investments		
Australian dollars term deposit > 3 months	–	125,000
Total other financial assets – current	–	125,000
Other financial assets consists of term deposit with maturity greater than 90 days. Parks Victoria's exposure to interest rate risk is discussed in note 7.1.6. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of cash and deposits and other financial assets mentioned in note 7.1.4.		
4.4 Committed funds		
Total funds – Cash, Deposits and Investments (refer note 6.1.1 & 4.3)	163,949	155,872
Committed cash and Investments		
Government asset and initiative funding	88,972	75,961
Point Nepean park establishment	3,051	3,915
Fire and flood programs (incl. insurance)	7,710	12,901
Sponsored works	11,747	14,774
Other liabilities	3,089	2,927
Total committed cash	114,569	110,478

These commitments are for complex projects that span greater than one financial year. Parks Victoria receives significant funding in advance from many sources and manages both committed and uncommitted cash to ensure it has sufficient capacity to meet financial commitments as they arise.

Notes to the financial statements

For the year ended 30 June 2019

5 Other assets and liabilities

Introduction

This section sets out those assets and liabilities that arose from Parks Victoria's controlled operations.

	2019			2018		
	Current \$'000	Non- Current \$'000	Total \$'000	Current \$'000	Non- Current \$'000	Total \$'000
5.1 Receivables						
Statutory						
Amount owing from Victorian Government*	1,978	–	1,978	6,122	–	6,122
GST input tax credit recoverable	1,366	–	1,366	1,380	–	1,380
Total receivables – statutory	3,344	–	3,344	7,502	–	7,502
Contractual						
Debtors	2,459	–	2,459	1,786	–	1,786
Allowance for impairment losses of contractual receivables	(183)	–	(183)	(124)	–	(124)
Other receivables	3,147	33	3,180	5,638	33	5,671
Total receivables – contractual	5,423	33	5,456	7,300	33	7,333
Total receivables	8,767	33	8,800	14,802	33	14,835

Receivables consist of:

- statutory receivables, which include predominately amounts owing from the Victoria Government and GST input tax credit recoverable; and
- contractual receivables, which include mainly debtors in relation to goods and services, and accrued investment income.

Receivables that are contractual are classified as financial instruments and categorised financial assets at amortised costs. Statutory receivables are not classified as financial instruments.

* Statutory receivables do not arise from contracts and are recognised and measured similarly to contractual receivables (except for impairment), but are not classified as financial instruments. Amounts recognised from the Victorian Government represent funding from DELWP for all commitments and are drawn from the Consolidated Fund as the commitments fall due.

Compensation from third parties for items of property, plant and equipment that were impaired, lost or given up are recognised as a receivable when the receipt of the reimbursement becomes "virtually certain."

Collectability of debtors is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. An assessment of debtor is performed on an individual basis and expected losses from all possible default event over the expected life of the debtor are recognised in the form of impairment losses of contractual receivables when there is an objective evidence that Parks Victoria will not be able to collect all amount due according to the original terms of the receivables.

Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial. The amount of the provision is recognised in the Comprehensive Operating Statement. Bad debts are written off in the period in which they are incurred.

The average credit period on sales of goods or provision of services is 30 days (2018: 30 days).

Notes to the financial statements

For the year ended 30 June 2019

	2019 \$'000	2018 \$'000
5.1 Receivables (continued)		
5.1.1 Movement in allowance for expected credit losses of contractual receivables		
Balance at the beginning of the year	(124)	(397)
Reversal of unused expected credit losses recognised in the net result	–	292
Increase in expected credit losses recognised in the net result	(71)	(24)
Reversal of expected credit losses written off during the year as uncollectible	12	5
Balance at the end of the year	(183)	(124)

5.1.2 Aging analysis of contractual receivables

Refer to table under note 7.1.4 for the ageing analysis of receivables (except statutory receivables).

5.1.3 Nature and extent of risk arising from contractual receivables

Refer to note 7.1.4 for the nature and extent of risks arising from contractual receivables.

	2019			2018		
	Current \$'000	Non- Current \$'000	Total \$'000	Current \$'000	Non- Current \$'000	Total \$'000
5.2 Trade and other payables						
Statutory						
FBT payable	105	–	105	109	–	109
Other taxes payables	510	–	510	377	–	377
Total payables – statutory	615	–	615	486	–	486
Contractual						
Unsecured creditors and accruals	25,930	–	25,930	23,023	–	23,023
Employee benefits	1,838	–	1,838	1,719	–	1,719
Advances from DELWP – Greener Government Building Program	–	–	–	2,158	–	2,158
Other payables	188	–	188	172	–	172
Total payables – contractual	27,956	–	27,956	27,072	–	27,072
Total payables	28,571	–	28,571	27,558	–	27,558

Trade and other payables consist of:

- contractual payables, such as accounts payable and employee benefits. Accounts payable represents liabilities for goods and services provided to Parks Victoria for the financial year that are unpaid, and arise when Parks Victoria becomes obliged to make future payments in respect of the purchase of those goods and services; and
- statutory payables, such as fringe benefits tax payable and payroll tax.

Contractual payables are classified as financial instruments and categorised as financial liabilities at amortised cost. Statutory payables are recognised and measured similarly to contractual payables, but are not classified as financial instruments and not included in the category of financial liabilities at amortised cost, as they do not arise from a contract. Payables are non-interest bearing and have an average credit period of 30 days (2018: 30 days).

- Employee Benefits, such as accrued salaries and wages.

(a) Nature and extent of risk arising from contractual payables

Refer to note 7.1.5 for the nature and extent of risks arising from contractual payables.

Notes to the financial statements

For the year ended 30 June 2019

6 Financing our operations

Introduction

This section provides information on the sources of finance utilised by Parks Victoria during its operations, along with lease commitments interest and financial instrument disclosures.

	2019 \$'000	2018 \$'000
6.1 Cash flow information and balances		
6.1.1 Cash and deposits		
Cash and deposits	163,949	30,872
Total cash and deposits – current	163,949	30,872
Cash and deposits recognised on the balance sheet comprise cash on hand and cash at bank, deposits at call and those highly liquid investments (with an original maturity of three months or less), which are held for the purpose of meeting short term cash commitments rather than for investment purposes, and readily convertible to known amounts of cash with an insignificant risk of changes in value. Parks Victoria deposits funds surplus to its operating needs with Central Banking System (CBS).		
For the purpose of the Cash Flow Statement, cash assets include cash on hand and highly liquid investments with short periods to maturity that are readily convertible to cash on hand at Parks Victoria's option and are subject to insignificant risk of changes values.		
Park Victoria's exposure to interest rate risk is discussed in note 7.1.6. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of cash and deposits and other financial assets mentioned in note 7.1.4 .		
6.1.2 Reconciliation of net result for the period to net cash flows		
Net result for the period	(4,310)	12,060
Non-cash movements:		
Actuarial gain/(loss) recognised in a year	(598)	1,219
Depreciation and amortisation	14,222	13,341
Allowance for impairment losses of contractual receivables	71	(268)
Net assets (received) provided free of charge	(470)	(590)
Others	(9)	300
Fair value of assets provided free of charge	–	6
Change in operating assets and liabilities:		
Decrease / (increase) in receivables	5,963	(2,430)
Decrease / (increase) in inventories	(156)	(69)
Decrease / (increase) in superannuation defined benefit & other assets	(211)	(1,334)
(Decrease) / increase in other provisions	4,972	3,472
(Decrease) / increase in trade and other payables	1,015	3,772
Net cash inflow from operating activities	20,489	29,479
6.1.3 Credit card and merchant facilities		
Total credit card facility	2,000	2,000
Total credit card facility used/(Liability)	(150)	(120)
Total merchant facility (daily limit)	330	330

Notes to the financial statements

For the year ended 30 June 2019

	2019 \$'000	2018 \$'000
6.2 Commitments for expenditure		
Commitments		
Commitments for future expenditure include operating and capital commitments arising from contracts. These commitments are disclosed below at their nominal value and inclusive of the Goods and Services Tax (GST) payable. These future expenditures cease to be disclosed as commitments once the related liabilities are recognised in the balance sheet.		
6.2.1 Capital commitments		
Value of commitments for capital expenditure at 30 June 2019 for the supply of works, services and materials not provided for in the financial statements:		
Not later than one year	608	580
Total capital commitments (inclusive of GST)	608	580
Less GST recoverable from Australian Tax Office	(55)	(53)
Total capital commitments (exclusive of GST)	553	527
6.2.2 Lease commitments		
A lease is a right to use an asset for an agreed period of time in exchange for payment. Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement to reflect the risks and rewards incidental to ownership. Leases of property, plant and equipment are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership from the lessor to the lessee. All other leases are classified as operating leases. All of Parks Victoria's leases are currently classified as operating leases.		
Operating leases relate to buildings, motor vehicles, computers and property and plant equipment with lease terms of between three to ten years, with an option to extend for a further three years.		
Total expenditure contracted for at balance date but not provided for in the financial statements in relation to non-cancellable operating leases is as follows:		
Not later than one year	12,554	8,952
Later than one year but not later than five years	13,481	12,272
Later than five years	802	200
Total non-cancellable operating leases (inclusive of GST)	26,837	21,424
Less GST recoverable from Australian Taxation Office	(2,440)	(1,948)
Total non-cancellable operating leases (exclusive of GST)	24,397	19,476

Operating lease payments, including any contingent rentals, are recognised as an expense in the comprehensive operating statement on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern of the benefits derived from the use of the leased asset. The leased asset is not recognised in the balance sheet.

Notes to the financial statements

For the year ended 30 June 2019

7 Risks, contingencies and valuation judgements

Parks Victoria is exposed to risks from its activities and outside factors. In addition, it is often necessary to make judgements and estimates associated with recognition and measurement of items in the financial statements.

This section sets out financial instrument specific information, (including exposures to financial risks) as well as those items that are contingent in nature or require a higher level of judgement to be applied, for instance fair value determination.

7.1 Financial instruments specific disclosures

Introduction

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

7.1.1 Financial risk management objectives

Parks Victoria's activities expose it primarily to the financial risks of changes in interest rates. Parks Victoria does not enter into derivative financial instruments to manage its exposure to interest rate risk.

Parks Victoria does not enter into or trade financial instruments, including derivative financial instruments for speculative purposes as per the *Victorian Governments Borrowing and Investment Powers Act 1987* and subsequent amendments.

The approach for managing these risks is discussed in more detail below.

7.1.2 Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset and financial liability are disclosed in relevant notes of the financial statements.

The carrying amounts of Parks Victoria's financial assets and financial liabilities by category are in the table below.

Table 1.1: Categorisation of financial instruments

	Notes	Category	2019 \$'000	2018 \$'000
Financial assets				
Cash and cash deposits	6.1.1	Cash and deposit	163,949	30,872
Receivables	5.1	Financial assets at amortised cost (AC)	5,456	7,333
Other financial assets	4.3	Cash and deposit	–	125,000
Financial liabilities				
Payables	5.2	Financial liabilities at amortised cost (AC)	27,956	27,072

Note: The amount of receivables disclosed here exclude statutory receivables (i.e. amounts owing from Victorian Government and GST input tax credit recoverable). For 2019 this was \$3.3m (2018: \$7.5m).

7.1.3 Significant terms and conditions

There are no other significant terms and conditions applicable to Parks Victoria, in respect of each class of financial asset, financial liability and equity instrument, except those required by FRD 114C *Financial Instruments*.

Notes to the financial statements

For the year ended 30 June 2019

7.1 Financial instruments specific disclosures (continued)

7.1.4 Credit risk

Credit risk arises from the financial assets of Parks Victoria, which comprise cash and cash equivalents, investment, trade and other receivables. Parks Victoria's exposure to credit risk arises from the potential default of counter party on their contractual obligations resulting in financial loss to the agency. Credit risk is measured at fair value and is monitored on a regular basis.

Credit risk associated with the agency's financial assets is minimal because the main debtor is the Victorian Government. For debtors other than government, it is Parks Victoria's policy to only deal with entities with high credit ratings and to obtain sufficient collateral or credit enhancements where appropriate.

In addition, the agency does not engage in hedging for its financial assets. The agency's policy is to only deal with banks with high credit ratings.

Allowance for impairment losses of contractual receivables is recognised when there is objective evidence that Parks Victoria will not be able to collect a receivable. Objective evidence includes financial difficulties of the debtors default payments, debts which are more than 90 days overdue and changes in debtor's credit ratings.

Except as otherwise detailed in the following table, the carrying amount of contractual financial assets recorded in the financial statements, net of any allowances for losses, represents Parks Victoria's maximum exposure to credit risk without taking account of the value of any collateral obtained.

Table 1.2: Credit quality of contractual financial assets that are neither past or due nor impaired

	Financial institutions Double-A credit rating \$'000	Government agencies Triple-A credit rating \$'000	Government agencies Triple-B credit rating \$'000	Other \$'000	Total \$'000
2019					
Cash and deposits	163,949	–	–	–	163,949
Receivables (i)	–	–	–	1,896	1,896
Investments and other financial assets	–	–	–	–	–
Total contractual financial assets	163,949	–	–	1,896	165,845
2018					
Cash and deposits	30,872	–	–	–	30,872
Receivables (i)	–	–	–	1,067	1,067
Investments and other financial assets	–	125,000	–	–	125,000
Total contractual financial assets	30,872	125,000	–	1,067	156,939

Note:

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

Financial assets that are neither past due nor impaired

Currently Parks Victoria does not hold any collateral as security or credit enhancements relating to any of its financial assets.

As at the reporting date, there is \$183k of receivables (2018: \$124k) that have been assessed as impaired.

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

Notes to the financial statements

For the year ended 30 June 2019

7.1 Financial instruments specific disclosures (continued)

7.1.4 Credit risk (continued)

Table 1.3: Ageing analysis of financial assets^(a)

	Carrying amount \$'000	Not past due and not impaired \$'000	Past due but not impaired			
			Less than 1 Month \$'000	1–3 months \$'000	3 months–1 year \$'000	1–5 years \$'000
2019						
Receivables (note a)	5,456	1,896	3,478	61	(33)	54
Total	5,456	1,896	3,478	61	(33)	54
2018						
Receivables (note a)	7,333	1,067	6,184	39	10	33
Total	7,333	1,067	6,184	39	10	33

Note: (a) Ageing analysis of financial assets excludes statutory receivables (e.g. amounts owing from Victorian Government and GST input tax credit recoverable).

7.1.5 Liquidity risk

Liquidity risk arises when Parks Victoria is unable to meet its financial obligations as they fall due. Parks Victoria operates under the Government fair payments policy of settling financial obligations within 30 days and in the event of a dispute, making payments within 30 days from the date of resolution. It also continuously manages risks through monitoring future cash flows and maturities planning to ensure adequate holding of high quality liquid assets and dealing in highly liquid markets.

Parks Victoria's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk. Cash for unexpected events is generally sourced from liquidation of financial investments.

7.1.6 Market risk

Parks Victoria's exposures to market risk are primarily through interest rate risk with only insignificant exposure to foreign currency risk. A sensitivity analysis has been prepared for interest rate risk, as it is deemed as a significant market risk on the return to Parks Victoria. Objectives, policies and processes used to manage each of these risks are disclosed in the paragraphs below.

Interest rate risk

The fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market interest rates.

The carrying amount of financial assets that are exposed and its sensitivity to interest rates is set out in the table below.

Table 1.4: Interest rate market risk exposure

	Interest rate risk	
	Net Result \$'000	Net Result \$'000
Financial assets: 2019	-50 basis points	+50 basis points
Other financial assets – based on actual 2018–19 closing balance		
Carrying amount \$163.9m @ 30 June 2019	(820)	820
Financial assets: 2018	-50 basis points	+50 basis points
Other financial assets – based on actual 2017–18 closing balance		
Carrying amount \$155.9m @ 30 June 2018	(779)	779

Notes to the financial statements

For the year ended 30 June 2019

7.1 Financial instruments specific disclosures (continued)

7.1.6 Market risk (continued)

The interest rate risk analysis has been applied on the total of \$163.9m, on the estimate that the minimum interest rate decrease will be 0.50 % and the maximum increase will be 0.50 % .

Exposure to interest rate risk is reduced as funds are held at relatively fixed interest rate. The weighted average cash interest rate earned for 2019 was 1.44% (2018: 1.45%).

Foreign currency risk

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

7.1.7 Fair value

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

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

Parks Victoria considers that the carrying amount of financial instruments assets and liabilities recorded in the financial statements to be a fair approximation of their fair values, because of the short-term nature of the financial instruments and the expectation that they will be paid or received in full. These assets and liabilities are valued at level 1.

7.2 Contingent liabilities and contingent assets

Contingent assets and contingent liabilities are not recognised in the Balance Sheet, but are disclosed by way of a note 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

Parks Victoria has lodged insurance claims for compensation for the reinstatement and replacement of assets which sustained damages due to fire, floods, storm and other activities activities with its insurer – Victorian Managed Insurance Authority (VMIA). At 30 June 2019, Parks Victoria has \$4.7M (2018: \$7.8M) claims (net of excess) outstanding with VMIA that are currently being assessed.

7.2.2 Contingent liabilities

Under public liability and professional indemnity 57 claims have been lodged with Parks Victoria. Parks Victoria has forwarded those claims to its insurer VMIA to be assessed. Parks Victoria's liability exposure towards these claims is limited to its normal insurance excess – ranging from \$25 per claim to \$25,000 per claim, or \$340,050 (2017: \$310,000) if all claims are accepted by the insurer.

Notes to the financial statements

For the year ended 30 June 2019

8 Other disclosures

Introduction

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

8.1 Ex-gratia expenses

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

	2019 \$'000	2018 \$'000
Forgiveness or waiver of debt	12	5
Total Ex-gratia expenses	12	5

8.2 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. Other gains/(losses) from other economic flows include the gains or losses from the:

- revaluation of the present value of the long service leave liability due to changes in the bond interest rates;
- disposal or de-recognition of non-financial assets; and
- impairment of contractual receivables.

8.2.1 Net gain/(loss) arising from other economic flows

(a) Net gain/(loss) on non-financial assets

Disposal of property, plant and equipment	–	–
Total net gain/(loss) on non-financial assets	–	–

(b) Net gain/(loss) on financial instruments

Allowance for impairment losses of contractual receivables	(71)	(24)
Reversal of unused allowance for impairment losses	–	292
Interest income (loss) arising from advances from government – Greener government building program	–	(308)
Total net gain/(loss) on non-financial assets	(71)	(40)

(c) Other gains/(losses) from other economic flows

Net gain/(loss) arising from revaluation of long service liability due to changes in the bond interest rates	(4,254)	(1,037)
Total other gains/(losses) from other economic flows	(4,254)	(1,037)
Total other economic flows included in net result	(4,325)	(1,077)

Other economic flows – other comprehensive income

8.2.2 Items that will not be reclassified to net result

Net gain/(loss) arising from revaluation of superannuation defined benefit plans	(598)	1,219
Total other economic flows – other comprehensive income	(598)	1,219

Refer to note 3.2.4 for details on Defined superannuation benefit.

Notes to the financial statements

For the year ended 30 June 2019

	Notes	2019 \$'000	2018 \$'000
8.3 Physical asset revaluation surplus			
Movements:			
Opening balance		1,891,512	1,684,462
Impairment loss		–	(4,252)
Revaluation of crown land, land and land improvements		(395,289)	211,302
Other adjustment		1	–
Movement in physical assets revaluation surplus	4.1.1	(395,288)	207,050
Total physical asset revaluation surplus		1,496,224	1,891,512
8.4 Contributed capital			
Opening balance		713,842	665,016
Addition to net asset base from DELWP		2,874,418	49,803
Assets transferred to DELWP		–	(977)
Net movement in contributed capital		2,874,418	48,826
Total contributed capital		3,588,260	713,842

With the new Parks Victoria Act 2018 (the Act) coming into effect on 12 September 2018, updates to section 81(1)(a) of the National Parks Act 1975 and section 67E(1)(A) of the Conservation, Forests and Lands Act 1987 (CFL Act) grant Parks Victoria greater powers to control and manage National Parks and land maintained under the land record. Under the Act, section 7A, section 67E(1)(a) of the CFL Act) it also requires the Secretary to transfer land included in the land record to Parks Victoria (all rights, property and assets in relation to Parks Victoria).

The Financial Management Act 1994 (FMA) and Financial Reporting Direction (FRD) 119A require the transfer of assets and liabilities between departments or wholly owned public bodies to be designated as contributed capital. An administrative instrument in the form of an Allocation Statement was approved by the Minister for Energy, Environment and Climate Change and the Minister for Solar Homes on 15 October 2018. A CFO-to-CFO Statement was signed by DELWP and Parks Victoria on 15 July 2019 to transfer land parcels and land improvements of \$2,805 million, buildings and building improvements of \$22 million and piers, jetties and river improvements of \$22 million to Parks Victoria's asset register for the financial year ending 30 June.

Contributions are made to improve tourism, enhance infrastructure in parks and construct piers and jetties in Victoria. Consistent with the requirements of AASB 1004 Contributions, contributions by owner (that is, contributed capital and its repayment) are treated as equity transactions and, therefore do not form part of the income and expenses of Parks Victoria. Other transfers that are in the nature of contributions by owners have also been designated as contributed capital.

Notes to the financial statements

For the year ended 30 June 2019

8.5 Changes in accounting policy

Changes in accounting policies

Parks Victoria has elected to apply the limited exemption in AASB 9 paragraph 7.2.15 relating to transition for classification and measurement and impairment, and accordingly has not restated comparative periods in the year of initial application. As a result:

- (a) any adjustments to carrying amounts of financial assets or liabilities are recognised at beginning of the current reporting period with difference recognised in opening retained earnings; and
- (b) financial assets and provision for impairment have not been reclassified and/or restated in the comparative period.

AASB 9 introduces a major change to embedded derivatives, hedge accounting and impairment of financial assets.

Embedded derivatives and hedge accounting: Embedded derivatives are not applicable to Parks Victoria as it does not have financial instruments that cause cash flows to fluctuate according to specific interest rate, foreign exchange rate, credit rate, commodity price. The absence of embedded derivatives obviates the need of hedge accounting to manage cash flow exposure and volatility in the financial statements.

Impairment of financial assets: Under AASB 9, all loans and receivables as well as other debt instruments not carried at fair value through net result are subject to AASB 9's new expected credit loss (ECL) impairment model, which replaces AASB 139's incurred loss approach.

For Parks Victoria, ECL allowance model is only applicable to trade receivables. Parks Victoria has performed an assessment of impairment (provision for doubtful debt) of its debtors on an individual basis and recognised expected losses from all possible default events over the expected life of the debtor. The application of this method resulted in an increase in the impairment loss of \$2k. Since the increase in impairment loss is immaterial, Parks Victoria has not recognised the impairment loss against the opening retained earnings.

8.6 Responsible persons and executive officer disclosures

8.6.1 Minister

The name of the responsible Minister from 1 July 2018 to 30 June 2019 was The Honourable. Lily D' Ambrosio Minister for Energy, Environment and Climate Change and Minister for Solar Homes. Amounts relating to Ministers are reported in the financial statements of the Department of Premier and Cabinet. For information regarding Related Party Transactions of Ministers, the register of members' interests is publicly available from: [www.parliament.vic.gov.au/publications/register of interests](http://www.parliament.vic.gov.au/publications/register_of_interests).

8.6.2 Accountable Officer and remuneration

The name of the accountable officer from 1 July 2018 to 30 June 2019 was M. Jackson.

Remuneration received or receivable by the Accountable Officer in connection with the management of Parks Victoria during the reporting period was in the range:

\$380,000 to \$390,000 (2018–19)

\$330,000 to \$359,000 (2017–18)

Notes to the financial statements

For the year ended 30 June 2019

8.6 Responsible persons and executive officer disclosures (continued)

8.6.3 Board Members

The names of persons who were Board Members at any time during the financial year ended 30 June 2018 are as follows:

Jeff Floyd	1 July 2018 to 30 June 2019	Lisa Marty	1 July 2018 to 30 June 2019
John Pandazopoulos	1 July 2018 to 30 June 2019	Graham Atkinson	1 July 2018 to 30 June 2019
Helen Weston	1 July 2018 to 30 June 2019	Kate Vinot	1 July 2018 to 30 June 2019
Annette Vickery	1 July 2018 to 30 June 2019	Christine Trotman	1 July 2018 to 30 June 2019

	2019 \$'000	2018 \$'000
8.6.4 Board Members remuneration		
Total remuneration received or due and receivable by Board Members from the reporting entity was	201	210
	2019 Number	2018 Number
The number of Board Members of the reporting entity included in this figure is as below:		
Income of:		
\$0 to \$9,999	–	3
\$10,000 to \$19,999	–	6
\$20,000 to \$29,999	7	2
\$30,000 to \$39,999	1	1
Total number of Board Members	8	12

8.6.5 Executive officers remuneration

Remuneration of executives

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

Remuneration comprises 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, and is disclosed in the following categories.

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

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

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

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

Notes to the financial statements

For the year ended 30 June 2019

8.6 Responsible persons and executive officer disclosures (continued)

8.6.5 Executive officers remuneration (continued)

	Total Remuneration	
	2019 \$'000	2018 \$'000
Remuneration of executive officers		
Short term employee benefits	5,222	4,296
Post-employee benefits	492	404
Other long-term benefits	114	110
Termination benefits	–	–
Total remuneration (i)	5,828	4,810
Total number of executives	32	31
Total annualised employee equivalents (ii)	31	23

(i) The total number of executive officers includes persons who meet the definition of Key Management Personnel (KMP) of the entity under AASB 124 Related Party Disclosures and are also reported in note 8.6.6.

(ii) Annualised employee equivalent is based on paid working hours of 38 ordinary hours per week over the 52 weeks for a reporting period.

8.6.6 Related parties

Key Management Personnel (KMP) are those personnel who have the authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly. Key Management Personnel of Parks Victoria include the Minister, Board Members, Chief Executive, and members of the executive team.

Related party transactions

Transactions that have occurred with Key Management Personnel and their related entities have not been considered material for disclosure.

The names of persons who were Key Management Personnel at any time during the financial year ended 30 June 2019 are as follows:

Honorable. Lily D' Ambrosio	Minister for Energy, Environment and Climate Change and Minister for Solar Homes	Matthew Jackson	Chief Executive Officer
Jeff Floyd	Board Member	Simon Talbot	Chief Operating Officer
John Pandazopoulos	Board Member	Kylie Trott	Executive Director Melbourne Division
Helen Weston	Board Member	Ian Sargent	Executive Director People and Finance and Chief Financial Officer
Annette Vickery	Board Member	Margaret Gillespie	Executive Director Legal, Risk and Compliance
Lisa Marty	Board Member	Dr. Mark Norman	Executive Director Environment and Science, and Chief Conservation Scientist
Graham Atkinson	Board Member	Lisa Patroni	Executive Director Marketing and Communication
Kate Vinot	Board Member	Ben Skinner	Executive Director Infrastructure and Information Technology
Christine Trotman	Board Member	Chris Hardman	Executive Director Melbourne Operations

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

Notes to the financial statements

For the year ended 30 June 2019

8.6 Responsible persons and executive officer disclosures (continued)

8.6.5 Executive officers remuneration (continued)

	2019 \$'000	2018 \$'000
Compensation of KMPs		
Short-term employee benefits	2,110	2,216
Post-employment benefits	183	190
Other long-term benefits	49	48
Total*	2,342	2,454

Note: *Note that KMPs are also reported in the disclosure of remuneration of executive officers in note 8.6.5.

Significant transactions with government-related entities

Parks Victoria received funding of \$252.5M (2018: \$278.9M) and made a payment of \$1.5M (2018: \$0.9M) from/to Consolidated Fund respectively. Parks Victoria received Crown Land and build assets \$2,849M (2018: \$31.0M) from the Department of Environment, Land, Water and Planning (DELWP).

During the year Parks Victoria conducted the following transactions with the Government-related entities;

- received \$232.3M from the Department of Environment, Land, Water and Planning (DELWP) for the management of parks and waterway within Victoria for the purposes of conservation, recreation, leisure, tourism, navigation, fire suppression activities and for the construction of new assets;
- received \$14.9M from the Department of Transport (DOT) for the repair and maintenance and construction of piers and jetties;
- received \$0.7M from the Department of Jobs Precincts & Regions (DJPR) for various projects;
- received \$0.8M from the Department of Premier & Cabinet for various community projects;
- received \$1.6M from various Catchment Management Authorities (CMA) towards Land Care Management Program, Invasive Plant and Animal Strategy program and Weed Management;
- received \$2.2M from other Government agencies for various projects; and
- paid \$1.5M to the Department of Environment, Land, Water and Planning for lease and licence revenue collected within national parks.

Notes to the financial statements

For the year ended 30 June 2019

	2019 \$'000	2018 \$'000
8.7 Auditor's remuneration		
Amounts paid/payable to:		
Victorian Auditor-General's Office for the audit of the financial statements	79	77

8.8 Volunteer resources provided free of charge

Parks Victoria continued to engage a highly dedicated network of volunteers providing 301,296 volunteering hours with over 22,000 volunteers across 174 different parks and reserves. This network includes 244 volunteer involving organisations that partner with Parks Victoria to facilitate practical volunteering outcomes. Volunteers partake in many activities with environmental monitoring, habitat and restoration and gardening the most predominant. The volunteer network has provided over \$11.8M (2018: 37,076 days, \$10.0M)* of in-kind support this year.

* Value is based on the hourly rate provided by the peak body for volunteering – Volunteering Victoria.

8.9 Interest in other entities

The People and Parks Foundation Limited was established in 2004 as a company limited by guarantee under the *Corporations Act 2001*. The People and Parks Foundation Limited is a registered charity with the Australian Charities and Not for Profits Commission and lists its purpose as advancing health, advancing natural environment and purposes beneficial to the general public and other analogous to the other charitable purposes.

Parks Victoria provides in kind support and is the main fund provider to People and Parks Foundation Limited. There are six Board Members of People and Parks Foundation Limited. Parks Victoria's share of the profits and losses in People and Parks Foundation Limited is Nil.

Parks Victoria is not aware of any contingent assets or liabilities relating to the People and Parks Foundation Limited.

8.10 Australian Accounting Standards issued that are not yet effective

The following Australian Accounting Standards (AASs) become effective for reporting periods commencing 01 July 2019:

- AASB 16 Leases;
- AASB 15 Revenue from Contract with Customers; and
- AASB 1058 Income of Not-for-Profit entities.

Leases

AASB 16 Leases replaces AASB 117 Leases, AASB Interpretation 4 Determining whether an Arrangement contains a Lease, AASB Interpretation 115 Operating Leases-Incentives and AASB Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

AASB 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases on the balance sheet by recording a Right-Of-Use (RoU) asset and a lease liability except for leases that are shorter than 12 months and leases where the underlying asset is of low value (deemed to be below \$10,000).

AASB 16 also requires the lessees to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset, and remeasure the lease liability upon the occurrence of certain events (e.g. a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The amount of the remeasurement of the lease liability will generally be recognised as an adjustment to the RoU asset.

Notes to the financial statements

For the year ended 30 June 2019

8.10 Australian Accounting Standards issued that are not yet effective (continued)

Lessor accounting under AASB 16 is substantially unchanged from AASB 117. Lessors will continue to classify all leases using the same classification principle as in AASB 117 and distinguish between two types of leases: operating and finance leases.

The effective date is for annual reporting periods beginning on or after 1 January 2019. Parks Victoria intends to adopt AASB 16 in 2019–20 financial year when it becomes effective.

Parks Victoria will apply the standard using a modified retrospective approach with the cumulative effect of initial application recognised as an adjustment to the opening balance of accumulated surplus at 1 July 2019, with no restatement of comparative information.

All leases in which Parks Victoria has entered into as a lessee are reflected at the fair value of the property.

Parks Victoria has performed impact assessment of AASB 16 and the potential impact in the initial year of application which has been estimated as follows:

- increase in RoU \$17,522,415
- increase in related depreciation \$17,522,415
- increase in lease liability \$17,522,415
- increase in related interest \$981,533 calculated using effective interest method, and
- decrease in rental expense \$18,503,948.

Revenue and Income

AASB 15 supersedes AASB 118 Revenue, AASB 111 Construction Contracts and related Interpretations and it applies, with limited exceptions, to all revenue arising from contracts with its customers.

AASB 15 establishes a five-step model to account for revenue arising from an enforceable contract that imposes a sufficiently specific performance obligation on an entity to transfer goods or services. AASB 15 requires entities to only recognise revenue upon the fulfilment of the performance obligation. Therefore, entities need to allocate the transaction price to each performance obligation in a contract and recognise the revenue only when the related obligation is satisfied.

To address specific concerns from the 'not-for-profit' sector in Australia, the AASB also released the following standards and guidance:

- AASB 2016–8 Amendments to Australian Accounting Standards – Australian implementation guidance for NFP entities (AASB 2016–8), to provide guidance on application of revenue recognition principles under AASB 15 in the not-for-profit sector.
- AASB 2018–4 Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Public-Sector Licensors (2018–4), to provide guidance on how to distinguish payments receive in connection with the access to an asset (or other resource) or to enable other parties to perform activities as tax and non-IP licence. It also provides guidance on timing of revenue recognition for non-IP licence payments.
- AASB 1058 Income of Not-for-Profit Entities, to supplement AASB 15 and provide criteria to be applied by not-for-profit entities in establishing the timing of recognising income for government grants and other types of contributions previously contained within AASB 1004 Contributions.

AASB 15, AASB 1058 and the related guidance will come into effect for not-for-profit entities for annual reporting periods beginning on or after 1 January 2019. Parks Victoria intends to adopt these standards in 2019–20 financial year when they become effective.

Parks Victoria will apply the standard using a modified retrospective approach with the cumulative effect of initial application recognised as an adjustment to the opening balance of accumulated surplus at 1 July 2019, with no restatement of comparative information.

Parks Victoria has performed a detailed impact assessment of AASB 15 and AASB 1058 and the potential impact for each major class of revenue and income in the initial year of application has been estimated to be immaterial.

Notes to the financial statements

For the year ended 30 June 2019

8.11 Post balance date events

Parks Victoria is unaware of any events subsequent to the reporting date that will have a material impact on its financial position or future financial performance.

8.12 New accounting standards and interpretations

Certain new AASs have been published that are not mandatory for the 30 June 2019 reporting period. Parks Victoria has assessed the impact of these new standards, their applicability and early adoption, where applicable.

As at 30 June 2019, the applicable standards and interpretations (applicable to Parks Victoria) had been issued but were not mandatory for the financial year ending 30 June 2019. Parks Victoria has not early adopted these standards.

The AASB has issued a list of amending standards that are not effective for the current reporting period (as listed below). In general, these applicable standards include editorial and references changes that are expected to have insignificant impacts on public sector reporting.

AASB 2018–1 Amendments to Australian Accounting Standards – Annual Improvements 2015–2017 Cycle.

AASB 2018–3 Amendments to Australian Accounting Standards – Reduced Disclosure Requirements.

Independent Auditor's Report

To the Board of Parks Victoria

Opinion	<p>I have audited the financial report of Parks Victoria (the authority) which comprises the:</p> <ul style="list-style-type: none">• balance sheet as at 30 June 2019• comprehensive operating statement for the year then ended• statement of changes in equity for the year then ended• cash flow statement for the year then ended• notes to the financial statements, including significant accounting policies• statutory certificate. <p>In my opinion, the financial report presents fairly, in all material respects, the financial position of the authority as at 30 June 2019 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the authority in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Board's responsibilities for the financial report	<p>The Board of the authority is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Financial Management Act 1994</i>, and for such internal control as the Board determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Board is responsible for assessing the 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.</p>

Auditor's Report

Auditor's responsibilities for the audit of the financial report

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

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

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

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

MELBOURNE
29 August 2019



Paul Martin
as delegate for the Auditor-General of Victoria



Inside back cover image 📍 Firesticks Workshop 2019

Report printed on 100% recycled paper

