

## 8 Financial statements



Director of National Parks financial statements and audit report for  
the year ended 30 June 2006



## **INDEPENDENT AUDIT REPORT**

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

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

This audit report relates to the financial statements published in both the annual report and on the website of Department of the Environment and Heritage for the year ended 30 June 2006. The Director of National Parks is responsible for the integrity of both the annual report and the web site.

The audit report refers only to the financial statements, schedules and notes 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 Parks' annual report.

### **Scope**

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

The financial statements comprise:

- Statement by the Director and Chief Financial Officer;
- Income Statement, Balance Sheet and Statement of Cash Flow;
- Statement of Changes in Equity;
- 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 2006.

The Director is responsible for preparing the financial statements that give a true and fair view of the financial position and performance of the Director of National Parks, and that comply with the Finance Minister's Orders made under the *Commonwealth Authorities and Companies Act 1997*, Accounting Standards and mandatory financial reporting requirements in Australia. The Director is also responsible 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 Parks' financial position, and of its 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***

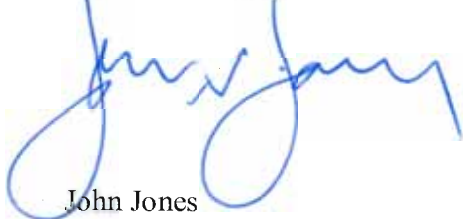
In conducting the audit, I have followed the independence requirements of the Australian National Audit Office, which incorporate the ethical requirements of the Australian accounting profession.

**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 Parks' financial position as at 30 June 2006 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

13 September 2006

## Director of National Parks Statement by the Director and Chief Financial Officer

In our opinion, the attached financial statements for the year ended 30 June 2006 are 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 our 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



Peter Cochrane  
Director

11 September 2006

Signed



Sam Ceravolo  
Chief Financial Officer

11 September 2006

## Director of National Parks Income Statement

For the year ended 30 June 2006

	Notes	2006 \$'000	2005 \$'000
<b>INCOME</b>			
<i>Revenue</i>			
Revenues from Government	4A	<b>41,962</b>	40,085
Goods and services	4B	<b>12,550</b>	13,578
Interest		<b>622</b>	284
Other revenues		<b>1,114</b>	1,378
<b>Total Revenues</b>		<b>56,248</b>	55,325
<i>Gains</i>			
Net gains from disposal of assets	4C	<b>106</b>	400
Other gains	4D	<b>2,800</b>	2,800
<b>Total gains</b>		<b>2,906</b>	3,200
<b>TOTAL INCOME</b>		<b>59,154</b>	58,525
<b>EXPENSES</b>			
Employees	5A	<b>21,178</b>	20,509
Suppliers	5B	<b>26,568</b>	25,755
Depreciation and amortisation	5C	<b>7,582</b>	9,548
Write-down and impairment of assets	5D	<b>1,345</b>	2,527
Net losses from disposal of assets	5E	<b>131</b>	38
Other expenses	5F	<b>176</b>	314
<b>TOTAL EXPENSES</b>		<b>56,980</b>	58,691
<b>OPERATING RESULT</b>		<b>2,174</b>	(166)

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

**Director of National Parks**  
**Balance Sheet**  
*as at 30 June 2006*

	Notes	2006 \$'000	2005 \$'000
<b>ASSETS</b>			
<b>Financial assets</b>			
Cash	6A	19,759	9,905
Receivables	6B	1,584	550
Other	6C	91	45
<b>Total financial assets</b>		<b>21,434</b>	10,500
<b>Non-financial assets</b>			
Land and buildings	7A,C	66,803	68,228
Infrastructure, plant and equipment	7B,C	72,098	68,965
Intangibles	7D	3	4
Other non-financial assets	7E	369	338
<b>Total non-financial assets</b>		<b>139,273</b>	137,535
<b>TOTAL ASSETS</b>		<b>160,707</b>	148,035
<b>LIABILITIES</b>			
<b>Payables</b>			
Suppliers	8A	6,524	5,403
Other payables	8B	4,115	640
<b>Total payables</b>		<b>10,639</b>	6,043
<b>Provisions</b>			
Employees	9A	5,130	5,305
Other provisions		70	59
<b>Total provisions</b>		<b>5,200</b>	5,364
<b>TOTAL LIABILITIES</b>		<b>15,839</b>	11,407
<b>NET ASSETS</b>		<b>144,868</b>	136,628
<b>EQUITY</b>			
Contributed equity		15,821	9,755
Reserves		64,585	64,585
Retained surpluses/(accumulated deficits)		64,462	62,288
<b>TOTAL EQUITY</b>		<b>144,868</b>	136,628
<b>Current assets</b>		<b>21,803</b>	10,839
<b>Non-current assets</b>		<b>138,904</b>	137,196
<b>Current liabilities</b>		<b>15,384</b>	10,213
<b>Non-current liabilities</b>		<b>455</b>	1,194

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 2006

	Notes	2006 \$'000	2005 \$'000
<b>OPERATING ACTIVITIES</b>			
<b>Cash received</b>			
Goods and Services		15,859	13,975
Appropriations		41,962	40,085
Interest		605	260
Net GST received from ATO		1,371	1,239
Other		1,040	1,132
<b>Total cash received</b>		<b>60,837</b>	56,691
<b>Cash used</b>			
Employees		21,345	21,035
Suppliers		25,056	23,760
Other		164	332
<b>Total cash used</b>		<b>46,565</b>	45,127
<b>Net Cash From Operating Activities</b>	10	<b>14,272</b>	11,564
<b>INVESTING ACTIVITIES</b>			
<b>Cash received</b>			
Proceeds from sales of property, plant and equipment		545	1,209
<b>Total cash received</b>		<b>545</b>	1,209
<b>Cash used</b>			
Purchase of property, plant and equipment		11,029	5,682
<b>Total cash used</b>		<b>11,029</b>	5,682
<b>Net Cash Used By Investing Activities</b>		<b>(10,484)</b>	(4,473)
<b>FINANCING ACTIVITIES</b>			
<b>Cash received</b>			
Capital injections		6,066	-
<b>Total cash received</b>		<b>6,066</b>	-
<b>Net Cash From Financing Activities</b>		<b>6,066</b>	-
<b>Net Increase in Cash Held</b>		<b>9,854</b>	7,091
Cash at beginning of the reporting period		9,905	2,814
<b>Cash at the End of the Reporting Period</b>	6A	<b>19,759</b>	9,905

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

## Director of National Parks Statement of Changes in Equity

For the year ended 30 June 2006

	Accumulated Results		Asset Revaluation Reserve		Contributed equity/capital		Total Equity	
	2006	2005	2006	2005	2006	2005	2006	2005
<b>Opening Balance</b>	<b>62,288</b>	62,454	<b>64,585</b>	26,698	<b>9,755</b>	9,755	<b>136,628</b>	98,907
Adjustment for errors	-	-	-	-	-	-	-	-
Adjustment for changes in accounting policies	-	-	-	-	-	-	-	-
<b>Adjusted Opening Balance</b>	<b>62,288</b>	62,454	<b>64,585</b>	26,698	<b>9,755</b>	9,755	<b>136,628</b>	98,907
<b>Income and Expense</b>								
Revaluation Adjustment	-	-	-	37,887	-	-	-	37,887
Income and Expenses Recognised Directly in Equity	-	-	-	-	-	-	-	-
<b>Subtotal income and expenses recognised directly in equity</b>	-	-	-	37,887	-	-	-	37,887
Net Operating Result	<b>2,174</b>	(166)	-	-	-	-	<b>2,174</b>	(166)
<b>Total income and expenses</b>	<b>2,174</b>	(166)	-	37,887	-	-	<b>2,174</b>	37,721
<b>Transactions with Owners:</b>								
<i>Distributions to owners</i>								
Returns of Capital	-	-	-	-	-	-	-	-
<i>Contributions by Owners</i>								
Appropriation (equity injection) (refer Note 18)	-	-	-	-	<b>6,066</b>	-	<b>6,066</b>	-
Other	-	-	-	-	-	-	-	-
<b>Sub-total Transactions with Owners</b>	-	-	-	-	<b>6,066</b>	-	<b>6,066</b>	-
Transfers between equity components	-	-	-	-	-	-	-	-
<b>Closing Balance at 30 June</b>	<b>64,462</b>	62,288	<b>64,585</b>	64,585	<b>15,821</b>	9,755	<b>144,868</b>	136,628

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

## Director of National Parks Schedule of Commitments as at 30 June 2006

	2006 \$'000	2005 \$'000
<b>BY TYPE</b>		
<b>Capital Commitments</b>		
Buildings; Infrastructure, plant and equipment <sup>1</sup>	1,712	3,584
<b>Total Capital Commitments</b>	<b>1,712</b>	<b>3,584</b>
<b>Other Commitments</b>		
Operating leases <sup>2</sup>	65,663	65,384
Other commitments <sup>3</sup>	2,938	2,392
<b>Total Other Commitments</b>	<b>68,601</b>	<b>67,776</b>
<b>Commitments Receivable</b>	<b>(6,392)</b>	<b>(6,451)</b>
<b>Net Commitments by Type</b>	<b>63,921</b>	<b>64,909</b>
<b>BY MATURITY</b>		
<b>Capital Commitments</b>		
One year or less	1,712	1,675
From one to five years	-	1,909
Over five years	-	-
<b>Total Capital Commitments</b>	<b>1,712</b>	<b>3,584</b>
<b>Operating Lease Commitments</b>		
One year or less	923	898
From one to five years	3,456	3,329
Over five years	61,284	61,157
<b>Total Operating Lease Commitments</b>	<b>65,663</b>	<b>65,384</b>
<b>Other Commitments</b>		
One year or less	1,541	1,392
From one to five years	1,397	1,000
Over five years	-	-
<b>Total Other Commitments</b>	<b>2,938</b>	<b>2,392</b>
<b>Commitments Receivable</b>	<b>(6,392)</b>	<b>(6,451)</b>
<b>Net Commitments by Maturity</b>	<b>63,921</b>	<b>64,909</b>

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

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

## Director of National Parks Schedule of Commitments

as at 30 June 2006

Nature of Leases	General description of leasing Arrangements
Leases for office accommodation	Lease payments are subject to annual increase in accordance with upward movements in the Consumer Price Index. The initial periods of office accommodation leases are still current with no option to renew
Agreements for the provision of motor vehicles – senior executive officers	No contingent rentals exist. There are no renewal or purchase options available to the office
Leases for office equipment	No contingent rentals exist. There is an option to renew for 90 days
Leases for rental of National Parks from Traditional Owners	The Director of National Parks leases Kakadu National Park, Uluru-Kata Tjuta National Park and Booderee National Park from the parks' Traditional Owners. Annual rent is payable in advance. Terms of leases vary up to a maximum of 99 years

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

## Director of National Parks Schedule of Contingencies as at 30 June 2006

	Guarantees		Claims for damages/costs		Total	
	2006	2005	2006	2005	2006	2005
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Contingent Liabilities</b>						
Balance from previous period	-	-	-	11,010	-	11,010
New	-	-	33	-	33	-
Re-measurement	-	-	-	(175)	-	(175)
Less: Liabilities crystallised <sup>1</sup>	-	-	-	10,835	-	10,835
Obligations expired	-	-	-	-	-	-
<b>Total Contingent Liabilities</b>	-	-	33	-	33	-
<b>Contingent Assets</b>						
Balance from previous period	-	-	-	-	-	-
New	-	-	-	-	-	-
Re-measurement	-	-	-	-	-	-
Assets crystallised	-	-	-	-	-	-
Expired	-	-	-	-	-	-
<b>Total Contingent Assets</b>	-	-	-	-	-	-
<b>Net Contingencies</b>	-	-	33	-	33	-

### Note 1:

During the 2004–05 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 the Environment and Heritage. The Director of National Parks disclosed this settlement (GST inclusive) in the 2003–04 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: 11 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 2006*

<b>Note</b>	<b>Description</b>
1	Summary of Significant Accounting Policies
2	The impact of the transition to AEIFRS from previous AGAAP
3	Events Occurring After Reporting Date
4	Income
5	Operating Expenses
6	Financial Assets
7	Non-Financial Assets
8	Payables
9	Provisions
10	Cash Flow Reconciliation
11	Contingent Liabilities and Assets
12	Director Remuneration
13	Related Party Disclosures
14	Executive Remuneration
15	Remuneration of Auditors
16	Average Staffing Levels
17	Financial Instruments
18	Appropriations
19	Reporting Of Outcomes

## Director of National Parks Notes to and forming part of the Financial Statements

### 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 continued existence of the Director of National Parks in its present form and with its present programs is dependent on Government policy and on continuing appropriations by Parliament for the Director of National Parks' administration and programs.

The statements have been prepared in accordance with:

- Finance Minister's Orders [or FMOs, being the *Financial Management and Accountability Orders (Financial Statements for reporting periods ending on or after 01 July 2005)*];
- Australian Accounting Standards issued by the Australian Accounting Standards Board that apply for the reporting period; and
- Interpretations issued by the AASB and UIG that apply for the reporting period.

This is the first financial report to be prepared under Australian Equivalents to International Financial Reporting Standards (AEIFRS). The impacts of adopting AEIFRS are disclosed in Note 2.

The Income Statement, Balance Sheet and Statement of Changes in Equity have been prepared on an accrual basis and are in accordance with historical cost convention, except for certain assets and liabilities, which as noted, are at fair value. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position.

The financial report is presented in Australian dollars and values are rounded to the nearest thousand dollars unless disclosure of the full amount is specifically required.

Unless alternative treatment is specifically required by an accounting standard, assets and liabilities are recognised in the Balance Sheet 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 11).

Unless alternative treatment is specifically required by an accounting standard, revenues and expenses are recognised in the Income Statement when and only when the flow or consumption or loss of economic benefits has occurred and can be reliably measured.

#### 1.2 Significant Accounting Judgements and Estimates

In the process of applying the accounting policies listed in this note, the Director of National Parks has not made any judgements that have a significant impact on the amounts recorded in the financial statements.

No accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to carrying amounts of assets and liabilities within the next accounting period.

## Director of National Parks

### Notes to and forming part of the Financial Statements

#### 1.3 Statement of Compliance

The financial report complies with Australian Accounting Standards, which include Australian Equivalents to International Financial Reporting Standards (AEIFRS).

Australian Accounting Standards require the Director of National Parks to disclose Australian Accounting Standards that have not been applied, for standards that have been issued but are not yet effective.

The AASB has issued amendments to existing standards, these amendments are denoted by year and then number, for example 2005-1 indicates amendment 1 issued in 2005.

The following table illustrates standards and amendments that will become effective for the Director of National Parks in the future. The nature of the impending change within the table, has been out of necessity abbreviated and users should consult the full version available on the AASB's website to identify the full impact of the change. The expected impact on the financial report of adoption of these standards is based on the Director of National Parks' initial assessment at this date, but may change. The Director of National Parks intends to adopt all of standards upon their application date.

Title	Standard affected	Application date*	Nature of impending change	Impact expected on financial report
2005-1	AASB 139	1-Jan-06	Amends hedging requirements for foreign currency risk of a highly probable intra-group transaction.	No expected impact.
2005-4	AASB 139, AASB 132, AASB 1, AASB 1023 and AASB 1038	1-Jan-06	Amends AASB 139, AASB 1023 and AASB 1038 to restrict the option to fair value through profit or loss and makes consequential amendments to AASB 1 and AASB 132.	No expected impact.
2005-5	AASB 1 and AASB 139	1-Jan-06	Amends AASB 1 to allow an entity to determine whether an arrangement is, or contains, a lease. Amends AASB 139 to scope out a contractual right to receive reimbursement (in accordance with AASB 137) in the form of cash.	No expected impact.
2005-6	AASB 3	1-Jan-06	Amends the scope to exclude business combinations involving entities or businesses under common control.	No expected impact.
2005-9	AASB 4, AASB 1023, AASB 139 and AASB 132	1-Jan-06	Amended standards in regards to financial guarantee contracts.	No expected impact.
2005-10	AASB 132, AASB 101, AASB 114, AASB 117, AASB 133, AASB 139, AASB 1, AASB 4, AASB 1023 and AASB 1038	1-Jan-07	Amended requirements subsequent to the issuing of AASB 7.	No expected impact.
2006-1	AASB 121	31-Dec-06	Changes in requirements for net investments in foreign subsidiaries depending on denominated currency.	No expected impact.
	AASB 7 Financial Instruments: Disclosures	1-Jan-07	Revise the disclosure requirements for financial instruments from AASB132 requirements.	No expected impact.

\* Application date is for annual reporting periods beginning on or after the date shown

## Director of National Parks Notes to and forming part of the Financial Statements

### 1.4 Revenue

Revenue from the sale of goods is recognised when:

- the risks and rewards of ownership have been transferred to the buyer;
- the seller retains no managerial involvement nor effective control over the goods;
- the revenue and transaction costs incurred can be reliably measured; and
- it is probable that the economic benefits associated with the transaction will flow to the entity.

Revenue from rendering of services is recognised by reference to the stage of completion of contracts at the reporting date. The revenue is recognised when:

- the amount of revenue, stage of completion and transaction costs incurred can be reliably measured; and
- the probable economic benefits with the transaction will flow to the entity.

The stage of completion of contracts at the reporting date is determined by reference to the proportion that costs incurred to date bear to the estimated total costs of the transaction.

Receivables for goods and services, which have 30 day terms, are recognised at the nominal amounts due less any provision for bad and doubtful debts. Collectability of debts is reviewed at balance date. Provisions are made when collectability of the debt is no longer probable.

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 at the time tickets/permits are issued or goods are delivered to customers.

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

Interest revenue is recognised using the effective interest method as set out in AASB 139.

#### *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.

Appropriations receivable are recognised at their nominal amounts.

#### *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.

### 1.5 Transactions by the Government as Owner

#### *Equity injections*

Amounts appropriated which are designated as 'equity injections' for a year (less any formal reductions) are recognised directly in Contributed Equity in that year.

## Director of National Parks

### Notes to and forming part of the Financial Statements

#### 1.6 Employee Benefits

The legal entity of the Director of National Parks has only one employee, being the Director himself. However, under an arrangement with the Department of the Environment and Heritage, the Director of National Parks has a number of employees of the Department of the Environment and Heritage that are assigned to assist the Director. For the purpose of these financial statements, such employees are treated as employees of the Director of National Parks.

As required by the Finance Minister's Orders, the Director of National Parks, has early adopted AASB 119 Employee Benefits as issued in December 2004.

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

Liabilities for 'short-term employee benefits' (as defined in AASB 119) and termination benefits due within twelve months are 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.

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 Minister's Orders 2005-06.

#### *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 (CSS), the Public Sector Superannuation Scheme (PSS) or the PSS accumulation plan (PSSap).

The CSS and PSS are defined benefits schemes for the Commonwealth. The PSSap is a defined contribution scheme.

The liability for defined 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 represents outstanding contributions for the final fortnight of the year.

## Director of National Parks Notes to and forming part of the Financial Statements

### 1.7 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. An operating lease is a lease that is not a finance lease. In operating leases, the lessor effectively retains substantially all such risks and benefits.

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 straight line basis which is representative of the pattern of benefits derived from the leased assets.

The majority of operating lease payments relate to arrangements with traditional owners over Kakadu, Uluru Kata-Tjuta and Booderee National Parks.

### 1.8 Borrowing Costs

All borrowing costs are expensed as incurred.

### 1.9 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.

### 1.10 Financial Risk Management

The Director of National Parks' activities expose it to normal commercial financial risk. As a result of the nature of the Director of National Parks' business and internal and Australian Government policies, dealing with the management of financial risk, the Director of National Parks' exposure to market, credit, liquidity and cash flow and fair value interest rate risk is considered to be low.

### 1.11 Investments

Investments are initially measured at their fair value.

After initial recognition, financial assets are to be measured at their fair values except for:

- a) loans and receivable which are measured at amortised cost using the effective interest method;
- b) held-to-maturity investments which are measured at amortised cost using the effective interest method;  
and
- c) investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity instruments, which shall be measured at cost.

### 1.12 Derecognition of Financial Assets and Liabilities

As prescribed in the Finance Minister's Orders, the Director of National Parks has applied the option available under AASB 1 of adopting AASB 132 and 139 from 1 July 2005 rather than 1 July 2004.

Financial assets are derecognised when the contractual rights to the cash flows from the financial assets expire or the asset is transferred to another entity. In the case of a transfer to another entity, it is necessary that the risks and rewards of ownership are also transferred.

Financial liabilities are derecognised when the obligation under the contract is discharged or cancelled or expires.

## Director of National Parks

### Notes to and forming part of the Financial Statements

For the comparative year, financial assets were derecognised when the contractual right to receive cash no longer existed. Financial liabilities were derecognised when the contractual obligation to pay cash no longer existed.

#### 1.13 Impairment of Financial Assets

As prescribed in the Finance Minister's Orders, the Director of National Parks has applied the option available under AASB 1 of adopting AASB 132 and 139 from 1 July 2005 rather than 1 July 2004.

Financial assets are assessed for impairment at each balance date.

##### *Financial Assets held at Cost*

If there is objective evidence that an impairment loss has been incurred on an unquoted equity instrument that is not carried at fair value because it cannot be reliably measured, or a derivative asset that is linked to and must be settled by delivery of such an unquoted equity instrument, the amount of the impairment loss is the difference between the carrying amount of the asset and the present value of the estimated future cash flows discounted at the current market rate for similar assets.

##### *Comparative Year*

The above policies were not applied for the comparative year. For receivables, amounts were recognised and carried at original invoice amount less a provision for doubtful debts based on an estimate made when collection of the full amount was no longer probable. Bad debts were written off as incurred.

Other financial assets carried at cost which were not held to generate net cash inflows, were assessed for indicators of impairment. Where such indicators were found to exist, the recoverable amount of the assets was estimated and compared to the assets carrying amount and, if less, reduced to the carrying amount. The reduction was shown as an impairment loss.

#### 1.14 Interest Bearing Loans and Borrowings

Government loans are carried at the balance yet to be repaid. Interest is expensed as it accrues.

#### 1.15 Trade Creditors

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

#### 1.16 Contingent Liabilities and Contingent Assets

Contingent Liabilities and Assets are not recognised in the Balance Sheet but are discussed in the relevant schedules and notes. They may arise from uncertainty as to the existence of a liability or asset, or represent an existing liability or 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 or asset is recognised. A liability or asset is recognised when its existence is confirmed by a future event, settlement becomes probable (virtually certain for assets) or reliable measurement becomes possible.

#### 1.17 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. Financial assets are initially measured at their fair value plus transaction costs where appropriate.

## Director of National Parks Notes to and forming part of the Financial Statements

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 authority's accounts immediately prior to the restructuring.

### 1.18 Property, Plant and Equipment (PP&E)

#### *Asset Recognition Threshold*

Purchases of property, plant and equipment are recognised initially at cost in the Balance Sheet, 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).

The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located.

#### *Revaluations*

##### *Basis*

Land, buildings, plant and equipment are carried at fair value, being revalued with sufficient frequency such that the carrying amount of each asset 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 asset are determined as shown below:

Asset class	Fair value measured at:
Land	Market selling price
Buildings	Market selling price
Leasehold improvements	Depreciated replacement cost
Plant & equipment	Market Selling Price

Following initial recognition at cost, valuations are conducted with sufficient frequency to ensure that the carrying amounts of assets do not materially differ with the assets' fair values as at the reporting date. The regularity of independent valuations depends upon the volatility of movements in market values for the relevant assets.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reverses a previous revaluation decrement of the same asset class that was previously recognised through profit and loss. Revaluation decrements for a class of assets are recognised directly through profit and loss except to the extent that they reverse a previous revaluation increment for that class.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset restated to the revalued amount.

## Director of National Parks Notes to and forming part of the Financial Statements

### *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), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

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

	2006	2005
Buildings	<b>5 to 85 years</b>	25 years
Infrastructure	<b>7 to 73 years</b>	2 to 10 years
Plant and equipment	<b>2 to 50 years</b>	3 to 10 years
Computer software	<b>4 to 5 years</b>	5 years

### *Impairment*

All assets were assessed for impairment at 30 June 2006. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the Director of National Parks were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

No indicators of impairment were found for assets at fair value.

### **1.19 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 4 to 5 years (2004-05: 5 years).

All software assets were assessed for indications of impairment as at 30 June 2006.

### **1.20 Taxation**

The Director of National Parks is exempt from all forms of taxation except fringe benefits tax 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.

## Director of National Parks Notes to and forming part of the Financial Statements

### NOTE 2 The impact of the transition to AEIFRS from previous AGAAP

	2005	2004
	\$'000	\$'000
<b>Reconciliation of total equity as presented under previous AGAAP to that under AEIFRS</b>		
Total equity under previous AGAAP	136,587	98,907
Adjustments to retained earnings:		
Leave and Other Entitlements <sup>1</sup>	41	-
Adjustments to other reserves:		
	-	-
Total equity translated to AEIFRS	<u>136,628</u>	<u>98,907</u>
<b>Reconciliation of profit or loss as presented under previous AGAAP to AEIFRS</b>		
Prior year profit as previously reported	(207)	
Adjustments:		
Leave and Other Entitlements <sup>1</sup>	41	
Prior year profit translated to AEIFRS	<u>(166)</u>	

The cash flow statement presented under previous AGAAP is equivalent to that prepared under AEIFRS

<sup>1</sup>AEIFRS requires the discounting of non-current leave liabilities. The non-current portion of recreation leave has been discounted with an effect of derecognising \$41,140.

Director of National Parks has not restated comparatives for financial instruments. The adjustments between AEIFRS and the previous AGAAP have been taken up at 1 July 2005. The only adjustment necessary was a decrease in Provisions for employees of \$41,140 reflecting the discounting of non-current recreation leave.

### NOTE 3 Events after the Balance Sheet Date

There were no material events that occurred after the balance sheet date that could impact on the financial statements.

## Director of National Parks

### Notes to and forming part of the Financial Statements

<b>NOTE 4 Income</b>	<b>2006</b>	2005
	<b>\$'000</b>	\$'000

#### Note 4A - Revenues from Government Agencies

Appropriations for outputs*	<b>41,962</b>	40,085
<b>Total revenues from government</b>	<b>41,962</b>	40,085

\* 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.

#### Note 4B - Goods and Services

Goods	<b>52</b>	68
Services	<b>12,498</b>	13,510
<b>Total sales of goods and services</b>	<b>12,550</b>	13,578

Provision of goods to:

External entities	<b>52</b>	68
<b>Total sales of goods</b>	<b>52</b>	68

Rendering of services to:

Related entities	<b>2,751</b>	2,189
External entities	<b>9,747</b>	11,321
<b>Total rendering of services</b>	<b>12,498</b>	13,510

#### Note 4C - Net Gain from Sales of Assets

Infrastructure, plant & equipment		
Proceeds from disposal	<b>245</b>	545
Net book value of assets disposed	<b>(139)</b>	(145)
<b>Net gain from disposal of infrastructure, plant &amp; equipment</b>	<b>106</b>	400

#### Note 4D - Other Gains

Resources received free of charge	<b>2,800</b>	2,800
<b>Total other revenues</b>	<b>2,800</b>	2,800

## Director of National Parks Notes to and forming part of the Financial Statements

<b>NOTE 5 Operating Expenses</b>	<b>2006</b>	2,005
	<b>\$'000</b>	\$'000
<b>Note 5A - Employee Expenses</b>		
Wages & Salaries	<b>14,709</b>	13,753
Superannuation	<b>2,259</b>	2,476
Leave & other entitlements	<b>1,723</b>	1,634
Separation and redundancies	<b>26</b>	229
Employee Allowances	<b>2,319</b>	2,147
Other employee expenses	<b>142</b>	270
<b>Total employee expenses</b>	<b>21,178</b>	20,509
<b>Note 5B - Supplier Expenses</b>		
Provision of goods - external entities	<b>3,400</b>	2,989
Provision of services - related entities	<b>5,365</b>	5,160
Provision of services - external parties	<b>13,490</b>	13,268
Operating lease rentals	<b>4,313</b>	4,338
<b>Total supplier expenses</b>	<b>26,568</b>	25,755
<b>Note 5C - Depreciation and Amortisation</b>		
<b>Depreciation</b>		
Buildings	<b>2,514</b>	2,478
Other infrastructure, plant and equipment	<b>5,067</b>	6,898
Total Depreciation	<b>7,581</b>	9,376
<b>Amortisation</b>		
Assets held under finance lease	-	169
Intangibles - Computer Software	<b>1</b>	3
Total Amortisation	<b>1</b>	172
<b>Total depreciation and amortisation</b>	<b>7,582</b>	9,548
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	<b>2,514</b>	2,478
Plant and equipment	<b>5,067</b>	7,067
Intangibles	<b>1</b>	3
<b>Total depreciation and amortisation</b>	<b>7,582</b>	9,548
<b>Note 5D - Write Down of Assets and Impairment of Assets</b>		
<b>Financial assets</b>		
Bad and doubtful debts expense	<b>108</b>	5
<b>Non-financial assets</b>		
Land - Revaluation Decrement	-	1,178
Buildings	<b>1,036</b>	482
Infrastructure, Plant & Equipment	<b>201</b>	862
<b>Total write-down of assets</b>	<b>1,345</b>	2,527

## Director of National Parks

### Notes to and forming part of the Financial Statements

	2006	2005
	\$'000	\$'000
<b>Note 5E - Net Losses from Disposal of Assets</b>		
Infrastructure, plant & equipment		
Proceeds from disposal	283	87
Net book value of assets disposed	(414)	(125)
<b>Net loss from disposal of infrastructure, plant &amp; equipment</b>	<b>(131)</b>	<b>(38)</b>
<b>Note 5F - Other Expenses</b>		
Grants-Local Government-NT	-	100
Other Expenses	176	214
	<b>176</b>	<b>314</b>
<b>NOTE 6 Financial Assets</b>		
<b>Note 6A - Cash and Cash Equivalents</b>		
Cash at Bank	19,732	9,814
Cash on Hand	27	91
<b>Total cash and cash equivalents</b>	<b>19,759</b>	<b>9,905</b>
<b>Note 6B - Receivables</b>		
Goods and services	280	127
<i>Less: Provision for doubtful debts</i>	(111)	(11)
	169	116
Net GST receivable from ATO	839	289
Other receivables	576	145
<b>Total receivables (net)</b>	<b>1,584</b>	<b>550</b>
All receivable are current assets		
Receivables (gross) are aged as follows:		
Not overdue	1,510	433
Overdue by:		
Less than 30 days	120	72
30 to 60 days	3	9
More than 90 days	62	47
	185	128
<b>Total receivables (gross)</b>	<b>1,695</b>	<b>561</b>
The provision for doubtful debts is aged as follows:		
Not overdue	95	-
Overdue by:		
More than 90 days	16	11
<b>Total provision for doubtful debts</b>	<b>111</b>	<b>11</b>
<b>Note 6C - Other</b>		
Accrued Revenue	91	45
	<b>91</b>	<b>45</b>

## Director of National Parks Notes to and forming part of the Financial Statements

<b>NOTE 7 Non-Financial Assets</b>	<b>2006</b>	2005
	<b>\$'000</b>	\$'000
<b>Note 7A - Land and Buildings</b>		
<b>Land</b>		
Land - at 30 June 2005 valuation (fair value)	<b>6,581</b>	6,581
<b>Total land</b>	<b>6,581</b>	6,581
<b>Buildings</b>		
Buildings - at 30 June 2005 valuation (fair value)	<b>61,919</b>	59,611
Accumulated depreciation	<b>(2,495)</b>	-
	<b>59,424</b>	59,611
Buildings under construction	<b>798</b>	2,036
<b>Total buildings</b>	<b>60,222</b>	61,647
<b>Total Land and Buildings (non-current)</b>	<b>66,803</b>	68,228
<b>Note 7B - Infrastructure, Plant &amp; Equipment</b>		
<b>Infrastructure, plant and equipment</b>		
Infrastructure, plant & equipment - at 30 June 2005 valuation (fair value)	<b>71,754</b>	66,521
Accumulated depreciation	<b>(4,805)</b>	-
	<b>66,949</b>	66,521
Plant and equipment under construction	<b>5,149</b>	2,444
<b>Total Infrastructure, plant and equipment (non-current)</b>	<b>72,098</b>	68,965

The revaluations were in accordance with the revaluation policy stated at Note 1 and were completed by an independent valuer, Herron Todd White (HTW) in June 2005.

## Director of National Parks Notes to and forming part of the Financial Statements

### Note 7C - Analysis of Property, Plant and Equipment

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

Item	Land \$'000	Buildings \$'000	Land & Buildings Total \$'000	IP&E \$'000	Total \$'000
<b>As at 1 July 2005</b>					
Gross book value	6,581	61,647	68,228	68,965	137,193
Accumulated depreciation / amortisation	-	-	-	-	-
<b>Opening Net book value</b>	<b>6,581</b>	<b>61,647</b>	<b>68,228</b>	<b>68,965</b>	<b>137,193</b>
<b>Additions</b>					
By purchase	-	1,864	1,864	9,165	11,029
By recognition	-	-	-	50	50
Depreciation / amortisation expense	-	(2,514)	(2,514)	(5,067)	(7,581)
<b>Disposals</b>					
By sale	-	-	-	(553)	(553)
Write Offs		(1,036)	(1,036)	(201)	(1,237)
Transfers	-	261	261	(261)	-
<b>As at 30 June 2006</b>					
Gross Book Value	6,581	62,717	69,298	76,903	146,201
Accumulated depreciation / amortisation	-	(2,495)	(2,495)	(4,805)	(7,300)
<b>Closing Net book value</b>	<b>6,581</b>	<b>60,222</b>	<b>66,803</b>	<b>72,098</b>	<b>138,901</b>

### Table B - Assets held under finance lease

The Director of National Parks does not hold any assets under a finance lease.

### Table C - Property, Plant and Equipment under construction

Item	Buildings \$'000	IP&E \$'000	Total \$'000
<b>Carrying amount as at 30 June 2006</b>	<b>798</b>	<b>5,149</b>	<b>5,947</b>
Carrying amount as at 30 June 2005	2,036	2,444	4,480

## Director of National Parks Notes to and forming part of the Financial Statements

	<b>2006</b>	2005
	<b>\$'000</b>	\$'000
<b>Note 7D - Intangibles</b>		
Computer software		
Internally developed - (non-current)	<b>8</b>	13
Accumulated amortisation	<b>(5)</b>	(9)
<b>Total intangibles</b>	<b>3</b>	4

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

Item	Computer Software Purchased \$'000
As at 1 July 2005	
Gross book value	13
Accumulated depreciation/ amortisation	(9)
<b>Opening Net book value</b>	<b>4</b>
Additions	
By purchase	-
By recognition	-
Amortisation expense	(1)
Disposals	
By sale	-
Write Offs	-
Transfers	-
<b>As at 30 June 2006</b>	
Gross book value	8
Accumulated amortisation	(5)
<b>Closing Net book value</b>	<b>3</b>

## Director of National Parks Notes to and forming part of the Financial Statements

	2006	2005
	\$'000	\$'000

### Note 7E - Other Non-Financial Assets

Prepayments	369	338
<b>Total other non-financial assets</b>	<b>369</b>	<b>338</b>

Other non-financial assets are current assets.

### NOTE 8 Payables

#### Note 8A - Suppliers

Trade creditors	5,692	4,643
Operating lease payments	832	760
<b>Total supplier payables</b>	<b>6,524</b>	<b>5,403</b>

*Trade creditors*

Settlement is usually made net 30 days

#### Note 8B - Other Payables

Unearned Revenue	4,115	640
<b>Total other payables</b>	<b>4,115</b>	<b>640</b>

All other payables are current

### NOTE 9 Provisions

#### Note 9A - Employee Provisions

Salaries and wages	96	60
Leave	4,986	5,182
Superannuation	23	36
Separation & redundancies	-	5
Other	25	22
<b>Total employee provisions</b>	<b>5,130</b>	<b>5,305</b>

Employee provisions are categorised as follows:

Current	4,675	4,111
Non-current	455	1,194
<b>Total employee provisions</b>	<b>5,130</b>	<b>5,305</b>

## Director of National Parks Notes to and forming part of the Financial Statements

	<b>2006</b>	2005
	<b>\$'000</b>	\$'000
<b>NOTE 10 Cash Flow Reconciliation</b>		
<b>Reconciliation of cash per Income Statement to Statement of Cash Flows</b>		
Cash at year end per Statement of Cash flows	<b>19,759</b>	9,905
Balance Sheet items comprising above cash: 'Financial assets - Cash'	<b>19,759</b>	9,905
<b>Reconciliation of operating result to net cash from operating activities:</b>		
Operating result	<b>2,174</b>	(166)
<b>Non-cash items</b>		
Depreciation/amortisation	<b>7,582</b>	9,548
Take up of Assets for first time	<b>(50)</b>	(246)
Write down of non-financial assets	<b>1,237</b>	2,522
Net Gain on disposal of non-current assets	<b>(106)</b>	(400)
Net Loss on disposal of non-current assets	<b>131</b>	38
<b>Changes in Assets and Liabilities</b>		
(Increase)/decrease in receivables	<b>(502)</b>	294
(Increase)/decrease in GST receivables	<b>(550)</b>	54
(Increase)/decrease in prepayments	<b>(31)</b>	(32)
(Increase)/decrease in accrued revenue	<b>(46)</b>	31
Increase/(decrease) in unearned revenue	<b>3,476</b>	74
Increase/(decrease) in employee liabilities	<b>(175)</b>	(526)
Increase/(decrease) in supplier liabilities	<b>1,121</b>	390
Increase/(decrease) in other provisions	<b>11</b>	(17)
<b>Net cash from operating activities</b>	<b><u>14,272</u></b>	<u>11,564</u>

## Director of National Parks Notes to and forming part of the Financial Statements

### NOTE 11 Contingent Liabilities and Assets

#### *Quantifiable Contingencies*

The Schedule of Contingencies in the financial statements reports a contingent liability as at 30 June 2006 in respect of claims for back-payment of overtime to staff whilst on Restriction Allowances. The amount represents an estimate of the Director of National Parks' liability based on advice from the People Management Branch of the Department of the Environment and Heritage. The Department of the Environment and Heritage is verifying the claims before any payment is made.

#### *Unquantifiable Contingencies*

At 30 June 2006, 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.

### NOTE 12 Director Remuneration

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

	2006	2005
\$240,000 to \$254,999	1	-
\$255,000 to \$269,999	-	1
Total number of directors of Director of National Parks	<u>1</u>	<u>1</u>
	<u>\$</u>	<u>\$</u>
Total remuneration received or due and receivable by the Director of National Parks:	<u><u>244,408</u></u>	<u><u>258,309</u></u>

### NOTE 13 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 12.

#### *Loans to Director and Director related entities*

There were no loans made to either the Director or entities related to the Director during 2005-06 (2004-05: Nil).

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

There were no other transactions with either the Director or entities related to the Director during 2005-06 (2004-05: Nil).

## Director of National Parks Notes to and forming part of the Financial Statements

### NOTE 14 Executive Remuneration

The number of officers who received or were due to receive total remuneration of \$130,000 or more:

	<b>2006</b>	2005
\$130,000 - \$144,999	-	1
\$160,000 - \$174,999	-	1
\$190,000 - \$204,999	<b>2</b>	1
\$220,000 - \$234,999	<b>1</b>	-
	<u><b>3</b></u>	<u>3</u>

	<b>2006</b>	2005
	<b>\$</b>	\$
The aggregate amount of total remuneration of officers shown above	<u><b>635,259</b></u>	<u>509,244</u>

Separation and Redundancy benefits paid on termination of 1 officer above was \$142,822.

The officer remuneration includes all officers concerned with or taking part in the management of the National Parks during 2005-06 except the Director of National Parks. Details in relation to the Director of National Parks have been incorporated into Note 12 Director Remuneration.

### NOTE 15 Remuneration of Auditors

	<b>2006</b>	2005
	<b>\$</b>	\$
The cost of financial statement audit services provided to the Director of National Parks was:	<u><b>74,000</b></u>	<u>65,000</u>

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

### NOTE 16 Average Staffing Levels

	<b>2006</b>	2005
The average staffing levels for the Director of National Parks during the year were:	<u><b>275</b></u>	<u>263</u>

Director of National Parks  
Notes to and forming part of the Financial Statements

## NOTE 17 Financial Instruments

## Note 17A - Interest Rate Risk

Financial instrument	Notes	Floating Interest Rate	Fixed Interest Rate Maturing in						Non-Interest Bearing	Total	Weighted Average Effective Interest Rate	
			1 Year or less		1 to 5 Years		> 5 Years				2006	2005
			2006	2005	2006	2005	2006	2005			%	%
<b>Financial Assets</b>												
Cash at bank	6A	19,732	-	-	-	-	-	-	19,732	9,814	4.80	4.73
Cash on hand	6A	-	-	-	-	-	-	27	27	91	n/a	n/a
Receivables for goods and services	6B	-	-	-	-	-	-	280	280	127	n/a	n/a
Other receivables	6B	-	-	-	-	-	-	576	576	145	n/a	n/a
<b>Total</b>		<b>19,732</b>						<b>883</b>	<b>20,615</b>	<b>10,177</b>		
<b>Total Assets</b>									<b>160,707</b>	<b>148,034</b>		
<b>Financial instrument</b>	<b>Notes</b>	<b>Floating Interest Rate</b>	<b>Fixed Interest Rate Maturing in</b>						<b>Non-Interest Bearing</b>	<b>Total</b>	<b>Weighted Average Effective Interest Rate</b>	
			<b>1 Year or less</b>		<b>1 to 5 Years</b>		<b>&gt; 5 Years</b>			<b>2006</b>	<b>2005</b>	<b>%</b>
			<b>2006</b>	<b>2005</b>	<b>2006</b>	<b>2005</b>	<b>2006</b>	<b>2005</b>	<b>2006</b>	<b>2005</b>	<b>%</b>	<b>%</b>
			<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>%</b>
<b>Financial Liabilities</b>												
Trade Creditors and accruals	8A	-	-	-	-	-	-	-	6,524	5,403	n/a	n/a
Other payables	8B	-	-	-	-	-	-	4,115	4,115	640	n/a	n/a
<b>Total</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,639</b>	<b>10,639</b>	<b>6,043</b>		
<b>Total Liabilities</b>									<b>15,839</b>	<b>11,407</b>		

## Director of National Parks Notes to and forming part of the Financial Statements

### **Note 17B - Fair Values of Financial Assets and Liabilities**

#### *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 values for trade creditors are approximated by their carrying amounts.

### **Note 17C - Credit Risk Exposure**

The Director of National Parks 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 Balance Sheet.

The Director of National Parks 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.

## **NOTE 18 Appropriations**

The Director of National Parks received no direct appropriation from the Government for Departmental outputs. Funds are appropriated directly to the Department of the Environment and Heritage and transferred to the Director of National Parks. The Director of National Parks was however appropriated an equity injection of \$6.066 million (Appropriation Act No. 6 of 2005–06) for tourism infrastructure at Kakadu and Uluru-Kata Tjuta National Parks.

When received by the Director of National Parks, the payments made are legally the money of the Director of National Parks and do not represent any balance remaining in the Consolidated Revenue Fund.

## **NOTE 19 Reporting of Outcomes**

### **Note 19A - Outcomes of the Director of National Parks**

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

#### **Outcome 1**

The Director of National Parks only has one outcome – *The environment, especially those aspects that are matters of national environmental significance, is protected and conserved.*

#### **Output 1**

The Director of National Parks only has one output – *Conservation and appreciation of Commonwealth reserves.*

## Director of National Parks

### Notes to and forming part of the Financial Statements

#### Note 19B - Net Cost of Outcome Delivery

	Outcome 1		Total	
	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
Departmental Expenses	<b>56,980</b>	58,691	<b>56,980</b>	58,691
<b>Total expenses</b>	<b>56,980</b>	58,691	<b>56,980</b>	58,691
<i>Costs recovered from provision of goods and services to the non-government sector</i>				
Departmental	<b>9,799</b>	11,389	<b>9,799</b>	11,389
<b>Total costs recovered</b>	<b>9,799</b>	11,389	<b>9,799</b>	11,389
<i>Other external revenues</i>				
Departmental				
Sales of goods and services - to related entities	<b>2,751</b>	2,189	<b>2,751</b>	2,189
Interest	<b>622</b>	284	<b>622</b>	284
Net gains from disposal of assets	<b>106</b>	400	<b>106</b>	400
Other gains	<b>2,800</b>	2,800	<b>2,800</b>	2,800
<i>Total Departmental</i>	<b>6,279</b>	5,673	<b>6,279</b>	5,673
<b>Total Other external revenues</b>	<b>6,279</b>	5,673	<b>6,279</b>	5,673
<b>Net cost / (contribution) of outcome</b>	<b>40,902</b>	41,629	<b>40,902</b>	41,629

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

## Director of National Parks Notes to and forming part of the Financial Statements

### Note 19C - Departmental Revenue and Expenses by Output Groups and Outputs

	Outcome 1		Total	
	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
<b>Departmental expenses</b>				
Employees	<b>21,178</b>	20,509	<b>21,178</b>	20,509
Suppliers	<b>26,568</b>	25,755	<b>26,568</b>	25,755
Depreciation	<b>7,582</b>	9,548	<b>7,582</b>	9,548
Write-down of assets	<b>1,345</b>	2,527	<b>1,345</b>	2,527
Net losses from disposal of assets	<b>131</b>	38	<b>131</b>	38
Other Expenses	<b>176</b>	314	<b>176</b>	314
<b>Total departmental expenses</b>	<b>56,980</b>	58,691	<b>56,980</b>	58,691
<b>Funded by:</b>				
Revenues from Government agencies	<b>41,962</b>	40,085	<b>41,962</b>	40,085
Sale of goods and services	<b>12,550</b>	13,578	<b>12,550</b>	13,578
Interest	<b>622</b>	284	<b>622</b>	284
Net gains from disposal of assets	<b>106</b>	400	<b>106</b>	400
Other non-taxation revenues	<b>1,114</b>	1,378	<b>1,114</b>	1,378
Other gains	<b>2,800</b>	2,800	<b>2,800</b>	2,800
<b>Total departmental revenues</b>	<b>59,154</b>	58,525	<b>59,154</b>	58,525

The Director of National Parks' outcomes and outputs are described at Note 19A.

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