

# Financial statements





## **INDEPENDENT AUDIT REPORT**

**To the Minister for the Environment and Heritage**

### **Matters relating to the Electronic Presentation of the Audited Financial Report**

This audit report relates to the financial statements published in both the annual report and the website of the Director of National Parks for the year ended 30 June 2005. The members are responsible for the integrity of both the annual report and the web site.

The audit report refers only to the statements named below. It does not provide an opinion on any other information, which may have been hyperlinked to/from the audited financial statements.

If the users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial statements in the Director of National Park's annual report.

### **Scope**

#### ***The financial statements and member's responsibility***

The financial statements comprise:

- Statement by the Director;
- Statements of Financial Performance, Financial Position and Cash Flows;
- Schedules of Commitments and Contingencies; and
- Notes to and forming part of the Financial Statements

of the Director of National Parks for the year ended 30 June 2005.

The Director of National Parks (DNP) is responsible for preparing the financial statements that give a true and fair view of the financial position and performance of the DNP and that comply with the Finance Minister's Orders made under the *Commonwealth Authorities and Companies Act 1997*, accounting standards and other mandatory financial reporting requirements in Australia. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial statements.

### **Audit Approach**

I have conducted an independent audit of the financial statements in order to express an opinion on them to you. My audit has been conducted in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing and Assurance Standards, in order to provide reasonable assurance as to whether the financial statements are free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive, rather than conclusive, evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

While the effectiveness of management's internal controls over financial reporting was considered when determining the nature and extent of audit procedures, the audit was not designed to provide assurance on internal controls.

I have performed procedures to assess whether, in all material respects, the financial statements present fairly, in accordance with the Finance Minister's Orders made under the *Commonwealth Authorities and Companies Act 1997*, accounting standards and other mandatory financial reporting requirements in Australia, a view which is consistent with my understanding of the Director of National Park's financial position, and of its performance as represented by the statements of financial performance and cash flows.

The audit opinion is formed on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial statements; and
- assessing the appropriateness of the accounting policies and disclosures used, and the reasonableness of significant accounting estimates made by the Director.

### **Independence**

In conducting the audit, I have followed the independence requirements of the Australian National Audit Office, which incorporate Australian professional ethical pronouncements.

### **Audit Opinion**

In my opinion, the financial statements of the Director of National Parks:

- (a) have been prepared in accordance with the Finance Minister's Orders made under the *Commonwealth Authorities and Companies Act 1997*; and
- (b) give a true and fair view of the Director of National Park's financial position as at 30 June 2005 and of its performance and cash flows for the year then ended, in accordance with:
  - (i) the matters required by the Finance Minister's Orders; and
  - (ii) applicable accounting standards and other mandatory financial reporting requirements in Australia.

Australian National Audit Office



John Jones  
Executive Director

Delegate of the Auditor-General

Canberra  
12 September 2005

**Director of National Parks  
Statement by the Director**

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In my opinion, the attached financial statements for the year ended 30 June 2005 have been prepared based on properly maintained financial records and give a true and fair view of the matters required by the Finance Minister's Orders made under the *Commonwealth Authorities and Companies Act 1997*.

In my opinion, at the date of this statement, there are reasonable grounds to believe that the Director of National Parks will be able to pay its debts as and when they fall due.

Signed

A handwritten signature in blue ink, appearing to read "Peter Cochrane".

Peter Cochrane  
Director

12<sup>th</sup> September 2005

**DIRECTOR OF NATIONAL PARKS**  
**STATEMENT OF FINANCIAL PERFORMANCE**

*For the year ended 30 June 2005*

	Notes	2005 \$'000	2004 \$'000
<b>Revenues from ordinary activities</b>			
Revenue from Government	5A	40,085	35,552
Sales of Goods and Services	5B	10,950	9,560
Interest	5C	284	467
Revenue from sale of assets	5D	635	680
Other Revenues	5E	6,804	6,768
<b>Revenues from ordinary activities</b>		<b>58,758</b>	<b>53,027</b>
<b>Expenses from ordinary activities (excluding borrowing costs expense)</b>			
Employees	6A	21,334	22,572
Suppliers	6B	22,394	22,286
Depreciation and amortisation	6C	9,548	8,832
Write-down and impairment of assets	6D	5	61
Value of assets sold	5D	2,784	707
Other expenses	6E	2,900	3,087
<b>Expenses from ordinary activities (excluding borrowing costs expense)</b>		<b>58,965</b>	<b>57,545</b>
<b>Borrowing costs expense</b>	7A	-	5
<b>Operating Surplus or (Deficit) from Ordinary Activities</b>		<b>(207)</b>	<b>(4,523)</b>
Net credit to asset revaluation reserve	13A	37,887	-
<b>Total Revenues, Expenses and Valuation Adjustments Attributable to Members of the Parent Entity and Recognised Directly in Equity</b>		<b>37,887</b>	<b>-</b>
<b>Total Changes in Equity other than those resulting from transactions with Owners as Owners</b>		<b>37,680</b>	<b>(4,523)</b>

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

**DIRECTOR OF NATIONAL PARKS**  
**STATEMENT OF FINANCIAL POSITION**  
*as at 30 June 2005*

	Notes	2005 \$'000	2004 \$'000
<b>ASSETS</b>			
<b>Financial assets</b>			
Cash	8A	9,905	2,814
Receivables	8B	601	944
Other	8C	1,126	-
<b>Total financial assets</b>		<b>11,632</b>	<b>3,758</b>
<b>Non-financial assets</b>			
Land and buildings	9A,C	68,229	59,253
Infrastructure, plant and equipment	9B,C	68,965	47,053
Intangibles	9D	4	7
Other non-financial assets	9E	338	306
<b>Total non-financial assets</b>		<b>137,536</b>	<b>106,619</b>
<b>Total assets</b>		<b>149,168</b>	<b>110,377</b>
<b>LIABILITIES</b>			
<b>Interest bearing liabilities</b>			
Leases	10A	-	32
<b>Total interest bearing liabilities</b>		<b>-</b>	<b>32</b>
<b>Provisions</b>			
Employees	11A	5,321	5,811
Other provisions	11C	1,539	300
<b>Total provisions</b>		<b>6,860</b>	<b>6,111</b>
<b>Payables</b>			
Suppliers	12A	5,373	5,028
Other payables	12B	348	299
<b>Total payables</b>		<b>5,721</b>	<b>5,327</b>
<b>Total liabilities</b>		<b>12,581</b>	<b>11,470</b>
<b>NET ASSETS</b>		<b>136,587</b>	<b>98,907</b>
<b>EQUITY</b>			
Contributed equity	13A	9,755	9,755
Reserves	13A	64,585	26,698
Retained Surpluses/(Accumulated Deficits)	13A	62,247	62,454
<b>Total parent entity interest</b>		<b>136,587</b>	<b>98,907</b>
<b>TOTAL EQUITY</b>		<b>136,587</b>	<b>98,907</b>
<b>Current Assets</b>		<b>11,632</b>	<b>4,064</b>
<b>Non-Current Assets</b>		<b>137,536</b>	<b>106,313</b>
<b>Current Liabilities</b>		<b>8,880</b>	<b>8,442</b>
<b>Non-Current Liabilities</b>		<b>3,701</b>	<b>3,028</b>

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

**DIRECTOR OF NATIONAL PARKS**  
**STATEMENT OF CASH FLOWS**  
*for the year ended 30 June 2005*

	Notes	2005 \$'000	2004 \$'000
<b>OPERATING ACTIVITIES</b>			
<b>Cash received</b>			
Goods and Services		11,342	9,520
Appropriations		40,085	35,552
Interest		260	543
GST received from ATO		1,239	2,312
Other		3,885	3,125
<b>Total cash received</b>		<u>56,811</u>	<u>51,052</u>
<b>Cash used</b>			
Employees		21,816	21,850
Suppliers		23,309	25,527
Borrowing Costs		-	6
Other		100	-
<b>Total cash used</b>		<u>45,225</u>	<u>47,383</u>
<b>Net Cash From or (Used By) Operating Activities</b>	14	<u>11,586</u>	<u>3,669</u>
<b>INVESTING ACTIVITIES</b>			
<b>Cash received</b>			
Proceeds from sales of property, plant and equipment		635	862
<b>Total cash received</b>		<u>635</u>	<u>862</u>
<b>Cash used</b>			
Purchase of property, plant and equipment		5,098	13,195
<b>Total cash used</b>		<u>5,098</u>	<u>13,195</u>
<b>Net Cash From or (Used By) Investing Activities</b>		<u>( 4,463)</u>	<u>( 12,333)</u>
<b>FINANCING ACTIVITIES</b>			
<b>Cash used</b>			
Repayment of lease liabilities		32	171
Capital use charge paid		-	12,545
<b>Total cash used</b>		<u>32</u>	<u>12,716</u>
<b>Net Cash From or (Used By) Financing Activities</b>		<u>( 32)</u>	<u>( 12,716)</u>
Net Increase or (Decrease) in Cash Held		7,091	( 21,379)
Cash at beginning of the reporting period		2,814	24,193
<b>Cash at the End of the Reporting Period</b>	8A	<u>9,905</u>	<u>2,814</u>

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

**DIRECTOR OF NATIONAL PARKS**  
**SCHEDULE OF COMMITMENTS**  
*as at 30 June 2005*

	2005 \$'000	2004 \$'000
<b>BY TYPE</b>		
<b>Capital Commitments</b>		
Buildings & Works <sup>1</sup>	<u>3,584</u>	<u>2,921</u>
<b>Total Capital Commitments</b>	<b>3,584</b>	<b>2,921</b>
<b>Other Commitments</b>		
Operating leases <sup>2</sup>	<b>65,384</b>	59,316
Other commitments <sup>3</sup>	<u>2,392</u>	<u>1,950</u>
<b>Total Other Commitments</b>	<b>67,776</b>	<b>61,266</b>
<b>Commitments Receivable</b>	<b>( 6,451)</b>	<b>( 5,810)</b>
<b>Net Commitments by Type</b>	<u><b>64,909</b></u>	<u><b>58,377</b></u>
<b>By Maturity</b>		
<b>Capital Commitments</b>		
One year or less	<b>1,675</b>	964
From one to five years	<b>1,909</b>	1,790
Over five years	<u>-</u>	<u>167</u>
<b>Total Capital Commitments</b>	<u><b>3,584</b></u>	<u><b>2,921</b></u>
<b>Operating Lease Commitments</b>		
One year or less	<b>898</b>	749
From one to five years	<b>3,329</b>	2,994
Over five years	<u><b>61,157</b></u>	<u>55,573</u>
<b>Total Operating Lease Commitments</b>	<u><b>65,384</b></u>	<u><b>59,316</b></u>
<b>Other Commitments</b>		
One year or less	<b>1,392</b>	1,837
From one to five years	<b>1,000</b>	111
Over five years	<u>-</u>	<u>2</u>
<b>Total Other Commitments</b>	<u><b>2,392</b></u>	<u><b>1,950</b></u>
<b>Commitments Receivable</b>	<b>( 6,451)</b>	<b>( 5,810)</b>
<b>Net Commitments by Maturity</b>	<u><b>64,909</b></u>	<u><b>58,377</b></u>

NB: Commitments are GST inclusive where relevant

<sup>1</sup> Outstanding contractual payments for buildings and infrastructure under construction

<sup>2</sup> Operating leases included are effectively non-cancellable

<sup>3</sup> Other commitments comprise general consultancy services and utilities

<b>Nature of Leases</b>	<b>General description of leasing arrangements</b>
Leases for Office accommodation	<ul style="list-style-type: none"> <li>• the initial periods of office accommodation leases are still current</li> <li>• there are no options to renew</li> <li>• leases are increased with CPI</li> </ul>
Agreements for the provision of motor vehicles - senior executive officers	<ul style="list-style-type: none"> <li>• no contingent rentals exist</li> <li>• there are no renewal or purchase options available to the Office</li> </ul>
Leases for office equipment	<ul style="list-style-type: none"> <li>• no contingent rentals exist</li> <li>• there is an option to renew for 90 days</li> </ul>
Leases for rent of National Parks from Traditional Owners	<ul style="list-style-type: none"> <li>• prepayment of annual rent</li> <li>• terms of leases vary up to a maximum of 99 years</li> </ul>

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

**DIRECTOR OF NATIONAL PARKS**  
**SCHEDULE OF CONTINGENCIES**  
*as at 30 June 2005*

	Claims for					
	Guarantees		damages/costs		Total	
	2005	2004	2005	2004	2005	2004
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Contingent Liabilities</b>						
Balance from previous period	-	-	11,010	11,010	11,010	11,010
New	-	-	-	-	-	-
Re-measurement	-	-	( 176)	-	( 176)	-
Less: Liabilities crystallised <sup>1</sup>	-	-	10,835	-	10,835	-
Obligations expired	-	-	-	-	-	-
<b>Total Contingent Liabilities</b>	-	-	( 1)	11,010	( 1)	11,010
<b>Contingent Assets</b>						
Balance from previous period	-	-	-	-	-	-
New	-	-	-	-	-	-
Re-measurement	-	-	-	-	-	-
Assets crystallised	-	-	-	-	-	-
Expired	-	-	-	-	-	-
<b>Total Contingent Assets</b>	-	-	-	-	-	-
<b>Net Contingencies</b>	-	-	( 1)	11,010	( 1)	11,010

Note 1:

During the 2004-2005 Portfolio Additional Estimates, Administered funding of \$9.850m (GST exclusive) was provided for the settlement and legal costs associated with the acquisitions of leases, to the Department of Environment and Heritage. The Director of National Parks disclosed this settlement (GST Inclusive) in the 2003-2004 financial statements. Subsequent to the balance date, the Department of the Environment and Heritage paid this amount.

Details of each class of contingent liabilities and assets, including those not included above because they cannot be quantified or are considered remote, are shown in **Note: 15 Contingent Liabilities and Assets**.

The above schedule should be read in conjunction with the accompanying notes

**DIRECTOR OF NATIONAL PARKS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
*for the year ended 30 June 2005*

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<b>Note</b>	<b>Description</b>
<b>1</b>	Summary of Significant Accounting Policies
<b>2</b>	Adoption of Australian Equivalents to International Financial Reporting Standards from 2005-2006
<b>3</b>	Economic Dependency
<b>4</b>	Events Occurring After Reporting Date
<b>5</b>	Operating Revenues
<b>6</b>	Operating Expenses
<b>7</b>	Borrowing Costs Expense
<b>8</b>	Financial Assets
<b>9</b>	Non-Financial Assets
<b>10</b>	Interest Bearing Liabilities
<b>11</b>	Provisions
<b>12</b>	Payables
<b>13</b>	Equity
<b>14</b>	Cash Flow Reconciliation
<b>15</b>	Contingent Liabilities and Assets
<b>16</b>	Directors Remuneration
<b>17</b>	Related Party Disclosures
<b>18</b>	Remuneration of Officers
<b>19</b>	Remuneration of Auditors
<b>20</b>	Average Staffing Levels
<b>21</b>	Financial Instruments
<b>22</b>	Reporting Of Outcomes

**DIRECTOR OF NATIONAL PARKS  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

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**Note 1            Summary of Significant Accounting Policies**

**1.1 Basis of Accounting**

The financial statements are required by clause 1(b) of Schedule 1 to the *Commonwealth Authorities and Companies Act 1997* and are a general purpose financial report.

The statements have been prepared in accordance with:

- Finance Minister's Orders (or FMO's, being the *Commonwealth Authorities and Companies Orders (Financial Statements for reporting periods ending on or after 30 June 2005)*);
- Australian Accounting Standards and Accounting Interpretations issued by the Australian Accounting Standards Board; and
- Urgent Issues Group Abstracts.

The Director of National Parks Statements of Financial Performance and Financial Position have been prepared on an accrual basis and are in accordance with historical cost convention, except for certain assets, which, as noted, are at valuation. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position.

Assets and liabilities are recognised in the Director of National Parks Statements of Financial Position when and only when it is probable that future economic benefits will flow and the amounts of the assets or liabilities can be reliably measured. However, assets and liabilities arising under agreements equally proportionately unperformed are not recognised unless required by an Accounting Standard. Liabilities and assets that are unrecognised are reported in the Schedule of Commitments and the Schedule of Contingencies (other than unquantifiable or remote contingencies, which are reported at Note 15).

Revenues and expenses are recognised in the Director of National Parks Statements of Financial Performance when and only when the flow or consumption or loss of economic benefits has occurred and can be reliably measured.

**1.2 Changes in Accounting Policy**

The accounting policies used in the preparation of these financial statements are consistent with those used in 2003-04.

Property, plant and equipment assets are being revalued progressively as explained in Note 1.12. Revaluations up to 30 June 2002 were done on a 'deprival' basis; since that date, revaluations have been done on a fair value basis. Revaluation increments and decrements in each year of transition to fair value that would otherwise be accounted for as revenue or expense are taken directly to accumulated results in accordance with transitional provisions of AASB 1041 *Revaluation of Non-Current Assets*.

In 2003-04, the impairment test provisions of the FMO's have been extended to cover non-current assets carried at deprival value. There are no indications of impairment for these assets in 2004-05.

**DIRECTOR OF NATIONAL PARKS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

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**1.3 Revenue**

The revenues described in this Note are revenues relating to the core operating activities of the Director of National Parks.

Revenue from the sale of tickets, permits and goods are recognised upon the delivery of goods to the customers.

Refunds for ticket sales are accounted for when they occur. An estimate for these refunds is not provided for.

Interest revenue is recognised on a time proportional basis taking into account the interest rates applicable to the financial assets.

Revenue from disposal of non-current assets is recognised when control of the asset has passed to the buyer.

Receivables for goods and services are recognised at the nominal amounts due less any provision for bad or doubtful debts. Collectability of debts is reviewed at balance date. Provisions are made when collectability of debt is judged to be less rather than more likely.

*Revenues from Government*

Amounts appropriated for Departmental outputs appropriations for the year (adjusted for any formal additions and reductions) are recognised as revenue, except for certain amounts that relate to activities that are reciprocal in nature, in which case revenue is recognised only when it has been earned.

*Resources Received Free of Charge*

Services received free of charge are recognised as revenue when and only when a fair value can be reliably determined and the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense.

Contributions of assets at no cost of acquisition or for nominal consideration are recognised as revenue at their fair value when the asset qualifies for recognition.

The Department of the Environment and Heritage provides Corporate services under a Service Level Agreement to the Director of National Parks.

**1.4 Transactions by the Government as Owner**

The Capital Use Charge imposed by the government in previous financial years did not operate after 30 June 2003. The CUC was recognised as a liability in the 2002-03 financial statements, the final payment was made in the 2003-04 financial year.

**1.5 Employee Benefits**

*Benefits*

Liabilities for services rendered by employees are recognised at the reporting date to the extent that they have not been settled.

Liabilities for wages and salaries (including non-monetary benefits), annual leave and sick leave are measured at their nominal amounts. Other employee benefits expected to be settled within 12 months of the reporting date are also to be measured at their nominal amounts.

The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

All other employee benefit liabilities are measured as the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date.

*Leave*

The liability for employee benefits includes provision for annual leave and long service leave. No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees of the Director of National Parks is estimated to be less than the annual entitlement for sick leave.

**DIRECTOR OF NATIONAL PARKS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

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The leave liabilities are calculated on the basis of employees' remuneration, including the Director of National Parks employer superannuation contribution rates to the extent that the leave is likely to be taken during service rather than paid out on termination.

The liability for annual leave and long service leave has been determined using the short-hand method per Finance Brief 13 (DOFA).

*Separation and Redundancy*

Provision is made for separation and redundancy benefit payments. The Director of National Parks has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations.

*Superannuation*

Employees of the Director of National Parks are members of the Commonwealth Superannuation Scheme and the Public Sector Superannuation Scheme. The liability for their superannuation benefits is recognised in the financial statements of the Australian Government and is settled by the Australian Government in due course.

Director of National Parks makes employer contributions to the Australian Government at rates determined by an actuary to be sufficient to meet the cost to the Government of the superannuation entitlements of the Director National Parks employees.

The liability for superannuation recognised as at 30 June 2005 represents outstanding contributions for the final fortnight of the year.

**1.6 Leases**

A distinction is made between finance leases and operating leases. Finance leases effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of leased non-current assets. In operating leases, the lessor effectively retains substantially all such risks and benefits.

Where a non-current asset is acquired by means of a finance lease, the asset is capitalised at the present value of minimum lease payments at the beginning of the lease term and a liability recognised at the same time and for the same amount. The discount rate used is the interest rate implicit in the lease. Leased assets are amortised over the period of the lease. Lease payments are allocated between the principal component and the interest expense.

Operating lease payments are expensed on a basis which is representative of the pattern of benefits derived from the leased assets. The net present value of future net outlays in respect of surplus space under non-cancellable lease agreements is expensed in the period in which the space becomes surplus. The majority of operating lease payments relate to arrangements with traditional owners over Kakadu, Uluru Kata-Tjuta and Booderee National Parks.

**1.7 Borrowing Costs**

All borrowing costs are expensed as incurred except to the extent that they are directly attributable to qualifying assets, in which case they are capitalised. The amount capitalised in a reporting period does not exceed the amounts of costs incurred in that period.

**1.8 Cash**

Cash means notes and coins held and any deposits held at call with a bank or financial institution. Cash is recognised at its nominal amount. Interest is credited to revenue as it accrues.

**1.9 Other Financial Assets**

Debentures, term deposits and shares in listed companies are recognised at cost, where applicable.

**1.10 Other Financial Liabilities**

*Trade Creditors*

Trade creditors and accruals are recognised at their nominal amounts, being the amount at which the liabilities will be settled. Liabilities are recognised to the extent that the goods or services have been received (and irrespectively of having been invoiced).

**DIRECTOR OF NATIONAL PARKS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

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*Contingent Liabilities and Contingent Assets*

Contingent Liabilities (Assets) are not recognised in the Statement of Financial position but are discussed in the relevant schedules and notes. They may arise from uncertainty as to the existence of a liability (asset), or represent an existing liability (asset) in respect of which settlement is not probable or the amount cannot be reliably measured. Remote contingencies are part of this disclosure. Where settlement becomes probable, a liability (asset) is recognised. A liability (asset) is recognised when its existence is confirmed by a future event, settlement becomes probable or reliable measurement becomes possible.

**1.11 Acquisition of Assets**

Assets are recorded at cost on acquisition except as stated below. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and revenues at their fair value at the date of acquisition, unless acquired as a consequence of restructuring of administrative arrangements. In the latter case, assets are initially recognised as contributions by owners at the amounts at which they were recognised in the transferor entity's accounts immediately prior to the restructuring.

**1.12 Property (Land, Buildings and Infrastructure), Plant and Equipment**

*Asset Recognition Threshold*

Purchases of property, plant and equipment are recognised initially at cost in the Statement of Financial Position, except for purchases costing less than \$5,000, which are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total).

*Revaluations*

*Basis*

Land, buildings, infrastructure, plant and equipment are carried at valuation, being revalued annually with sufficient frequency such that the carrying amount of each asset class is not materially different, at reporting date, from its fair value. Valuations undertaken in each year are as at 30 June.

Fair values for each class of assets are determined as shown below:

<b>Assets Class</b>	<b>Fair Value Measured at:</b>
<b>Land</b>	Market selling price
<b>Building</b>	Market selling price
<b>Leasehold Improvements</b>	Depreciated replacement cost
<b>Plant &amp; Equipment</b>	Market selling price

Assets which are surplus to requirements are measured at their net realisable value. At 30 June 2005, Director of National Parks held no surplus assets (30 June 2004 = \$0).

*Frequency*

Land, buildings, plant and equipment are revalued progressively in 3 year cycles. The last revaluation was conducted in 2005. Formal valuations are carried out by an independent qualified valuer.

The Finance Minister's Orders requires that all property, plant and equipment assets be measured at up to date fair values from 30 June 2005.

**DIRECTOR OF NATIONAL PARKS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

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*Depreciation*

Depreciable property plant and equipment assets are written-off to their estimated residual values over their estimated useful lives to the Director of National Parks using, in all cases, the straight-line method of depreciation. Leasehold improvements are depreciated on a straight-line basis over the lesser of the estimated useful life of the improvements or the unexpired period of the lease.

Depreciation rates (useful lives) and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate. Residual values are re-estimated for a change in prices only when assets are revalued.

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

	<u>2005</u>	<u>2004</u>
Buildings on freehold land	25 years	25 years
Leasehold improvements	10-25 years	10-25 years
Plant and equipment	3 to 10 years	3 to 10 years

The aggregate amount of depreciation allocated for each class of asset during the reporting period is disclosed in Note 6C.

**1.13 Impairment of Non-Current Assets**

Non-current assets carried at up-to-date fair value at the reporting date are not subject to impairment testing.

Non-current assets carried at cost and held to generate net cash inflows have been tested for their recoverable amounts at the reporting date. The test compared the carrying amounts against the net present value of future net cash inflows. No write-down to recoverable amount was required (2004: nil).

The non-current assets carried at cost, which are not held to generate net cash inflows, have been assessed for indications of impairment. Where indications of impairment exist, the carrying amount of the asset is compared to its net selling price and depreciated replacement cost and is written down to its higher of the two amounts, if necessary.

**1.14 Intangibles**

The Director of National Parks intangibles comprise internally developed software for internal use. These assets are carried at cost.

Software is amortised on a straight-line basis over its anticipated useful life. The useful lives of the Director of National Parks software is 5 years (2003-04 : 5 years).

All software assets were assessed for indications of impairment as at 30 June 2005. None were found to be impaired.

**1.15 Taxation**

The Director of National Parks is exempt from all forms of taxation except fringe benefits tax (FBT) and the goods and services tax (GST).

Revenues, expenses and assets are recognised net of GST:

- except where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- except for receivables and payables.

**1.16 Foreign Currency**

Transactions denominated in a foreign currency are converted at the exchange rate at the date of the transaction. Foreign currency receivables and payables are translated at the exchange rates current as at balance date. Associated currency gains or losses are not material.

**1.17 Insurance**

The Director of National Parks has insured for risks through the Government's insurable risk managed fund, called 'Comcover'. Workers' compensation is insured through Comcare Australia.

**DIRECTOR OF NATIONAL PARKS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

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**Note 2:**

**Adoption of Australian Equivalents to International Financial Reporting Standards from 2005-2006**

The Australian Accounting Standards Board has issued replacement Australian Accounting Standards to apply from 2005-06. The new standards are the Australian Equivalents to International Financial Reporting Standards (AEIFRS) which are issued by the International Accounting Standards Board. The new standards cannot be adopted early. The standards being replaced are to be withdrawn with effect from 2005-06, but continue to apply in the meantime.

The purpose of issuing AEIFRS is to enable Australian entities reporting under the Corporations Act 2001 to be able to more readily access overseas capital markets by preparing their financial reports according to accounting standards more widely used overseas.

For-profit entities complying fully with AEIFRS will be able to make an explicit and unreserved statement of compliance with International Financial Reporting Standards as well as the with the Australian Equivalents.

It is expected that the Finance Minister will continue to require compliance with the Accounting Standards issued by the AASB, including the AEIFRS, in his Orders for the Preparation of the Director of National Parks financial statements for 2005-06 and beyond.

The AEIFRS contain certain additional provisions which will apply to not-for-profit entities, including the Director of National Parks. Some of these provisions are in conflict with the AEIFRS and therefore the Director of National Parks will only be able to assert compliance with the AEIFRS.

Existing AASB standards that have no IFRS equivalent will continue to apply.

Accounting Standard AASB 1047 *Disclosing the Impact of Adopting Australian Equivalents to IFRSs* requires that the financial statements for 2004-05 disclose:

- an explanation of how the transition to AEIFRS is being managed;
- narrative explanations of the key policy differences arising from the adoption of AEIFRS;
- any known or reliably estimable information about the impacts of the financial report had it been prepared using the AEIFRS; and
- if the impacts of the above are not known or reliably estimable, a statement to that effect.

*Management of the transition to AASB Equivalents to IFRSs*

The Director of National Parks has taken the following steps in preparation towards the implementation of AEIFRS.

- The Director of National Parks Audit Committee is tasked with oversight of the transition to and implementation of the AEIFRSs. The Business Manager is formally responsible for the project and reports regularly to the Audit Committee on progress against the formal plan approved by the Committee.
- The plan requires the following key steps to be undertaken and sets deadlines for their achievement:
  - All major accounting policy differences between current AASB standards and AEIFRS were identified by 30 June 2004.
  - System changes necessary to be able to report under the AEIFRS, including those necessary to capture data under both sets of rules for 2004-05 were completed on 18 August 2004. This included the testing and implementation of those changes.
  - An AEIFRS compliant balance sheet as at 1 July 2004 and 30 June 2005 was also prepared during the preparation of the 2004-05 statutory financial reports.
  - The 2004-05 Balance Sheet under AEIFRS will be reported to the Department of Finance and Administration in line with their reporting deadlines.
- The plan also addresses the risks to successful achievement of the above objectives and includes strategies to keep implementation on track to meet deadlines.
- Consultants have been engaged where necessary to assist with each of the above steps.

## **DIRECTOR OF NATIONAL PARKS**

### **NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

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#### *Major changes in accounting policy*

Changes in accounting policies under AEIFRS are applied retrospectively i.e. as if the new policy had always applied. This rule means that a balance sheet prepared under the Australian Equivalents must be made as at 1 July 2004, except as permitted in particular circumstances by AASB1 *First-time Adoption of Australian Equivalents to International Financial Reporting Standards*. This will enable the 2005-06 financial statements to report comparatives under AEIFRS also.

Changes to major accounting policies are discussed in the following paragraphs.

#### *Property plant and equipment*

All assets were revalued at fair value as at 30 June 2005.

It is expected that the 2005-06 *Finance Minister's Orders* will continue to require property plant and equipment assets to be valued at fair value in 2005-06.

Borrowing costs related to qualifying assets are currently capitalised. It is expected that the FMOs for 2005-06 will elect to expense all borrowing costs under AEIFRS. Accordingly, borrowing costs capitalised as at 1 July 2004 will be written-off to accumulated results.

#### *Intangible Assets*

The Director National Parks currently recognises internally-developed software assets on the cost basis.

The Australian Equivalent on Intangibles does not permit intangibles to be measured at valuation unless there is an active market for the intangible. The Director of National Parks' internally-developed software is specific to the needs to the Director of National Parks and is not traded.

#### *Impairment of Non-Current Assets*

The Director of National Park's policy on impairment of non-current assets is at Note 1.13.

Under AEIFRS, these assets will be subject to assessment for impairment and, if there are indications of impairment, measurement of any impairment (impairment measurement must also be done, irrespective of any indications of impairment, for intangible assets not yet available for use). The impairment test is that the carrying amount of an asset must not exceed the greater of (a) its fair value less costs to sell and (b) its value in use. 'Value in use' is the net present value of net cash inflows for for-profit assets of the Director of National Parks and depreciated replacement cost for other assets which would be replaced if the Director National Parks were deprived of them.

The most significant changes are that, for the Director of National Parks for-profit assets, the recoverable amount is only generally to be measured where there is an indication of impairment and that assets carried at up-to-date fair value, whether for-profit or not, may nevertheless be required to be written down if costs to sell are significant.

#### *Employee Benefits*

The provision for long service leave is measured at the present value of the estimated future cash outflows using market yields as at the reporting date on national government bonds.

Under the new Australian Equivalent standard, the same discount rate will be used unless there is a deep market in high quality bonds, in which case the market yield on such bonds must be used.

AEIFRS require that annual leave that is not expected to be taken within 12 months of balance date is to be discounted. After assessing the staff leave profile, the Director of National Parks does not expect that any material amounts of the annual leave balance will not be taken in the next 12 months. Consequently, there are no adjustments for non-current annual leave.

#### *Financial Instruments*

Cash and receivables are expected to continue to be measured at cost information.

Financial assets, except those classified as 'held at fair value through the profit and loss', will be subject to impairment testing.

**DIRECTOR OF NATIONAL PARKS  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**Note 2: Impact of adoption of AEIFRS**

The impacts of adopting AEIFRS on the total equity and profit as recorded under previous Australian Generally Accepted Accounting Principles (AGAAP) are illustrated below.

**A. Reconciliation of total equity as presented under previous AGAAP to AEIFRS**

<b>Description</b>	<b>\$000's</b>
<b>Total equity under previous AGAAP at 1 July 2004</b>	<b>98,907</b>
<b>Adjustment to retained surpluses</b>	
Employee Provisions - discounted recreation leave (a)	60
<b>Total equity under AEIFRS at 1 July 2004</b>	<b>98,967</b>

(a) AEIFRS adjustment to discount non-current recreation leave in accordance with AASB 119

<b>Description</b>	<b>\$000's</b>
<b>Total equity under previous AGAAP at 30 June 2005</b>	<b>98,700</b>
<b>Adjustment to retained surpluses</b>	
Employee Provisions - discounted recreation leave (a)	57
<b>Adjustments to Reserves</b>	
Land and Buildings (b)	9,753
Plant and Equipment (b)	28,134
<b>Total equity under AEIFRS at 30 June 2005</b>	<b>136,644</b>

(a) AEIFRS adjustment to discount non-current recreation leave in accordance with AASB 119

(b) AEIFRS adjustment to value assets at fair value. Assets revalued at 30 June 2005

**B. Reconciliation of profit under previous AGAAP to AEIFRS**

<b>Description</b>	<b>\$000's</b>
<b>Surplus/(Deficit) for the year ended 30 June 2005 under AGAAP</b>	<b>(207)</b>
<b>Revenues</b>	
	-
<b>Expenses</b>	
Employee Provisions - discounted recreation leave (a)	57
<b>Surplus/(Deficit) for the year ended 30 June 2005 under AEIFRS</b>	<b>(150)</b>

(a) AEIFRS adjustment to discount non-current recreation leave provision.

**C. Explanations of material adjustments to the cash flow statement**

There are no material differences between the cash flow statement presented under AEIFRS and the cash flow statement presented under previous AGAAP.

**DIRECTOR OF NATIONAL PARKS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

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**NOTE 3 Economic Dependency**

The Director of National Parks was established by the *Environment Protection and Biodiversity Conservation Act 1999* and is controlled by the Director of National Parks.

The Director of National Parks is dependent on appropriations from the Parliament of the Commonwealth received via the Department of the Environment and Heritage for its continued existence and ability to carry out its normal activities.

**NOTE 4 Events Occurring After Reporting Date**

There were no material events that occurred after the reporting date.

**DIRECTOR OF NATIONAL PARKS  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

<b>NOTE 5      Operating Revenues</b>	<b>2005 \$'000</b>	<b>2,004 \$'000</b>
<u>Note 5A - Revenues from Government Agencies</u>		
Appropriations for outputs*	<u>40,085</u>	<u>35,552</u>
<b>Total revenues from government</b>	<b><u>40,085</u></b>	<b><u>35,552</u></b>
* The Director of National Parks received no direct appropriation from the Government. Funds are appropriated directly to the Department of the Environment and Heritage and transferred to the Director of National Parks.		
<u>Note 5B - Sales of Goods and Services</u>		
Goods	174	73
Services	<u>10,776</u>	<u>9,487</u>
<b>Total sales of goods and services</b>	<b><u>10,950</u></b>	<b><u>9,560</u></b>
Provision of goods to:		
External entities	<u>174</u>	<u>73</u>
<b>Total sales of goods</b>	<b><u>174</u></b>	<b><u>73</u></b>
Rendering of services to:		
Related entities	2,189	2,764
External entities	<u>8,587</u>	<u>6,723</u>
<b>Total rendering of services</b>	<b><u>10,776</u></b>	<b><u>9,487</u></b>
Costs of Sales of goods	<u>174</u>	<u>73</u>
<u>Note 5C - Interest Revenue</u>		
Interest on deposits	<u>284</u>	<u>467</u>
<b>Total interest revenue</b>	<b><u>284</u></b>	<b><u>467</u></b>
<u>Note 5D - Net Gain from Sales of Assets</u>		
<u>Land &amp; Buildings</u>		
Write-offs	<u>(1,178)</u>	<u>(148)</u>
<b>Net gain / (loss) from disposal of land &amp; buildings</b>	<b><u>(1,178)</u></b>	<b><u>(148)</u></b>
<u>Infrastructure, plant &amp; equipment</u>		
Proceeds from disposal	635	680
Other Adjustments		170
Net book value of assets disposed	<u>(262)</u>	<u>(530)</u>
Write-offs	<u>(1,344)</u>	<u>(177)</u>
<b>Net gain / (loss) from disposal of infrastructure, plant &amp; equipment</b>	<b><u>(971)</u></b>	<b><u>143</u></b>
Total proceeds from disposals	635	680
Other Adjustments	-	170
Total value of assets disposed	<u>(2,784)</u>	<u>(707)</u>
<b>Total net gain / (loss) from disposal of assets</b>	<b><u>(2,149)</u></b>	<b><u>143</u></b>
<u>Note 5E - Other Revenues</u>		
Resources received free of charge	2,800	3,627
Other Revenues	<u>4,004</u>	<u>3,141</u>
<b>Total other revenues</b>	<b><u>6,804</u></b>	<b><u>6,768</u></b>

**DIRECTOR OF NATIONAL PARKS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

<b>NOTE 6</b>	<b>Operating Expenses</b>	<b>2005</b> <b>\$'000</b>	<b>2004</b> <b>\$'000</b>
<u>Note 6A - Employee Expenses</u>			
	Wages & Salaries	13,182	13,760
	Superannuation	2,466	2,727
	Leave & other entitlements	2,256	2,204
	Separation and redundancies	228	516
	Employee Allowances	2,167	2,289
	Other employee expenses	1,027	1,071
	<b>Total employee benefits expense</b>	<b>21,326</b>	<b>22,567</b>
	Worker compensation premiums	8	5
	<b>Total employee expenses</b>	<b>21,334</b>	<b>22,572</b>
 <u>Note 6B - Supplier Expenses</u>			
	Goods from external entities	16,973	16,659
	Services from external parties	1,083	1,591
	Operating lease rentals	4,338	4,036
	<b>Total supplier expenses</b>	<b>22,394</b>	<b>22,286</b>
 <u>Note 6C - Depreciation and Amortisation</u>			
	Depreciation of property, plant and equipment	9,376	8,493
	Amortisation of leased assets	169	336
	Amortisation of Intangibles	3	3
	<b>Total depreciation and amortisation</b>	<b>9,548</b>	<b>8,832</b>
The aggregate amounts of depreciation or amortisation expensed during the reporting year for each class of depreciable asset are as follows:			
	Buildings on freehold land	2,369	2,018
	Plant and equipment	7,176	6,811
	Intangibles	3	3
	<b>Total depreciation and amortisation</b>	<b>9,548</b>	<b>8,832</b>
 <u>Note 6D - Write Down of Assets</u>			
	<b>Financial assets</b>		
	Bad and doubtful debts expense	5	-
	<b>Non-financial assets</b>		
	Buildings	-	61
	<b>Total write-down of assets</b>	<b>5</b>	<b>61</b>
 <u>Note 6E - Other Expenses</u>			
	Grants-Local Government-NT	100	-
	Other Expenses	2,800	3,087
		<b>2,900</b>	<b>3,087</b>
 <b>NOTE 7</b>			
<b>Borrowing Costs Expense</b>			
 <u>Note 7A - Borrowing Costs Expense</u>			
	Leases	-	5
	<b>Total borrowing costs expense</b>	<b>-</b>	<b>5</b>

**DIRECTOR OF NATIONAL PARKS  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

<b>NOTE 8</b>	<b>Financial Assets</b>	<b>2005 \$'000</b>	<b>2004 \$'000</b>
<u>Note 8A - Cash</u>			
	Departmental	<u>9,905</u>	<u>2,814</u>
	<b>Total cash</b>	<b><u>9,905</u></b>	<b><u>2,814</u></b>
<u>Note 8B - Receivables</u>			
	Goods and services	128	525
	Less: Provision for doubtful debts	<u>(11)</u>	<u>(13)</u>
		117	512
	Net GST receivable from ATO	304	369
	Other receivables	<u>180</u>	<u>63</u>
	<b>Total receivables (net)</b>	<b><u>601</u></b>	<b><u>944</u></b>
All receivable are current assets			
Receivables (gross) are aged as follows:			
	Not overdue	<u>484</u>	<u>699</u>
	Overdue by:		
	Less than 30 days	72	185
	30 to 60 days	9	13
	60 to 90 days	-	4
	More than 90 days	<u>47</u>	<u>56</u>
		128	258
	<b>Total receivables (gross)</b>	<b><u>612</u></b>	<b><u>957</u></b>
The provision for doubtful debts is aged as follows:			
	Not overdue	-	-
	Overdue by:		
	Less than 30 days	-	-
	30 to 60 days	-	-
	60 to 90 days	-	-
	More than 90 days	<u>11</u>	<u>13</u>
	<b>Total provision for doubtful debts</b>	<b><u>11</u></b>	<b><u>13</u></b>
<u>Note 8C - Other</u>			
	Make Good DOTARS	<u>1,126</u>	-
		<b><u>1,126</u></b>	<b><u>-</u></b>

**DIRECTOR OF NATIONAL PARKS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

<b>NOTE 9</b>	<b>Non-Financial Assets</b>	<b>2005</b> <b>\$'000</b>	<b>2004</b> <b>\$'000</b>
<u>Note 9A - Land and Buildings</u>			
<b>Land - at cost</b>			
	Land - at 30 June 2002 valuation (deprival)	-	8,197
	Land - at 30 June 2005 valuation (fair value)	<b>6,581</b>	-
	<b>Total land</b>	<b>6,581</b>	8,197
<b>Buildings - at cost</b>			
	Accumulated depreciation	-	11,476
		-	(635)
		-	10,841
	Buildings - at 30 June 2002 valuation (deprival)	-	42,201
	Buildings - at 30 June 2005 valuation (fair value)	<b>60,462</b>	-
	Accumulated depreciation	-	(3,368)
		<b>60,462</b>	38,833
	<b>Total buildings</b>	<b>60,462</b>	49,674
<b>Leasehold Improvements</b>			
	Building Leasehold improvements WIP	<b>1,185</b>	1,382
	<b>Total leasehold improvements</b>	<b>1,185</b>	1,382
	<b>Total Land and Buildings (non-current)</b>	<b>68,228</b>	59,253
<u>Note 9B - Infrastructure, Plant &amp; Equipment</u>			
	<b>Infrastructure, plant and equipment - at cost</b>	-	19,673
	Accumulated depreciation	-	(3,973)
		-	15,700
	Infrastructure, plant & equipment - at 30 June 2002 valuation (deprival)	-	36,482
	Infrastructure, plant & equipment - at 30 June 2005 valuation (fair value)	<b>66,521</b>	-
	Accumulated depreciation	-	(9,242)
		<b>66,521</b>	27,240
	Plant and equipment - WIP	<b>2,444</b>	2,963
	Equipment under finance lease (deprival)	-	1,486
	Less: accumulated amortisation	-	(336)
		-	1,150
	<b>Total Infrastructure, plant and equipment (non-current)</b>	<b>68,965</b>	47,053

The revaluations were in accordance with the revaluation policy stated at Note 1 and were completed by an independent valuer, Herron Todd White (HTW)

**DIRECTOR OF NATIONAL PARKS  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

Note 9C - Analysis of Property, Plant and Equipment

**Table A - Reconciliation of the opening and closing balances of property, plant and equipment**

	Land	Buildings	Infrastructure Plant and Equipment	Total
	\$'000	\$'000	\$'000	\$'000
As at 1 July 2004				
Gross book value	8,197	55,060	60,604	123,861
Accumulated depreciation / amortisation	-	(4,003)	(13,551)	(17,554)
Opening Net book value	8,197	51,057	47,053	106,307
Additions				
By purchase	-	2,364	3,433	5,797
Net revaluation increment/(decrement)	(1,615)	5,080	7,369	10,834
Depreciation / amortisation written back on revaluation	-	6,288	19,588	25,876
Depreciation / amortisation expense	-	(2,369)	(7,176)	(9,545)
Recoverable amount write-downs				
Disposals				
From disposal of operations	-	-	(270)	(270)
Historical cost of disposals	-	-	(752)	(752)
Accum dephn disposals	-	-	482	482
Other disposals	-	-	-	-
Write Offs				
Historical Cost of Write Offs	-	(659)	(1,427)	(2,086)
Accumulated depreciation on Write Offs	-	82	658	740
Transfers	-	148	(148)	-
<b>As at 30 June 2005</b>				
Gross Book Value	<b>6,581</b>	<b>61,647</b>	<b>68,965</b>	<b>137,193</b>
Accumulated depreciation / amortisation	-	-	-	-
<b>Closing Net book value</b>	<b>6,581</b>	<b>61,647</b>	<b>68,965</b>	<b>137,193</b>

**Table B - Assets at valuation**

	Land	Buildings	Infrastructure Plant and Equipment	Total
	\$'000	\$'000	\$'000	\$'000
<b>As at 30 June 2005</b>				
Gross value	6,581	61,647	68,965	137,193
Accumulated depreciation/ amortisation	-	-	-	-
<b>Net book value</b>	<b>6,581</b>	<b>61,647</b>	<b>68,965</b>	<b>137,193</b>
<b>As at 30 June 2004</b>				
Gross value	8,197	42,201	37,968	88,366
Accumulated depreciation/ amortisation	-	(3,368)	(9,578)	(12,946)
<b>Net book value</b>	<b>8,197</b>	<b>38,833</b>	<b>28,390</b>	<b>75,420</b>

DIRECTOR OF NATIONAL PARKS  
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Table C- Assets held under finance lease

	Land	Buildings	Infrastructure Plant and Equipment	Total
	\$'000	\$'000	\$'000	\$'000
<b>As at 30 June 2005</b>				
Gross value	-	-	-	-
Accumulated depreciation/ amortisation	-	-	-	-
<b>Net book value</b>	-	-	-	-
<b>As at 30 June 2004</b>				
Gross value	-	-	1,486	1,486
Accumulated depreciation/ amortisation	-	-	(336)	(336)
<b>Net book value</b>	-	-	1,150	1,150

Table D - Assets under construction

Item	Land	Buildings	Infrastructure Plant and Equipment	Total
	\$'000	\$'000	\$'000	\$'000
<b>Gross value as at 30 June 2005</b>	-	1,185	2,444	3,629
Gross value as at 30 June 2004	-	1,383	2,963	4,346

**DIRECTOR OF NATIONAL PARKS  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

	<b>2005</b>	2004
	<b>\$'000</b>	\$'000
<u>Note 9D - Intangibles</u>		
Computer software		
Internally developed - in progress (non-current)	13	13
Accumulated amortisation	<u>(9)</u>	<u>(6)</u>
<b>Total intangibles</b>	<b><u>4</u></b>	<b><u>7</u></b>

**TABLE A - reconciliation of opening and closing balances of intangibles**

Item	Computer Software  \$'000
<b>As at 1 July 2004</b>	
Gross book value	13
Accumulated depreciation/ amortisation	(6)
<b>Net book value</b>	<b>7</b>
Net revaluation increment/(decrement)	-
Depreciation/amortisation expense	(3)
Recoverable amount write-downs	
<b>As at 30 June 2005</b>	
Gross book value	13
Accumulated depreciation/ amortisation	(9)
<b>Net Book Value</b>	<b>4</b>

**DIRECTOR OF NATIONAL PARKS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

	<b>2005</b>	2004
	<b>\$'000</b>	\$'000
<u>Note 9E - Other Non-Financial Assets</u>		
Prepayments	<b>338</b>	306
<b>Total other non-financial assets</b>	<b>338</b>	306

Other non-financial assets are current assets.

**NOTE 10 Interest Bearing Liabilities**

Note 10A - Leases

Finance lease commitments

Payable:

Within one year	-	32
In one to five years	-	-
Minimum lease payments	-	32
<i>Deduct:</i> future finance charges	-	-
<b>Net lease liability</b>	<b>-</b>	<b>32</b>

Lease liability is categorised as follows:

Current	-	32
Non-current	-	-
<b>Net lease liability</b>	<b>-</b>	<b>32</b>

**NOTE 11 Provisions**

Note 11A - Employee Provisions

Salaries and wages	<b>54</b>	643
Leave	<b>5,227</b>	5,144
Superannuation	<b>36</b>	24
Separation & redundancies	<b>5</b>	-
<b>Aggregate employee entitlement liability and related on-costs</b>	<b>5,322</b>	5,811

Employee provisions are categorised as follows:

Current	<b>1,983</b>	3,083
Non-current	<b>3,338</b>	2,728
<b>Aggregate employee benefit liability and related oncosts</b>	<b>5,321</b>	5,811

Note 11B - Capital Use Charge Provision

Capital Use Charge	-	-
Balance owing 1 July 2004	-	12,545
Capital Use Charge provided for during the period	-	-
Capital Use Charge paid	-	12,545
Balance Owing 30 June 2005	-	-

Note 11C - Other Provisions

Christmas Island make good	<b>312</b>	248
DOTARS make good	<b>1,126</b>	-
FBT Provision	<b>49</b>	34
Other	<b>52</b>	18
<b>Total Other Provisions</b>	<b>1,539</b>	300

**DIRECTOR OF NATIONAL PARKS**  
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<b>NOTE 12</b>	<b>Payables</b>	<b>2005</b>	<b>2004</b>
		<b>\$'000</b>	<b>\$'000</b>
<u>Note 12A - Supplier Payables</u>			
	Trade creditors	<b>5,373</b>	4,062
	Operating lease payments	<b>-</b>	966
	<b>Total supplier payables</b>	<b><u>5,373</u></b>	<b><u>5,028</u></b>

All suppliers payable are current

*Trade creditors*

Settlement is usually made net 30 days

Note 12B - Other Payables

	Unearned Revenue	<b><u>348</u></b>	<b><u>299</u></b>
	<b>Total other payables</b>	<b><u>348</u></b>	<b><u>299</u></b>

All other payables are current

**DIRECTOR OF NATIONAL PARKS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

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**NOTE 13 Equity**

Note 13A - Analysis of Equity

Item	Accumulated results		Asset revaluation reserve		Total Contributed Equity		TOTAL EQUITY	
	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
Opening Balance 1 July	<b>62,454</b>	66,977	<b>26,698</b>	26,698	<b>9,755</b>	9,755	<b>98,907</b>	103,430
Net surplus / deficit	<b>(207)</b>	(4,523)	-	-	-	-	<b>(207)</b>	(4,523)
Net revaluation increment / (decrement)	-	-	<b>37,887</b>	-	-	-	<b>37,887</b>	-
<b>Closing balance as at 30 June</b>	<b>62,247</b>	62,454	<b>64,585</b>	26,698	<b>9,755</b>	9,755	<b>136,587</b>	98,907

**DIRECTOR OF NATIONAL PARKS  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

<b>NOTE 14</b>	<b>Cash Flow Reconciliation</b>	<b>2005</b>	<b>2004</b>
		<b>\$'000</b>	<b>\$'000</b>

Note 14A: Reconciliation of Operating Surplus to Net Cash from Operating Activities

**Reconciliation of net surplus to net cash from operating activities**

Net surplus (deficit)	(207)	(4,522)
<b>Non-cash items</b>		
Depreciation/amortisation	9,548	8,832
Take up of Assets for first time	(246)	
Assets received free of charge	-	(540)
Write down of non-financial assets	2,522	238
Gain on disposal of non-current assets	(373)	(332)
<b>Changes in Assets and Liabilities</b>		
(Increase)/decrease in receivables	341	310
(Increase)/decrease in other financial assets	(32)	(2)
Increase/(decrease) in unearned revenue	49	(24)
Increase/(decrease) in employee liabilities	(489)	680
Increase/(decrease) in Christmas Island Provision	63	(334)
Increase/(decrease) in supplier liabilities	345	(671)
Increase/(decrease) in other liabilities	65	34
<b>Net cash from / (used by) operating activities</b>	<b>11,586</b>	<b>3,669</b>

Note 14B: Reconciliation of Cash

Cash Balance Comprises:

Cash at bank	9,805	2,777
Cash on hand	100	37
<b>Total cash</b>	<b>9,905</b>	<b>2,814</b>
Balance of cash as at 30 June 2005 shown in the Statement of Cash Flows	<b>9,905</b>	<b>2,814</b>

<b>NOTE 15</b>	<b>Contingent Liabilities and Assets</b>	<b>2005</b>	<b>2004</b>
		<b>\$'000</b>	<b>\$'000</b>

**Contingent liabilities**

Claims for damages/costs <sup>1</sup>	1	11,010
<b>Total contingent liabilities</b>	<b>1</b>	<b>11,010</b>

**Contingent assets**

Legal claims	-	-
<b>Net contingent liabilities</b>	<b>1</b>	<b>11,010</b>

1. The amount represents an estimate of the Director of National Parks liability claim for compensation of loss.

**Unquantifiable Contingencies**

At 30 June 2005, the Director of National Parks had a number of outstanding legal claims for which it has denied liability and is defending the claims. It is not possible to estimate the amounts of any eventual payments which may be required in relation to these claims.

Each of the Jointly Managed Parks have make good provisions included in the 99 year leases. The amounts are indeterminate as they are contingent, however, the timing, method and cost of the work that will be required to be undertaken cannot be determined with any degree of accuracy.

**DIRECTOR OF NATIONAL PARKS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**NOTE 16 Director Remuneration**

The number of directors of the Director of National Parks included in these figures are shown below in the relevant remuneration bands:

	2005	2004
\$220,000 to \$229,999	-	1
\$250,000 to \$259,999	1	-
Total number of directors of Director of National Parks	<u>1</u>	<u>1</u>
	\$	\$
Other remuneration received or due and receivable by directors of the authority	<u>258,309</u>	<u>220,007</u>
<b>Total remuneration received or due and receivable by the Director of National Parks:</b>	<u><u>258,309</u></u>	<u><u>220,007</u></u>

**NOTE 17 Related Party Disclosures**

**Director of National Parks**

The Director of the National Parks during the year was Mr Peter Cochrane.

The aggregate remuneration of the Director is disclosed in Note 16.

*Loans to Director and Director related entities*

There were no loans made to either the Director or entities related to the Director during 2004-05.

**Other Transactions with Director or Director related entities**

There were no other transactions with either the Director or entities related to the Director during 2004-05.

**NOTE 18 Remuneration of Officers**

The number of officers who received or were due to receive total remuneration of \$100,000 or more:

	2005	2004
\$130,000 - \$139,999	1	1
\$160,000 - \$169,999	-	-
\$170,000 - \$179,999	1	1
\$190,000 - \$199,999	1	-
	<u>3</u>	<u>2</u>
	2005	2004
	\$	\$
The aggregate amount of total remuneration of officers shown above	<u><u>509,244</u></u>	<u><u>340,500</u></u>

There was no separation or redundancy / termination benefit payments during the year to officers shown above.

The officer remuneration includes all officers concerned with or taking part in the management of the National Parks during 2004-05 except the Director of National Parks. Details in relation to the Director of National Parks have been incorporated into Note 15:- *Director Remuneration*.

**DIRECTOR OF NATIONAL PARKS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

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**NOTE 19**      **Remuneration of Auditors**

	<b>2005</b>	2004
	<b>\$</b>	<b>\$</b>
Remuneration to the Auditor-General for auditing the financial statements for the	<u><u><b>65,000</b></u></u>	<u><u>59,000</u></u>

No other services were provided by the Auditor-General during the reporting period.

**NOTE 20**      **Average Staffing Levels**

	<b>2005</b>	2004
The average staffing levels for the Director of National Parks during the year were:	<u><u><b>263</b></u></u>	<u><u>288</u></u>

DIRECTOR OF NATIONAL PARKS  
 NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 21 Financial Instruments

Note 21A - Interest Rate Risk

Financial Instrument	Notes	Floating Interest Rate		Fixed Interest Rate Maturing In						Non- Interest Bearing		Total		Weighted Average Effective Interest Rate	
		2005 \$'000	2004 \$'000	1 Year or less		1 to 5 Years		> 5 Years		2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000	2005 %	2004 %
				2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000						
<b>Financial Assets</b>															
Cash at Bank	8A	9,805	2,777	-	-	-	-	-	-	-	-	9,805	2,777	4.73	4.51
Cash on Hand	8A	-	-	-	-	-	-	-	-	100	37	100	37	n/a	n/a
Receivables for goods & services	8B	-	-	-	-	-	-	-	-	128	525	128	525	n/a	n/a
Other receivables	8B	-	-	-	-	-	-	-	-	180	63	180	63	n/a	n/a
<b>Total</b>		<b>9,805</b>	<b>2,777</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>409</b>	<b>625</b>	<b>10,214</b>	<b>3,402</b>		
<b>Total Assets</b>												<b>149,168</b>	<b>110,377</b>		

Financial Instrument	Notes	Floating Interest Rate		Fixed Interest Rate Maturing in						Non- Interest Bearing		Total		Weighted Average Effective Interest Rate	
		2005 \$'000	2004 \$'000	1 Year or less		1 to 5 Years		> 5 Years		2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000	2005 %	2004 %
				2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000						
<b>Financial Liabilities</b>															
Finance Leases	10A	-	-	-	32	-	-	-	-	-	-	-	32	n/a	18%
Trade Creditors and accruals	12A	-	-	-	-	-	-	-	-	5,373	5,028	5,373	5,028	n/a	n/a
Other payables	12B	-	-	-	-	-	-	-	-	348	299	348	299	n/a	n/a
<b>Total</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>32</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,721</b>	<b>5,327</b>	<b>5,721</b>	<b>5,359</b>		
<b>Total Liabilities</b>												<b>12,581</b>	<b>11,470</b>		

**DIRECTOR OF NATIONAL PARKS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

Note 21B - Net Fair Values of Financial Assets and Liabilities

	Note	2005		2004	
		Total Carrying Amount \$'000	Aggregate Net Fair Value \$'000	Total Carrying Amount \$'000	Aggregate Net Fair Value \$'000
<b>Financial Assets</b>					
Cash at bank and on hand	8A	9,905	9,905	2,814	2,814
Receivables for goods & services	8B	117	117	512	512
Other receivables	8B	180	180	63	63
<b>Total financial assets</b>		<b>10,202</b>	<b>10,202</b>	<b>3,389</b>	<b>3,389</b>
<b>Financial Liabilities</b>					
Trade creditors and accruals	12A	5,373	5,373	5,028	5,028
Payables other	12B	348	348	299	299
Finance leases	10A	-	-	32	32
<b>Total Financial Liabilities</b>		<b>5,721</b>	<b>5,721</b>	<b>5,359</b>	<b>5,359</b>

*Financial Assets*

The net fair values of the cash and non-interest-bearing monetary financial assets approximate their carrying amounts.

*Financial Liabilities*

The net fair value of the finance lease is based on the discounted cash flows using an implicit interest rate of 21%.

The net fair values for trade creditors are approximated by their carrying amounts.

Note 21C - Credit Risk Exposure

The Director of National Park's maximum exposures to credit risk at reporting date in relation to each class of recognised financial assets is the carrying amount of those assets as indicated in the Statement of Financial Position.

The Director of National Park's has no significant exposures to any concentrations of credit risk.

All figures for credit risk referred to do not take into account the value of any collateral or other security.

**DIRECTOR OF NATIONAL PARKS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**

**NOTE 22 Reporting of Outcomes**

Note 22A - Outcomes of the Director of National Parks

The Director of National Parks is structured to contribute to the following outputs:

**Outcome 1**

*The environment, especially those aspects that are matters of national environmental significance, is protected and conserved.*

**Output**

The Director of National Parks only has one output.

*Conservation and appreciation of Commonwealth reserves.*

Note 22B - Net Cost of Outcome Delivery

	Outcome 1		Total	
	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
Departmental Expenses	58,965	57,545	58,965	57,545
<b>Total expenses</b>	<b>58,965</b>	<b>57,545</b>	<b>58,965</b>	<b>57,545</b>
<i>Costs recovered from provision of goods and services to the non-government sector</i>				
Departmental	8,761	6,796	8,761	6,796
<b>Total costs recovered</b>	<b>8,761</b>	<b>6,796</b>	<b>8,761</b>	<b>6,796</b>
<i>Other external revenues</i>				
Departmental				
Sales of goods and services - to related entities	2,189	2,764	2,189	2,764
Interest	284	467	284	467
Revenue from sale of assets	635	680	635	680
Other	6,804	3,136	6,804	3,136
<i>Total Departmental</i>	<b>9,912</b>	<b>7,047</b>	<b>9,912</b>	<b>7,047</b>
<b>Total Other external revenues</b>	<b>9,912</b>	<b>7,047</b>	<b>9,912</b>	<b>7,047</b>
<b>Net cost / (contribution) of outcome</b>	<b>40,292</b>	<b>43,702</b>	<b>40,292</b>	<b>43,702</b>

The net costs shown include intra-government costs that would be eliminated in calculating the actual Budget outcome.

Note 22C - Departmental Revenue and Expenses by Output Groups and Outputs

	Outcome 1		Total	
	2005 \$'000	2004 \$'000	2005 \$'000	2004 \$'000
<b>Departmental expenses</b>				
Employees	21,334	22,567	21,334	22,567
Suppliers	22,394	25,373	22,394	25,373
Depreciation	9,548	8,832	9,548	8,832
Borrowing cost expense	-	5	-	5
Write-down of assets	5	238	5	238
Value of assets sold	2,784	530	2,784	530
Other Expenses	2,900	-	2,900	-
<b>Total departmental expenses</b>	<b>58,965</b>	<b>57,545</b>	<b>58,965</b>	<b>57,545</b>
<b>Funded by:</b>				
Revenues from Government agencies	40,085	39,179	40,085	39,179
Sale of goods and services	10,950	9,560	10,950	9,560
Interest	284	467	284	467
Revenue from sale of assets	635	680	635	680
Other non-taxation revenues	6,804	3,136	6,804	3,136
<b>Total departmental revenues</b>	<b>58,758</b>	<b>53,022</b>	<b>58,758</b>	<b>53,022</b>

The Director National parks outcomes and outputs are described at Note 22A.

The net costs shown include intra-government costs that would be eliminated in calculating the actual Budget outcome.