

# ANNUAL REPORT

2019–2020

# Acknowledgement of Country

Victoria's network of parks and reserves form the core of Aboriginal cultural landscapes, which have been modified over many thousands of years of occupation. They are reflections of how Aboriginal people engaged with their world and experienced their surroundings and are the product of thousands of generations of economic activity, material culture and settlement patterns. The landscapes we see today are influenced by the skills, knowledge and activities of Aboriginal land managers. Parks Victoria acknowledges the Traditional Owners of these cultural landscapes, recognising their continuing connection to Victoria's parks and reserves and their ongoing role in caring for Country.

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Approved by Parks Victoria Board 6 October 2020

**Front cover image:** Fern regrowth following bushfire

**Inside front cover image:** Djandak Woi – cultural use of fire (Woi) to heal Dja Dja Wurrung Country (Dhelkunya Djandak), Lake Boort

**Inside back cover image:** Cape Schanck Lighthouse Reserve, Mornington Peninsula National Park



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# Chair's Overview

In accordance with the *Financial Management Act 1994*, I am pleased to present Parks Victoria's Annual Report for the 2019–20 financial year.

For Victoria this was a very challenging period; particularly in managing the summer bushfires and the impacts of the Coronavirus (COVID-19) pandemic. I recognise and applaud the incredible efforts made by our people and our volunteers.

Throughout the fire season our people battled raging bushfires, managed incident control centres and rescued key species from the brink of extinction. The bushfires burned significant areas of parkland, particularly in the east of the state. Very sadly, we lost a highly valued staff member Bill Slade during the firefighting operations and celebrated his life at his funeral on 22 January 2020.

Following the fires, Parks Victoria commenced large-scale conservation and asset repair programs that are still continuing.

From March 2020, many parks and other recreation facilities were access restricted or closed as part of the State Government's response plan to COVID-19. Parks Victoria also continued to deliver services and support for park operators and businesses. This again required a major effort on behalf of our people that is ongoing. A large number of operational plans were implemented to protect the Victorian public, while many of our people had to work from home.

Every effort was also made to deliver our other priorities, including:

- Ensuring the safety and wellbeing of our people.
- Furthering joint management with Traditional Owners.
- Extensive feral animal control and conservation works.
- Aboriginal cultural heritage protection.

- Building the iconic Grampians Peak Trail.
- Implementing environmental sustainability initiatives.
- Managing the financial impacts of these tragic events.

I sincerely thank the members of the Parks Victoria Board, and our CEO Matthew Jackson and his team for their remarkable efforts through a challenging 2019–20.

In 2020–21, we will work to repair and reopen our parks and promote visitation to regional locations, as soon as it is safe to do so. Victorians have never needed a high-quality park network as much as now.



**Jeff Floyd**  
Chair

# Chief Executive Officer's Overview

The past year has been a period that we will never forget. We began the year with the World Heritage listing of the Budj Bim Cultural Landscape in south-west Victoria. This was a fitting recognition of the area's outstanding universal value and heralded in a series of successes in managing Country in partnership with Traditional Owners.

During the summer, widespread bushfires devastated communities and parks, followed closely by COVID-19. The challenges that faced Victorians were immense. For our people at Parks Victoria, our experience of this period was incredibly difficult, but also very rewarding.

Key achievements included:

- Improved safety performance with a significant reduction in our injury frequency rate.
- 779 staff deployed across 18,361 shifts to fight bushfires.
- 2.2 million hectares treated for pest plants and animals to improve biodiversity across the state.
- \$45.3 million invested in capital projects to improve access and experiences in parks, and contribute to the Victorian economy.
- 22,000 volunteers proudly contributing to the health and vibrancy of our parks.
- Swift and effective response to implement a range of measures to support the State Government's management of COVID-19.
- A rapid and effective transition to new ways of working as office-based staff moved to working from home.

I am so proud of our people, who rose to these challenges and continued to provide ongoing services to the Victorian community.

I must also acknowledge the loss of Bill Slade, who was tragically killed fighting fires on 11 January 2020. Bill was a much-loved colleague, friend and member of the Wonthaggi community. He is deeply missed by his team and Parks Victoria colleagues. Bill worked for Parks Victoria for over 40 years, firefighting and caring for Parks Victoria's estate in South Gippsland.

I look forward to continuing to lead our people into 2020–21. We are proud to be able to help Victorians and their communities recover following the bushfires and continue to support their health and wellbeing through connections with nature.



**Matthew Jackson**  
Chief Executive Officer

# Our Achievements

## CONSERVING VICTORIA'S SPECIAL PLACES

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

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### 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

### 2019–20 highlights

- Celebrated the Budj Bim cultural landscape being inscribed on the UNESCO World Heritage list.
- Delivered 2.2 million hectares of pest plant and pest animal treatment across the state, significantly higher than the 1.5 million hectares delivered in 2018–19.
- Supported the Department of Environment, Land, Water and Planning (DELWP) to embed biodiversity and environmental considerations into Incident Management Teams to inform decision-making relating to bushfire control.
- Implemented emergency extractions of threatened species both ahead of, and following, the bushfires.
- Adjusted the targeted invasive weeds and pest animal control programs in East Gippsland and in North East following the 2019–20 bushfires to better protect biodiversity in affected parks.
- Recorded suitable habitat for Plains Wanderer birds in 58 per cent of monitored plots, an increase of 38 per cent from two years ago.
- Supported the Yorta Yorta Traditional Owner Land Management Board's development of the Joint Management Plan for Barmah National Park in partnership with DELWP.
- Consulted on the draft Greater Gariwerd (Grampians) Landscape Management Plan through 12 community engagement events in various locations including Halls Gap, Laharum, Dunkeld and North Melbourne.
- Published the Mallee and River Red Gum Conservation Action Plans and prepared other plans, including Gippsland Plains and Strzelecki Ranges, and Great Otways, for release in 2020–21.
- Developed the Wilsons Promontory Sanctuary Proposal.

## CONNECTING PEOPLE AND PARKS

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

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### 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

### 2019–20 highlights

- Supported 22,000 volunteers who recorded 204,950 volunteering hours across 250 parks and reserves despite bushfire and COVID-19 impacts.
- Launched 'Nature First Supporters', a 12-month pilot membership program to connect interested community members with Victoria's parks, waterways and native wildlife.
- Parks Victoria admitted into the 'Hall of Fame' for Victoria's Tourism Awards for Inclusive and Accessible Tourism.
- Increased park visitation in June 2020 (when compared with June 2019) at various locations following the COVID-19 restrictions being lifted. Visits to sites at Kinglake and Wilsons Promontory national parks increased by 180 per cent and 69 per cent respectively.
- Developed a trail classification system to identify and grade park trails suitable for all-terrain 'TrailRider' wheelchair users.
- Provided disability awareness and engagement training online to 1,491 staff and 277 volunteers.
- Completed the Olinda Oval nature-based playspace.
- Received an estimated 1,673,600 visitors at the Twelve Apostles in Port Campbell National Park: the most visited site in the parks estate.
- Launched a new Parks Victoria website.
- Built a new dog-play facility at Nortons Park in the Dandenong Valley Parklands.
- Completed the new Port Campbell pedestrian bridge as part of the Shipwreck Coast Master Plan.

## PROVIDING BENEFITS BEYOND PARK BOUNDARIES

Contribute to the safety, living standards and wellbeing of Victorians

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### 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

### 2019–20 highlights

- Provided 779 people to undertake or support bushfire fighting during the summer period.
- Established a Critical Incident Management Team to manage Parks Victoria's COVID-19 response.
- Completed 118 planned burns on Parks Victoria estate covering 21,246 hectares.
- Supported six burns delivered by Traditional Owners working on Country to meet cultural outcomes set by the Traditional Owners.
- Booked 181,657 nights for visitors in camping and accommodation sites across the state which, despite the impacts of fires and COVID-19, was nearly 80 per cent of last year's bookings.
- Increased the total number of Licensed Tour Operators to 495, from 475 in 2018–19.
- Hosted 700 events across the state, enabling 700,000 people to participate in community sporting and recreation events.

## ENHANCING ORGANISATIONAL EXCELLENCE

Our Strategic Imperatives

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### 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

### 2019–20 highlights

- Improved safety performance demonstrated through a Total Recordable Injury Frequency Rate reduction from 16.1 in 2018–19 to 12.3 in 2019–20.
- Developed and adopted a new Health Safety and Environment management system framework aligned to best-practice international standards.
- Winner of the 2019 Premier's Sustainability Awards – Environmental Justice category in partnership with AMES Australia, for regenerating the historic garden at Werribee Mansion.
- Supported the State Government's response to COVID-19 by closing parks, providing rent relief and refunds for many Victorians, and supporting staff wellbeing.
- Removed single use plastic bottles and plastic bags from sale in Parks Victoria's commercial outlets reducing the amount of plastic that can potentially cause environmental damage.
- Installed energy efficient, long-life LED lighting at Cowes Jetty, Kerferd Road Pier and Seaford Pier.
- Completed the annual capital projects program, delivering significant new park infrastructure.
- Achieved a community rating of 75 per cent that Parks Victoria is effective at maintaining safety in parks.

# About Parks Victoria

## Our Vision

Into nature to create a better Victoria.

## Our Purpose

We inspire Victorians to protect and enjoy our unique natural and cultural heritage.

## About Us

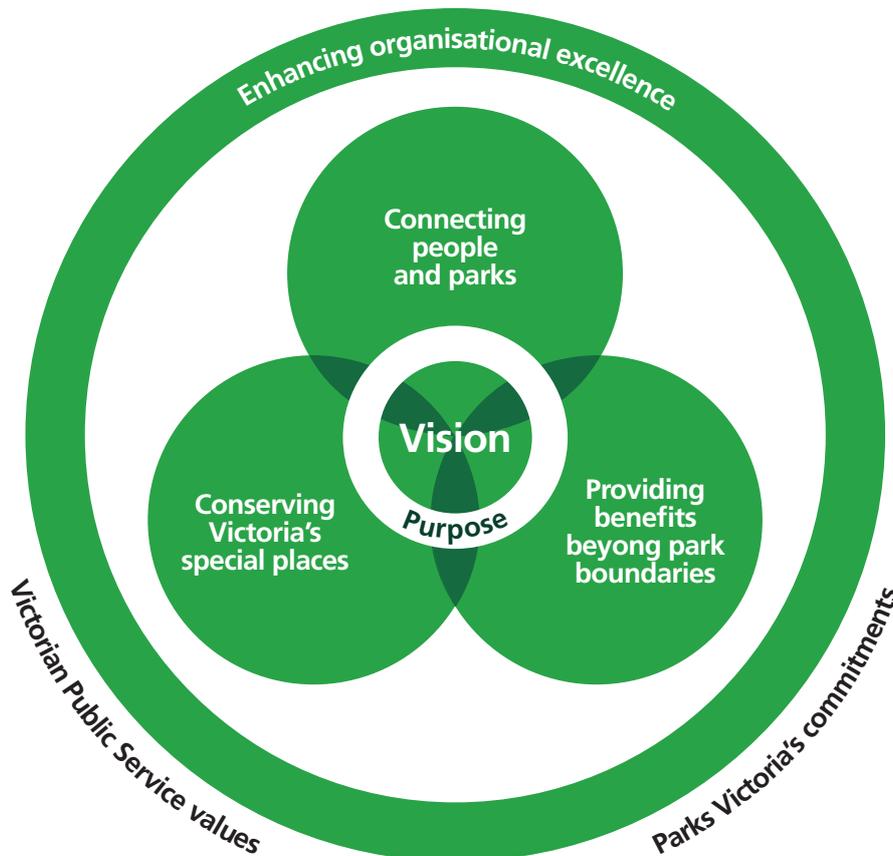
Putting nature first today for tomorrow, we champion the importance of nature by managing, protecting and sharing Victoria's precious places. In partnership with Traditional Owners, we help connect people with Country, understand cultural heritage and contribute to human health and wellbeing.

## Healthy Parks Healthy People

*Healthy Parks Healthy People* recognises the fundamental connections between human health and environmental health and is an underlying philosophy of Parks Victoria.

## Strategic Plan – Shaping our Future

Our Strategic Plan is framed around 4 Goals, which provide the context and focus for all our activities.





Point Nepean National Park

## Establishment of Parks Victoria

Parks Victoria commenced operations on 12 December 1996 and was established on 4 July 1998 as a statutory authority under the *Parks Victoria Act 1998* to manage Victoria's diverse parks system. Re-established on 12 September 2018 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

Our responsible minister from 1 July 2019 to 30 June 2020 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 and Minister for Boating and Fishing for the management of local ports and piers.

## 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 this network, 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 operates across five regions:

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

## Parks Victoria Act

The *Parks Victoria Act 2018* (the Act) re-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.
- The Minister may issue a 'Statement of Obligations' which sets out Parks Victoria's obligations.

- Parks Victoria must prepare a 'Land Management Strategy' that '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 sections 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 issued Parks Victoria with a Statement of Obligations on 27 October 2018 (p. 58). The draft Land Management Strategy was developed and submitted to the Minister.

## Our Ethical Framework

Parks Victoria's Ethical Framework includes the Victorian Public Sector values, eight commitments and 11 guiding principles that are core to Parks Victoria, underpinning our Vision, strategies and culture.

### Victorian Public Sector Values



**Responsiveness**



**Integrity**



**Impartiality**



**Accountability**



**Respect**



**Leadership**



**Human Rights**

### Our Commitments

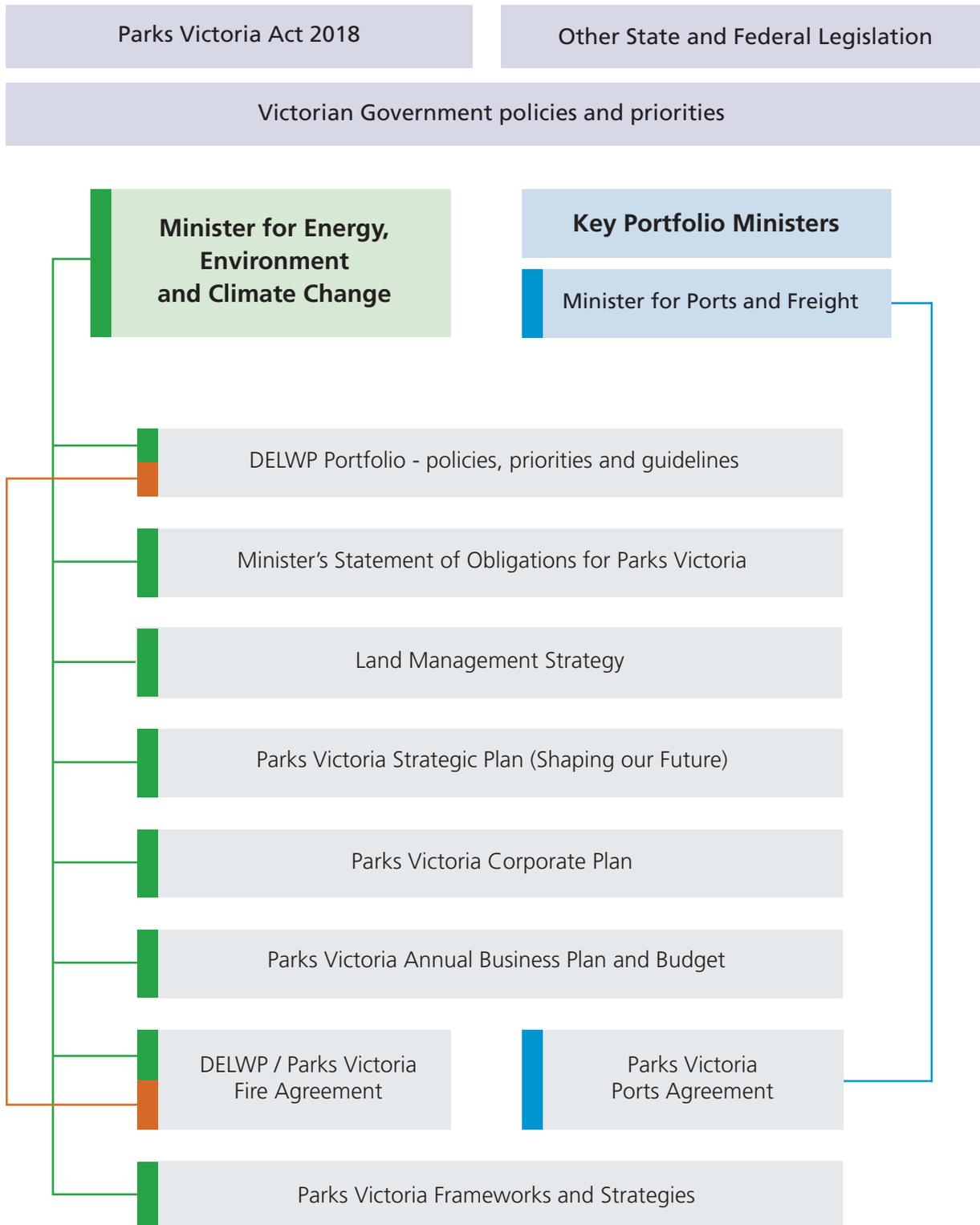
**As stewards of Victoria's parks, we will:**

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 don't 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 Operating Context



# 2019–20 Victorian Bushfires

## Major impacts on the parks estate

Over the summer, bushfires burnt more than 1.5 million hectares of public and private land in East Gippsland and north-east Victoria. Nearly one third of this area is land managed by Parks Victoria, with 61 parks affected by fire, including many where the whole park or reserve was burned.

These fires had a significant impact on some of the most ecologically significant landscapes in Victoria. At least 497 Aboriginal places within 22 parks and reserves were impacted by fire. Assets and infrastructure managed by Parks Victoria were also destroyed.

The most significant fire impacts to parks were to: all of Alfred National Park and Lind National Park, 99 per cent of Burrowa-Pine Mountain National Park, 96 per cent of Coopracambra National Park, 86 per cent of Wabba Wilderness Park and Croajingolong National Park, 75 per cent of Snowy River National Park, 66 per cent of Errinundra National Park, 52 per cent of Budj Bim National Park, 30 per cent of Mount Buffalo National Park and 19 per cent of the Alpine National Park.

Over 240 Victorian species had more than 50 per cent of their habitat impacted by fire, including 215 rare or threatened species. Also within this area is 70 per cent of Victoria's remaining Warm Temperate Rainforest, an ecosystem not adapted to recover from fire. Species of most immediate concern post-fire include the Long-footed Potoroo, Ground Parrot, Glossy Black-cockatoo, Large Brown Tree Frog, Diamond Python, Freshwater Galaxiids, Colquhoun Grevillea and the Betka Bottlebrush.

A significant area of habitat has now burnt multiple times since 2000, reducing the ecosystems' ability to recover from fire. Even ecosystems which require fire to regenerate, such as heathlands, have been adversely impacted by the huge scale of the fires. These areas will require ecological burning practices to help support recovery of the environment.

## Major impacts on our people

Parks Victoria's fire and emergency management personnel started the fire season with assisting fire management agencies in New South Wales and Queensland. Our staff were deployed in front-line and incident management roles in both states starting in September 2019, under the banner of Forest Fire Management Victoria.

In late November and December 2019, as fire activity began to increase in Victoria, staff were deployed to Gippsland and Victoria's High Country. During the firestorm at the turn of the new year, Parks Victoria staff worked alongside Country Fire Authority crews and defended communities including Buchan, Cann River and Mallacoota.

In total, 779 Parks Victoria staff were deployed across 18,361 shifts. Firefighting operations ceased in March 2020, leaving a major, long-term recovery task to be managed by our people.

The most significant impact this year was the tragic loss of Bill Slade, an experienced firefighter, ranger and long-standing member of the Parks Victoria team at Wonthaggi. Bill was struck by a falling tree while on firefighting operations in Victoria's High Country. A much-loved colleague, friend and member of the Wonthaggi community, Bill is sorely missed by Parks Victoria. Our thoughts are with his family - his wife, Carol and children, Ethan and Steph, and his colleagues in South Gippsland, along with his local community.

## Impacts on the Natural Environment

In partnership with DELWP and other agencies during the bushfire emergency, Parks Victoria worked to identify potential ecological impacts from the fires and plan responses. The following actions benefited biodiversity in a range of parks including: Croajingolong, Coopracambra, Lind, Alfred, Snowy River and Alpine national parks, as well as Cape Conran Coastal Park and a range of smaller reserves:

- Existing fox control and native mammal monitoring programs (Southern Ark) provided valuable baseline information to support evidence-based decision-making during and following the fires.



Firefighter – Kenny Road, Buchan South (Credit: Lachie Spark)

- Reconnaissance flights and on ground inspections (where safe) occurred following the fires to provide a better understanding of fire impacts on biodiversity and to further assist with planning of future recovery actions.
- Modelling for fire-sensitive Alpine Ash forests informed mitigation actions (e.g. seed distribution), to help Alpine Ash forests recover where frequent fires had removed all seed-producing trees.

Parks Victoria worked with DELWP to design and implement a Bushfire Biodiversity Relief and Early Recovery Plan to deliver intensified and sustained introduced predator, herbivore and weed control during the critical fire recovery phases for parks and reserves. The closure of parks for the purpose of public safety post-fire enabled targeted aerial shooting of deer, feral pigs and goats, ground shooting and species monitoring programs to be delivered. More than \$3.5 million is being invested over 2019-20 and 2020-21 to deliver increased introduced herbivore control, predator baiting, exclusion fencing, feral horse management, ground shooting and weed control in areas directly impacted by fires and vulnerable adjacent landscapes. Projects under this plan are being delivered in the Alpine, Snowy River, Croajingolong, Coopracambra and Errinundra national parks and Cape Conran Coastal Park.

### Case study: A model for the future — active intervention to protect species

A team of experts from DELWP, Zoos Victoria, Monash and Wollongong universities, and the Currumbin Wildlife Sanctuary carried out a rescue operation ahead of the fire front burning near Mallacoota in early February 2020. Parks Victoria assisted in the extraction of 15 endangered Eastern Bristlebirds at Howe Flat in Croajingolong National Park, one of only three habitats for these birds in Australia. The evacuation operation, involving a military Chinook helicopter, is believed to be the first of its kind in Australia and provided valuable insights into collaboration between government agencies and non-government organisations. Following the bushfires, other active interventions were implemented including the extraction of aquatic animals, such as threatened galaxiid fish, from impacted waterways. These actions are supporting the development a new model to protect species threatened by bushfires.

## Asset damage

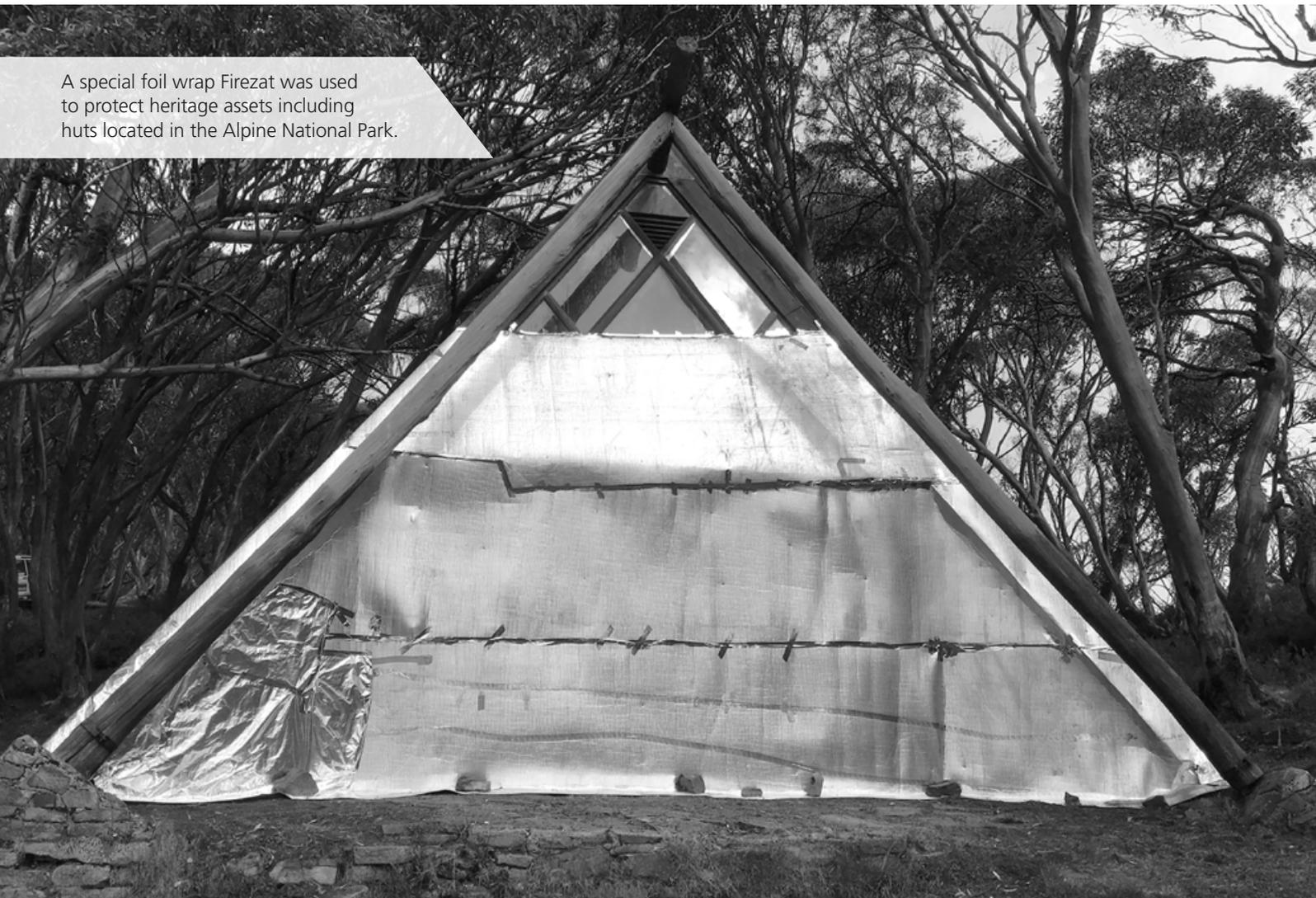
The fires caused significant damage to built assets and infrastructure on the parks estate. The cost to replace these assets and infrastructure is estimated to be over \$30 million. Major impacts occurred at Buchan Caves Reserve, Cape Conran Coastal Park and Croajingolong National Park. The day visitor areas, campgrounds and accommodation in these parks are key to the economic wellbeing of communities such as Buchan, Orbost, Marlo, Cann River and Mallacoota.

For public safety, Parks Victoria closed numerous parks to the public and worked with DELWP, the Australian Defence Force and local contractors to clear, make safe and reopen parks following the devastating bushfires. Works are underway to rebuild and repair assets in Buchan Caves Reserve, Cape Conran Coastal Park and other impacted visitor areas.

The works will be continued over next year with a key focus on reopening parks that attract visitors to East Gippsland to support local businesses recovering from the bushfires and COVID-19.

Parks Victoria developed a new mapping tool to assist with damage assessments on public land resulting from the 2019–20 bushfires. The 'spatial dashboard' pulled live data from DELWP and Parks Victoria's asset records. This enabled insurance officers to quickly simulate potential claim events and expedite the claim lodgement process. Field inspections showed the asset damage estimates produced by the mapping tool were accurate, aiding the development of Parks Victoria's bushfire recovery program and ability to assist bushfire affected communities.

A special foil wrap Firezat was used to protect heritage assets including huts located in the Alpine National Park.



# Conserving Victoria's Special Places

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

## Conserve and restore ecological processes

### Conservation achievements through biodiversity protection programs

Prior to the summer bushfires, which caused profound devastation to Australia's biodiversity, Parks Victoria worked to improve the health of biodiversity in protected areas. This benefitted native species and plant communities such as the threatened Mountain Pygmy-possum, Southern Brown Bandicoot, alpine peatlands and warm temperate rainforest. Programs were focused on protecting and restoring habitats, reducing the impacts of introduced predators, deer, goats, feral pigs and weeds.

The programs were delivered in partnership with Traditional Owners, DELWP, universities, Zoos Victoria, Catchment Management Authorities, Alpine Resorts, and other partners.

Key achievements included:

- Weed control following bushfires in areas including Cape Conran Coastal Park and Croajingolong National Park.
- Feral goat numbers significantly reduced from the national heritage-listed Grampians National Park.
- Mountain Pygmy-possums protected through fox and feral cat monitoring and trapping.
- Seventy-four Eastern Barred Bandicoots (listed as extinct in the wild on the mainland) were released into French Island National Park. Early indicators show reproductive success in the new population (pictured).
- Alpine plant communities protected by removing by hand more than 10,000 Ox-eye Daisy plants.
- Expansion of predator control in the Great Otway National Park and surrounding areas.
- Fragile dune systems and culturally significant sites protected by aerial control of feral goats in the Murray-Sunset National Park.



Eastern Barred Bandicoot,  
Woodland Historic Park  
(Credit: Zoos Victoria)

## Horse management programs

Parks Victoria has clear legal obligations to protect and manage Victoria's natural environment, and specifically the parks estate. These obligations are set out in a range of legislation including the *Parks Victoria Act 2018*, *National Parks Act 1975*, *Flora and Fauna Guarantee Act 1988*, *Environment Protection and Biodiversity Conservation Act 1999* (Cwlth), and the international Ramsar Wetlands Convention. Parks Victoria aims to reduce the numbers of feral horses in parks to protect the natural environment and provide a greater chance of survival for native species, many of which are found nowhere else on the planet.

A comprehensive survey in late 2019 found the number of feral horses in the Victorian Alps had more than doubled since 2014 to approximately 5,000. In addition, the summer bushfires greatly impacted large areas of the Victorian Alps, resulting in significant loss of threatened native wildlife and unique habitats in these fragile heritage-listed ecosystems.

Parks Victoria will resume its horse removal program in the Alpine National Park following recent judgments in its favour by Federal and Victorian courts. Under strict animal welfare protocols, with expert equine veterinary oversight, the program will use the additional technique of ground-based shooting. Feral horse management is planned to occur during 2020–21.

Operational planning for horse removal at Barmah National Park is continuing, with the plan funded until December 2021. Capture and rehoming actions are being planned as the first step with the number of horses able to be rehomed dependent on community interest in participating in the rehoming program.

## Barmah National Park Strategic Action Plan

The *Strategic Action Plan for the Protection of Floodplain Marshes in Barmah National Park and Barmah Forest Ramsar Site (2020–23)* was developed in consultation with Yorta Yorta Nation Aboriginal Corporation. It was released by the Minister for Energy, the Environment and Climate Change Lily D'Ambrosio in February 2020.

The park, part of the largest red gum forest in the world, is the Victorian stronghold for the Superb Parrot and key habitat for colonial nesting birds. The plan outlines a four-year program to address threats to the Barmah Forest and protect it for current and future generations. The draft plan underwent public consultation, with community members encouraged to review the plan and provide their feedback. "*The Barmah National Park and Barmah Forest Ramsar site is like Victoria's Kakadu. It's internationally significant and supports at least 553 native species of flora and 273 native species of fauna.*" the Minister for Energy, Environment and Climate Change Lily D'Ambrosio said.

## Land Management Strategy development

A draft Land Management Strategy was developed and submitted to the Minister for Energy, Environment and Climate Change for approval to release to the public for consultation.

This strategy will inform future planning and decision-making across the parks estate, including joint management with Traditional Owners. The strategy will respond to key challenges facing the parks estate, including climate change, population growth, changing community needs, increased visitation, invasive pest species, and accessibility requirements.

## Traditional Owner partnerships

### Budj Bim World Heritage listed

In July 2019, the Budj Bim Cultural Landscape, including most of Budj Bim National Park, was inscribed on the UNESCO World Heritage List, which recognises the outstanding universal value of this landscape and its aquaculture systems. It is the first Australian site to gain international recognition solely for its Aboriginal cultural values.

Damaging bushfires in Budj Bim National Park in early 2020 saw Parks Victoria and the Gunditjmarra Traditional Owners working closely together in both the emergency response and planning for recovery in the cultural landscape. Although fire impacted much of the landscape, the burns revealed cultural sites that were concealed beneath vegetation. These include sites that may be part of the aquaculture systems recognised by UNESCO.



**Above:** Tae Rak channel and holding pond, Budj Bim Cultural Landscape (Credit: Gunditj Mirring Traditional Owners Aboriginal Corporation)

### Protecting Aboriginal Ancestral Remains

Parks Victoria progressed the major 'Resting Places' Project – *Ponnun Pulgi*, which looks after Ancestral burial places in north-western Victoria. Working closely with the First People of the Millewa-Mallee Aboriginal Corporation and the People and Parks Foundation, conservation and critical stabilisation works at burial site B16 were undertaken with support from the landowner. Development of a monitoring and evaluation plan for the program commenced and a Resting Places Coordinator was employed through project funding by the First People of the Millewa-Mallee.

## Joint Management Plan for Barmah National Park

The Joint Management Plan for Barmah National Park was released on 4 April 2020. Developed by the Yorta Yorta Traditional Owner Land Management Board with extensive community consultation, the plan sets the direction for nurturing Barmah National Park back to health over the next ten years. It demonstrates the commitment of the State Government and the Yorta Yorta people to a collaborative partnership in managing this significant park and supports the enduring connection of Yorta Yorta People to Country.

This plan is supported by the Strategic Action Plan, Protection of Floodplain Marshes in Barmah National Park and Barmah Forest Ramsar site, which outlines a four-year plan of actions to address the threats to significant native plants and animals in the Barmah Forest.

### Traditional Owner engagement in the Grampians (Gariwerd)

In 2019, a new governance partnership was established between Parks Victoria and three Traditional Owner representative organisations: the Barengi Gadjin Land Council Aboriginal Corporation, Eastern Maar Aboriginal Corporation and the Gunditj Mirring Traditional Owners Aboriginal Corporation to give effect to their shared responsibilities in the Gariwerd Cultural Landscape. This collaboration has supported work to expand the understanding of cultural values across the landscape and the development of a landscape management plan, which will guide management of the area over the next 15 years.

### Joint Management

Traditional Owner and Parks Victoria ranger teams worked closely to fulfil the directions set out in a number of Joint Management Plans.

Dja Dja Wurrung Clans Aboriginal Corporation improved its planning and notification process to strengthen decision-making on Country. A highlight of the year was establishing the Native Vegetation Initiative for monitoring pest plants and animals in Kara Kara National Park. Dja Dja Wurrung continues to support the ranger exchange program between Dja Dja Wurrung and Gunaikurnai joint management rangers to share skills, knowledge and perspectives.

The Gunaikurnai Land and Waters Aboriginal Corporation and Parks Victoria worked on the public engagement on the Lake Tyers Camping and Access Strategy with the Victorian Fisheries Authority. Parks Victoria also worked to support:

- Cultural mapping and analysis of historical records for the Gippsland Lakes Coastal Park and The Lakes National Park.
- Maintenance of visitor and camping areas and walking tracks across the jointly managed parks.
- The development of a landscape design plan for Angusvale campground in Mitchell River National Park.

Following the release of the Joint Management Plan for Barmah National Park, Parks Victoria worked with the Yorta Yorta Nation Aboriginal Corporation to commence implementation of the plan, with initial focus around the Dharnya Cultural Centre precinct.

Parks Victoria is preparing to formally commence joint management of nine parks and reserves on Taungurung Country, when the Taungurung Recognition and Settlement Agreement commences.

## Co-operative Management

Parks Victoria continued to work co-operatively with the Budj Bim Council and the Gunditj Mirring Traditional Owners Aboriginal Corporation in the management of Budj Bim National Park.

Collaboration with the Barengi Gadjin Land Council Aboriginal Corporation resulted in surveys of rock art sites in Mount Arapiles-Tooan State Park, which contributed to important rediscoveries of rock art in the park.

Cooperative management with Yorta Yorta Nation Aboriginal Corporation continued, including sandhill protection of cultural sites along the Goulburn River, pest plant control, consultation on road and track rationalisation, and bush kinder and primary school environmental education.

## Protecting threatened native animals, plants and ecosystems by managing foxes, feral cats and feral pigs

In partnership with the Mooji Aboriginal Council, Parks Victoria achieved a reduction in feral pigs and cats in the Eastern Alps, providing a greater chance of survival and recovery for many native plants, wildlife and ecosystems. Works carried out include:

- 95,000 hectares of feral pig monitoring and control.
- 50,000 hectares of feral cat monitoring.
- 5,000 hectares of feral cat trapping.

## Promote enjoyment and understanding of our natural and cultural heritage

### Rock art protection

Parks Victoria continued its statewide rock art monitoring program to update details of recorded rock art sites and understand the current management needs of rock art places on the Parks Victoria estate. More than 75 per cent of the 152 registered rock art places were inspected, revealing that the biggest impacts were caused by visitors and feral goats.

Rock art assessments were undertaken within the Grampians National Park. The park's values are protected by legislation, including the *Aboriginal Heritage Act 2006* under which significant financial penalties apply for harm caused to Aboriginal cultural heritage. Some rehabilitation works were completed to address impacts to known Aboriginal places, including rock art shelters.

Surveys were completed in 12 areas of the park, resulting in the rediscovery of 36 additional Aboriginal places, including previously unknown rock art sites. A rock art management plan is currently being prepared in consultation with stakeholders and interest groups, including rock climbers. This will guide how Parks Victoria and Traditional Owners work together to conserve and protect rock art over the next three years.

## 'Below Decks' heritage exhibition

Parks Victoria partnered with Heritage Victoria to showcase a range of shipwreck artefacts in a pop-up exhibition, *Below Decks: Rescued from Shipwrecks*, located inside the historic Rocket Shed building at Port Campbell.

Visitors were able to peer through the window of the building and see artefacts displayed in a theatrical setting. All the artefacts were from the collection held by Heritage Victoria and had been recovered from seven shipwrecks in the waters off Victoria.

This simple but effective short-term activation of a disused heritage building provided visitors to the Shipwreck Coast with an additional and engaging experience. This initiative strengthened relationships with local community groups and our partner, Heritage Victoria.

## Improve our approach using contemporary science in parks

### Research Partners Program

Parks Victoria's Research Partners Program focused on integrated management of fire and feral predators, ecosystem restoration and climate change. New projects established in terrestrial ecosystems included:

- Testing the efficacy of a novel approach for collecting environmental DNA to monitor wildlife.
- Assessing the effectiveness of artificial shelters in protecting small mammals from predators in fire-affected areas.
- Fire ecology projects including investigating the effects of fire and predation on frogs and reptiles and plant extinction risk.
- Modelling spatial and temporal dynamics of Plains Wanderer bird habitat quality (pictured).
- Restoring Pine-Buloke Woodland in Wyperfeld, Hattah-Kulkyne and Murray-Sunset national parks.



**Above:** Plains Wanderer, Terrick Terrick National Park

## Terrestrial Science research and monitoring

Research and monitoring programs focused on:

- Ongoing monitoring of native fauna as part of the Ark predator control programs.
- Assessing the success of the revegetation program in Hattah-Kulkyne, Murray-Sunset and Wyperfeld national parks.
- Monitoring habitat structure and native fauna in Terrick Terrick National Park.
- Reassessing vegetation condition of the Eastern Bristlebird habitat in Croajingolong National Park.
- Monitoring vegetation condition in semi-arid woodlands in Murray-Sunset National Park.

Volunteer-based monitoring focused on birds, small mammals and reptiles. Monitoring of threats to natural values in terrestrial environments included: weeds, feral animals including foxes, cats, pigs, rabbits, deer, horses, as well as overabundant native fauna including kangaroos and koalas in a range of parks and reserves across the state.

## Marine Science monitoring

Marine environment monitoring included:

- Point Addis Marine National Park pilot monitoring report completed.
- Port Phillip Heads Marine National Park review of data for monitoring seabirds, shorebirds and marine mammals completed.
- Environmental DNA sampling for marine pest *Undaria* completed at multiple sites across Victoria.
- 'Sea Search' citizen science monitoring of rocky shores undertaken in various sites.

## Key Performance Targets

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

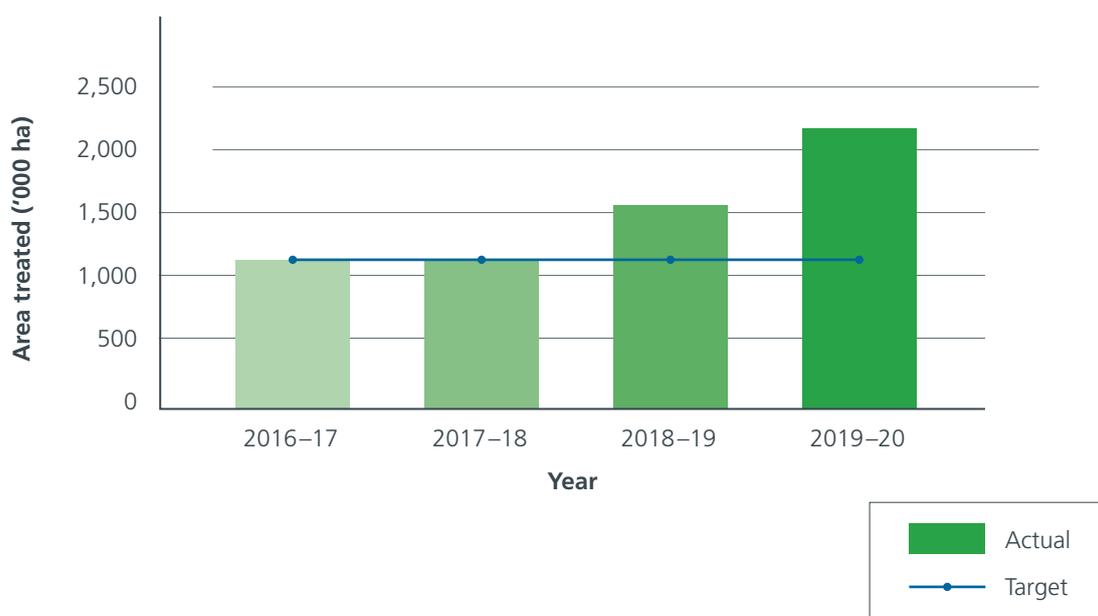
## Conserving Victoria's Special Places

Key Performance Measure	2018–19 target	2018–19 actual	2019–20 target	2019–20 actual	Year end status
<b>Total area of estate managed by Parks Victoria*</b>	4,111,000	4,111,000	4,111,000	4,117,000	✓
<b>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*</b>	1,100,000	1,514,000	1,100,000	2,209,460	✓
Performance is above target due to increased funding through Biodiversity 2037 and treatment in areas affected by the 2019-20 Victorian bushfires.					
<b>Number of Traditional Owner groups with partnership agreements with Parks Victoria</b>	3	1	3	2	✗

A new partnership agreement with Dja Dja Wurrung Clans Aboriginal Corporation is now in place. Parks Victoria is in negotiations with three additional groups.

\* Budget Paper 3 (BP3) performance measure.

## Pest plant and animal treatment



# Connecting People and Parks

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

## Provide quality infrastructure to support visitation

### Grampians Peaks Trail

The construction of the 160 kilometre, world-class natural and cultural walking experience progressed and will be fully completed in 2020–21. Vegetation was removed with permission granted under the *Environment, Protection and Biodiversity Conservation Act 1999* (Cwlth) at fifteen sites along the trail. Tracks, camps, bridges and stairs were also constructed. All hiker camps were allocated names in the language of the local Traditional Owners. Once finished, the trail will include 12 campsites (11 hiker camps and one group camp) and be accessible for people to experience the Grampians National Park through day walks, overnight section walks, or as one 13-day journey.

### Olinda Oval and Playspace

A nature-based playspace was officially opened in July 2019, as part of the first stage of the Olinda Precinct redevelopment, in partnership with Sport and Recreation Victoria.

Closure of the former 34-hectare Olinda Golf Course in 2012 provided an opportunity to transform the site into public parklands and provide a recreational space that meets the current and future needs of the Olinda community and broader Victorian public.

The playspace includes an all abilities playscape, new barbecues, picnic facilities, shelters, seating, a new toilet block and formalised pathways around the former golf course as part of a dog off lead area.

Construction of a new junior sporting oval and public open space for markets and local events at the Olinda precinct commenced and is due to be completed early in 2020–21.



**Above:** Before (top) and after (bottom) – Grampians Peaks Trail

## Maits Rest, Great Otway National Park

Maits Rest was refurbished and now has a new boardwalk, bridges and lookout. The new structures will better protect the environment and improve visitor experiences. The works were part of a \$2.5 million investment package to improve visitor facilities in the Great Otway National Park. The refurbishment was designed to reduce congestion along the 800-metre walk and better protect the forest ecosystem. New seating and dedicated gathering points mean there will be less inclination for visitors to step off the pathways, alleviating pressures to the forest floor and the delicate ecosystem.



**Above:** Maits Rest, Great Otway National Park

## Attract and connect with visitors in meaningful ways

### 'Nature First' Supporters launched

In March 2020, Parks Victoria launched its Nature First Supporters initiative: a 12-month pilot program to connect supporters with Parks Victoria's places, programs, people and other supporters who are passionate about the future of Victoria's parks, waterways and native wildlife. The pilot has successfully attracted 1,004 members with 357 Junior Ranger families, 315 campers and 332 volunteers.

### New website enhances digital community engagement

In October 2019, Parks Victoria launched a new website to better support visitors to plan their park visit. The website was built on research insights into user behaviours and new content was developed to make both new and existing web pages more relevant to how people search.

The most relevant content has been brought to the front of the website, with a focus on inspiring and seasonal information. In the seven months since its launch, the new website has received a significant increase in web page views compared to the previous year.

### Volunteer achievements

The 2019–20 bushfires and COVID-19 physical distancing restrictions impacted volunteer activities in the second half of the year. Despite these challenges, volunteers made a significant contribution with 204,950 volunteering hours recorded across 250 different parks and reserves, providing more than \$8,177,505 million of in-kind support. The volunteer network includes 221 volunteer organisations that partner with Parks Victoria to facilitate practical outcomes including assisting park visitors, environmental management and gardening. Highlights include:

#### All abilities inclusion

Parks Victoria partnered with community organisation GenU to create volunteer opportunities in the Bellarine Peninsula area for people with disabilities. The tasks included tree planting, weeding and litter collection. Parks Victoria staff provided guided walks and



Volunteer Park Guides program

information sessions to the volunteers on plants and animals. A new all abilities walk and accompanying accessible picnic tables were installed at Ocean Grove Nature Reserve, with the assistance of Conservation Volunteers Australia.

### Volunteer Park Guides

Volunteer Park Guides of all-abilities participated in the Park Guides program at Serendip Sanctuary providing wildlife tours to visitors during the school holidays between January and early March 2020. The tours foster a connection between parks, visitors and the community, and people of all-abilities. All-abilities volunteer opportunities at Serendip Sanctuary are being broadened to include park management and animal husbandry tasks.

### 'Walk in the Park' Program

Parks Victoria provided four guided group walks in parks for people who were blind or vision impaired, in partnership with Blind Sports and Recreation Victoria. This 'Walk in the Park' program provided walks in Gippsland Lakes Coastal Park, State Coal Mine, Nyerimilang Park and Westgate Park. Supported by trained volunteers, these participants were able to get out and explore these parks and receive the many health benefits.

## Point Nepean National Park visitor facility improvements

Delivery of the Point Nepean National Park Master Plan initiatives have progressed well throughout the year, with the completion of a park-wide storytelling and interpretation strategy and construction of new visitor facilities at the Quarantine Station. Facilities include a picnic shelter, barbecues, drinking fountains, tables and seating. Site planning, design and building conservation works are progressing to deliver new interpretive experiences across the park including an immersive experience at the Quarantine Station Disinfecting Complex. The development of a new camping experience at the Quarantine Station is progressing through the design stage.

## Provide safe, modern and engaging experiences in parks

### Nursery skills pilot for all abilities

Parks Victoria provided a training program in horticulture for young people of all abilities at Werribee Park, in partnership with Gordon TAFE and Warringa Park School. The students worked with the Heritage Orchard group to learn skills in nursery and propagation. This pilot program provided a safe space for learning and a pathway to future employment.

### Specialised Tourism Award

At the Victorian Tourism Awards, Parks Victoria was awarded in the Specialised Tourism Category for providing specialist, inclusive and accessible tourism services that enable more people with disabilities and culturally diverse backgrounds to experience the health and wellbeing benefits of nature.

Having won this award for three consecutive years, Parks Victoria has been admitted into the Award's Hall of Fame. This recognises:

- A new camping program, in partnership with YMCA, for people with spinal cord injuries at Wilsons Promontory National Park.
- The first publicly available wheelchair friendly hoist at Patterson River.
- New culturally inclusive guided 'Women's Walks'.
- Resources for children with autism to prepare ahead of park visits.
- A new Parks Victoria website with accessible visitor information.
- Victoria's first dementia-friendly designed walking trail.

### All-terrain 'TrailRider'

Parks Victoria developed a new trail classification system for identifying and grading park trails suitable for visitors using all-terrain 'TrailRider' wheelchairs. This system includes new advisory trail symbols to advise chair users about the level of trail difficulty and the recommended number of chair operators required.

Two 'Come and Try' days were held at Dandenong Ranges National Park. Visitors with mobility limitations were able to trial Parks Victoria's all-terrain 'TrailRider' wheelchairs with the assistance of 'TrailRider' volunteers.

### Disability awareness training

Parks Victoria provided access to disability awareness and engagement training online to Parks Victoria staff and 277 volunteers. Further staff, including members of the executive management team, participated in face to face sessions held across the state. Staff and volunteers gained a better understanding of the common societal and practical barriers faced by people with disabilities. The training was funded by the Office of Disability, Department Health and Human Services.



**Above:** 'Immersion Day' at Brimbank Park. Experiencing being blind and escorted by Martin Alcott, Get Skilled Access (Credit: Suzanne Hayes)

## Key Performance Targets

### Definition of year-end results:

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

## Connecting People and Parks

Key Performance Indicator	2018–19 target	2018–19 actual	2019–20 target	2019–20 actual	Year end status
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<b>Level of satisfaction of visitors to parks</b>	80-85	N/M	85	85.3	✓
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Index (out of 100) This measure indicates perception of the quality of visitor experience. The Visitor Satisfaction Monitor is conducted biennially and will be conducted again in 2019–20.

<b>Number of visits to Parks Victoria managed estate</b>	101-103 million	131 million	+NM	+NM	◆
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<b>a. Number of visits to National, State, urban and other terrestrial parks*</b>	55-56 million	79 million	+NM	+NM	◆
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<b>b. Number of visits to piers and jetties*</b>	46-47 million	52 million	+NM	+NM	◆
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+ This measure indicates total number (million) of visits to parks and marine-based facilities. The Visitor Number Monitor survey is conducted biennially and will be conducted again in 2020–21.

### Key Performance Measure

<b>Significant built park assets managed by Parks Victoria rated in average to excellent condition*</b>	88%	87%	88%	86.8%	✓
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<b>Significant built bay assets managed by Parks Victoria rated in average to excellent condition*</b>	80%	70%	80%	66%	<b>x</b>
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Parks Victoria is working with the Department of Transport to develop a strategic investment plan for the Local Port of Port Phillip and Western Port which will assist future funding prioritisation. Parks Victoria is receiving funding for maintenance and capital replacement of a number of piers as part of the State Government Building Stimulus program, which will address some poor condition assets.

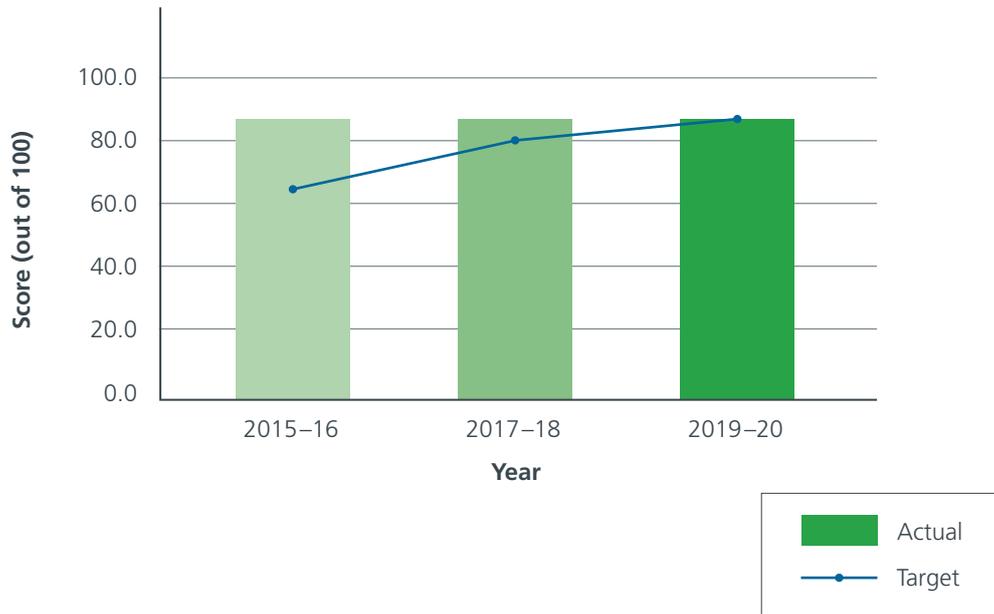
<b>Number of individual volunteers participating in Parks Victoria programs and activities</b>	21,000	22,000	22,000	22,000	✓
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<b>Implement Open Safe and Clean standards across the diverse estate with a focus on priority parks</b>	Develop concept	Concept developed	3 pilot parks	Pilot held in 3 parks	✓
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<b>Develop and implement a Parks Victoria membership program</b>	Develop concept	Concept developed	Implement pilot program	Program implemented	✓
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\* Budget Paper 3 (BP3) performance measure.

## Visitor satisfaction



Visitors enjoying a picnic lunch at Lysterfield Park.



# Providing Benefits Beyond Park Boundaries

Contribute to the safety, living standards and wellbeing of Victorians

## Assist in keeping Victorians safe

### Bushfires

As discussed earlier in this report, the 2019–20 bushfire season was one of the most severe fire seasons on record, with more than 1.5 million hectares of public land burnt. The extreme fire intensity had devastating effects on environmental and cultural assets, built assets and the staff involved in emergency response.

### Planned burns

257 burns across 37,399 hectares were completed on public land. Of these, 118 included Parks Victoria managed land covering 21,246 hectares.

A large proportion of the burns on Parks Victoria managed land have been fuel reduction burns to reduce bushfire risk. There have been nine burns covering close to 600 hectares with ecological objectives to contribute to biodiversity conservation. A total of six burns were delivered by Dja Dja Wurrung and Wurundjeri Woi Wurrung Traditional Owners to meet cultural outcomes set by them and land management objectives including the promotion of native grasslands. Parks Victoria recognises Traditional Owners are seeking to reinvigorate cultural fire to heal Country, and expects the work led by DELWP to support the implementation of the Victorian Traditional Owner Cultural Fire Strategy will enable Traditional Owners to fulfil their rights and obligations to care for Country. Parks Victoria will continue to partner with Traditional Owners and DELWP in this important work.



**Above:** Swan Reach base camp briefing (Credit: Lachie Spark)

The statewide planned burn program was altered following the devastating bushfires in eastern Victoria, a wetter than average start to 2020 (the wettest since 2011) and COVID-19 restrictions. The first four months of 2020 were wetter than average for most of Victoria, however favourable conditions in late April and early May provided opportunities for burning in the non-bushfire affected, drier parts of the state.

## Melbourne Fire and Emergency Program

The Melbourne Fire and Emergency Program exists to reduce the risk of bushfires and improve preparedness in metropolitan Melbourne. Much of the 2019–20 program directly protected houses adjoining parks across the metropolitan area. In 2019–20 Parks Victoria:

- Upgraded 27 kilometres of fuel breaks.
- Slashed 908 hectares of fuel breaks.
- Upgraded 22 kilometres of roads and tracks to improve access for fire vehicles.
- Completed works on the Haining Farm Bushfire Mitigation program.

## State of Emergency - COVID-19

Parks Victoria supported the State Government's strategies to keep Victorians as safe as possible during COVID-19, establishing a Critical Incident Management Team to manage Parks Victoria's response.

A significant focus was placed on actions in our parks in support of the Chief Health Officer's directions to keep the community safe. This included restricting access to many facilities, parks and sites that attract large numbers of people. Closures were in place at various times for several parks, with closure for a significant period of the:

- Twelve Apostles viewing areas (Port Campbell National Park).
- 1,000 Steps Kokoda Memorial Walk (Dandenong Ranges National Park).
- St Kilda Pier penguin viewing platform.
- State Coal Mine underground tours.
- William Ricketts Sanctuary.
- Werribee Mansion.
- Buchan Caves Reserve cave tours.

While these closures were in place, many parks remained open to allow for local exercising, including the metropolitan parks in Melbourne. As part of the Chief Health Officer's directions there was also a need to restrict some activities as well as access. This included camping and other recreational activities. The restrictions impacted many programs in parks across Victoria, such as volunteer activities and the Junior Ranger programs during holiday periods.

The safety of our people was paramount with many people working from home. Field-based staff continued to maintain parks and other environmental and recreational assets, while working closely with Victoria Police to monitor visitor numbers and activities across the state. While Parks Victoria staff were not authorised to enforce the Chief Health Officer's directions, they played a key role in working with authorities to identify potential high-risk situations that required response. Parks Victoria promptly and effectively responded to new directions that allowed parks to reopen and activities to recommence.

## Events and festivals

Parks, reserves, bays and waterways are popular choices for staging public and private events in Victoria, from school sports, to private weddings and major events. Before the COVID-19 restrictions, more than 700 events were hosted across the state, enabling 700,000 people to participate in community, sporting and recreation events. COVID-19 physical distancing restrictions impacted on all community gatherings, resulting in the cancellation or deferral of nearly 300 events scheduled to occur in parks and reserves in the second half of the reporting period.

## Port Campbell Bridge

Part of stage one of the Shipwreck Coast Master Plan was completed in June 2020. Works included the adjoining escarpment stairway connecting the bridge to the Discovery Trail in Port Campbell National Park. The \$3.2 million project will be the first delivered in the Shipwreck Coast Master Plan.



**Above:** Port Campbell Creek Pedestrian Bridge, Port Campbell National Park



Karen volunteers at a 'Community Seed' cleaning day at Werribee Park

## Deliver programs that contribute to productive, healthy and prosperous communities

### Dementia-friendly sensory trail

Parks Victoria enhanced the planned dementia-friendly native sensory trail being established at Woowookarung Regional Park by making it wider for walkers with assistance dogs and improving public transport to the trail.

The trail was co-designed with significant input from people living with dementia and their carers, Ballarat community health groups, the Department of Health and Human Services, and Dementia Australia.

Parks Victoria will continue to work with the Woowookarung Dementia Advocacy group for the site to become a venue for nature-based health program activities.

Park guidelines for assistance dogs were updated to help make visitors with assistance dogs more welcome in parks.

### Karen Refugees at Werribee Park

Parks Victoria has many successful programs that connect and strengthen Culturally and Linguistically Diverse (CALD) communities through participating in activities within our parks. Highlights from the Karen people of Myanmar refugee program includes:

- Attendance of 5,000 people from across Victoria to celebrate Karen New Year at Werribee Park.
- Karen volunteers participated in a 'Community Seed' cleaning day where four kilograms of seed heads were cleaned to produce 2,000 plants to be planted in the Western Grasslands Reserve.

The Parks Victoria rangers who lead these programs are funded under the State Government initiative 'Unlocking the benefits of parks for all Victorians'.

## Red Tape Reduction – Tour Operator Licensing

Parks Victoria delivered 75 per cent of the actions in ‘Tranche Two of the Ministerial Statement of Expectations for Tour Operator Licensing’. These are part of the State Government’s program to reduce red tape, aimed at improving the administration and enforcement of regulation and reducing its cost to businesses and the community.

A highlight of this program was a policy change to enable tour operators to apply for longer licence terms. This initiative has been very successful at reducing red tape, with a 277 per cent increase in the number of tour operators holding three-year licences since the policy change was introduced in 2018. In 2019–20, 49 per cent of tour operators held multi-year licences, comprising:

- 211 three-year licences
- 12 five-year licences
- 21 ten-year licences.

Only two actions under this program are to be completed, these have been delayed due to bushfire and COVID-19 priorities.

In addition to significant the bushfire impacts over summer, all 495 Licensed Tour Operators have been heavily impacted by COVID-19 restrictions in 2020. Stage 3 and 4 restrictions resulted in Licensed Tour Operators being unable to access parks and waterways across Victoria for several months. This prevented many businesses from operating and caused significant financial pressures. As part of the State Government’s economic stimulus package, Parks Victoria has extended licences by 12 months free of charge and has waived licence fees for 2020 to the eligible Licensed Tour Operators who applied the Rent Relief Program.

## On Location: Supporting Victoria’s vibrant film industry

Our parks, waterways and historical buildings provide diverse and accessible locations for Victoria’s vibrant film and television industry. Nearly 200 filming and photography projects have been allowed in parks, providing the unique backdrop for TV commercials, reality TV shows, feature films and television mini-series.

## Encouraging health and wellbeing

Following the declaration of the State of Emergency due to COVID-19 and subsequent restrictions, Parks Victoria produced digital content to keep people connected to nature, including virtual tours, new online Junior Ranger resources and videos, and a webinar series *Insights into Nature*.

Parks were promoted as settings for positive physical and mental health through partnerships with community organisations including AMES Australia, South East Melbourne Primary Health Network, Southern Migrant and Refugee Centre, Victoria Walks, Heart Foundation, Headspace, Australian Association of Bush Adventure Therapy and Parkrun. This included commencing the ‘Live Well Grow Well Be Well’ initiative at Braeside Park, implementing guided walks at Churchill and Lysterfield Parks, and playing a key role in the 2020 Australian Association of Bush Adventure Therapy’s ‘Nature and Health’ Symposium.

The health and wellbeing benefits of nature were also actively promoted in collaboration with the International Union for the Conservation of Nature, World Urban Parks and the network for Europe’s natural and cultural heritage (Europarc Federation).

A Healthy Parks Healthy People Framework was completed to guide future priorities and partnerships to promote positive health and wellbeing through nature connection.

## Key Performance Targets

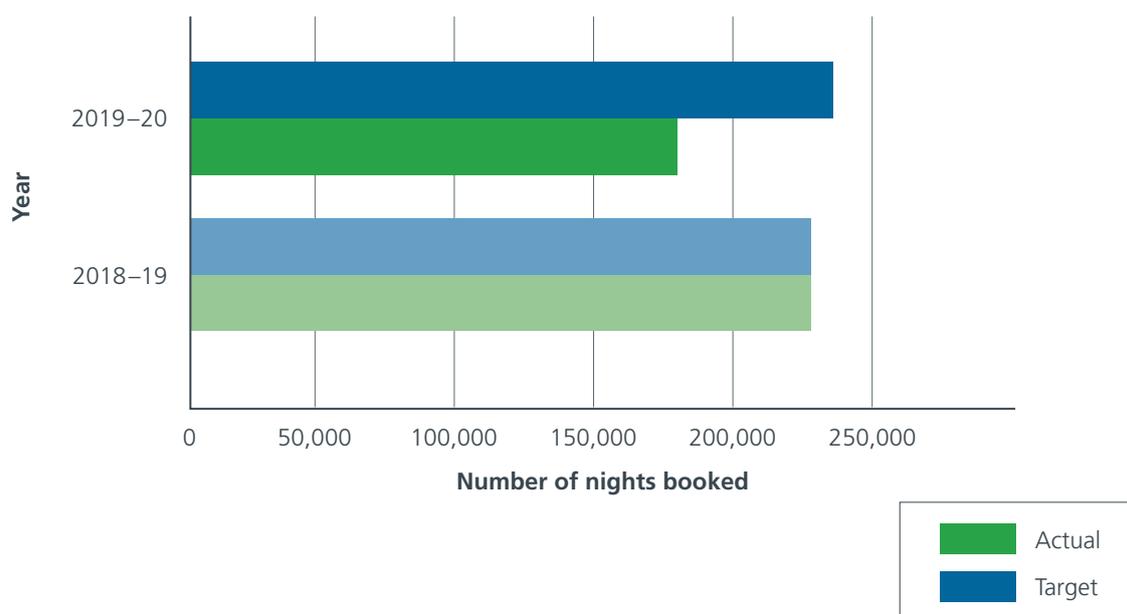
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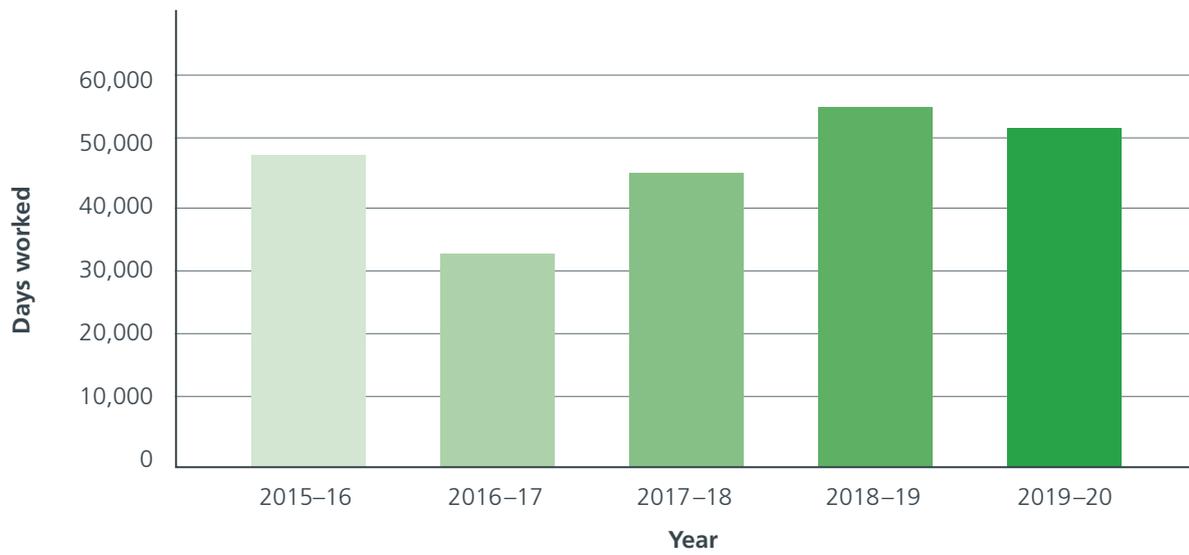
## Providing Benefits Beyond Park Boundaries

Key Performance Measure	2018–19 target	2018–19 actual	2019–20 target	2019–20 actual	Year end status
<b>Number of nights booked at Parks Victoria estate camping and accommodation sites</b>	232,000	232,267	236,910	181,657	✗
Bushfire and COVID-19 restrictions forced the closure of many popular campgrounds over the Easter period, which resulted in cancelled bookings.					
<b>Number of Licensed Tour Operators in parks</b>	520	475	490	495	✓
<b>Fire and Emergency Management contribution</b>					
> 90% of targets met in the Cooperative Operating Plan with the Department of Land, Water and Planning.	Plan in place	Plan in place	90%	90%	✓

## Camping and accommodation bookings



## Days worked at bushfires and planned burns



Parks Victoria staff as part of Forest Fire Management Victoria planning blackout operations in Buchan South.



# Enhancing Organisational Excellence

Enhance our capability, capacity and culture to deliver on our commitments.

## Focus on improving safety, culture and people

### Safety of staff during COVID-19

Parks Victoria's highest priority is the health, safety and wellbeing of its people.

COVID-19 prompted the enactment of a State of Emergency in March 2020 and required swift action to ensure the health, safety and wellbeing of our people and members of the public wishing to access our parks. A Pandemic Action Plan was implemented to comply with the directives of the State Government, the Chief Health Officer and the Department of Health and Human Services.

Key wellbeing and safety actions included:

- Development of a COVID-19 Manager's Toolkit, which includes key safety procedures and other health and wellbeing tools.
- Regular communications with staff, including frequent online CEO briefings.
- Enabling our people to work from home where appropriate, and ensuring appropriate measures were in place for people working in parks and work centres.
- Developing a series of online training modules to support safety during COVID-19 relating to inductions, asbestos and safe work procedures.
- Expanding employee support through wellbeing webinars, the Peer Assist Network and other mental health related programs.

### Safety First Zero Injuries program

The fifth year of the *Safety First Zero Injuries* program resulted in a further improved safety culture for all employees ensuring safety is at front of mind in all that Parks Victoria does.

Key achievements included:

- Developing and adopting a Health Safety and Environment (HSE) management system framework, including successful completion of

a formal gap analysis against the relevant ISO management system standards.

- Continuing a monthly safety campaign that covers key HSE topics to keep safety front-of-mind.
- Continuing safety walk-and-talks by the senior managers to demonstrate visible safety leadership and provide opportunities to engage and build trust with the workforce.
- Implementing a renewed organisational health and safety consultative structure.
- Developing and delivering online training programs for health, safety and environment induction, asbestos awareness and job safety planning.
- Delivering the Chemical Management and Dangerous Goods Strategy.
- Continued asbestos assessment and remediation in buildings and dumps.

### Safety performance

Health and safety performance were measured through the Total Recordable Injury Frequency Rate (TRIFR). Total recordable injuries comprise lost time, medical treatment and restricted work injuries. The TRIFR reduced from 16.1 in 2018–19 to 12.3 in 2019–20. The reduction shows continued improvement and reflects the strong safety culture in the organisation.

On Saturday 11 January 2020, William (Bill) Slade, a Parks Victoria employee for 40 years and experienced General Firefighter, was working in Anglers Rest as part of a Forest Fire Management Victoria taskforce. Bill was working to black out a spot on a track when a tree fell and struck him from behind causing fatal injuries.

Concurrent Victoria Police, WorkSafe and DELWP investigations were conducted independently. The conclusion of all three investigations was that the tree fall that resulted in the death of Bill Slade was a tragic accident and there were no visible signs or prior indications that the tree was in danger of falling.

Each organisation's respective investigations found that no other person or persons contributed to Bill's death.

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.

More than 400 hazards were reported, providing opportunities to identify appropriate corrective actions required to prevent recurrence of the event.

Parks Victoria continued to build and implement its Health, Safety, and Environment Management System, which aligns with standards ISO 14001 and ISO 45001. The management system supports a strong safety culture by improving the procedures and processes for undertaking work in a safe and environmentally sound manner. The fully operational system will also provide confidence that obligations will be met under the Industrial Manslaughter Bill, which comes into force on 1 July 2020.

Safety and environment are imbedded into the way Parks Victoria does business and the continuation of a three-tiered Health and Safety Consultative Structure 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. Introducing the Health, Safety, and Environment Monthly Safety 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.

## Aboriginal Employment and Wellbeing Plan

Implementation of Parks Victoria's Aboriginal Employment and Wellbeing Plan continued, with a focus on broadening the range of cultural awareness training opportunities available to Parks Victoria staff and strengthening the support and professional development systems available to Aboriginal staff. These systems proved a critical support to Aboriginal staff during COVID-19.

Reported incidents	2014–15	2015–16	2016–17	2017–18	2018–19	2019–20
Number of incidents	217	508	531	601	564	550
Rate per 100 FTEs	22.6	51.1	52.6	33.0	47.7	46.6
Lost Time Injury Frequency Rate	24.9	18.9	18.5	12.6	8.5	7.2

Workcover claims (1)	2017–18	2018–19	2019–20
Number of 'lost time' standard claims	16	13	8 (2)
Number of standard claims	23	21	21
Average cost per standard claim	\$87,021	\$113,162.23	\$61,952 (3)
Number of 'lost time' standard claims per 100 FTE rate (ongoing + fixed term)	1.38	1.06	0.62 (4)

### Notes:

- (1) Workcover reporting has been updated in line with annual reporting guidance from DELWP.
- (2) Lost time injuries have decreased due to a number of factors including effective safety programs, early intervention support and modified return to work options.
- (3) Average cost per claim relates to new standard claims received in 2019–20. This figure has decreased due to a reduction in the number of high-cost claims when compared to 2018–19. The reduction in high-cost claims is attributed to both an improvement in suitable and sustainable return to work options, and the nature of the injuries sustained.
- (4) The reduced rate of 'lost time' standard claims in 2019–20 compared with 2018–19 is partly due to the reduced number of this type of claim, and partly to due to the increased FTE reported as at 30 June 2020 (the reasons for this are discussed later in this report).

## Grow our organisational capacity and capability

### 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 State Government and Victorian people.

Key achievements included:

- Delivering a Wellbeing Framework that includes a focus on building workforce resilience.
- Succession planning for all key leadership positions.
- Continued implementation of local improvement plans to address the findings from the People Matter (Cultural) Survey.
- Developing and implementing a workplace flexibility and capacity toolkit.
- In-house delivery of 'Respect in the Workplace' bullying awareness sessions.
- Updating and expanding Parks Victoria's Learning and Development Framework.

### Aboriginal staff conference

The annual Aboriginal staff conference was held at Ned's Corner on the Country of the First People of the Millewa-Mallee. The conference welcomed the highest ever participation of Parks Victoria Aboriginal staff, as well as joint management partners from Gunaikurnai Land and Waters Aboriginal Corporation and Parks Victoria Board members. Staff describe a continued improvement in these annual meetings, evolving from earlier conferences based on presentations to a forum where staff now have an opportunity to talk together and learn from and support each other.

### Cultural awareness training

Gunditjmara man, Richard Frankland, and the Victorian Human Rights and Equal Opportunity Commission supported the delivery of cultural awareness training to the Parks Victoria's Board and Executive. The program helped build an understanding of how cultural loads affect Aboriginal people today, both at work and in their broader lives, and laid the foundation for strengthening the cultural competence of Parks Victoria. The program will be progressively delivered to all Parks Victoria staff in partnership with Traditional Owners.

## Build our position and identity

### Finalist in the 2019 Premier's Sustainability Awards – Environmental Justice category

Parks Victoria worked with migrant and refugee settlement agency, AMES Australia, to regenerate an historic garden at Werribee in Melbourne's west via a program that provides economic, social, physical and mental health benefits to local culturally and linguistically diverse communities. More than 500 refugees benefited from their involvement. Case workers report lower levels of mental health issues among participants since the garden's inception and many younger members of the communities have secured employment in local market gardens as a result of their volunteer work experience.

### The 2019 World Urban Parks Congress

The congress was held in Kazan, Russia in October 2019 including site visits to parks in Kazan and Moscow. Parks Victoria was represented at the congress by Director Park Planning and Policy, and a Board Member. The 'Kazan Statement' was an outcome of the event: a statement highlighting the importance of sustainability, management and design of parks.

### 'Learning from our Colleagues Abroad' Program, Acadia National Park, Maine, USA

In December 2018, Parks Victoria hosted a United States National Park Service (USNPS) Superintendent from Acadia National Park at Wilsons Promontory National Park as part of its 'Learning from our Colleagues Abroad' program.

In October 2019, the District Manager South Gippsland participated in a reciprocal exchange to Acadia National Park. The knowledge and information gained from the exchange directly informed the work taking place at Wilsons Promontory National Park on planning for visitor growth and visitor capacity management. The exchange also included high-level meetings at the USNPS headquarters in Washington.



## 2019 Annual Conference of the Chinese Committee of Giant Panda Breeding Techniques

The conference was launched in Chengdu, China on 12 November 2019. In recognition of the sister city relationship with Victoria, Parks Victoria's Chief Executive Officer, Matthew Jackson, was invited to attend the conference as a keynote speaker to present on best practice in establishing and managing national parks. Mr Jackson also met with Sichuan Forestry and Grassland Administration and the Sichuan Giant Panda National Parks Administration.

## 9th World Ranger Congress, Chitwan Nepal

The 9th World Ranger Congress was held in Chitwan, Nepal in November 2019. Participation in the Congress included presentations by Parks Victoria attendees on the 'Community Involvement in the Protection and Conservation of the Hooded Plover at the Mornington Peninsula' and 'Indigenous Partnerships'. Delegates attended and contributed to themed workshops and ranger talks, attended International Ranger Federation meetings and networked with rangers and conservationists from across the globe to discuss common issues and themes and support for rangers globally.

## Environmental sustainability achievements

Environmental sustainability actions implemented include the removal of single use plastic bottles and plastic bags from Parks Victoria's commercial outlets, continued use of recycled products in new assets such as recycled timber in the new Port Campbell bridge, and the installation of energy efficient and long-life LED lighting at Cowes Jetty, Kerferd Road Pier and Seaford Pier. These actions are providing tangible environmental benefits such as diverting more than 120,000 plastic bottles from entering and damaging waterways and marine environments and reducing Parks Victoria's greenhouse gas emissions.

These actions are contained in a three-year Environmental Sustainability Plan, which supports Parks Victoria's goal to be a leading sustainable land manager that works with partners to maintain ecosystems and preserve biodiversity, inspires others to live more sustainably and seeks new ways to reduce Parks Victoria's environmental footprint. The Environmental Sustainability Plan is an enabling plan within Parks Victoria's Health, Safety and Environment Management System that is aligned to international standards for environmental management systems.

## Financial summary

Parks Victoria's Annual Budget supports the delivery of the Annual Business Plan. It is based on funding for State Government commitments and an allocation from the Parks and Reserves Trust Account.

### Overall financial performance

Parks Victoria reported a net result from transactions (including depreciation) deficit of \$17.0 million for the 2019–20 financial year, against a net deficit budget (including depreciation) of \$14.0 million. This deficit was unfavourable to budget primarily due to commercial revenue related to leases, licenses, camping, accommodation and car parking being heavily impacted by bushfires and COVID-19, offset by higher than budgeted revenue relating to bushfire response and recovery.

Additional unbudgeted expenditure on fire suppression activities was funded with additional specific purpose fire funding.

Parks Victoria adopted new accounting standards *AASB16 Leases*, *AASB15 Revenue from Contracts with Customers* and *AASB 1058 Income of Not-for-Profit Entities*, which came into effect on 1 July 2019. Although the adoption of accounting standard AASB16 did not impact Parks Victoria's net result from transactions, when compared to prior periods, it did result in a change in treatment of the expense category in the Comprehensive Operating Statement for 2019–20 and an increase in both assets and liabilities in the Balance Sheet as at 30 June 2020. The adoption of AASB15 and AASB1058 did not have a material impact to Parks Victoria's financial results.

### Financial position – income statement

For the 2019–20 financial year, Parks Victoria received \$255.9 million in income, which was \$1.6 million lower than budgeted. This lower than budgeted level of income was primarily due to commercial revenue related to leases, licenses, camping, accommodation and car parking being heavily impacted by bushfires and COVID-19 and therefore \$7.8 million lower than budget, largely offset by unbudgeted revenue received to fund bushfire suppression, response and recovery activities.

Parks Victoria's total expenses for the 2019–20 financial year (including depreciation) was \$272.9 million which exceeded budget by \$1.4 million primarily due to the expenditure associated with bushfire suppression activities and expenses relating to the commercial tenancy rent relief scheme as one of the Victorian Government's key responses to the outbreak of COVID-19 pandemic; these were partly offset by lower levels of expenditure on operating project delivery being less than budget.

The main variances in the 2019–20 net result from transactions, when compared to 2018–19, relate to the deterioration in commercial revenue mentioned above plus increased salaries in accordance with the Parks Victoria Enterprise Bargaining Agreement, additional expenditure on operating project delivery and increased depreciation on newly built assets.

The variance in the comprehensive (deficit) result of \$15.0 million for 2019–20 compared to the comprehensive (deficit) result of \$400.2 million for 2018–19 is due to the factors described above plus the decrements in the physical asset revaluation of (\$395.3 million), mainly relating to the revaluation of Crown land and improvements that took place in 2018–19.

### Financial position – Balance Sheet

Total assets at the end of the 2019–20 financial year were \$5.8 billion, an increase of \$0.5 billion from the previous year. The increase in assets is predominantly due to the combined impact of the transfer of land parcels, built assets and other contributed capital from DELWP to Parks Victoria of \$495 million (representing the balance of the assets to be transferred to Parks Victoria as a result of the *Parks Victoria Act 2018*).

Full physical revaluations 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 \$125.0 million, of which \$85.4 million related to the unspent component of specific purpose grants Parks Victoria has received to undertake various projects in 2020–21 and beyond. The remaining balance of \$39.6 million represents cash and cash equivalents reserved for liability provisions.

As at 30 June 2020, Parks Victoria's employee provisions (including superannuation and defined benefits liability) totalled \$50.6 million. The difference between the amount reserved for provisions of \$39.6 million and employee provisions of \$50.6 million represents cash reserves utilised by Parks Victoria to offset additional bushfires and COVID-19 related operating expenditure.

This approach is consistent with the direction provided to entities by the State Government in April 2020 in response to the impacts of bushfires and COVID-19 on financial performance. That direction was for entities to minimise non-essential expenditure and draw down on cash reserves and utilise un-committed and committed cash balances to offset expenditure.

## Five-year financial summary

(\$'000)	2015–16	2016–17	2017–18	2018–19	2019–20
Revenue from government	97,672	103,447	117,065	113,115	114,208
Total income from transactions	239,515	238,238	262,313	266,133	255,890
Total expenses from transactions	223,352	231,054	249,176	266,118	272,918
Net Result from transactions	16,163	7,184	13,137	15	(17,028)
Net Result	13,848	6,163	12,060	(4,310)	(18,874)
Comprehensive result	336,980	232,958	220,329	(400,197)	(14,976)
Net cash flow from operating activities	32,002	21,282	29,479	20,489	1,168
Total assets	2,278,746	2,523,650	2,800,357	5,281,000	5,785,379
Total liabilities	64,348	60,719	68,269	74,690	96,120

## Key Performance Targets

### 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

## Enhancing Organisational Excellence

Key Performance Indicator	2018–19 target	2018–19 actual	2019–20 target	2019–20 actual	Year end status
<b>Employee engagement index</b>					
This measure is based on the 2018 Victorian Public Sector Commission People Matters Survey results. The survey is conducted biennially.					
	66	60	69	N/M	◆
Parks Victoria aims to increase employee engagement and sustain this improvement over the life of the plan.					
The People Matter Survey was not undertaken in 2020 due to COVID-19.					
<b>Key Performance Measure</b>					
<b>Total Reportable Injury Frequency Rate (TRIFR)</b>					
This measure is an internal safety indicator, which measures the rate injuries are occurring and demonstrates current and ongoing focus on safety and wellbeing.					
	17.7	16.1	16.7	12.3	✓
Quantity (per million hours worked).					
The TRIFR result in 2019–20 was partially due to changed work priorities as a result of COVID-19. The result was also improved due to significantly increased hours worked by staff during the bushfire season, which lowered the overall injury frequency rate.					
<b>Total output cost (variation between actual expenditure and budget)</b>					
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	+6.3% (over budget)	Within +/- 5% of budget	+2.1%	✓
<b>Reduce corporate overhead costs</b>					
	54,525	56,398	53,601	59,958	✗
The year on year increase in expenditure from 2018–19 to 2019–20 is due to the costs of the IT (new model) uplift, additional costs related to new systems and funding allocated to asbestos remediation.					
<b>Project delivery</b>					
>90% projects delivered on time and within budget.					
	75%	85%	85%	101.5%	✓
<b>Commercial model</b>					
5% increase in revenue generated through commercial activities year on year.					
	5%	5%	5%	-37%	✗
Parks Victoria's commercial revenue was significantly impacted in 2019–20 by bushfires and restrictions associated with the COVID-19. Many parks were closed, refunds issued for bookings and some commercial assets were burnt in the bushfires. Rent relief has also been granted to tenants under the State Government's economic stimulus package.					

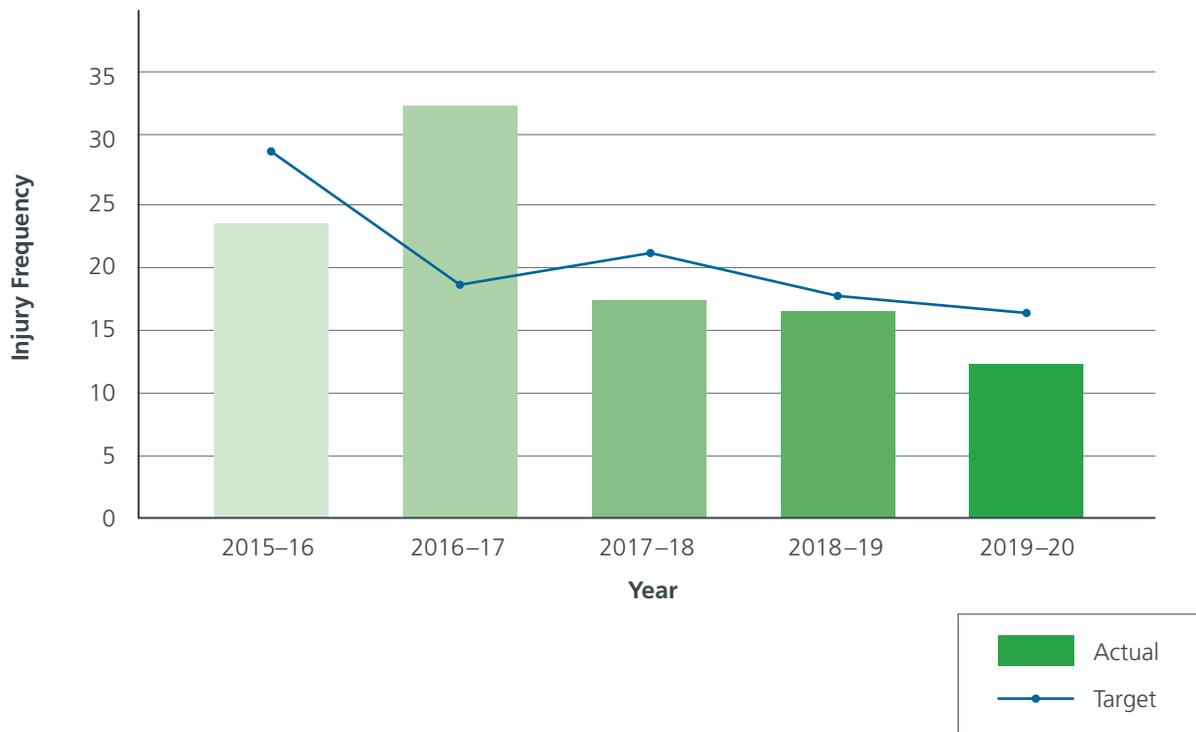
## Enhancing Organisational Excellence (continued)

Key Performance Measure	2018–19 target	2018–19 actual	2019–20 target	2019–20 actual	Year end status
<b>Ratio of service delivery staff to support staff</b>		SD 768 (58%)	SD 792 (59%)	SD 780 (60%)	
Ratio of service delivery staff to support staff to progressively increase by 5% by June 2022.	Establish baseline	Supp 565 (42%)	Supp 541 (41%)	Supp 521 (40%)	✓

Service Delivery Staff (SD) comprises all staff in 'frontline' roles including Field Service Officers, Rangers, District Managers and operational roles in Fire.

Support Staff (Supp) comprises all staff in functional support roles including Environment & Science, Park Planning & Policy, Managing Country Together and staff in corporate roles including Finance, People & Culture, IT, Marketing & Communications and Legal, Compliance & Risk.

## Safety Performance



# Compliance and Disclosures

## Disclosures Index

Parks Victoria's 2019–20 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.

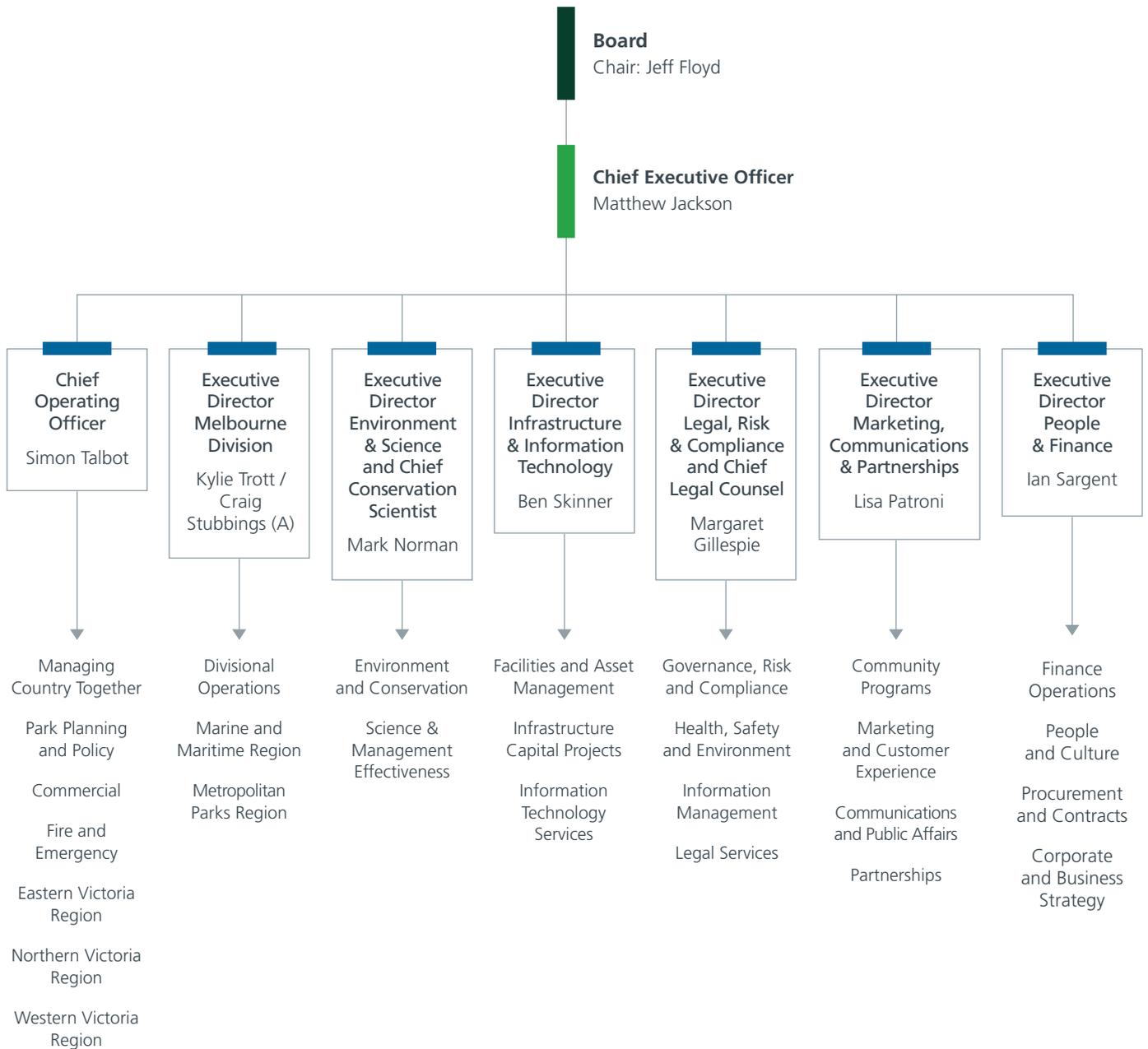
Source (Legislation)	Title of Disclosure (Requirement)	Page(s)
<b>Declaration in Report of Operations</b>		
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<b>Year in Review</b>		
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FRD 22H	Manner of establishment and Minister/s	6-7
FRD 22H	Nature and range of services provided	3-8
FRD 22H	Objectives, functions, powers and duties	5, 7-8
<b>Performance reporting (non-financial)</b>		
FRD 22H	Performance reporting (non-financial) <ul style="list-style-type: none"> <li>• Achievements</li> <li>• Operational performance</li> <li>• Key initiatives</li> </ul>	9-37
<b>Performance reporting – financial</b>		
FRD 22H	Five year financial summary	35
MRO; FRD 22H	Current year financial review <ul style="list-style-type: none"> <li>• Significant changes in financial position</li> <li>• Significant changes or factors affecting performance</li> </ul>	34-35, 56
MRO	Capital Projects	52
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Source (Legislation)	Title of Disclosure (Requirement)	Page(s)
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<i>Disability Act 2006</i>	56

# Governance and Organisational Structure



## Board

### Jeff Floyd (Chair)

Term of office end date: 31 October 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 State 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. He currently runs his own consulting business specialising in governance, risk and issue management.

### John Pandazopoulos (Deputy Chair)

Term of office end date: 31 October 2020

John is Chair of Destination Phillip Island Regional Tourism Board, Deputy Chair of the William Angliss Institute, Australia's specialist food, tourism, hospitality and events educator, and was Chair of the State Government's Visitor Economy Ministerial Advisory Committee from 2015–2019.

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.

### Annette Vickery

Term of office end date: 31 October 2020

Annette is an Aboriginal woman from the 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.

### Christine Trotman

Term of office end date: 31 October 2020

Chris is the Chair of the Royal Botanic Gardens Victoria and brings over ten years' experience on Boards and committees and over 20 years of executive work experience, most recently as CEO of a public hospital in Gippsland. A former Registered Nurse, Chris holds undergraduate and post-graduate degrees in accounting and business and brings expertise in corporate governance, strategic planning and financial management. Living on a farm, Chris has a keen interest in agriculture, public land management, conservation and public health.

### Graham Atkinson

Term of office end date: 31 October 2020

Graham is a board member of Federation Enterprises Pty Ltd and Chair of Barpa Pty Ltd, a joint construction venture. He is the Chair of the Dhekunya Dja Land Management Board, a Board member 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 director of a social research consulting group, Atkinson Consulting Group.

### Helen Weston

Term of office end date: 31 October 2020

Helen is a retired environmental planner with extensive experience in statutory planning, environmental and social impact assessment and community consultation. She has worked on the environmental and/or social impact assessment of transport infrastructure (road, rail and airport) projects throughout Australia and has international experience in India, Vietnam, Indonesia, Kiribati and New Zealand.

Since 2011, Helen has been Chair of Working Heritage Committee of Management, which conserves heritage properties located on public land for community and commercial use.

## Kate Vinot

Term of office end date: 31 October 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; Chair, Audit and Risk Committee Parks Victoria; Chair, Parks Victoria Point Nepean Advisory Committee; and General Manager, Energy and Resources at the Bureau of Meteorology.

## Lisa Marty

Term of office end date: 31 October 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.

## Professor Michael Clarke

Term of office end date: 31 October 2020

Professor of Zoology, Centre for Future Landscapes, Department of Ecology, Environment and Evolution and La Trobe University, Professor Clarke has studied the ecology and conservation biology of birds, reptiles, mammals, fish and plants for the past 38 years. He leads research at La Trobe University into the impacts of fire on fauna, with his colleague Professor Andrew Bennett. He also maintains an ongoing research interest in threatened species and threatening processes.

Professor Clarke was the Convener of the Scientific Advisory Committee on the *Flora and Fauna Guarantee Act 1988* to the Victorian Minister for the Environment for five years.

In 2007, he was awarded the D L Serventy Medal by the Royal Australasian Ornithologists Union for his outstanding contribution to the scientific literature in ornithology. In 2010, he was an expert witness in fire ecology at the Victorian Bushfires Royal Commission. In 2014, his research on fire ecology with Professor Bennett was one of three finalists for a Eureka Prize in Environmental Research.

He has recently served as an expert advisor to the Victorian Auditor General's Office examination of Reducing Bushfire Risk and served as the Head of the School of Life Sciences from 2011 to 2019. His passion is to see government conservation policy based on the best available evidence.

## Board Attendance

There were ten scheduled Board meetings, one strategy and planning day and no special meetings.

Total Board meeting attendance in 2019–20:

Attendees	# of meetings
Jeff Floyd (Chair)	10
Graham Atkinson	9
Lisa Marty	10
John Pandazopoulos	8
Christine Trotman	10
Annette Vickery	9
Kate Vinot	10
Helen Weston	9
Michael Clarke	4 (of 4)

## Board Committees

### Audit, Risk and Compliance Committee

The **Audit, Risk and Compliance Committee** oversees and advises the Board 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 2019–20, 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 2019–20.

Total meeting attendance in 2019–20:

Attendees	# of meetings
Kate Vinot (Chair)	4
Jeff Floyd	4
John Pandazopoulos	4
Graham Atkinson	4
Pranay Lodhiya (external member)	4

### People and Safety Committee

The People and Safety Committee provides advice to the Board on the welfare and oversight of Parks Victoria's employees. It is also the remuneration committee and 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 2019–20, the Committee consisted of Christine Trotman (Chair), Annette Vickery, Lisa Marty, Helen Weston and Jeff Floyd. The Committee met four times in 2019–20.

Total meeting attendance in 2019–20:

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

### 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 2019–20, 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 (until 19 December 2019). The Committee met four times in 2019–20.

Total meeting attendance in 2019–20:

Attendees	# of meetings
Graham Atkinson (Chair)	3
Annette Vickery	3
Jeff Floyd	3
John Pandazopoulos	3
Marcus Stewart (external member)	1
Mick Harding (external member)	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 2019–20, 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 2019–20.

Total meeting attendance in 2019–20:

Attendees	# of meetings
Lisa Marty (Chair)	4
Helen Weston	3
Jeff Floyd	4
Andrew Grant (external member)	4
Gerry Quinn (external member)	3
Rachel Lowry (external member)	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 capital works program, related business case development, master and precinct planning, and built asset management across the Parks Victoria portfolio.

During 2019–20, the Committee consisted of Helen Weston (Chair), John Pandazopoulos, Kate Vinot and one external independent Committee member, David Gundy. The Committee met five times in 2019–20.

Total meeting attendance in 2019–20:

Attendees	# of meetings
Helen Weston (Chair)	5
John Pandazopoulos	5
Kate Vinot	3
David Gundy (external member)	5

## Commercial Business and Engagement Committee

The Commercial Business and Engagement Committee is responsible for supporting and enhancing Parks Victoria's commercial performance and community engagement activities. The Committee oversees management of key issues and relevant strategic and high operational risks.

During 2019–20, 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 2019–20.

Total meeting attendance in 2019–20:

Attendees	# of meetings
John Pandazopoulos (Chair)	3
Jeff Floyd	4
Helen Weston	3
Lisa Marty	4
Dean Minett (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 Board member of the Victoria Tourism Industry Council (VTIC), 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 (June 2019 – January 2020)**

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 was on secondment to Bushfire Recovery Victoria from January to June 2020 assisting in the establishment of the organisation and recovery program following the 2020 Black Summer fires.

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.

### ■ **Craig Stubbings, Acting Executive Director Melbourne (January to June 2020)**

Craig has more than 30 years operational experience with Parks Victoria and its predecessor organisations and has held several senior manager and Director roles since 2006, managing parks and reserves in both metropolitan Melbourne and regional Victoria. Craig was acting Executive Director Melbourne Division from January to June 2020, responsible for overseeing the delivery of quality visitor management during COVID-19 restrictions, asset management, conservation and heritage programs, along with urban park fire prevention works in parks across the greater Melbourne area.

Craig has a Bachelor of Business Administration (Management) with extensive leadership experience in working with Traditional Owners, community and stakeholder engagement, strategic business planning and project governance.

## ■ **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**

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 21 June 2020

On 21 June 2020, Parks Victoria employed 937.4 full time equivalent (FTE) ongoing staff, compared with 943.8 FTE ongoing staff at the end of financial year in 2019. The proportion of women was 36 per cent, which is consistent with the figures reported in the Parks Victoria Annual Report 2018–19. 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
<b>June 2020</b>	<b>996</b>	<b>844</b>	<b>152</b>	<b>937.4</b>	<b>361.9 (1)</b>
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

### Notes:

- (1) The increased number of fixed term and casual employees in 2019-20 is due to Project Fire Fighter terms being extended to beyond 30 June 2020. They are therefore included in the total FTE as at 30 June 2020.

	June 2019			June 2020		
	Ongoing and Workcover		Fixed term and casual	Ongoing and Workcover		Fixed term and casual
	Number (Headcount)	FTE	FTE	Number (Headcount)	FTE	FTE
<b>Gender</b>						
Male	643	632.5	156.3	637	625.9	219.5
Female	359	311.3	125.7	359	311.6	142.4
<b>Age</b>						
Under 25	8	8	36.6	4	4	37
25-34	149	144.1	107.4	133	128	151.4
35-44	267	244.8	64.4	246	225.4	94.4
45-54	290	274.9	43.6	303	286.6	51.4
55-64	237	227.1	27.4	243	232.9	24.8
Over 64	51	44.8	2.6	64	57.4	2.9

## Workforce profile as at 21 June 2020 (continued)

Classification	June 2019			June 2020		
	Ongoing and Workcover		Fixed term and casual	Ongoing and Workcover		Fixed term and casual
	Number (Headcount)	FTE	FTE	Number (Headcount)	FTE	FTE
Grade 1	1	0.8	25	0	0	37
Grade 2.1	92	84.2	128.2	84	75.7	180.8
Grade 2.2	110	101.4	10.6	102	93.7	14.6
Grade 2.3	134	123.5	6	149	138.8	10.7
Grade 3	126	119.3	23.7	121	114.8	19.8
Grade 4	153	146.2	17.8	156	149.4	22
Grade 5	115	106.5	15.1	105	95.8	15.9
Grade 6	121	114.5	19.3	118	110.9	17.5
Grade 7	99	96.5	5.8	103	100.6	9.4
Grade 8	51	50.9	6	58	57.9	7.8
Executives	0	0	24.5	0	0	26.4
<b>Total</b>	<b>1,002</b>	<b>943.8</b>	<b>282</b>	<b>996</b>	<b>937.4</b>	<b>361.9</b>

## Executive Officer data

There were 27 Parks Victoria Executive Officers at 21 June 2020. All were classified as Fixed Term. All executive officers are employed with remuneration over \$100,000.

	19 June 2019		21 June 2020	
	Fixed Term	2019 Total	Fixed Term	2020 Total
Executive E01	1	<b>1</b>	1	<b>1</b>
Executive E02	6	<b>6</b>	6	<b>6</b>
Executive E03	18	<b>18</b>	20	<b>20</b>
<b>Grand Total</b>	25	<b>25</b>	27	<b>27</b>

# 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.

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

Parks Victoria is required to apply the Local Job First policy to all projects valued at \$3 million or more in metropolitan Melbourne or for statewide projects, or \$1 million or more for projects in regional Victoria. Major Project Skills Guarantee applies to all construction projects valued at \$20 million or more. In 2019-20, Parks Victoria was fully compliant with this policy.

## Projects commenced – Local Jobs First Standard

During 2019-20, Parks Victoria commenced seven Local Jobs First Standard programs and projects. Three projects are within regional Victoria. One is situated at Cowes in south-eastern Victoria valued at \$1.4 million and two projects are within western Victoria at the Twelve Apostles, valued at approximately \$4.8 million and \$4.6 million (being delivered). Four projects commenced in metropolitan Melbourne, including Yarra Bend Netball Facilities totalling \$8 million, Olinda Precinct Project totalling \$7.67 million and Jells Park playspace totalling \$3 million.

Parks Victoria also commenced the St Kilda pier redevelopment project. The project will receive \$50.3 million of State Government funding for works which are scheduled for completion in June 2024. The project is classified as a Strategic Project under the *Local Jobs First Act 2003*. Accordingly, the project requires 93 per cent minimum local content and application of the Major Projects Skills Guarantee.

The Industry Capability Network advised that the Victorian Great Outdoors Program, totalling \$105 million, would not be considered a strategic project. This is due to the nature of the program and the individuality of the projects. The Industry Capability Network confirmed that it was comfortable to consider the Victorian Great Outdoors as a program of works instead of one project, given its diversity of value, geographic dispersity and activities involved. If the decision is made to bundle projects together however and their aggregate value exceeds \$1 million (in regional Victoria) or \$3 million (metropolitan Melbourne) then Local Jobs First would apply.

The Suburban Parks Program has recently commenced and is in the planning phase. Details on the individual projects making up the program and their budgets will determine how they are assessed and reported; this will be confirmed for the next reporting period.

## Projects continuing – Local Jobs First Standard

A project being delivered by Parks Victoria is the Grampians Peaks Trail Stage 2, which has received \$33.2 million of funding. As most of the costs associated with this project are direct labour costs located remotely in the Grampians National Park and the majority of materials are sourced locally, the Industry Capability Network certified that Victorian Industry Participation Policy Plans are not required.

## 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 2019–20.

## Consultancy expenditure

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

In 2019–20, Parks Victoria did not engage consultancies where the fees payable was less than \$10,000. The total cost of these consultancies was nil.

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

In 2019–20, Parks Victoria engaged three consultancies where the fees payable was \$10,000 or greater. The total cost of these consultancies was \$142,943. Details of individual consultancies are shown below.

Consultancy	Purpose of consultancy	Expenditure 2019-20 (\$)
Deloitte Touche Tohmatsu Limited	IT Strategy	39,818
FM Intelligence Pty Ltd	Facility Management Procurement Requirements Discovery and Scoping	81,620
Science into Action Pty Ltd	Land Management Strategy – Project Guidance Support	21,505
<b>Total</b>	<b>3 consultancies</b>	<b>\$142,943</b>

## ICT expenditure

### Information and communication technology (ICT) expenditure

Parks Victoria had a total ICT expenditure of \$19.1 million in 2019–20, consisting of the following:

	Total
<b>Business As Usual (BAU) ICT Expenditure</b>	\$14.30 million
<b>Non-Business As Usual (non-BAU) ICT Expenditure</b> (Total = Operational expenditure & Capital Expenditure)	\$4.84 million
<b>Operational Expenditure</b>	\$0.09 million
<b>Capital Expenditure</b>	\$4.75 million

#### Notes:

- (1) 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.
- (2) Non-BAU ICT expenditure relates to extending or enhancing Parks Victoria's current ICT capabilities.
- (3) 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 did not enter into any contracts greater than \$10 million in 2019–20.

## Freedom of Information

The *Freedom of Information Act 1982* (the Act) 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 and agencies, 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 is available on Parks Victoria's website 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.

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

Fol requests can be lodged by posting or emailing a completed Fol 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.

Access to documents can also be obtained through a written request to Parks Victoria's Fol officer, as detailed in section 17 of the *Freedom of Information Act 1982*.

When making an Fol request, applicants should ensure requests are in writing, and clearly identify what types of material/documents are being sought. Examples of clear requests and further details of the Fol process are available on the Parks Victoria website.

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

[foi@parks.vic.gov.au](mailto:foi@parks.vic.gov.au)

or

Fol Officer  
Parks Victoria  
Level 10, 535 Bourke Street  
Melbourne VIC 3000

### Fol statistics and timeliness

During 2019–20, Parks Victoria received 76 requests. Of these requests:

- 3 were from Members of Parliament.
- 1 was from the media.
- 12 were courtesy consultations from other agencies.
- The remainder were from the general public.

Nine requests were carried forward from FY 2018–19. Parks Victoria made 36 Fol decisions during the 12 months ending 30 June 2020.

- 31 decisions were made within the time requirements of section 21 of the Fol Act.
- 5 decisions were overdue by less than 30 days.

In addition to the decisions released by Parks Victoria and the consultation requests:

- 18 requests were unable to be negotiated into a valid request and declined.
- 4 requests for transfer from other agencies were declined.
- 3 requests were transferred to another agency for processing.
- 12 requests are not yet finalised and are carried forward to 2020–21.

The average time taken to finalise valid requests in 2019–20 was 46 days. During 2019–20, 8 requests were subject to a complaint/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 [ovic.vic.gov.au](http://ovic.vic.gov.au).

## Building Act compliance

Parks Victoria manages more than 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 Victoria and most are required to be included in this statement of compliance with the building and maintenance provisions of the *Building Act 1993*.

In 2019–20, Parks Victoria continued to focus on its compliance with the building and maintenance provisions of the *Building Act 1993* by undertaking physical audits of buildings, with rectification works also commencing to address any findings of non-compliance. Parks Victoria also made the decision to progressively centralise its facilities management function to improve compliance. Parks Victoria will continue to implement a risk-based approach to prioritise the ongoing auditing and rectification program to address any areas of non-compliance based on the availability of resources.

Parks Victoria requires that appropriately qualified consultants and contractors are engaged for all proposed works on land controlled by Parks Victoria and that their work and services comply with current building standards. All such consultants and contractors are expected to have appropriate mechanisms in place to ensure compliance with the building and maintenance provisions of the *Building Act 1993*, *Building Regulations 2018* and the National Construction Code.

## Competitive Neutrality Policy

Competitive neutrality requires government businesses to ensure where services compete, or potentially compete, with the private sector any advantage arising solely from their government ownership be removed if it is not in the public interest. Government businesses are required to cost and price these services as if they were privately owned. The Competitive Neutrality Policy supports fair competition between public and private businesses and provides government businesses

with a tool to enhance decisions on resource allocation. This policy does not override other policy objectives of government and focuses on efficiency in the provision of service.

Parks Victoria continues to apply competitive neutrality in business undertakings by ensuring fair competition between government and private sector businesses and removes any advantages or disadvantages that government businesses may experience as a result of government ownership.

## Capital projects

Parks Victoria is managing four capital projects with a Total Estimated Investment (TEI) of \$10 million or more. None of these capital projects were completed during the reporting period.

## Public Interest disclosures

The *Public Interest Disclosure Act 2012* enables people to make disclosures about improper conduct by public officers and public bodies and protecting them when they do. A public interest 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 public interest disclosure about Parks Victoria, its Board Members, officers or employees by contacting the Independent Broad-Based Anti-corruption Commission on the contact details provided below.

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

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

Information about Parks Victoria's procedures is on its website at [www.parks.vic.gov.au](http://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](http://www.ibac.vic.gov.au)

## Disability Action Plan

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.

Key achievements are listed throughout this Annual Report, some additional highlights include:

### Improved park facilities

- Constructed an all abilities walk and installed accompanying accessible picnic tables at Ocean Grove Nature Reserve, with the assistance of Conservation Volunteers Australia.
- Continued to develop the dementia trail established at Woovookarung Park.
- Received funding from the Department of Health and Human Services Building Authority for the building of a 'Changing Places' toilet at Tidal River, Wilson's Promontory.
- Developed the first walking track assessment and classification guide for all-terrain 'TrailRider' chairs and related visitor trail advisory signage.

### Training and capacity building

- Delivered Disability Awareness staff training for corporate and ground staff.
- Integrated the principles of inclusion into the training resources for teachers in the 'Park Explorer' program.
- Delivered training to key staff on universal design approaches to capital projects and asset management works.

## Delivered inclusive programs and activities

- Supported Blind Sports and Recreation Victoria to provide four guided group walks in parks for blind or vision impaired people.
- Recruited people of all abilities for the Volunteer Park Guides program at Serendip Sanctuary that provided wildlife tours for visitors.
- Recruited volunteers of all abilities at Serendip Sanctuary to assist staff in park management and animal husbandry.
- In partnership with Gordon TAFE and Warringa Park School, provided a horticulture training program for young people of all abilities at Werribee Park.
- Provided two 'Come and Try' days at Dandenong Ranges National Park for visitors with mobility limitations to trial all-terrain 'TrailRider' chairs with the assistance of volunteers.

## Office-based environmental impacts

### Environmental Sustainability Achievements

Environmental sustainability actions implemented included the removal of single use plastic drink bottles, takeaway food packaging, plastic bags and straws from Parks Victoria's commercial outlets, the continued use of recycled products in new assets such as recycled timber in the new Port Campbell bridge and the installation of energy efficient and long-life LED lighting at Cowes Jetty, Kerferd Road Pier and Seaford Pier.

These actions are contained in Parks Victoria's three-year Environmental Sustainability Plan, which supports Parks Victoria's goal to be a leading sustainable land manager that works with partners to maintain ecosystems and preserve biodiversity, inspires others to live more sustainably and seeks new ways to reduce Parks Victoria's environmental footprint.

To enhance the accuracy of environmental reporting, Parks Victoria has adopted an annual reporting period from 1 April to 31 March that aligns with various State Government departments including DELWP. This avoids the problem of data lag: the gap between

consumption and data being available for reporting purposes. The information contained in the tables below is for the period 1 April 2019 to 31 March 2020 and is the new baseline for future reports.

Waste data is not available for this reporting period. Waste audits are planned for 2020–21.

## Energy

<b>Total Stationary energy usage segmented by primary source (MJ)</b>	<b>Total 28,716,896</b>
Electricity (excluding green power)	3,839,566
Green power	931
Natural gas	493,925
LPG	13,336,758
Diesel	1,045,716
<b>Greenhouse gas emissions from Stationary energy consumption (tonnes CO2-e)</b>	<b>4,876</b>
Electricity (excluding green power)	3,969
Green power	0
Natural gas	25
LPG	808
Diesel	73
<b>Percentage of electricity purchased as Green Power</b>	<b>0</b>
<b>Cumulative installed solar Photo Voltaic systems (kW)</b>	<b>184</b>
<b>Cumulative number of sites with solar Photo Voltaic systems</b>	<b>14</b>

## Water

<b>Total water consumption (kilolitres)</b>	<b>Total 236,530</b>
Total Mains Potable Water consumption	236,530
Trucked Potable Water	11,449
Water Licence Consumption	39,478
PV Supplied Potable Water	35,681

## Transport

<b>Total energy consumption by fleet vehicles (MJ)</b>	<b>Total 55,588,614</b>
Diesel	49,914,444
Petrol (gasoline)	5,665,688
E10	8,459
LPG	24
<b>Total distance travelled by fleet vehicles (km)</b>	<b>10,048,365</b>
<b>Total greenhouse gas emissions from fleet vehicles (tonnes CO2-e)</b>	<b>3,903</b>
Diesel	3,519
Petrol (gasoline)	383.1
E10	0.0025
LPG	0.0018
<b>Greenhouse gas emissions from fleet vehicles per 1000km (tonnes CO2-e)</b>	<b>0.388</b>
<b>Total distance travelled by aeroplane (km)</b>	<b>380,097</b>
Total distance travelled by aeroplane (km)	380,097
Greenhouse gas emissions from air travel (tonnes CO2-e)	71

### Notes:

- (1) Vehicle data sourced from Parks Victoria fleet provider (VicFleet) with kilometres travelled accuracy dependent on staff completing vehicle log books correctly.
- (2) 29 G class wagons owned by DELWP but used by PV not included in data
- (3) Whilst PV's base fleet fell by 12 vehicles there was a net increase of 5 vehicles (<1%) due to project related vehicle acquisitions

## Paper

During the 2019–20 reporting period, 70 per cent of Parks Victoria’s recorded copy paper consumption was classed as carbon neutral and all with varying levels of recycled content (70 per cent at or above 75 per cent recycled content).

<b>Total units of A4 equivalent copy paper purchased (reams)</b>	<b>2,161</b>
<b>Units of A4 equivalent copy paper used per FTE (reams/FTE)</b>	<b>1.6</b>

## Greenhouse Gas Emissions

<b>Total Greenhouse gas emissions (tonnes CO2-e)</b>	<b>9,013</b>
<b>Total greenhouse gas emissions associated with energy use (tonnes CO2-e)</b>	<b>5,039</b>
<b>Total greenhouse gas emissions associated with vehicle fleet (tonnes CO2-e)</b>	<b>3,903</b>
<b>Total greenhouse gas emissions associated with air travel (tonnes CO2-e)</b>	<b>71</b>
<b>Total greenhouse gas emissions associated with waste disposal (tonnes CO2-e)</b>	<b>-</b>

### Notes:

- (1) According to the Bureau of Meteorology, in 2019 Victoria was warmer and drier than previous periods. The 2019-20 summer had warmer days and nights with above average rainfall in the southeast. Autumn was wetter than average with cool days. Dry conditions in 2020 will have increased water consumption for irrigation purposes. Elevated temperatures in summer can increase demand for air-conditioning.
- (2) An extreme and prolonged fire season during the reporting period will influence consumption data particularly transport (i.e. diesel consumption).

## 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*:

- Publications produced by Parks Victoria about itself, and how these can be obtained.
- Any major external reviews carried out on Parks Victoria.
- Major research and development activities undertaken by Parks Victoria.
- Major promotional, public relations and marketing activities undertaken by Parks Victoria to develop community awareness of the entity and its services.
- Changes in prices, fees, charges, rates and levies charged.
- Overseas visits undertaken.
- All contractors engaged, services provided, and expenditure committed for each engagement (in addition to the information included in Parks Victoria’s annual report).
- A statement of completion of declarations of pecuniary interests by relevant officers.
- A statement on industrial relations within Parks Victoria.

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@parks.vic.gov.au](mailto:foi@parks.vic.gov.au)

or

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 this report on the pages listed below:

- Assessments and measures undertaken to improve the occupational health and safety of employees - pages 30-31.
- A list of Board committees and the purposes of each committee - pages 43-44.
- Details of consultants engaged, services provided, and expenditure committed for each engagement - page 50.

## Information that is not applicable to Parks Victoria

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

- A declaration of shares held by senior officers. No shares have ever been issued in Parks Victoria.

## Factors affecting performance

Bushfires and COVID-19 were significant factors affecting performance. All significant variances (>5%) in performance have been explained throughout this report. The most significant impact was on Parks Victoria's commercial revenue, which was impacted in 2019–20 by bushfires and restrictions associated with the COVID-19 pandemic. Many parks were closed, refunds issued for bookings and some commercial assets were burnt in the bushfires. Rent relief has also been granted to tenants under the State Government's economic stimulus package.

# Financial management compliance attestation

I **Jeffrey Floyd**, on behalf of the Responsible Body, certify that in 2019-20 **Parks Victoria** has no Material Compliance Deficiency with respect to the applicable Standing Directions under the *Financial Management Act 1994* and Instructions.

Signature

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

Date

3/9/2020

The date '3/9/2020' is printed in black text above a horizontal dotted line.

# Compliance with Statement of Obligations

Parks Victoria's obligations regarding the performance of its functions and the exercise of statutory powers are set out in a Statement of Obligations issued by the Minister for Energy, Environment and Climate Change on 27 October 2018 under section 31 of the *Parks Victoria Act 2018*. Parks Victoria is required to comply with the Statement of Obligations and to report in its Annual Report on how it has met its obligations under the Statement.

Parks Victoria complied with the Statement in 2019–20. Further details are included in the table below.

REF	Item in Statement of Obligations and comments	Comments/Examples in this Annual Report
<b>1 PURPOSE</b>		
1.1	<p>The purpose of this statement of obligations is to set out the obligations that Parks Victoria has in performing its functions and exercising its powers in relation to the land which Parks Victoria manages, in particular:</p> <p>(a) Parks Victoria managed land as defined in the <i>Parks Victoria Act 2018</i>.</p> <p>(b) Land managed by Parks Victoria appointed as a committee of management under section 14 of the <i>Crown Land (Reserves) Act 1978</i> or section 50(3) of the <i>Forests Act 1958</i>.</p> <p>(c) Land that is subject to an agreement under section 69 of the <i>Conservation, Forests and Lands Act 1987</i> that is managed by Parks Victoria on behalf of the Secretary to the Department of Environment, Land, Water and Planning (DELWP).</p>	<p><b>Comment:</b></p> <p>Parks Victoria had regard to this Statement of Obligations when performing its functions and exercising its powers.</p>
<b>2 OBJECTS</b>		
2.1	<p>Parks Victoria must have regard to its objects in the management of any land referred to in clause 1.1 (b) and (c) above.</p> <p>Note: This is in addition to the requirement of section 7(1) of the <i>Parks Victoria Act 2018</i> in relation to Parks Victoria managed land and is to the extent that the objects are not inconsistent with Parks Victoria carrying out its duties as a committee of management or managing land under an agreement.</p>	<p><b>Comment:</b></p> <p>Parks Victoria had regard to its statutory objects when managing land as a Committee of Management, or on behalf of the Secretary.</p>
<b>3 OVERALL GOAL</b>		
3.1	<p>In performing its functions and exercising its powers, Parks Victoria must work to be a best practice park management organisation, striving for excellence in protecting and managing Victoria's outstanding system of parks and reserves, engaging and working effectively with Traditional Owners, other land managers and the broader community, providing high quality opportunities for visitors to enjoy the parks and reserves, and contributing to the state's visitor economy.</p>	<p><b>Comment:</b></p> <p>Parks Victoria continued to work to be a best practice park management organisation.</p> <p><b>Annual Report references:</b></p> <ul style="list-style-type: none"> <li>• Our Vision (page 5);</li> <li>• Our Purpose (page 5);</li> <li>• About Us (page 5);</li> <li>• Strategic Plan - Shaping our Future (page 5).</li> </ul>

REF	Item in Statement of Obligations and comments	Comments/Examples in this Annual Report
<b>4 GUIDING PRINCIPLES</b>		
4.1	<p>In performing its functions and exercising its powers, Parks Victoria must have regard to the following guiding principles:</p> <ul style="list-style-type: none"> <li>(a) Healthy Parks Healthy People, which recognises the fundamental connections between human health and environmental health, is an underlying philosophy of Parks Victoria.</li> <li>(b) The active involvement of Traditional Owners in park management through joint management and other management arrangements is a fundamental aspect of park management.</li> <li>(c) The community should be placed at the centre of park planning and management.</li> <li>(d) Effective communication with the community and key stakeholders is critical to the successful development and delivery of major policies, management outcomes, initiatives and operations.</li> <li>(e) Evidence-based decision making contributes to better decisions and management outcomes.</li> <li>(f) Close collaboration between Parks Victoria and DELWP and other land managers ensures more effective and efficient public land management.</li> <li>(g) A high performing organisation delivers for government, has a positive culture, promotes staff safety and wellbeing, promotes partnerships, is innovative and provides excellent service.</li> </ul>	<p><b>Comment:</b></p> <p>Parks Victoria, in performing its functions and exercising its powers, had regard to the guiding principles.</p> <p><b>Annual Report references:</b></p> <ul style="list-style-type: none"> <li>(a) Healthy Parks, Healthy People (page 5)</li> <li>(b) Traditional Owner Partnerships (page 14)</li> <li>(c) Barmah National Park Strategic Action Plan (page 13)</li> <li>(d) New website enhances digital community engagement (page 19)</li> <li>(e) Improve our approach using contemporary science in parks (page 16)</li> <li>(f) 2019–20 Victorian Bushfires (page 9-11); Conservation achievements through biodiversity protection programs (page 12)</li> <li>(g) Focus on improving safety, culture and people (page 30-31); Grow our organisational capacity and capability (page 32)</li> </ul>
<b>5 ENGAGEMENT WITH THE MINISTER</b>		
5.1	Parks Victoria must provide timely advice to the Minister on Parks Victoria activities, issues and plans.	<p><b>Comment:</b></p> <p>Parks Victoria provided timely advice to the Minister on a range of matters and consulted with the Minister on its efforts to protect the parks, enhance visitor access to parks, increase visitation and stimulate Victoria's visitor economy.</p> <p><b>Annual Report references:</b></p> <ul style="list-style-type: none"> <li>• Our Ministers (page 6);</li> <li>• 2019–20 Victorian Bushfires (page 9-11);</li> <li>• Land Management Strategy (page 13);</li> <li>• Point Nepean National Park visitor facility improvements (page 20);</li> <li>• Red Tape Reduction – Tour Operator Licensing (page 27).</li> </ul>
5.2	Parks Victoria must consult the Minister in a timely manner on its efforts to enhance visitor access to parks, increase visitation and stimulate Victoria's visitor economy.	

REF	Item in Statement of Obligations and comments	Comments/Examples in this Annual Report
<b>6 ENGAGEMENT WITH THE COMMUNITY</b>		
6.1	Parks Victoria must undertake timely and inclusive engagement with the broader community, community and Friends groups, and key stakeholders to effectively support the preparation of its park management strategies and plans and the delivery of its programs and projects. In its engagement, Parks Victoria must have regard to the principles set out in the Victorian Auditor-General's Office publication <i>Public Participation in Government Decision-making</i> (May 2017).	<p><b>Comment:</b></p> <p>Parks Victoria undertook timely and inclusive consultation and engagement with the community, various Friends Groups and key stakeholders, and involved volunteers in parks and other areas.</p> <p><b>Annual Report references:</b></p> <ul style="list-style-type: none"> <li>• Provide quality infrastructure to support visitation (page 18-19);</li> <li>• Attract and connect with visitors in meaningful ways (page 19-20).</li> </ul>
6.2	Parks Victoria must implement programs to involve volunteers in parks and other areas which it manages.	
<b>7 COLLABORATION</b>		
<b>7.1 DELWP</b>		
7.1.1	Parks Victoria must work closely and collaboratively with DELWP to seek operational efficiencies in the delivery of services, including by sharing resources and assets.	<p><b>Comment:</b></p> <p>Parks Victoria worked closely and collaboratively with DELWP on a range of matters and contributed to compliance activities across public land.</p>
7.1.2	Parks Victoria must work closely and collaboratively with DELWP to share knowledge, information, research and data and to develop related data standards in order to achieve efficiencies in both organisations and improved planning and responses and to avoid duplication of effort.	<p>Parks Victoria advanced collaboration with Traditional Owners to develop genuine partnerships, conserve cultural heritage and support indigenous land management practices and worked with DELWP in engaging Traditional Owners.</p>
7.1.3	Parks Victoria must work closely and collaboratively with DELWP to adopt and implement practices to address interagency risk, consistent with the <i>Victorian Government Risk Management Framework Practice Notes</i> (2016).	<p><b>Annual Report references:</b></p> <ul style="list-style-type: none"> <li>• 2019–20 Victorian Bushfires (page 9-11);</li> <li>• Conservation achievements through biodiversity protection programs (page 12);</li> <li>• Traditional Owner Partnerships (page 14);</li> <li>• Planned burns (page 24).</li> </ul>
7.1.4	Parks Victoria must contribute to compliance activities across public land tenures to provide a seamless service to address priority risks.	
<b>7.2 Traditional Owners</b>		
7.2.1	Parks Victoria must advance timely, respectful and culturally sensitive collaboration with Traditional Owners to develop genuine partnerships, conserve cultural heritage and support indigenous land management practices.	
7.2.2	Parks Victoria must work closely and collaboratively with DELWP in engaging Traditional Owners.	
7.2.3	Parks Victoria must prepare an Aboriginal Inclusion Plan under the Victorian Aboriginal Affairs Framework, in collaboration with DELWP.	

REF	Item in Statement of Obligations and comments	Comments/Examples in this Annual Report
<b>8</b>	<b>OVERARCHING GOVERNMENT STRATEGIES, POLICIES AND PRIORITIES</b>	
<b>8.1</b>	<b>Strategies and policies</b>	<b>Comment:</b>
8.1.1	<p>Parks Victoria must contribute to the development and/or implementation of government policies and priorities, including but not limited to the following:</p> <ul style="list-style-type: none"> <li>(a) <i>Protecting Victoria's Environment – Biodiversity 2037</i> (2017).</li> <li>(b) Regional forest agreements.</li> <li>(c) <i>Safer Together</i> (2015).</li> <li>(d) <i>Water for Victoria Water Plan</i> (2016).</li> <li>(e) Regional catchment strategies under the <i>Catchment and Land Protection Act 1994</i>.</li> <li>(f) <i>Victorian Waterway Management Strategy</i> (2013).</li> <li>(g) Any Marine and Coastal Policy or Marine and Coastal Strategy under the <i>Marine and Coastal Act 2018</i>.</li> <li>(h) <i>Victorian Government Cultural Heritage Asset Management Principles</i> (2009).</li> <li>(i) <i>Victorian Visitor Economy Strategy</i> (2016).</li> </ul>	<p>Parks Victoria fulfilled its obligations as relevant in relation to strategies and policies; fire and emergency management; Traditional Owners; climate change and environmental sustainability.</p> <p><b>Annual Report references:</b></p> <ul style="list-style-type: none"> <li>• Conservation achievements through biodiversity protection programs (page 12);</li> <li>• 2019–20 Victorian Bushfires (page 9-11);</li> <li>• Assist in keeping Victorians safe (page 24);</li> <li>• Traditional Owner partnerships (page 14);</li> <li>• Aboriginal Employment and Wellbeing Plan (page 31);</li> <li>• Environmental sustainability achievements (page 33).</li> </ul>
<b>8.2</b>	<b>Fire and emergency management</b>	
8.2.1	Parks Victoria must support the Secretary to deliver the Secretary's responsibilities in relation to fire and emergency management through fire and emergency management agreements.	
<b>8.3</b>	<b>Traditional Owners</b>	
8.3.1	Parks Victoria must support DELWP in the development and implementation of recognition and settlement agreements under the <i>Traditional Owner Settlement Act 2010</i> and other agreements involving Traditional Owners and the State of Victoria.	
8.3.2	Parks Victoria must contribute to the development and implementation of whole of government Aboriginal inclusion policies, such as employment and economic development.	
<b>8.4</b>	<b>Climate change and environmental sustainability</b>	
8.4.1	Parks Victoria must contribute to the government's response to climate change, including meeting any obligations under the <i>Climate Change Act 2017</i> .	
8.4.2	Parks Victoria must strive to be a model environmentally sustainable organisation.	

REF	Item in Statement of Obligations and comments	Comments/Examples in this Annual Report
<b>9</b>	<b>PARK MANAGEMENT</b>	
<b>9.1</b>	<b>Management priorities</b>	<b>Comment:</b>
9.1.1	Parks Victoria must work to enhance visitor access to the parks and other areas it manages while protecting the natural and cultural values of these areas.	Parks Victoria fulfilled its obligations in relation to management priorities; the Land Management Strategy and evidence-based decision making.
9.1.2	Parks Victoria must support the implementation of joint management with Traditional Owners under relevant agreements.	
9.1.3	Parks Victoria must adopt a whole of landscape approach in fulfilling its public land management responsibilities and work collaboratively with other land managers.	
<b>9.2</b>	<b>Land management strategy</b>	<b>Annual Report references:</b>
9.2.1	Parks Victoria must provide a copy of the draft land management strategy, developed in accordance with the <i>Parks Victoria Act 2018</i> , to the Minister at least 28 days prior to releasing it for public consultation.	<ul style="list-style-type: none"> <li>• Provide quality infrastructure to support visitation (page 18-19);</li> <li>• Traditional Owner partnerships (page 14);</li> <li>• Case study: A model for the future (page 10);</li> <li>• Land Management Strategy (page 13);</li> <li>• Asset damage (mapping) (page 11);</li> <li>• Improve our approach using contemporary science in parks (page 16).</li> </ul>
<b>9.3</b>	<b>Evidence-based decision making</b>	
9.3.1	Parks Victoria must employ a systematic and rational approach to researching and analysing available evidence to inform its policies, programmes, projects, monitoring, effectiveness and decision making.	
9.3.2	Parks Victoria must employ adequate senior scientific staff, including a Chief Conservation Scientist, to support evidence-based park management and decision making.	

# Financial Report for the year ended 30 June 2020

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## 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 2020 and the financial position of Parks Victoria at 30 June 2020.

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

We authorise the attached financial statements for issue on 31 August 2020.



J. Floyd  
Chair



M. Jackson  
Chief Executive Officer



X (F). Li  
Acting Chief Financial Officer

Dated at Melbourne: 31 August 2020

# Comprehensive Operating Statement

For the year ended 30 June 2020

	Notes	2020 \$'000	2019 \$'000
<b>Continuing operations</b>			
<b>Income from transactions</b>			
Parks and Reserves Trust funding	2.2.1	99,235	97,504
Government funding	2.2.2	114,208	113,115
Interest	2.2.3	1,751	3,596
Other income	2.2.4	40,696	51,918
<b>Total income from transactions</b>		<b>255,890</b>	<b>266,133</b>
<b>Expenses from transactions</b>			
Employee benefits expenses	3.2.1	154,997	150,553
Depreciation and amortisation	4.1.2	25,062	14,222
Operating expenses	3.2.5	48,192	45,215
Other operating expenses	3.2.6	43,989	56,128
Interest expenses on lease liabilities	3.2.7	678	-
<b>Total expenses from transactions</b>		<b>272,918</b>	<b>266,118</b>
<b>Net result from transactions</b>		<b>(17,028)</b>	<b>15</b>
Net gain/(loss) on non-financial assets	8.2.1	-	-
Net gain/(loss) on financial instruments	8.2.1	31	(71)
Other gains/(losses) from other economic flows	8.2.1	(1,877)	(4,254)
<b>Total other economic flows included in net result</b>		<b>(1,846)</b>	<b>(4,325)</b>
<b>Net result</b>		<b>(18,874)</b>	<b>(4,310)</b>
<b>Other economic flows – other comprehensive income</b>			
<b>Items that will not be reclassified to net result</b>			
Actuarial gain/(loss) recognised in a year	8.2.2	(1,292)	(598)
Changes in physical asset revaluation surplus	8.3	5,190	(395,289)
<b>Total other economic flows – other comprehensive income</b>		<b>3,898</b>	<b>(395,887)</b>
<b>Comprehensive result</b>		<b>(14,976)</b>	<b>(400,197)</b>

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

# Balance Sheet

As at 30 June 2020

	Notes	2020 \$'000	2019 \$'000
<b>Assets</b>			
<b>Financial assets</b>			
Cash and deposits	6.1.1	124,955	163,949
Receivables	5.2	4,663	8,800
<b>Total financial assets</b>		<b>129,618</b>	<b>172,749</b>
<b>Non-financial assets</b>			
Inventories		308	349
Property, plant and equipment	4.1	5,643,868	5,097,041
Intangible assets	4.2	8,009	6,878
Other non-financial assets		3,576	3,983
<b>Total non-financial assets</b>		<b>5,655,761</b>	<b>5,108,251</b>
<b>Total assets</b>		<b>5,785,379</b>	<b>5,281,000</b>
<b>Liabilities</b>			
Trade and other payables	5.3	19,288	28,571
Lease liabilities	5.4	26,243	-
Employee benefit provisions	3.2.2	48,324	45,684
Superannuation defined benefits liability	3.2.4.(c)	2,265	435
<b>Total liabilities</b>		<b>96,120</b>	<b>74,690</b>
<b>Net assets</b>		<b>5,689,259</b>	<b>5,206,310</b>
<b>Equity</b>			
Accumulated surplus/(deficit)		101,660	121,826
Physical asset revaluation surplus	8.3	1,501,413	1,496,224
Contributed capital	8.4	4,086,186	3,588,260
<b>Total equity</b>		<b>5,689,259</b>	<b>5,206,310</b>

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

## Statement of Changes in Equity

For the year ended 30 June 2020

	Notes	Physical Asset Revaluation Surplus \$'000	Accumulated Surplus / (Deficit) \$'000	Contributed Capital \$'000	Total \$'000
<b>Balance at 1 July 2018</b>		<b>1,891,512</b>	<b>126,734</b>	<b>713,842</b>	<b>2,732,088</b>
Other comprehensive income		(395,289)	(598)	-	(395,887)
Net result		-	(4,310)	-	(4,310)
Net contribution by owner		-	-	2,874,418	2,874,418
<b>Balance at 30 June 2019</b>		<b>1,496,224</b>	<b>121,826</b>	<b>3,588,260</b>	<b>5,206,310</b>
<b>Balance at 1 July 2019</b>		<b>1,496,224</b>	<b>121,826</b>	<b>3,588,260</b>	<b>5,206,310</b>
Other comprehensive income		5,190	(1,292)	-	3,898
Net result		-	(18,874)	-	(18,874)
Net contribution by owner	8.4	-	-	497,926	497,926
<b>Balance at 30 June 2020</b>		<b>1,501,413</b>	<b>101,660</b>	<b>4,086,186</b>	<b>5,689,259</b>

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

# Cash Flow Statement

For the year ended 30 June 2020

	Notes	2020 \$'000	2019 \$'000
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Receipts from Parks and Reserves Trust		99,235	97,504
Receipts from government for operations		144,681	140,193
Receipts from government for Base Funding Review		6,419	6,419
Receipts from customers/other sources		17,833	39,616
Receipts from Australian Taxation Office (ATO) relating to Goods and Services Tax (GST)		11,166	11,467
Interest received		1,766	4,327
<b>Total receipts</b>		<b>281,100</b>	<b>299,526</b>
<b>Payments</b>			
Payments to government for revenue collected from national parks		(7,425)	(12,723)
Payments to suppliers and employees		(272,507)	(266,314)
<b>Total payments</b>		<b>(279,932)</b>	<b>(279,037)</b>
<b>Net cash inflow from operating activities</b>	6.1.2	<b>1,168</b>	<b>20,489</b>
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment		(40,309)	(37,702)
Payments for other assets (investment with Treasury Corporation of Victoria)		-	(15,878)
Proceeds from sale of property, plant and equipment		6	10
Proceeds from other financial assets (Investments redeemed from Treasury Corporation of Victoria)		-	140,878
<b>Net cash (outflow) inflow from investing activities</b>		<b>(40,303)</b>	<b>87,308</b>
<b>Cash flows from financing activities</b>			
Lease payments		(7,320)	-
Receipts from government – contributed capital		7,461	25,280
<b>Net cash inflow from financing activities</b>		<b>141</b>	<b>25,280</b>
<b>Net (decrease) increase in cash and cash equivalents</b>		<b>(38,994)</b>	<b>133,077</b>
Cash and cash equivalents at the beginning of the financial year		163,949	30,872
<b>Cash and cash equivalents at end of year</b>	6.1.1	<b>124,955</b>	<b>163,949</b>

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.*

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# Notes to the financial statements

For the year ended 30 June 2020

## 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 2020 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 1994* (FMA) and applicable Australian Accounting Standards (AASs) which include Interpretations, issued by the Australian Accounting Standards Board (AASB).

# Notes to the financial statements

For the year ended 30 June 2020

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 31 August 2020.

## 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. If the revision affects only that period, revisions to accounting estimates are recognised in the period in which the estimate is revised. If the revision affects both current and future periods, revisions to accounting estimates are recognised in the period of the revision and the 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.

Parks Victoria has applied AASB 16 - Lease, AASB 15 - Revenue from Contracts with Customers and AASB 1058 - Income of Not-for-Profit Entities with the initial application date of 1 July 2019. The impact of adopting new accounting standards is described in note 8.5.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2020 and the comparative information presented for the year ended 30 June 2019.

# Notes to the financial statements

For the year ended 30 June 2020

## 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.

## 1.2.4 COVID-19 Impact Assessment

The outbreak of COVID-19 has caused an unprecedented impact on the economic outlook. The Victorian Government has provided key responses, during 2019-20, including the declaration of a State of Emergency, the different stages of restrictions, Industry Relations Framework for Managing the Coronavirus Pandemic and other economic stimulus policies such as fast tracking all outstanding supplier invoices and a commercial tenancy rent relief scheme.

In preparing the 2019-20 Annual Financial Report, management's judgements and assumptions have been applied, where applicable, to ascertain the impact of COVID-19 to Parks Victoria's financial position, including:

- Receivables and expected credit loss provision (note 5.2).
- Fair value of non-financial assets (note 4.1).
- Impairment of non-financial assets (note 4.1).
- Superannuation - Defined Benefit Assets and Liabilities (note 3.2.3).
- Going concern (note 8.10).
- Subsequent events (note 8.11).

# Notes to the financial statements

For the year ended 30 June 2020

## 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 coastline.

To perform its functions Parks Victoria receives funding 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.

### 2.1 Summary of income that funds the delivery of our services

	Notes	2020 \$'000	2019 \$'000
<b>Income from transactions</b>			
Parks and Reserves Trust funding	2.2.1	99,235	97,504
Government funding	2.2.2	114,208	113,115
Interest	2.2.3	1,751	3,596
Other income	2.2.4	40,696	51,918
<b>Total income from transactions</b>		<b>255,890</b>	<b>266,133</b>

### 2.2 Income from transactions

#### 2.2.1 Parks and Reserves Trust funding

	2020 \$'000	2019 \$'000
Funding from Parks and Reserves Trust	99,235	97,504
<b>Total Parks and Reserves Trust funding</b>	<b>99,235</b>	<b>97,504</b>

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 (DELWP) which distributes it to Parks Victoria and other entities for the management and maintenance of metropolitan parks, gardens, trails and waterways. Parks Victoria has determined that the PRT does not have specific performance obligations and is recognised as income in accordance with AASB 1058 when invoiced by Parks Victoria.

# Notes to the financial statements

For the year ended 30 June 2020

## 2.2.2 Government funding

	2020 \$'000	2019 \$'000
National / state parks and reserves funding	65,419	58,324
Parks Victoria Base Review Funding	6,419	6,419
Government grants for special projects	8,264	7,402
Program Initiatives (including tracks and trails and Good Neighbour programs)	652	597
Project fire fighter funding	9,849	9,843
Major works funding provided by the Department of Environment, Land, Water and Planning (DELWP)	12,785	15,667
Funding provided by the Department of Transport (DOT)	10,820	14,863
<b>Total government funding</b>	<b>114,208</b>	<b>113,115</b>

Parks Victoria recognises all grant income as income of not-for-profit entities in accordance with AASB 1058, except for grants that are enforceable and with sufficiently specific performance obligations and accounted for as revenue from contracts with customers in accordance with AASB 15. Parks Victoria has assessed the existing grant funding to be accounted under 1058. The impact of initially applying AASB 15 and AASB 1058 on Parks Victoria is Nil as described in Note 8.5. Therefore, the adoption of AASB 15 and AASB 1058 did not have an impact on Parks Victoria's financial statements.

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

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

Income received for specific purpose grants for on-passing is recognised simultaneously as the funds are immediately on passed to the relevant recipient entities on behalf of the Government.

## 2.2.3 Interest

Interest from financial assets categorised as cash and deposits and other financial assets:

	2020 \$'000	2019 \$'000
Interest on bank deposits and other financial assets	1,751	3,596
<b>Total interest</b>	<b>1,751</b>	<b>3,596</b>

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.

# Notes to the financial statements

For the year ended 30 June 2020

## 2.2.4 Other income

	2020 \$'000	2019 \$'000
Accommodation / camping fees	6,001	10,254
Funding sponsored by external parties	620	300
Rent, leases and licences	5,518	7,915
External sales	3,331	4,458
Berthing / mooring fees	590	531
Cave tour fees	576	1,197
Fire suppression costs, recovered from DELWP (note 3.2.1)	17,282	16,555
Fair value of assets received free of charge	310	470
Insurance claims	1,205	3,458
Other	5,263	6,780
<b>Total Other Income</b>	<b>40,696</b>	<b>51,918</b>

Other income represents the sale of goods and services in the table above are transaction that Parks Victoria has determined to be classified as revenue from contracts with customers in accordance with AASB 15. The impact of initially applying AASB 15 on the Parks Victoria's revenue from contracts with customers is Nil as described in Note 8.5. Lower income in Accommodation / Camping Fees, Rent, Leases and Licences, External Sales, Berthing / Mooring Fees, Cave Tour Fees and Other was primarily due to commercial revenue being heavily impacted by bushfires and COVID-19.

**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 over time.

**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. Parks Victoria hold properties to meet service delivery objectives rather than to earn rent or for capital appreciation. The rental income it drives is incidental to the purpose of holding such properties, therefore the property will not meet the definition of investment property and will be accounted for under AASB 116 Property, Plant and Equipment and accordingly, 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 2020

## 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.

### 3.1 Summary of expenses incurred in delivery of services

	Notes	2020 \$'000	2019 \$'000
<b>Expenses incurred in delivery of services</b>			
Employee benefits expenses	3.2.1	154,997	150,553
Operating expenses	3.2.5	48,192	45,215
Other operating expenses	3.2.6	43,989	56,128
Interest expenses on lease liabilities	3.2.7	678	-
<b>Total expenses incurred in delivery of services</b>		<b>247,856</b>	<b>251,896</b>

### 3.2 Expenses incurred in delivery of services

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

	2020 \$'000	2019 \$'000
Salaries, wages, annual leave and long service leave	117,567	113,088
Termination benefits	304	298
Fire suppression costs (note 2.2.4)*	17,283	16,554
Superannuation - defined and accumulation plans	11,006	12,398
Payroll Tax	6,137	6,034
Fringe Benefits Tax	405	408
Other costs	2,295	1,773
<b>Total Employee Benefits</b>	<b>154,997</b>	<b>150,553</b>

\* 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.

# Notes to the financial statements

For the year ended 30 June 2020

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

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.

### 3.2.2 Employee benefits in the balance sheet

	2020			2019		
	Current \$'000	Non- current \$'000	Total \$'000	Current \$'000	Non- current \$'000	Total \$'000
<b>Employee benefits</b>						
Annual Leave expected to be taken within the next 12 months	7,314	-	7,314	6,688	-	6,688
Annual Leave expected to be taken after the next 12 months	2,784	-	2,784	2,841	-	2,841
Long service leave - unconditional and expected to be taken within 12 months	2,866	-	2,866	2,436	-	2,436
Long service leave - unconditional and expected to be taken after 12 months	24,962	-	24,962	24,495	-	24,495
Long service leave - conditional	-	2,802	2,802	-	2,120	2,120
<b>Total employee benefits</b>	<b>37,926</b>	<b>2,802</b>	<b>40,728</b>	<b>36,460</b>	<b>2,120</b>	<b>38,580</b>
<b>Employee benefit On-costs</b>						
Annual Leave entitlements	1,811	-	1,811	1,617	-	1,617
Long service leave - unconditional and expected to be taken within 12 months	541	-	541	460	-	460
Long service leave - unconditional and expected to be taken after 12 months	4,715	-	4,715	4,627	-	4,627
Long service leave - conditional	-	529	529	-	400	400
<b>Total employee related On-costs</b>	<b>7,067</b>	<b>529</b>	<b>7,596</b>	<b>6,704</b>	<b>400</b>	<b>7,104</b>
<b>Total employee benefits and related on-costs</b>	<b>44,993</b>	<b>3,331</b>	<b>48,324</b>	<b>43,164</b>	<b>2,520</b>	<b>45,684</b>

# Notes to the financial statements

For the year ended 30 June 2020

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

	2020 \$'000	2019 \$'000
<b>Reconciliation of movement in on-cost provision</b>		
Opening balance	7,104	6,156
Additional provisions recognised	2,816	3,502
Reductions arising from payments/other sacrifices of future economic benefits	(2,381)	(2,602)
Unwind of discount and effect of changes in the discount rate	57	48
<b>Closing balance</b>	<b>7,596</b>	<b>7,104</b>
Current	7,067	6,704
Non-current	529	400
<b>Closing balance</b>	<b>7,596</b>	<b>7,104</b>

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 2020

## 3.2.3 Superannuation

Parks Victoria contributes, in respect of its employees (including salary sacrifice), to superannuation schemes detailed as below:

Scheme	2020 \$'000	2019 \$'000
<b>Defined benefit plans:</b>		
Vision Super	1,158	1,127
Other	1,752	1,700
<b>Accumulation plans:</b>		
Vision Super	6,828	4,221
Vic Super	4,266	2,528
Other	6,692	4,169
<b>Total contributions to all funds</b>	<b>20,696</b>	<b>13,745</b>

### Accumulation plans

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

During the year, Parks Victoria made additional superannuation contributions for employees who work on fire and emergencies. The additional superannuation contributions are reimbursed by the Department of Environment, Land, Water and Planning.

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 2020 (2019: 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. It has been assessed that COVID-19 did not result in material movement in Parks Victoria's defined benefit plan.

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 2020

## 3.2.4 Defined superannuation benefit

Parks Victoria makes employer superannuation contributions in respect of employees engaged up until the 31 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.

### 3.2.4(a) Reconciliation of the present value of the defined benefit obligation

	2020 \$'000	2019 \$'000
Balance at the beginning of the year	32,361	35,297
Current service cost	749	831
Plan expenses	444	485
Interest cost	325	781
Contributions by plan participants	248	280
Actuarial (gain)/loss	1,767	2,026
Benefits paid	(2,408)	(7,339)
<b>Present value of the defined benefit obligation at the end of the year</b>	<b>33,486</b>	<b>32,361</b>

### 3.2.4(b) Reconciliation of the fair value of plan assets

	2020 \$'000	2019 \$'000
Balance at the beginning of the year	31,927	36,037
Return on plan assets	789	2,206
Employer contributions	665	743
Contributions by plan participants	248	279
Benefits paid	(2,408)	(7,339)
<b>Fair value of plan assets at the end of the year</b>	<b>31,221</b>	<b>31,926</b>

### 3.2.4(c) Reconciliation of the assets and liabilities recognised in the balance sheet

	2020 \$'000	2019 \$'000
Present value of the defined benefit obligation	33,486	32,361
Less: fair value of plan assets	(31,221)	(31,926)
<b>Net superannuation liability/(asset)</b>	<b>2,265</b>	<b>435</b>

# Notes to the financial statements

For the year ended 30 June 2020

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

Parks Victoria has recognised liability in the balance sheet in respect of its defined superannuation benefit arrangements at 30 June 2020. 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.

### 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 2020, this rate was 12.0 per cent of members' 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 consequence 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.

# Notes to the financial statements

For the year ended 30 June 2020

## 3.2.4(d) Expense recognised in the comprehensive operating statement

	2020 \$'000	2019 \$'000
Service cost	997	1,111
Member contribution	(248)	(280)
Net interest cost	10	4
Plan expense	444	485
<b>Total superannuation expense</b>	<b>1,203</b>	<b>1,320</b>

## 3.2.4(e) Expense recognised in the other comprehensive income

	2020 \$'000	2019 \$'000
Actuarial (gain)/loss recognised in year	1,292	598
<b>Total superannuation expense/(income) (Note 8.2.2)</b>	<b>1,292</b>	<b>598</b>

## 3.2.4(f) Fair value of plan assets

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

- any of Parks Victoria's own financial instruments;
- 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.

## 3.2.4(h) Principal actuarial assumptions at the balance sheet date

	2020 % p.a.	2019 % p.a.
Discount rate (gross of tax)	0.41	1.03
Expected return on assets	3.40	4.50
Average salary increase rate	3.25	3.25

# Notes to the financial statements

For the year ended 30 June 2020

## 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 2020. 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.

	2020 \$'000	2019 \$'000
<b>Impact on Defined Benefit Obligation as at 30 June 2020 of:</b>		
a) Increase in the Discount Rate of 1% p.a.	(2,006)	(1,990)
b) Decrease in the Discount Rate of 1% p.a.	2,197	2,254
c) Increase in the Salary Increase Rate of 1% p.a.	1,668	1,790
d) Decrease in the Salary Increase Rate of 1% p.a.	(1,547)	(1,673)

## 3.2.5 Operating expenses

	2020 \$'000	2019 \$'000
Operational services	48,192	45,215
<b>Total Operating expenses</b>	<b>48,192</b>	<b>45,215</b>

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 2020

### 3.2.6 Other operating expenses

	2020 \$'000	2019 \$'000
Materials	5,336	5,764
Transport	2,356	6,820
Insurance premiums	9,494	9,473
Payments for works sponsored by external parties	411	499
Plant & Equipment	2,160	4,042
Telecommunications	1,197	1,740
IT Software & Hardware maintenance	4,810	5,590
IT costs	-	(41)
Printing & Signage charges	838	1,017
Training & Education	1,044	1,572
Travel & Accommodation	961	1,235
Utility expenses	2,965	2,810
Property expenses	2,134	4,456
Other external services	10,283	11,151
<b>Total other operating expenses</b>	<b>43,989</b>	<b>56,128</b>

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 and payment of leases that are either short term or low value leases. Lower operating expenses in Transport, Plant & Equipment and Property Expenses are due mainly to the adoption of AASB 16 Leases on Parks Victoria's financial statements, offset by higher depreciation costs (note 4.1.2 Depreciation and amortisation).

### 3.2.7 Interest expenses on lease liabilities

	2020 \$'000	2019 \$'000
Interest expenses on lease liabilities	678	-

Interest expenses on right-to-use assets represent the day-to-day interest paid on property, plant, equipment, motor vehicles and offices Parks Victoria leases to run its day-to-day operations.

# Notes to the financial statements

For the year ended 30 June 2020

## 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		Plant, equipment, machinery and vehicles	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
<b>Opening balance</b>	<b>4,769,577</b>	<b>2,356,316</b>	<b>112,401</b>	<b>82,598</b>	<b>390</b>	<b>347</b>
Capitalisation of assets	7,931	5,525	6,548	12,184	1,224	298
Transfer of assets from DELWP	463,026	2,805,350	31,760	21,746	-	-
Fair value of assets received free of charge	128	343	181	127	-	-
Recognition of right-of-use assets (leases) on initial application of AASB 16	-	-	12,726	-	20,837	-
Disposals / Transfers	(1,902)	-	-	-	-	-
Net revaluation increments / decrements	-	(395,289)	-	-	-	-
Depreciation expense	(3,631)	(2,669)	(7,593)	(4,255)	(5,623)	(256)
Impairment loss	(1,156)	-	(1,960)	-	-	-
Asset transfer in / out of assets under construction	-	-	-	-	-	-
Other adjustments	1	1	(2)	-	-	1
<b>Closing balance</b>	<b>5,233,974</b>	<b>4,769,577</b>	<b>154,061</b>	<b>112,400</b>	<b>16,828</b>	<b>390</b>

## Notes to the financial statements

For the year ended 30 June 2020

	Piers, jetties and river improvements		Antiques		Work in progress		Total	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
	154,092	132,002	4,503	4,550	56,079	44,020	5,097,041	2,619,833
	4,804	5,576	-	-	39,952	37,403	60,459	60,987
	764	22,042	-	-	-	-	495,550	2,849,138
	-	-	-	-	-	-	310	470
	-	-	-	-	-	-	33,563	-
	-	-	-	-	-	-	(1,902)	-
	8,764	-	-	-	-	-	8,764	(395,289)
	(6,479)	(5,527)	(46)	(46)	-	-	(23,372)	(12,753)
	(458)	-	-	-	-	-	(3,574)	-
	-	-	-	-	(22,970)	(25,344)	(22,970)	(25,344)
	1	(2)	-	-	(1)	-	(1)	(1)
	161,488	154,091	4,457	4,504	73,060	56,079	5,643,868	5,097,041

# Notes to the financial statements

For the year ended 30 June 2020

## 4.1.1(a) Right of use assets

	Buildings and building improvements		Plant, equipment, machinery and vehicles		Total	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
<b>Opening balance 1 July 2019</b>	-	-	-	-	-	-
Addition	12,726	-	20,837	-	33,563	-
Disposal	-	-	-	-	-	-
Depreciation	(2,321)	-	(5,407)	-	(7,728)	-
<b>Closing balance</b>	<b>10,405</b>	-	<b>15,430</b>	-	<b>25,835</b>	-

The cost of constructed property, plant and equipment (excluding right-of-use assets) 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 (2019: \$5,000) or more, and a useful life of more than one year are recognised as an asset, all other items are expensed.

Payments in relation to all right-of-use asset with value below \$10,000 and/or leases with terms within 12 months of the date of initial application or commencement date are expensed as they are incurred.

An estimate of costs to dismantle and remove the underlying asset (both fixed assets and right-to-use assets) or to restore the underlying asset or the site on which it is located are expensed as they are incurred.

### Initial recognition

Items of property, plant and equipment, except for right-of-use assets, are measured initially at cost and subsequently valued at fair value, except Work in Progress (WIP) and plant, equipment, machinery, vehicle and right-to-use assets less accumulated depreciation and impairment. Where an asset is acquired for no or nominal cost, the cost is its fair value at the date of acquisition. Assets transferred from other public sector entities are transferred at their carrying amount.

The right-of-use asset and a lease liability are recognised at the lease commencement date. The right-of-use asset is initially measured at present value of the lease payment unpaid at the application or commencement date, adjusted for:

- any lease payments made at or before the commencement date; plus
- any initial direct costs incurred; and less
- any lease incentive received.

### Impairment of property, plant and equipment

All non-financial assets are assessed annually for indications of impairment, except for Inventories, right-of-use assets, plant and equipment and vehicles, whenever there is an indication that the asset may be impaired, such indications may include significant events relating to bushfires and COVID-19 pandemics. 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. It has been assessed that COVID-19 did not result in any material asset impairment loss in 2019-20.

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.

# Notes to the financial statements

For the year ended 30 June 2020

## 4.1 Property, plant and equipment (continued)

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, except for right-of-use assets, plant and equipment and motor vehicles and WIP, 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. It has been assessed that COVID-19 did not have material impact to Parks Victoria's fair value of non-financial assets. 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 and determined the movement in the fair value to be immaterial as at 30 June 2020. The effective date of the last 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. 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 a material movement in that assets class, so managerial revaluation was performed to reflect the fair value of piers and jetties. The next scheduled full revaluation for this purpose group will be conducted in June 2021.

# Notes to the financial statements

For the year ended 30 June 2020

## 4.1 Property, plant and equipment (continued)

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. 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.

### 4.1.2 Depreciation and amortisation

	2020 \$'000	2019 \$'000
<b>Depreciation</b>		
Land improvements	3,631	2,669
Buildings and building improvements	7,593	4,255
Piers, jetties and river improvements	6,479	5,527
Plant and equipment, machinery & vehicles	5,623	256
Antiques	46	46
<b>Total depreciation</b>	<b>23,372</b>	<b>12,753</b>
<b>Amortisation</b>		
Intangibles	1,690	1,469
<b>Total amortisation</b>	<b>1,690</b>	<b>1,469</b>
<b>Total depreciation and amortisation</b>	<b>25,062</b>	<b>14,222</b>

# Notes to the financial statements

For the year ended 30 June 2020

## 4.1 Property, plant and equipment (continued)

Depreciation is applied to completed fixed assets including buildings and building improvements, piers, jetties and river improvements, land improvements and plant, equipment, machinery, vehicles and right-of-use assets. 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.

Higher depreciation in Plant and Equipment, Machinery & Vehicles was primarily due to the adoption of AASB 16 Leases on Parks Victoria's financial statements, offset by lower operating expenses relating to Transport, Plant & Equipment and Property Expenses (note 3.2.6 Other operating expenses).

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

<b>Asset Category</b>	<b>2020 Expected useful life (Years)</b>	<b>2019 Expected useful life (Years)</b>
Buildings and building improvements (including leased assets)	<b>5 to 100</b>	5 to 100
Piers, jetties and river improvements	<b>6 to 100</b>	6 to 100
Land improvements	<b>1 to 100</b>	1 to 100
Plant and equipment, machinery & vehicles (including leased assets)	<b>1 to 10</b>	1 to 10
Antiques	<b>100</b>	<b>100</b>

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 (2019: 5-10).

## Notes to the financial statements

For the year ended 30 June 2020

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

	2020		2019	
	2020 Area (Hectares)	2020 \$'000 (Net book value)	2019 Area (Hectares)	2019 \$'000 (Net book value)
<b>Crown land</b>				
<b>Land Categories</b>				
Bays Assets	3,235	120,960	3,235	120,941
Conservation Reserves	873,470	936,880	509,418	721,071
Metropolitan Parks	11,487	2,713,970	9,893	2,644,797
National Parks	4,005,406	1,376,396	3,476,753	1,206,923
Regional Parks	773	3,770	773	4,535
<b>Total Crown land at fair value</b>	<b>4,894,371</b>	<b>5,151,976</b>	<b>4,000,072</b>	<b>4,698,267</b>
<b>Land improvements</b>				
Total land improvements at fair value		81,998		71,310
<b>Total Crown land and land improvements</b>		<b>5,233,974</b>		<b>4,769,577</b>

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 2020

### 4.1.4 Fair value measurement hierarchy for assets

	Carrying amounts as at 30 June 2020	Fair value measurement at end of reporting period using:		
		Level 1	Level 2	Level 3
<b>Specialised land at fair value</b>				
Crown land and land improvements	5,233,974	-	-	5,233,974
<b>Total of land at fair value</b>	<b>5,233,974</b>	<b>-</b>	<b>-</b>	<b>5,233,974</b>
<b>Specialised building at fair value</b>				
Buildings and building improvements	154,061	-	-	154,061
<b>Total of building at fair value</b>	<b>154,061</b>			<b>154,061</b>
<b>Plant, equipment, machinery and vehicles at fair value</b>				
Plant, equipment, machinery and vehicles	16,828	-	-	16,828
<b>Total of plant, equipment, machinery and vehicles at fair value</b>	<b>16,828</b>	<b>-</b>	<b>-</b>	<b>16,828</b>
<b>Infrastructure at fair value</b>				
Piers, jetties	121,954	-	-	121,954
<b>Total of infrastructure at fair value</b>	<b>121,954</b>	<b>-</b>	<b>-</b>	<b>121,954</b>
<b>Infrastructure at fair value</b>				
River improvements	39,534	-	-	39,534
<b>Total of infrastructure at fair value</b>	<b>39,534</b>	<b>-</b>	<b>-</b>	<b>39,534</b>
<b>Antique assets at fair value</b>				
Antiques and artworks	4,457	-	4,457	-
<b>Total of cultural assets at fair value</b>	<b>4,457</b>	<b>-</b>	<b>4,457</b>	<b>-</b>
<b>Grand total</b>	<b>5,570,808</b>	<b>-</b>	<b>4,457</b>	<b>5,566,351</b>

# Notes to the financial statements

For the year ended 30 June 2020

## 4.1.4 Fair value measurement hierarchy for assets (continued)

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

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.

# Notes to the financial statements

For the year ended 30 June 2020

## 4.1 Property, plant and equipment (continued)

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.

### 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 2020

## 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
<b>2020</b>					
<b>Opening balance</b>	4,769,577	112,400	390	154,091	5,036,458
Purchases (sales)	469,183	51,214	22,061	5,568	548,025
Other Adjustments	1	-	-	2	3
Transfers in (out) of Level 3	-	-	-	-	-
<b>Gains or losses recognised in net results</b>					
Depreciation expense	(3,631)	(7,593)	(5,623)	(6,479)	(23,325)
Impairment loss	(1,156)	(1,960)	-	(458)	(3,574)
<b>Subtotal</b>	<b>5,233,974</b>	<b>154,061</b>	<b>16,828</b>	<b>152,724</b>	<b>5,557,587</b>
<b>Gains or loss recognised in other economic flows - other comprehensive income</b>					
Revaluation	-	-	-	8,764	8,764
<b>Closing Balance</b>	<b>5,233,974</b>	<b>154,061</b>	<b>16,828</b>	<b>161,488</b>	<b>5,566,351</b>
<b>2019</b>					
<b>Opening balance</b>	2,356,316	82,598	347	132,002	2,571,263
Purchases (sales)	2,811,218	34,057	298	27,618	2,873,192
Transfers in (out) of Level 3	-	-	-	-	-
<b>Gains or losses recognised in net results</b>					
Depreciation expense	(2,669)	(4,255)	(256)	(5,527)	(12,707)
Impairment loss	-	-	-	-	-
Other Adjustments	-	-	-	(2)	(2)
<b>Subtotal</b>	<b>5,164,865</b>	<b>112,400</b>	<b>390</b>	<b>154,091</b>	<b>5,431,746</b>
<b>Gains or loss recognised in other economic flows - other comprehensive income</b>					
Revaluation	(395,288)	-	-	-	(395,288)
<b>Subtotal</b>	<b>(395,288)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(395,288)</b>
<b>Closing Balance</b>	<b>4,769,577</b>	<b>112,400</b>	<b>390</b>	<b>154,091</b>	<b>5,036,458</b>

## Notes to the financial statements

For the year ended 30 June 2020

### 4.1.6 Description of significant unobservable inputs to Level 3 valuations as at 30 June 2020

	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 remain unchanged since June 2016.

## 4.2 Intangible assets

	2020 \$'000	2019 \$'000
<b>Computer software</b>		
<b>Gross carrying amount</b>		
Gross carrying amount opening balance	15,345	13,286
Additions – internal development	2,821	2,059
<b>Closing balance</b>	<b>18,166</b>	<b>15,345</b>
<b>Accumulated amortisation and impairment</b>		
Opening balance	(8,467)	(6,998)
Amortisation expense	(1,690)	(1,469)
<b>Closing balance</b>	<b>(10,157)</b>	<b>(8,467)</b>
<b>Net book value at the end of financial year</b>	<b>8,009</b>	<b>6,878</b>

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 2020

## 4.3 Committed funds

	2020 \$'000	2019 \$'000
Total funds - Cash and Deposits (refer note 6.1.1)	124,955	163,949
<b>Committed cash and deposits</b>		
Government asset and initiative funding	70,099	88,972
Point Nepean park establishment	2,107	3,051
Fire and flood programs (incl. insurance)	4,081	7,710
Sponsored works	6,004	11,747
Other liabilities	3,105	3,089
<b>Total committed cash</b>	<b>85,396</b>	<b>114,569</b>

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.

## 5 Other assets and liabilities

### Introduction

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

### 5.2 Receivables

	2020			2019		
	Current \$'000	Non-current \$'000	Total \$'000	Current \$'000	Non-current \$'000	Total \$'000
<b>Statutory</b>						
Amount owing from Victorian Government*	198	-	198	1,978	-	1,978
GST input tax credit recoverable	2,015	-	2,015	1,366	-	1,366
<b>Total receivables - statutory</b>	<b>2,213</b>	<b>-</b>	<b>2,213</b>	<b>3,344</b>	<b>-</b>	<b>3,344</b>
<b>Contractual</b>						
Debtors	2,009	-	2,009	2,459	-	2,459
Allowance for impairment losses of contractual receivables	(152)	-	(152)	(183)	-	(183)
Other receivables	559	34	593	3,147	33	3,180
<b>Total receivables - contractual</b>	<b>2,416</b>	<b>34</b>	<b>2,450</b>	<b>5,423</b>	<b>33</b>	<b>5,456</b>
<b>Total receivables</b>	<b>4,629</b>	<b>34</b>	<b>4,663</b>	<b>8,767</b>	<b>33</b>	<b>8,800</b>

# Notes to the financial statements

For the year ended 30 June 2020

## 5.2 Receivables (continued)

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, including any impact of COVID-19, 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 (2019: 30 days).

### 5.2.1 Movement in allowance for expected credit losses of contractual receivables

	2020 \$'000	2019 \$'000
Balance at the beginning of the year	(183)	(124)
(Increase)/decreased in expected credit losses recognised in the net result	31	(71)
Reversal of expected credit losses written off during the year as uncollectible	-	12
<b>Balance at the end of the year</b>	<b>(152)</b>	<b>(183)</b>

### 5.2.2 Aging analysis of contractual receivables

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

### 5.2.3 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.

# Notes to the financial statements

For the year ended 30 June 2020

## 5.3 Trade and other payables

	2020			2019		
	Current \$'000	Non- current \$'000	Total \$'000	Current \$'000	Non- current \$'000	Total \$'000
<b>Statutory</b>						
FBT payable	105	-	105	105	-	105
Other taxes payables	886	-	886	510	-	510
<b>Total payables - statutory</b>	<b>991</b>	<b>-</b>	<b>991</b>	<b>615</b>	<b>-</b>	<b>615</b>
<b>Contractual</b>						
Unsecured creditors and accruals	15,035	-	15,035	25,930	-	25,930
Employee benefits	2,972	-	2,972	1,838	-	1,838
Other payables	290	-	290	188	-	188
<b>Total payables - contractual</b>	<b>18,297</b>	<b>-</b>	<b>18,297</b>	<b>27,956</b>	<b>-</b>	<b>27,956</b>
<b>Total payables</b>	<b>19,288</b>	<b>-</b>	<b>19,288</b>	<b>28,571</b>	<b>-</b>	<b>28,571</b>

### Trade and other payables consist of:

- Statutory payables, such as fringe benefits tax payable and payroll tax; and
- Contractual payables, such as accounts payable, lease liabilities and employee benefits. These 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.

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 (2019: 30 days). Due to the outbreak of COVID-19 which caused an unprecedented impact on the economic outlook, Parks Victoria paid supplier invoices in accordance with the Government's economic stimulus policies and directions in fast-tracking all outstanding supplier payments.

- Employee Benefits, such as accrued salaries and wages.

### 5.3(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 2020

## 5.4 Lease liabilities

	2020			2019		
	Current \$'000	Non- current \$'000	Total \$'000	Current \$'000	Non- current \$'000	Total \$'000
Lease liabilities	7,325	18,918	26,243	-	-	-
<b>Total lease liabilities</b>	<b>7,325</b>	<b>18,918</b>	<b>26,243</b>	<b>-</b>	<b>-</b>	<b>-</b>

### 5.4.1 Maturity analysis of lease liabilities

	2020 \$'000	2019 \$'000
Not later than one year	8,058	-
Later than one year but not later than five years	19,113	-
Later than five years	1,697	-
<b>Total leases (inclusive of GST)</b>	<b>28,868</b>	<b>-</b>
Less GST recoverable from Australian Taxation Office	(2,625)	-
<b>Total leases (exclusive of GST)</b>	<b>26,243</b>	<b>-</b>

#### Leases

Parks Victoria leases various offices, motor vehicles and plant and equipments for varying lease terms. The leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of the leases are renegotiated.

For any new contracts entered into on or after 1 July 2019, Park Victoria considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition Parks Victoria assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to Parks Victoria and for which the supplier does not have substantive substitution rights.
- Parks Victoria has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract and Parks Victoria has the right to direct the use of the identified asset throughout the period of use.
- Parks Victoria has the right to take decisions in respect of 'how and for what purpose' the asset is used throughout the period of use. This policy is applied to contracts entered into, or changed, on or after 1 July 2019.

Parks Victoria's right-of-use assets are presented in note 4.1. Park Victoria has recognised \$678,242 interest expenses in the Comprehensive Operating Statement and \$7,319,721 total outflow in the Cash Flow Statement relating to leases.

# Notes to the financial statements

For the year ended 30 June 2020

## 5.4 Lease liabilities (continued)

### Separation of lease and non-lease components

At inception or on reassessment of a contract that contains a lease component, Parks Victoria separates out and accounts separately for non-lease components within a lease contract and excludes these amounts when determining the lease liability and right-of-use asset amount.

### Lease Liability - initial measurement

The lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the incremental borrowing rate. Lease payments included in the measurement of the lease liability comprise the following:

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

### Lease Liability - subsequent measurement

Subsequent to initial measurement, the liability is reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

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

Parks Victoria has elected to account for short-term leases (lease period of 12 months or less) and leases of low value (\$10,000 or less) assets using the practical expedients. Instead of recognising a right of use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss as they are incurred.

### Below market/Peppercorn lease

Parks Victoria as lessee has not entered into below market or peppercorn leases.

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

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

# Notes to the financial statements

For the year ended 30 June 2020

## 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.

### 6.1 Cash flow information and balances

#### 6.1.1 Cash and deposits

	2020 \$'000	2019 \$'000
Cash and deposits	124,955	163,949
<b>Total cash and deposits - current</b>	<b>124,955</b>	<b>163,949</b>

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

	2020 \$'000	2019 \$'000
<b>Net result for the period</b>	<b>(18,874)</b>	(4,310)
<b>Non-cash movements:</b>		
Actuarial gain/(loss) recognised in a year	(1,292)	(598)
Depreciation and amortisation	25,061	14,222
Allowance for impairment losses of contractual receivables	(31)	71
Net assets (received) provided free of charge	(310)	(470)
Others	(6)	(9)
<b>Change in operating assets and liabilities:</b>		
Decrease / (increase) in receivables	4,168	5,963
Decrease / (increase) in inventories	41	(156)
Decrease / (increase) in superannuation defined benefit & other assets	2,237	(211)
(Decrease) / increase in other provisions	2,640	4,972
(Decrease) / increase in trade and other payables	(12,466)	1,015
<b>Net cash inflow from operating activities</b>	<b>1,168</b>	<b>20,489</b>

# Notes to the financial statements

For the year ended 30 June 2020

## 6.1.3 Credit card and merchant facilities

	2020 \$'000	2019 \$'000
Total credit card facility	2,000	2,000
Total credit card facility used/(Liability)	(116)	(150)
Total merchant facility (daily limit)	330	330

## 6.2 Commitments for expenditure

### Commitments

Commitments for future expenditure include 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 2020 for the supply of works, services and materials not provided for in the financial statements:

	2020 \$'000	2019 \$'000
Not later than one year	6,298	608
Later than one year but not later than five years	1,846	-
<b>Total capital commitments (inclusive of GST)</b>	<b>8,144</b>	<b>608</b>
Less GST recoverable from Australian Taxation Office	(740)	(55)
<b>Total capital commitments (exclusive of GST)</b>	<b>7,404</b>	<b>553</b>

## 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.

# Notes to the financial statements

For the year ended 30 June 2020

## 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	2020 \$'000	2019 \$'000
<b>Financial assets</b>			
Cash and cash deposits	6.1.1	<b>124,955</b>	163,949
Receivables	5.2	<b>2,450</b>	5,456
<b>Financial liabilities</b>			
Payables	5.3	<b>18,296</b>	27,956
Lease liabilities	5.4	<b>26,243</b>	-

Note: The amount of receivables disclosed here exclude statutory receivables (i.e. amounts owing from Victorian Government and GST input tax credit recoverable). For 2020 this was \$2.1m (2019: \$3.3m).

## 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 2020

## 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
<b>2020</b>					
Cash and deposits	124,955	-	-	-	124,955
Receivables (i)	-	-	-	1,035	1,035
Investments and other financial assets	-	-	-	-	-
<b>Total contractual financial assets</b>	<b>124,955</b>	<b>-</b>	<b>-</b>	<b>1,035</b>	<b>125,990</b>
<b>2019</b>					
Cash and deposits	163,949	-	-	-	163,949
Receivables (i)	-	-	-	1,896	1,896
Investments and other financial assets	-	-	-	-	-
<b>Total contractual financial assets</b>	<b>163,949</b>	<b>-</b>	<b>-</b>	<b>1,896</b>	<b>165,845</b>

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

# Notes to the financial statements

For the year ended 30 June 2020

## 7.1 Financial instruments specific disclosures (continued)

### 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 \$152k of receivables (2019: \$183k) 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.

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

	Carrying amount \$'000	Not past due and not impaired \$'000	Past due but not impaired \$'000			
			Less than 1 month	1-3 months	3 months - 1 year	1-5 years
<b>2020</b>						
Receivables (note a)	2,450	1,035	656	261	457	41
<b>Total</b>	<b>2,450</b>	<b>1,035</b>	<b>656</b>	<b>261</b>	<b>457</b>	<b>41</b>
<b>2019</b>						
Receivables (note a)	5,456	1,896	3,478	61	(33)	54
<b>Total</b>	<b>5,456</b>	<b>1,896</b>	<b>3,478</b>	<b>61</b>	<b>(33)</b>	<b>54</b>

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.

# Notes to the financial statements

For the year ended 30 June 2020

## 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 \$'000	
	-50 basis points Net Result	+50 basis points Net Result
<b>Financial assets: 2020</b>		
Other financial assets - based on actual 2019-20 closing balance		
Carrying amount \$124.9m @ 30 June 2020	(625)	625
<b>Financial assets: 2019</b>		
Other financial assets - based on actual 2018-19 closing balance		
Carrying amount \$163.9m @ 30 June 2019	(820)	820

The interest rate risk analysis has been applied on the total of \$124.9m, 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 2020 was 0.55% (2019: 1.44%).

### 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.

# Notes to the financial statements

For the year ended 30 June 2020

## 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.
- Level 2 - the fair value is determined using inputs other than quoted prices that are observable for the financial asset or liability, either directly or indirectly.
- Level 3 - the fair value is determined in accordance with generally accepted pricing models based on discounted cash flow analysis using unobservable market inputs.

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 2020, Parks Victoria has \$43.9M (2019: \$4.7M) claims (net of excess) outstanding with VMIA that are currently being assessed.

### 7.2.2 Contingent liabilities

Under public liability and professional indemnity 39 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 \$5,000 per claim to \$25,000 per claim, or \$240,000 (2019: \$340,050) if all claims are accepted by the insurer.

## 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.

The outbreak of COVID-19 has caused an unprecedented impact on the economic outlook. The Victorian Government has provided many key responses, one of which included a commercial tenancy rent relief scheme. Under this response Parks Victoria refunded or waived rent paid or payable respectively from 1 January 2020 to 30 June 2020 which has resulted in a significant increase in forgiveness or waiver of debt in the financial year.

# Notes to the financial statements

For the year ended 30 June 2020

## 8.1 Ex-gratia expenses (continued)

	2020 \$'000	2019 \$'000
Forgiveness or waiver of debt	1,765	12
<b>Total Ex-gratia expenses</b>	<b>1,765</b>	<b>12</b>

## 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.
- Impairment of contractual receivables.

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

	2020 \$'000	2019 \$'000
<b>(a) Net gain/(loss) on non-financial assets</b>		
Disposal of property, plant and equipment	-	-
<b>Total net gain/(loss) on non-financial assets</b>	<b>-</b>	<b>-</b>
<b>(b) Net gain/(loss) on financial instruments</b>		
Allowance for impairment losses of contractual receivables	(200)	(71)
Reversal of unused allowance for impairment losses	231	-
<b>Total net gain/(loss) on non-financial assets</b>	<b>31</b>	<b>(71)</b>
<b>(c) Other gains/(losses) from other economic flows</b>		
Net gain/(loss) arising from revaluation of long service liability due to changes in the bond interest rates	(1,877)	(4,254)
<b>Total other gains/(losses) from other economic flows</b>	<b>(1,877)</b>	<b>(4,254)</b>
<b>Total other economic flows included in net result</b>	<b>(1,846)</b>	<b>(4,325)</b>

### Other economic flows - other comprehensive income

#### 8.2.2 Items that will not be reclassified to net result

	2020 \$'000	2019 \$'000
Net gain/(loss) arising from revaluation of superannuation defined benefit plans	(1,292)	(598)
<b>Total other economic flows - other comprehensive income</b>	<b>(1,292)</b>	<b>(598)</b>

Refer to note 3.2.4 for details on Defined superannuation benefit.

# Notes to the financial statements

For the year ended 30 June 2020

## 8.3 Physical asset revaluation surplus

	Notes	2020 \$'000	2019 \$'000
<b>Movements:</b>			
<b>Opening balance</b>		<b>1,496,224</b>	1,891,512
Impairment loss		(3,574)	-
Revaluation of Crown land, land and land improvements		-	(395,289)
Revaluation of piers, jetties, and river improvements		8,764	-
<b>Movement in physical assets revaluation surplus</b>	<b>4.1.1</b>	<b>5,190</b>	<b>(395,289)</b>
<b>Total physical asset revaluation surplus</b>		<b>1,501,413</b>	<b>1,496,224</b>

## 8.4 Contributed capital

		2020 \$'000	2019 \$'000
<b>Opening balance</b>		<b>3,588,260</b>	713,842
Addition to net asset base from DELWP		503,010	2,874,418
Redemption of capital to DELWP		(3,182)	-
Assets transferred to DELWP		(1,902)	-
<b>Net movement in contributed capital</b>		<b>497,926</b>	<b>2,874,418</b>
<b>Total contributed capital</b>		<b>4,086,186</b>	<b>3,588,260</b>

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. 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.

## 8.5 Changes in accounting policy

### Leases

This note explains the impact of the adoption of AASB 16 Leases on Parks Victoria's financial statements. Parks Victoria has applied AASB 16 with a date of initial application of 1 July 2019 using the modified retrospective approach option B, as per the transitional provisions of AASB 16 for all leases for which it is a lessee. The modified retrospective approach option B measures the Right-to-use assets at the initial application date at the same amount as the lease liability (present value of the unpaid cash flow associated with the lease).

The modified retrospective approach option B does not require the Parks Victoria to:

- Restate its prior period financial information.
- Recognise an adjustment in equity at the beginning of the current period.

# Notes to the financial statements

For the year ended 30 June 2020

## 8.5 Changes in accounting policy (continued)

Previously, Parks Victoria determined at contract inception whether an arrangement is or contains a lease under AASB 117 and Interpretation 4 Determining whether an arrangement contains a Lease. Under AASB 16, the Department assesses whether a contract is or contains a lease based on the definition of a lease as explained in note 5.4.

On transition to AASB 16, Parks Victoria has elected to apply the practical expedient to 'grandfather' the assessment of which transactions are leases. It applied AASB 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under AASB 117 and Interpretation 4 were not reassessed for whether there is a lease. Therefore, the definition of a lease under AASB 16 was applied to contracts entered into or changed on or after 1 July 2019.

### Leases classified as operating leases under AASB 117

As a lessee, Parks Victoria previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to Parks Victoria. Under AASB 16, Parks Victoria recognises right-of-use assets and lease liabilities for all leases except where exemption is availed in respect of short-term and low-value leases.

On adoption of AASB 16, Parks Victoria recognised lease liabilities in relation to leases which had previously been classified as operating leases under the principles of AASB 117. These liabilities were measured at the present value of the remaining lease payments, discounted using incremental borrowing rate. On transition, right-of-use assets are measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet as at 30 June 2019.

Parks Victoria has elected to apply the following practical expedients when applying AASB 16 to leases previously classified as operating leases under AASB 117:

- Adjusted the right-of-use assets by the amount of AASB 137 onerous contracts provision immediately before the date of initial application, as an alternative to an impairment review.
- Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term or less than \$10,000 in value.
- Excluded initial direct costs from measuring the right-of-use asset at the date of initial application.
- Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

As a lessee Parks Victoria did not have any financial leases as at 30 June 2019.

### Leases as a Lessor

Parks Victoria is not required to make any adjustments on transition to AASB 16 for leases in which it acts as a lessor. Parks Victoria accounted for its leases in accordance with AASB 16 from the date of initial application.

### Impacts on financial statements

On transition to AASB 16, Parks Victoria recognised \$28.76 million of right-of-use assets and \$28.76 million of lease liabilities.

When measuring lease liabilities, Parks Victoria discounted lease payments using its incremental borrowing rate at 1 July 2019. The weighted average rate applied is 3 per cent.

# Notes to the financial statements

For the year ended 30 June 2020

## 8.5 Changes in accounting policy (continued)

	1 July 2019 \$'000
Total operating lease commitments disclosed at 30 June 2019	24,397
Discounted using the incremental borrowing rate at 1 July 2019	(1,316)
New Leases/Lease extension	8,424
<b>Recognition exemption for:</b>	
Short-term leases	(2,288)
Leases of low-value assets	(456)
<b>Lease liabilities recognised at 1 July 2019</b>	<b>28,761</b>

### Revenue from Contracts with Customers - AASB 15

AASB 15 Revenue from Customers, 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.

AASB 15 and the related guidance came into effect for not-for-profit entities for annual reporting beginning on or after 1 January 2019. Parks Victoria adopted and applied these standards from 1 July 2019. Parks Victoria has performed a detailed assessment of AASB 15 and the potential impact for each major class of revenue and income in the initial year of application is Nil. Comparative information has not been restated.

AASB 15 accounting policies are disclosed in the notes below and the disclosure details on how the standard has been applied to revenue transactions.

- Note 2.2.2 - Government Funding.
- Note 2.2.4 - Other income (Accommodation/Camping Fee, Rent/Leases, External Sales, Berthing/Mooring, Cave Tour Fee, Fire Suppression Costs and other income).

### Income of Not for Profit Entities - AASB 1058

To address specific concerns from the not-for-profit sector in Australia, the AASB also released: 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 1058 and the related guidance came into effect for not-for-profit entities for annual reporting beginning on or after 1 January 2019. Parks Victoria adopted and applied these standards from 1 July 2019. Parks Victoria has performed a detailed assessment of AASB 1058 and the potential impact for each major class of revenue and income in the initial year of application is Nil. Comparative information has not been restated.

# Notes to the financial statements

For the year ended 30 June 2020

## 8.5 Changes in accounting policy (continued)

AASB 1058 accounting policies are disclosed in the notes below and the disclosure details on how the standard has been applied to revenue transactions.

- Note 2.2.1 - Parks and Reserves Trust Funding.
- Note 2.2.2 - Government Funding.
- Note 2.2.4 - Other income (Funding Sponsored by External Parties, Insurance Claims and Fair Value of Assets Received Free of Charge).

The adoption of AASB 1058 did not have an impact on Other comprehensive income and the Statement of Cash flows for the financial year.

## 8.6 Responsible persons and executive officer disclosures

### 8.6.1 Minister

The name of the responsible Minister from 1 July 2019 to 30 June 2020 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 2019 to 30 June 2020 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:

\$390,000 to \$400,000 (2019–20)

\$380,000 to \$390,000 (2018–19)

### 8.6.3 Board members

The names of persons who were Board Members at any time during the financial year ended 30 June 2020 are as follows:

Jeff Floyd	1 July 2019 to 30 June 2020
John Pandazopoulos	1 July 2019 to 30 June 2020
Helen Weston	1 July 2019 to 30 June 2020
Annette Vickery	1 July 2019 to 30 June 2020
Lisa Marty	1 July 2019 to 30 June 2020
Graham Atkinson	1 July 2019 to 30 June 2020
Kate Vinot	1 July 2019 to 30 June 2020
Christine Trotman	1 July 2019 to 30 June 2020
Michael Clarke	11 February 2020 to 30 June 2020

# Notes to the financial statements

For the year ended 30 June 2020

## 8.6.4 Board members remuneration

	2020 \$'000	2019 \$'000
<b>Total remuneration received or due and receivable by Board Members from the reporting entity was</b>	<b>231</b>	201

The number of Board Members of the reporting entity included in this figure is as below:

	2020 Number	2019 Number
<b>Income of:</b>		
\$0-\$9,999	1	-
\$20,000 - to - \$29,999	7	7
\$30,000 - to - \$39,999	-	1
\$40,000 - to - \$49,999	1	-
<b>Total number of Board Members</b>	<b>9</b>	<b>8</b>

## 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 2020

## 8.6 Responsible persons and executive officer disclosures (continued)

	Total Remuneration	
	2020 \$'000	2019 \$'000
<b>Remuneration of executive officers</b>		
Short term employee benefits	5,150	5,222
Post-employee benefits	505	492
Other long-term benefits	183	114
Termination benefits	-	-
<b>Total remuneration (i)</b>	<b>5,838</b>	<b>5,828</b>
<b>Total number of executives</b>	<b>30</b>	<b>32</b>
<b>Total annualised employee equivalents (ii)</b>	<b>25</b>	<b>26</b>

(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 2020 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	Chair	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
Annette Vickery	Board Member	Margaret Gillespie	Executive Director Legal, Risk and Compliance and Chief Legal Counsel
Lisa Marty	Board Member	Dr. Mark Norman	Executive Director Environment and Science
Graham Atkinson	Board Member	Lisa Patroni	Executive Director Marketing, Communications and Partnerships
Kate Vinot	Board Member	Ben Skinner	Executive Director Infrastructure and Information Technology
Christine Trotman	Board Member		

# Notes to the financial statements

For the year ended 30 June 2020

## 8.6 Responsible persons and executive officer disclosures (continued)

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.

	2020 \$'000	2019 \$'000
<b>Compensation of KMPs</b>		
Short-term employee benefits	2,173	2,110
Post-employment benefits	190	183
Other long-term benefits	49	49
<b>Total*</b>	<b>2,412</b>	<b>2,342</b>

\* 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 \$238.2M (2019: \$252.5M) and made a payment of \$4.2M (2019: \$1.5M) from/to Consolidated Fund respectively. Parks Victoria received Crown land and build assets \$495.6M (2019: \$2,849M) 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 \$220.7M 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 \$10.8M from the Department of Transport (DOT) for the repair and maintenance and construction of piers and jetties.
- Received \$1.6M from the Department of Jobs Precincts & Regions (DJPR) for various projects.
- Received \$2.6M from various Catchment Management Authorities (CMA) towards Land Care Management Program, Invasive Plant and Animal Strategy program and Weed Management.
- Received \$2.4M from other government agencies for various projects.
- Paid \$1.0M to the Department of Environment, Land, Water and Planning for lease and licence revenue collected within national parks.
- Paid \$3.2M to the Department of Environment, Land, Water and Planning for the return of capital.

## 8.7 Auditor's remuneration

	2020 \$'000	2019 \$'000
<b>Amounts paid/payable to:</b>		
Victorian Auditor-General's Office for the audit of the financial statements	81	79

# Notes to the financial statements

For the year ended 30 June 2020

## 8.8 Volunteer resources provided free of charge

Parks Victoria engages a passionate network of volunteers who have made an incredible contribution throughout 2019/20 of 204,950 volunteering hours across 250 different parks and reserves. This network includes 221 volunteer involving organisations that partner with Parks Victoria to facilitate practical volunteering outcomes. Volunteers partake in many activities with assisting park visitors, environmental management and gardening the most predominant. The volunteer network has provided over \$8.2 million (2019 \$11.8 million)\* of in-kind support this year. Due to the 2020 bushfires and COVID-19, volunteer activities were significantly interrupted in the second half of the 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 The impact of COVID-19 on Going Concern

Parks Victoria has assessed its financial position in accordance with the impact of COVID-19 on Going Concern and Related Assessments as jointly published by the Australian Accounting Standards Board and the Auditing and Assurance Standards Board. It has been determined that the going concern assumption remains to be the appropriate basis for the preparation of the 2019–20 annual financial report.

## 8.11 Post balance date events

On 2 August 2020, stage four restrictions were introduced across metropolitan Melbourne for six weeks and stage three restrictions were applied in regional Victoria including Mitchell Shire from 5 August 2020. Camping, including in campgrounds and bush camping, was not permitted during this period. The State Government has provided the policy direction to extend the Rent Relief Program application timeline to the 15 September 2020. It has been ascertained that the stage four restrictions in metropolitan Melbourne and the stage three restrictions in regional Victoria have no material impact on Parks Victoria's financial position or the going concern assumption.

# Notes to the financial statements

For the year ended 30 June 2020

## 8.12 New accounting standards and interpretations

Certain new AASs have been published that are not mandatory for the 30 June 2020 reporting period. Parks Victoria has assessed the impact of these new standards, their applicability and early adoption, where applicable.

As at 30 June 2020, the applicable standards and interpretations (applicable to Parks Victoria) had been issued but were not mandatory for the financial year ending 30 June 2020. Parks Victoria has not yet 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 an insignificant impact on public sector reporting.

- AASB 2019-5 Amendments to Australian Accounting Standards - Disclosure of the Effect of New IFRS Standards Not Yet Issued in Australia.
- AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities (Appendix C).
- Conceptual Framework for Financial Reporting.

## Independent Auditor's Report

### To the Board of Parks Victoria

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<b>Opinion</b>	<p>I have audited the financial report of Parks Victoria (the authority) which comprises the:</p> <ul style="list-style-type: none"><li>• balance sheet as at 30 June 2020</li><li>• comprehensive operating statement for the year then ended</li><li>• statement of changes in equity for the year then ended</li><li>• cash flow statement for the year then ended</li><li>• notes to the financial statements, including significant accounting policies</li><li>• statutory certificate.</li></ul> <p>In my opinion, the financial report presents fairly, in all material respects, the financial position of the authority as at 30 June 2020 and its financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 7 of the <i>Financial Management Act 1994</i> and applicable Australian Accounting Standards.</p>
<b>Basis for Opinion</b>	<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>
<b>Board's responsibilities for the financial report</b>	<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>

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**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.

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MELBOURNE  
7 September 2020



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

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**Parks**  
VICTORIA  
Healthy Parks  
Healthy People

