

## 6 Financial Statements

Director of National Parks financial statements and audit report  
for the year ended 30 June 2010

← *Eucalyptus caesia* is a mallee eucalypt which grows in the wheatbelt area of Western Australia.

Photo ANBG Collection

# Independent audit report



## INDEPENDENT AUDITOR'S REPORT

### Minister for Environment Protection, Heritage and the Arts

#### Scope

I have audited the accompanying financial statements of Director National Parks for the year ended 30 June 2010, which comprise: a Statement by the Director and Chief Financial Officer; Statement of Comprehensive Income; Balance Sheet; Statement of Changes in Equity; Cash Flow Statement; Schedule of Commitments; Schedule of Asset Additions and Notes to and forming part of the Financial Statements, including a Summary of Significant Accounting Policies.

#### *The Director's Responsibility for the Financial Statements*

The Director is responsible for the preparation and fair presentation of the financial statements in accordance with the Finance Minister's Orders made under the *Commonwealth Authorities and Companies Act 1997*, including the Australian Accounting Standards (which include the Australian Accounting Interpretations). This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### *Auditor's Responsibility*

My responsibility is to express an opinion on the financial statements based on my audit. I have conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. These auditing standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Director National Parks' preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Director National Parks' internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Director, as well as evaluating the overall presentation of the financial statements.

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

***Independence***

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

**Auditor's Opinion**

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

- (a) have been prepared in accordance with the Finance Minister's Orders made under the *Commonwealth Authorities and Companies Act 1997*, including the Australian Accounting Standards; and
- (b) give a true and fair view of the matters required by the Finance Minister's Orders including the Director National Parks' financial position as at 30 June 2010 and its financial performance and cash flows for the year then ended.

Australian National Audit Office



Rebecca Reilly  
Executive Director

Delegate of the Auditor-General

Canberra  
9 September 2010

# Statement by the Director and Chief Financial Officer

## 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 2010 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, as amended.

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 become due and payable.

Signed  
  
Peter Cochrane  
Director  
9<sup>th</sup> September 2010

Signed  
  
Michelle Callaway  
Chief Financial Officer  
9 September 2010

**DIRECTOR OF NATIONAL PARKS**  
**STATEMENT OF COMPREHENSIVE INCOME**  
*for the year ended 30 June 2010*

	Notes	2010 \$'000	2009 \$'000
<b>EXPENSES</b>			
Employee benefits	3A	26,000	24,758
Supplier expenses	3B	31,373	29,050
Depreciation and amortisation	3C	8,548	8,459
Write-down and impairment of assets	3D	672	321
Other		136	151
<b>Total Expenses</b>		<b>66,729</b>	<b>62,739</b>
<b>LESS :</b>			
<b>OWN-SOURCE INCOME</b>			
<b>Own-source revenue</b>			
Sale of goods and rendering of services	4A	15,205	11,727
Interest		872	1,114
Sublease rental income		201	196
Other		532	1,352
<b>Total own-source revenue</b>		<b>16,810</b>	<b>14,389</b>
<b>Gains</b>			
Sale of assets	4B	192	60
Other	4C	3,933	3,911
<b>Total gains</b>		<b>4,125</b>	<b>3,971</b>
<b>Total own-source income</b>		<b>20,935</b>	<b>18,360</b>
<b>Net cost of services</b>		<b>45,794</b>	<b>44,379</b>
Revenue from Government	4D	50,051	44,196
<b>Surplus (Deficit) attributable to the Australian Government</b>		<b>4,257</b>	<b>(183)</b>
<b>Total comprehensive income (loss) attributable to the Australian Government</b>		<b>4,257</b>	<b>(183)</b>

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

**DIRECTOR OF NATIONAL PARKS**

**BALANCE SHEET**

as at 30 June 2010

	Notes	2010 \$'000	2009 \$'000	2008 \$'000
<b>ASSETS</b>				
<b>Financial Assets</b>				
Cash and cash equivalents	5A	<b>38,353</b>	27,633	26,497
Trade and other receivables	5B	<b>2,755</b>	1,257	1,512
Other	5C	<b>98</b>	56	114
<b>Total financial assets</b>		<b>41,206</b>	<b>28,946</b>	<b>28,123</b>
<b>Non-Financial Assets</b>				
Land and buildings	6A,C	<b>65,349</b>	65,506	66,144
Infrastructure, plant and equipment	6B,C	<b>86,034</b>	83,879	83,182
Intangibles	6D,E	<b>152</b>	93	—
Other	6F	<b>460</b>	358	381
<b>Total non-financial assets</b>		<b>151,995</b>	<b>149,836</b>	<b>149,707</b>
<b>Total Assets</b>		<b>193,201</b>	<b>178,782</b>	<b>177,830</b>
<b>LIABILITIES</b>				
<b>Payables</b>				
Suppliers	7A	<b>4,842</b>	2,914	2,340
Other	7B	<b>6,508</b>	2,222	2,658
<b>Total payables</b>		<b>11,350</b>	<b>5,136</b>	<b>4,998</b>
<b>Provisions</b>				
Employee provisions	8	<b>6,948</b>	6,224	5,326
Other		<b>36</b>	37	88
<b>Total provisions</b>		<b>6,984</b>	<b>6,261</b>	<b>5,414</b>
<b>Total Liabilities</b>		<b>18,334</b>	<b>11,397</b>	<b>10,412</b>
<b>Net Assets</b>		<b>174,867</b>	<b>167,385</b>	<b>167,418</b>
<b>EQUITY</b>				
Contributed equity		<b>34,196</b>	30,971	30,821
Reserves		<b>67,473</b>	67,473	67,473
Retained surplus		<b>73,198</b>	68,941	69,124
<b>Total Equity</b>		<b>174,867</b>	<b>167,385</b>	<b>167,418</b>

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 2010*

	Retained Earnings		Asset Revaluation Reserves		Contributed Equity		Total Equity	
	2010 \$000	2009 \$000	2010 \$000	2009 \$000	2010 \$000	2009 \$000	2010 \$000	2009 \$000
<b>Opening balance</b>								
Balance carried forward from previous period	68,941	69,124	67,473	67,473	30,971	30,821	167,385	167,418
Adjustment for errors	-	-	-	-	-	-	-	-
<b>Adjusted opening balance</b>	<b>68,941</b>	69,124	<b>67,473</b>	67,473	<b>30,971</b>	30,821	<b>167,385</b>	167,418
<b>Comprehensive income</b>								
Surplus (Deficit) for the period	4,257	(183)	-	-	-	-	4,257	(183)
<b>Total comprehensive income (loss)</b>	<b>4,257</b>	(183)	-	-	-	-	<b>4,257</b>	(183)
of which:								
Attributable to the Australian Government	4,257	(183)	-	-	-	-	4,257	(183)
<b>Transactions with Owners</b>								
<i>Contributions by Owners</i>								
Equity injection (refer Note 16)	-	-	-	-	3,225	150	3,225	150
<b>Sub-total transactions with owners</b>	-	-	-	-	<b>3,225</b>	150	<b>3,225</b>	150
<b>Closing balance at 30 June</b>	<b>73,198</b>	68,941	<b>67,473</b>	67,473	<b>34,196</b>	30,971	<b>174,867</b>	167,385
<b>Closing balance attributable to the Australian Government</b>	<b>73,198</b>	68,941	<b>67,473</b>	67,473	<b>34,196</b>	30,971	<b>174,867</b>	167,385

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

**DIRECTOR OF NATIONAL PARKS**  
**CASH FLOW STATEMENT**  
*for the year ended 30 June 2010*

	2010	2009
Notes	\$'000	\$'000
<b>OPERATING ACTIVITIES</b>		
<b>Cash received</b>		
Goods and services	19,290	12,624
Receipts from Government	50,051	44,196
Interest	830	1,172
Net GST received	2,198	1,860
Other	532	1,279
<b>Total cash received</b>	<u>72,901</u>	<u>61,131</u>
<b>Cash used</b>		
Employees	25,172	23,821
Suppliers	29,018	27,339
Other	138	202
<b>Total cash used</b>	<u>54,328</u>	<u>51,362</u>
<b>Net Cash from operating activities</b>	9 <u>18,573</u>	<u>9,769</u>
<b>INVESTING ACTIVITIES</b>		
<b>Cash received</b>		
Proceeds from sales of property, plant and equipment	473	563
<b>Total cash received</b>	<u>473</u>	<u>563</u>
<b>Cash used</b>		
Purchase of property, plant and equipment	11,491	9,253
Purchase of intangibles	60	93
<b>Total cash used</b>	<u>11,551</u>	<u>9,346</u>
<b>Net Cash used by investing activities</b>	<u>(11,078)</u>	<u>(8,783)</u>
<b>FINANCING ACTIVITIES</b>		
<b>Cash received</b>		
Contributed equity	3,225	150
<b>Total cash received</b>	<u>3,225</u>	<u>150</u>
<b>Net Cash from financing activities</b>	<u>3,225</u>	<u>150</u>
<b>Net increase / (decrease) in cash held</b>	<b>10,720</b>	1,136
Cash and cash equivalents at beginning of the reporting period	<u>27,633</u>	26,497
<b>Cash and cash equivalents at the end of the reporting period</b>	5A <u><u>38,353</u></u>	<u><u>27,633</u></u>

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



**DIRECTOR OF NATIONAL PARKS**  
**SCHEDULE OF COMMITMENTS**  
*as at 30 June 2010*

	2010 \$'000	2009 \$'000
<b>BY TYPE</b>		
<b>Commitments Receivable</b>		
Sublease rental income	1,129	1,260
GST recoverable on commitments	<u>6,416</u>	<u>6,361</u>
<b>Total Commitments Receivable</b>	<b><u>7,545</u></b>	<b><u>7,621</u></b>
<b>Commitment Payable</b>		
<b>Capital Commitments</b>		
Buildings; Infrastructure, plant and equipment <sup>1</sup>	<u>4,728</u>	<u>2,673</u>
<b>Total Capital Commitments</b>	<b><u>4,728</u></b>	<b><u>2,673</u></b>
<b>Other Commitments</b>		
Operating leases <sup>2</sup>	65,894	66,776
Other commitments <sup>3</sup>	<u>1,910</u>	<u>3,114</u>
<b>Total Other Commitments</b>	<b><u>67,804</u></b>	<b><u>69,890</u></b>
<b>Net Commitments by Type</b>	<b><u>64,987</u></b>	<b><u>64,942</u></b>
<b>BY MATURITY</b>		
<b>Commitments Receivable</b>		
<b>Other Commitments Receivable</b>		
One year or less	728	589
From one to five years	775	849
Over five years	<u>6,042</u>	<u>6,183</u>
<b>Total Other Commitments Receivable</b>	<b><u>7,545</u></b>	<b><u>7,621</u></b>
<b>Commitments Payable</b>		
<b>Capital Commitments</b>		
One year or less	<u>4,728</u>	<u>2,673</u>
<b>Total Capital Commitments</b>	<b><u>4,728</u></b>	<b><u>2,673</u></b>
<b>Operating Lease Commitments</b>		
One year or less	882	882
From one to five years	3,529	3,529
Over five years	<u>61,483</u>	<u>62,365</u>
<b>Total Operating Lease Commitments</b>	<b><u>65,894</u></b>	<b><u>66,776</u></b>
<b>Other Commitments</b>		
One year or less	1,502	2,649
From one to five years	408	465
Over five years	<u>-</u>	<u>-</u>
<b>Total Other Commitments</b>	<b><u>1,910</u></b>	<b><u>3,114</u></b>
<b>Net Commitments by Maturity</b>	<b><u>64,987</u></b>	<b><u>64,942</u></b>

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

**DIRECTOR OF NATIONAL PARKS**  
**SCHEDULE OF COMMITMENTS**

*as at 30 June 2010*

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NB: Commitments are GST inclusive where relevant.

- 1 Outstanding contractual payments for buildings and infrastructure under construction
- 2 Operating leases included are effectively non-cancellable
- 3 Other commitments comprise general consultancy services and utilities

Nature of Lease / General Description

Sublease rental income - The Director of National Parks has two subleases as follows:

- cafe within the Australian National Botanic Gardens which is subject to an annual increase of 4%; and
- land at Kakadu National Park which has no escalation clauses.

Leases for rent 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.

Leases for office accommodation - Lease payments are subject to annual increases in accordance with upwards 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 to senior executive officers - No contingent rentals exist. There are no renewal or purchase options available.

Leases for office equipment - No contingent rentals exist. There is an option to renew for 90 days.

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

**DIRECTOR OF NATIONAL PARKS**  
**SCHEDULE OF ASSET ADDITIONS**  
*for the year ended 30 June 2010*

**The following non-financial non-current assets were added in 2009-10:**

	Land \$'000	Buildings \$'000	Other property, plant & equipment \$'000	Intangibles \$'000	Total \$'000
By purchase - Government funding	245	2,441	8,805	60	11,551
<b>Total additions</b>	<b>245</b>	<b>2,441</b>	<b>8,805</b>	<b>60</b>	<b>11,551</b>

**The following non-financial non-current assets were added in 2008-09:**

	Land \$'000	Buildings \$'000	Other property, plant & equipment \$'000	Intangibles \$'000	Total \$'000
By purchase - Government funding	-	1,945	7,310	93	9,348
By recognition	-	-	73	-	73
<b>Total additions</b>	<b>-</b>	<b>1,945</b>	<b>7,383</b>	<b>93</b>	<b>9,421</b>

**DIRECTOR OF NATIONAL PARKS**  
**INDEX OF THE NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
*for the year ended 30 June 2010*

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**Note Description**

- 1 Summary of Significant Accounting Policies
- 2 Events after the Balance Sheet Date
- 3 Expenses
- 4 Income
- 5 Financial Assets
- 6 Non-Financial Assets
- 7 Payables
- 8 Employee Provisions
- 9 Cash Flow Reconciliation
- 10 Contingent Liabilities and Assets
- 11 Director's Remuneration
- 12 Related Party Disclosures
- 13 Executive Remuneration
- 14 Remuneration of Auditors
- 15 Financial Instruments
- 16 Appropriations
- 17 Compensation and Debt Relief
- 18 Reporting of Outcomes

**Note 1: Summary of Significant Accounting Policies**

**1.1 Basis of Accounting**

The Financial Statements and notes are required by clause 1(b) of Schedule 1 to the *Commonwealth Authorities and Companies Act 1997* and are General Purpose Financial Statements.

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 Park's administration and programs.

The Financial Statements have been prepared in accordance with:

- Finance Minister's Orders (or FMOs) for reporting periods ending on or after 1 July 2009; and
- Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

The Financial Statements have been prepared on an accrual basis and are in accordance with historical cost convention, except for certain assets 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 Statements are presented in Australian dollars and values are rounded to the nearest thousand dollars unless otherwise specified.

Unless an alternative treatment is specifically required by an Accounting Standard or the FMOs, assets and liabilities are recognised in the Balance Sheet when and only when it is probable that future economic benefits will flow to the Director of National Parks 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.

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

**1.2 Significant Accounting Judgments and Estimates**

In the process of applying the accounting policies listed in this note, the Director of National Parks has not made any judgments 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.

**1.3 New Accounting Standards**

***Adoption of new Australian Accounting Standard requirements***

No accounting standard has been adopted earlier than the effective date in the current period. No new standards, revised standards or interpretations that were issued prior to the signing of the statement by the Director and Chief Financial Officer and are applicable to the current reporting period had a financial impact on the entity.

***Future Australian Accounting Standard requirements***

No new standards, amendments to standards or interpretations that were issued by the Australian Accounting Standards Board prior to the signing of the statement by the Director and Chief Financial Officer are expected to have an impact on the entity for future reporting periods.

#### **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 Director of National Parks.

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 Director of National Parks.

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 impairment allowance account. Collectability of debts is reviewed at balance date. Allowances 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 Financial Instruments: Recognition and Measurement.

#### ***Revenues from Government***

The Director of National Parks received no direct appropriation from the Government for Departmental outputs. Funds are received directly by the Department of the Environment, Water, Heritage and the Arts and transferred to the Director of National Parks.

#### **1.5 Gains**

##### ***Sale of Assets***

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

##### ***Resources Received Free of Charge***

Resources 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.

The Department of the Environment, Water, Heritage and the Arts provides corporate services under a Service Delivery Agreement to the Director of National Parks.

#### **1.6 Transactions with the Government as Owner**

##### ***Equity injections***

Amounts appropriated which are designated as 'equity injections' for a year (less any formal reductions) are received directly by the Department of the Environment, Water Heritage and the Arts and are transferred to the Director of National Parks. These amounts are recognised directly in Contributed Equity in that year.

### **1.7 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, Water, Heritage and the Arts, the Director of National Parks has a number of employees of the Department of the Environment, Water, Heritage and the Arts 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.

Liabilities for 'short-term employee benefits' (as defined in AASB 119) and termination benefits due within 12 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 long service leave has been determined using the short-hand method in accordance with the FMOs 2009-10. The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and inflation.

#### **Separation and Redundancy**

Provision is made for separation and redundancy benefit payments. The Director of National Parks recognises a provision for termination when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations. The Director of National Parks has no provision for separations and redundancies as at 30 June 2010.

#### **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 benefit 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. This liability is reported by the Department of Finance and Deregulation as an administered item.

The 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 of National Parks' employees. The Director of National Parks accounts for the contributions as if they were contributions to defined contribution plans.

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

### **1.8 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 rewards 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.

### **1.9 Cash**

Cash and cash equivalents includes notes and coins held and any deposits in bank accounts with an original maturity of three months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value. Cash is recognised at its nominal amount.

### **1.10 Financial Assets**

The Director of National Parks classified its financial assets as 'loans and receivables'.

The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. Financial assets are recognised and derecognised upon 'trade date'.

#### ***Loans and Receivables***

Trade and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non current assets. Receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate.

#### ***Impairment of financial assets***

Financial assets are assessed for impairment at each balance date.

Financial assets held at amortised cost - If there is objective evidence that an impairment loss has been incurred for loans and receivables or held to maturity investments held at amortised cost, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount is reduced by way of an allowance account. The loss is recognised in the Statement of Comprehensive Income.

### **1.11 Financial Liabilities**

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities.

Financial liabilities are recognised and derecognised upon 'trade date'.

#### ***Financial liabilities at fair value through profit or loss***

Financial liabilities at fair value through profit or loss are initially measured at fair value. Subsequent fair value adjustments are recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability.



***Other financial liabilities***

Other financial liabilities are initially measured at fair value net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

***Supplier and other payables***

Supplier and other payables are recognised at amortised cost. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).

**1.12 Contingent Liabilities and Contingent Assets**

Contingent liabilities and contingent assets are not recognised in the Balance Sheet but are reported 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. Contingent assets are reported when settlement is probable but not virtually certain and contingent liabilities are recognised when settlement is greater than remote.

**1.13 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.

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.

**1.14 Infrastructure, Plant and Equipment (IP&E)**

***Asset Recognition Threshold***

Purchases of infrastructure 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**

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

<b>Asset class</b>	<b>Fair value measured at:</b>
Land	Market selling price
Buildings excluding leasehold improvements	Market selling price
Leasehold improvements	Depreciated replacement cost
Infrastructure, plant & equipment	Market selling price

Following initial recognition at cost, infrastructure, plant and equipment are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. 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. The last revaluation was conducted in 2008.

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 operating result. Revaluation decrements for a class of assets are recognised directly through operating result 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.

**Depreciation**

Depreciable infrastructure, 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:

	<b>2010</b>	<b>2009</b>
Buildings	<b>5 to 85 years</b>	5 to 85 years
Infrastructure	<b>7 to 73 years</b>	7 to 73 years
Plant and equipment	<b>2 to 50 years</b>	2 to 50 years
Computer software	<b>4 to 5 years</b>	4 to 5 years

**Impairment**

All assets were assessed for impairment at 30 June 2010. 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.

**1.15 Intangibles**

The Director of National Parks' intangibles comprise internally developed software for internal use and water entitlements. Internally developed software is carried at cost less accumulated amortisation and accumulated impairment losses.

Software is amortised on a straight-line basis over its anticipated useful life. The useful lives of the Director of National Parks' software are 4 to 5 years (2008-09: 4-5 years).

All software assets were assessed for indications of impairment as at 30 June 2010.

Water entitlements are carried at cost where there is no active market. When an active market exists they are carried at fair value. These assets are assessed as having an indefinite useful life.

**1.16 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, assets and liabilities 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**

**1.17 Adjustment to Opening Balance and Restatement of 2008-09 Comparatives.**

A detailed review of the Director of National Park's assets was undertaken in 2009-10. The review identified costs associated with a number of projects which were incorrectly classified as non depreciating assets under construction. In particular the following two errors were noted:

- costs associated with projects completed during the 2008-09 financial year were not transferred to depreciating assets; and
- costs associated with projects which were not proceeding or were not capital in nature were not appropriately expensed during the 2008-09 financial year.

In accordance with AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors, the Director of National Parks has now restated the affected comparative figures in the 2009-10 financial statements. The net effect of these adjustments in the 2008-09 income statements is \$1,562,373.01 increase to expenses.

	Notes	2008-09 Actual	2008-09 Impact of Corrections	2008-09 Restated
		\$'000	\$'000	\$'000
<b>Statement of Comprehensive Income</b>				
Supplier expenses	3A	28,674	377	29,050
Depreciation and amortisation	3B	7,421	1,037	8,459
Write down and impairment of assets	3D	173	148	321
<b>Total Expenses</b>		<b>61,177</b>	<b>1,562</b>	<b>62,739</b>
<b>Surplus/(Deficit)</b>		<b>1,379</b>	<b>1,562</b>	<b>(183)</b>
<b>Balance Sheet</b>				
Non Financial Assets				
Land and buildings	6A,C	65,580	(74)	65,506
Infrastructure, plant and equipment	6B,C	85,460	(1,581)	83,879
Intangibles	6D,E	-	93	93
<b>Total Non Financial Assets</b>		<b>151,398</b>	<b>(1,562)</b>	<b>149,836</b>
<b>Net Assets</b>		<b>168,947</b>	<b>(1,562)</b>	<b>167,385</b>
<b>Equity</b>				
Retained Surplus		70,503	(1,562)	68,941
<b>Total Equity</b>		<b>168,947</b>	<b>(1,562)</b>	<b>167,385</b>

**Note 2: Events after the Balance Sheet Date**

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

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

<b>Note 3: Expenses</b>	<b>2010</b>	2009
	<b>\$'000</b>	\$'000
<u>Note 3A - Employee Benefits</u>		
Wages and salaries	19,715	18,957
Superannuation		
Defined contribution plans	1,206	1,003
Defined benefit plans	2,311	2,145
Leave and other entitlements	2,325	2,268
Separation and redundancies	187	78
Other employee expenses	256	307
<b>Total employee benefits</b>	<b>26,000</b>	<b>24,758</b>
<u>Note 3B - Suppliers</u>		
Goods and Services are made up of:		
Professional services	5,924	2,909
Service delivery charge	3,900	3,900
Repairs and maintenance	3,607	3,724
Property expenses	2,437	2,339
Park operation expenses	4,041	4,336
Information technology and communication	1,120	1,368
Other	5,879	6,186
<b>Total Goods and Services</b>	<b>26,908</b>	<b>24,762</b>
Goods and Services are made up of:		
Provision of goods - related entities	29	47
Provision of goods - external parties	3,497	3,445
Rendering of services - related entities	11,758	10,930
Rendering of services - external parties	11,624	10,340
<b>Total Goods and Services</b>	<b>26,908</b>	<b>24,762</b>
Other supplier expenses		
Operating lease rentals:		
Minimum lease payments	888	589
Contingent rentals	3,577	3,699
<b>Total other supplier expenses</b>	<b>4,465</b>	<b>4,288</b>
<b>Total supplier expenses</b>	<b>31,373</b>	<b>29,050</b>

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

	2010 \$'000	2009 \$'000
<u>Note 3C - Depreciation and Amortisation</u>		
Depreciation:		
Buildings	2,635	2,545
Infrastructure, plant and equipment	5,912	5,914
<b>Total depreciation</b>	<b>8,547</b>	<b>8,459</b>
Amortisation:		
Intangibles	1	-
<b>Total amortisation</b>	<b>1</b>	<b>-</b>
<b>Total depreciation and amortisation</b>	<b>8,548</b>	<b>8,459</b>

Note 3D - Write-down and impairment of assets

Financial assets		
Impairment of financial instruments	7	14
Non-financial assets		
Write down of buildings	78	61
Write down of infrastructure, plant & equipment	587	246
<b>Total write-down and impairment of assets</b>	<b>672</b>	<b>321</b>

**Note 4: Income**

**Revenue**

Note 4A: Sale of goods and rendering of services

Provision of goods - external parties	72	58
Rendering of services - related entities	4,844	2,842
Rendering of services - external parties	10,289	8,827
<b>Total sale of goods and rendering of services</b>	<b>15,205</b>	<b>11,727</b>

**Gains**

Note 4B - Sale of Assets

Infrastructure, plant & equipment		
Proceeds from sale	473	563
Carrying value of assets sold	(281)	(503)
<b>Net gain from sale of assets</b>	<b>192</b>	<b>60</b>

Note 4C - Other Gains

Resources received free of charge	3,933	3,911
<b>Total other gains</b>	<b>3,933</b>	<b>3,911</b>

Note 4D: Revenue from Government

Department of the Environment, Water, Heritage and the Arts		
Grants:		
Department of the Environment, Water, Heritage and the Arts	50,051	44,196
<b>Total revenue from Government</b>	<b>50,051</b>	<b>44,196</b>

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

<b>Note 5: Financial Assets</b>	<b>2010</b>	2009
	<b>\$'000</b>	\$'000
<i>Note 5A - Cash and Cash Equivalents</i>		
Cash on deposit	<b>38,300</b>	27,549
Cash on hand	<b>53</b>	84
<b>Total cash and cash equivalents</b>	<b><u>38,353</u></b>	<u>27,633</u>
<i>Note 5B - Trade and Other Receivables</i>		
<i>Goods and Services</i>		
Goods and services - related entities	<b>692</b>	138
Goods and services - external parties	<b>756</b>	244
<b>Total receivables for goods and services</b>	<b><u>1,448</u></b>	<u>382</u>
<i>Other Receivables</i>		
Net GST receivable from ATO	-	305
Other receivables	<b>1,335</b>	591
<b>Total other receivables</b>	<b><u>1,335</u></b>	<u>896</u>
<b>Total trade and other receivables (gross)</b>	<b><u>2,783</u></b>	<u>1,278</u>
Less: Impairment allowance account		
Goods and services	<b>(22)</b>	(15)
Other	<b>(6)</b>	(6)
<b>Total impairment allowance account</b>	<b><u>(28)</u></b>	<u>(21)</u>
<b>Total trade and other receivables (net)</b>	<b><u>2,755</u></b>	<u>1,257</u>

All receivables are expected to be received in less than 12 months.

Receivables (gross) are aged as follows:

Not overdue	<b>1,829</b>	1,130
Overdue by:		
Less than 30 days	<b>285</b>	16
31 to 60 days	<b>1</b>	58
61 to 90 days	<b>108</b>	45
More than 90 days	<b>560</b>	29
	<b><u>954</u></b>	<u>148</u>
<b>Total receivables (gross)</b>	<b><u>2,783</u></b>	<u>1,278</u>

The impairment allowance account is aged as follows:

Not overdue	-	-
Overdue by:		
Less than 30 days	-	-
31 to 60 days	-	(4)
61 to 90 days	-	(5)
More than 90 days	<b>(28)</b>	(12)
<b>Total impairment allowance account</b>	<b><u>(28)</u></b>	<u>(21)</u>

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

**Reconciliation of the impairment allowance account:**

Movements in relation to 2010

	<b>Goods and services 2010 \$'000</b>	<b>Other receivables 2010 \$'000</b>	<b>Total 2010 \$'000</b>
Opening balance	(15)	(6)	(21)
Amounts written off	-	-	-
Amounts recovered and reversed	-	-	-
Increase/decrease recognised in net surplus	(7)	-	(7)
<b>Closing balance</b>	<b>(22)</b>	<b>(6)</b>	<b>(28)</b>

Movements in relation to 2009

	<b>Goods and services 2009 \$'000</b>	<b>Other receivables 2009 \$'000</b>	<b>Total 2009 \$'000</b>
Opening balance	-	(12)	(12)
Amounts written off	-	5	5
Amounts recovered and reversed	-	1	1
Increase/decrease recognised in net surplus	(15)	-	(15)
<b>Closing balance</b>	<b>(15)</b>	<b>(6)</b>	<b>(21)</b>

	<b>2010 \$'000</b>	2009 \$'000
<u>Note 5C - Other Financial Assets</u>		
Accrued Revenue	<u>98</u>	<u>56</u>
<b>Total other financial assets</b>	<b><u>98</u></b>	<b><u>56</u></b>

All other financial assets are expected to be recovered within 12 months.  
 No indicators of impairment were found for other financial assets.



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

<b>Note 6: Non-Financial Assets</b>	<b>2010</b>	2009	2008
	<b>\$'000</b>	\$'000	\$'000
<u>Note 6A: Land and Buildings</u>			
Land at fair value	<b>6,826</b>	6,581	6,581
Buildings on land			
- work in progress	<b>779</b>	1,409	603
- fair value	<b>63,404</b>	60,563	59,471
- accumulated depreciation	<b>(5,660)</b>	(3,047)	(515)
<b>Total buildings on land</b>	<b><u>58,523</u></b>	<u>58,925</u>	<u>59,559</u>
Leasehold Improvements			
- work in progress	-	-	4
<b>Total leasehold improvements</b>	<u>-</u>	<u>-</u>	<u>4</u>
<b>Total land and buildings</b>	<b><u>65,349</u></b>	<u>65,506</u>	<u>66,144</u>

No indicators of impairment were found for land, buildings and leasehold improvements.  
No land and buildings are expected to be sold or disposed within the next 12 months.

Note 6B: Infrastructure, Plant & Equipment

Infrastructure, Plant and Equipment			
- work in progress	<b>4,043</b>	1,784	16,853
- fair value	<b>94,514</b>	89,059	67,654
- accumulated depreciation	<b>(12,523)</b>	(6,964)	(1,325)
<b>Total infrastructure, plant and equipment</b>	<b><u>86,034</u></b>	<u>83,879</u>	<u>83,182</u>

Revaluations were conducted in accordance with the policy stated at Note 1. In 2007-08 revaluations were conducted by independent valuer Herron Todd White and valued as at 30 June 2008.

No indicators of impairment were found for infrastructure, plant and equipment.

The Director of National Parks has various Heritage and Cultural Items which have not been recorded as assets in the financial statements, due to the difficulties associated with the reliable measurement of these items. These items include gardens, historic buildings, ruins and cultural artworks. There was no significant acquisition or disposal activity in relation to these items in the reporting period.

No infrastructure, plant and equipment assets are expected to be sold or disposed within the next 12 months

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

Note 6C - Analysis of property, plant and equipment

Table A - Reconciliation of the opening and closing balances of property, plant and equipment (2009-10).

	Land	Buildings	Total Land & Buildings	Infrastructure Plant & Equipment	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>As at 1 July 2009</b>					
Gross book value	6,581	61,972	68,553	90,843	159,396
Accumulated depreciation and impairment	-	(3,047)	(3,047)	(6,964)	(10,011)
<b>Net book value 1 July 2009</b>	<b>6,581</b>	<b>58,925</b>	<b>65,506</b>	<b>83,879</b>	<b>149,385</b>
Additions					
by purchase	245	2,441	2,686	8,805	11,491
Depreciation expense	-	(2,635)	(2,635)	(5,912)	(8,547)
Disposals - by sale	-	(130)	(130)	(151)	(281)
Write-down and impairment recognised through the operating result	-	(78)	(78)	(587)	(665)
<b>Net book value 30 June 2010</b>	<b>6,826</b>	<b>58,523</b>	<b>65,349</b>	<b>86,034</b>	<b>151,383</b>
<b>Net book value as of 30 June 2010 represented by:</b>					
Gross book value	6,826	64,183	71,009	98,557	169,566
Accumulated depreciation	-	(5,660)	(5,660)	(12,523)	(18,183)
	<b>6,826</b>	<b>58,523</b>	<b>65,349</b>	<b>86,034</b>	<b>151,383</b>

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

*Table A - Reconciliation of the opening and closing balances of property, plant and equipment (2008-09)*

	Land	Buildings	Total Land & Buildings	Infrastructure Plant & Equipment	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>As at 1 July 2008</b>					
Gross book value	6,581	60,078	66,659	84,507	151,166
Accumulated depreciation and impairment	-	(515)	(515)	(1,325)	(1,840)
<b>Net book value 1 July 2008</b>	6,581	59,563	66,144	83,182	149,326
Additions					
by purchase	-	1,945	1,945	7,310	9,255
by recognition	-	-	-	73	73
Depreciation expense	-	(2,545)	(2,545)	(5,914)	(8,459)
Disposals - by sale	-	-	-	(503)	(503)
Write-down and impairment recognised through the operating result	-	(61)	(61)	(246)	(307)
Transfers	-	23	23	(23)	-
<b>Net book value 30 June 2009</b>	6,581	58,925	65,506	83,879	149,385
<b>Net book value as of 30 June 2009 represented by:</b>					
Gross book value	6,581	61,972	68,553	90,843	159,396
Accumulated depreciation	-	(3,047)	(3,047)	(6,964)	(10,011)
	6,581	58,925	65,506	83,879	149,385

	2010	2009	2008
	\$'000	\$'000	\$'000
<b>Note 6D: Intangibles</b>			
Computer software			
Purchased - in use	8	8	8
Accumulated amortisation	(8)	(8)	(8)
Internally developed - in use	60	-	-
Accumulated amortisation	(1)	-	-
<b>Total Computer Software</b>	<b>59</b>	<b>-</b>	<b>-</b>
Water Entitlements	93	93	-
<b>Total Water Entitlements</b>	<b>93</b>	<b>93</b>	<b>-</b>
<b>Total intangibles</b>	<b>152</b>	<b>93</b>	<b>-</b>

No intangibles are expected to be sold or disposed of within the next 12 months.

Note 6E - Analysis of intangibles

*Table A - Reconciliation of the opening and closing balances of intangibles (2009-10)*

	Computer Software Purchased \$'000	Computer Software Developed \$'000	Water Entitlements \$'000	Total \$'000
<b>As at 1 July 2009</b>				
Gross book value	8	-	93	101
Accumulated amortisation	(8)	-	-	(8)
<b>Net book value 1 July 2009</b>	-	-	93	-
Additions				
Internally developed	-	60	-	60
Amortisation expense	-	(1)	-	(1)
<b>Net book value 30 June 2010</b>	-	59	93	152
<b>Net book value as of 30 June 2010 represented by:</b>				
Gross book value	8	60	93	161
Accumulated amortisation	(8)	(1)	-	(9)
	-	59	93	152

*Table A - Reconciliation of the opening and closing balances of intangibles (2008-09)*

	Computer Software Purchased \$'000	Computer Software Developed \$'000	Water Entitlements \$'000	Total \$'000
<b>As at 1 July 2008</b>				
Gross book value	8	-	-	8
Accumulated amortisation	(8)	-	-	(8)
<b>Net book value 1 July 2008</b>	-	-	-	-
Additions				
by purchase	-	-	93	93
Amortisation expense	-	-	-	-
<b>Net book value 30 June 2009</b>	-	-	93	93
<b>Net book value as of 30 June 2009 represented by:</b>				
Gross book value	8	-	93	101
Accumulated depreciation / amortisation and impairment	(8)	-	-	(8)
	-	-	93	93

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

	2010 \$'000	2009 \$'000
<u>Note 6F: Other Non-Financial Assets</u>		
Prepayments	460	358
<b>Total other non-financial assets</b>	<b>460</b>	<b>358</b>

All other non-financial assets are expected to be recovered in 12 months. No indicators of impairment were found for other non-financial assets.

	2010 \$'000	2009 \$'000
<b>Note 7: Payables</b>		
<u>Note 7A - Suppliers</u>		
Trade creditors and accruals	4,018	2,107
Operating lease rentals	824	807
<b>Total supplier payables</b>	<b>4,842</b>	<b>2,914</b>

Supplier payables expected to be settled within 12 months:

Related entities	692	199
External parties	4,150	2,715
<b>Total supplier payables</b>	<b>4,842</b>	<b>2,914</b>

Settlement is usually made net 30 days.

<u>Note 7B - Other Payables</u>		
Salaries and wages	364	282
Superannuation	62	51
Net GST Payable from the ATO	95	-
Unearned revenue	5,987	1,889
<b>Total other payables</b>	<b>6,508</b>	<b>2,222</b>

All other payables are expected to be settled within 12 months.

**Note 8: Employee Provisions**

Leave	6,910	6,177
Other	38	47
<b>Total employee provisions</b>	<b>6,948</b>	<b>6,224</b>

Employee Provisions are expected to be settled in:

No more than 12 months	4,664	4,050
More than 12 months	2,284	2,174
<b>Total employee provisions</b>	<b>6,948</b>	<b>6,224</b>

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

**Note 9: Cash Flow Reconciliation**

	2010 \$'000	2009 \$'000
<b>Reconciliation of cash and cash equivalents per Balance Sheet to Cash Flow Statement</b>		
<b>Cash and cash equivalents as per:</b>		
Cash Flow Statement	38,353	27,633
Balance sheet	<u>38,353</u>	<u>27,633</u>
<b>Difference</b>	<u>-</u>	<u>-</u>
<b>Reconciliation of net cost of services to net cash from operating activities:</b>		
Net cost of services	(45,794)	(44,380)
Add revenue from Government	50,051	44,196
<b>Non-cash items</b>		
Depreciation/amortisation	8,548	8,459
Take up of assets for the first time	-	(73)
Write down of non-financial assets	665	307
(Gain) / Loss on disposal of non-current assets	(192)	(60)
<b>Changes in Assets and Liabilities</b>		
(Increase)/decrease in net receivables	(1,803)	45
(Increase)/decrease in GST receivables	400	210
(Increase)/decrease in prepayments	(102)	24
(Increase)/decrease in accrued revenue	(43)	58
Increase/(decrease) in unearned revenue	4,098	(540)
Increase/(decrease) in employee provisions	725	897
Increase/(decrease) in supplier payables	1,928	574
Increase/(decrease) in other payables	93	104
Increase/(decrease) in other provisions	(1)	(52)
<b>Net cash from operating activities</b>	<u>18,573</u>	<u>9,769</u>

**Note 10: Contingent Liabilities and Contingent Assets**

No contingent assets or liabilities exist for the Director of National Parks for the current financial year (2008-09: Nil).

**Note 11: Director's Remuneration**

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

	2010	2009
\$265,000 to \$279,999	1	-
\$280,000 to \$294,999	-	1
Total number of directors of Director of National Parks	<u>1</u>	<u>1</u>
Total remuneration received or due and receivable by the Director of National Parks	\$ 277,980	\$ 280,204

**Note 12: Related Party Disclosures**

Director of National Parks

The Director of National Parks during the year was Mr Peter Cochrane. The aggregate remuneration of the Director is disclosed in Note 11.

Loans to Director and Director related entities

There were no loans made to either the Director or entities related to the Director during 2009-10 (2008-09: 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 2009-10 (2008-09: Nil).

**Note 13: Executive Remuneration**

**Note 13 A: Actual remuneration paid to Senior Executives**

The number of senior executives who received or were due to receive total remuneration of \$145,000 or more:

	2010	2009
\$145,000 - \$159,999	-	1
\$160,000 - \$174,999	1	-
\$190,000 - \$204,999	-	1
\$205,000 - \$219,999	1	-
\$265,000 - \$279,999	-	1
	<u>2</u>	<u>3</u>

Total expense recognised in relation to Senior Executive employment

	2010	2009
	\$	\$
Short term employee benefits		
Salary (including annual leave taken)	257,991	386,960
Changes in annual leave provisions	11,032	14,938
Performance bonus	-	19,864
Other <sup>1</sup>	38,558	104,521
<b>Total short-term employee benefits</b>	<u>307,581</u>	<u>526,283</u>
Superannuation (post employee benefits)	42,261	88,228
Other long term benefits	29,586	(10,596)
<b>Total</b>	<u>379,428</u>	<u>603,916</u>

The aggregate amount of separation and redundancy / termination benefit payments during the year to executives shown above.

- -

The senior executive remuneration includes all senior executives concerned with or taking part in the management of the Director of National Parks during 2009-10 except the Director of National Parks. Details in relation to the Director of National Parks have been incorporated into Note 11: Directors Remuneration.

Notes

1. "Other" includes travel, parking and other allowances.

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

**Note 13 B: Average annualised remuneration packages for substantive Senior Executives employed at 30 June**

	As at 30 June 2010			As at 30 June 2009		
	No. SES	Base Salary	Total	No. SES	Base Salary	Total
		including	Remuneration		including	Remuneration
	annual leave	Package1	annual leave	Package1		
	\$	\$	\$	\$		
Less than \$145,000	1	92,472	135,836	-	-	-
\$145,000 - \$159,999	-	-	-	1	100,916	146,922
\$190,000 - \$204,999	2	154,369	197,539	1	129,517	199,880
\$265,000 - \$279,999	-	-	-	1	156,527	252,773
	<u>3</u>			<u>3</u>		

Notes

1. Non Salary elements available to Senior Executives include:

- (a) Performance Bonus
- (b) Superannuation
- (c) Motor vehicle and other allowances

2. The Director of National Parks engaged a Senior Executive part way through the financial year consequently the Senior Executive was not reported within Note 13 A, however an annualised remuneration package was included in Note 13 B.

**Note 14: Remuneration of Auditors**

**2010**  
**\$'000**

2009  
\$'000

Financial Statement audit services are provided to Director of National Parks by the Auditor-General.

The fair value of the services provided was:

78

78

No other services were provided by the Auditor-General.



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

<b>Note 15: Financial Instruments</b>	<b>Notes</b>	<b>2010 \$'000</b>	<b>2009 \$'000</b>
<u>Note 15A - Categories of financial instruments</u>			
<b>Financial Assets</b>			
Loans and receivables			
Cash	5A	<b>38,353</b>	27,633
Trade and Other Receivables	5B	<b>2,783</b>	973
<b>Carrying amount of financial instrument assets</b>		<b><u>41,136</u></b>	<u>28,606</u>
<b>Financial Liabilities</b>			
At amortised cost			
Trade creditors and accruals	7A	<b>4,842</b>	2,914
Other payables	7B	<b>5,987</b>	1,889
<b>Carrying amount of financial liabilities</b>		<b><u>10,829</u></b>	<u>4,803</u>
<u>Note 15B - Net income and expense from financial assets</u>			
<b>Loans and receivables</b>			
Interest revenue		<b>872</b>	1,114
Write down - financial assets	3D	<b>(7)</b>	(14)
<b>Net gain/(loss) loans and receivables</b>		<b><u>865</u></b>	<u>1,100</u>
<b>Net gain/(loss) from financial assets</b>		<b><u>865</u></b>	<u>1,100</u>

There was no net income/expense from financial liabilities not at fair value from profit and loss (2008-09: Nil).

Note 15C - Net income and expense from financial liabilities

There was no net income/expenses from financial liabilities in 2009-10. (2008-09: Nil).

Note 15D - Fair value of financial instruments

The carrying value of the Director of National Parks' financial instruments are a reasonable approximation of fair value.

Note 15E - Credit risk

The Director of National Parks is exposed to minimal credit risk as the majority of cash equivalents and other receivables are cash or trade receivables. The maximum exposure to credit risk is the risk that arises from potential default of a debtor. This amount is equal to the total amount of trade receivables (2010: \$2,783,274 and 2009: \$973,769). The Director of National Parks has assessed the risk of the default on payment and has allocated \$28,141 in 2010 (2009: \$21,452) to an impairment and allowance account.

The Director of National Parks holds no collateral to mitigate against credit risk.

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

Credit quality of financial instruments not past due or individually determined as impaired:

	<b>Not Past Due Nor Impaired 2010 \$'000</b>	Not Past Due Nor Impaired 2009 \$'000	<b>Past due or impaired 2010 \$'000</b>	Past due or impaired 2009 \$'000
Cash at Bank	<b>38,353</b>	27,633	-	-
Trade creditors and other receivables	<b>1,829</b>	825	<b>954</b>	148
<b>Total</b>	<b>40,182</b>	28,458	<b>954</b>	148

Ageing of financial assets that are past due but not impaired for 2010:

	<b>0 to 30 days \$'000</b>	<b>31 to 60 days \$'000</b>	<b>61 to 90 days \$'000</b>	<b>90+ days \$'000</b>	<b>Total \$'000</b>
Trade and other receivables	285	1	108	532	926
<b>Total</b>	<b>285</b>	<b>1</b>	<b>108</b>	<b>532</b>	<b>926</b>

Ageing of financial assets that are past due but not impaired for 2009:

	0 to 30 days \$'000	31 to 60 days \$'000	61 to 90 days \$'000	90+ days \$'000	Total \$'000
Trade and other receivables	16	54	40	17	127
<b>Total</b>	<b>16</b>	<b>54</b>	<b>40</b>	<b>17</b>	<b>127</b>

**Note 15F - Liquidity risk**

The Director of National Park's financial liabilities are payables (due and payable). The exposure to liquidity risk from non-derivative financial liabilities is based on the notion that the Director of National Parks will encounter difficulty in meeting its obligations associated with financial liabilities. This is highly unlikely due to appropriation funding and mechanisms available to the Director of National Parks and internal policies and procedures put in place to ensure there are appropriate resources to meet its financial obligations.

The following tables illustrate the maturities for non-derivative financial liabilities:

	<b>On demand 2010 \$'000</b>	<b>within 1 year 2010 \$'000</b>	<b>1 to 5 years 2010 \$'000</b>	<b>&gt; 5 years 2010 \$'000</b>	<b>Total 2010 \$'000</b>
Trade creditors and accruals	-	4,842	-	-	4,842
Other payables	-	5,987	-	-	5,987
<b>Total</b>	-	<b>10,829</b>	-	-	<b>10,829</b>

	<b>On demand 2009 \$'000</b>	<b>within 1 year 2009 \$'000</b>	<b>1 to 5 years 2009 \$'000</b>	<b>&gt; 5 years 2009 \$'000</b>	<b>Total 2009 \$'000</b>
Trade creditors and accruals	-	2,914	-	-	2,914
Other payables	-	1,889	-	-	1,889
<b>Total</b>	-	<b>4,803</b>	-	-	<b>4,803</b>

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

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Note 15G - Market risk

The Director of National Parks holds basic financial instruments that do not expose it to market risks. The Director of National Parks is not exposed to 'currency risk' or 'other price risk'.

Interest Rate Risk

The only interest-bearing items on the balance sheet is 'Cash on deposit' which bears interest at a fixed tiered interest rate.

**Note 16: 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, Water, Heritage and the Arts and transferred to the Director of National Parks. Funds transferred from the Department of Environment, Water, Heritage and the Arts included \$50.051m Revenue from Government Grant (2008-09: \$44.196m) and equity injection of \$3.225m in 2009-10 (2008-09: \$0.15m).

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 17: Compensation and Debt Relief**

No payments of the following kind were made by the Director of National Parks during 2009-10 (2008-09: Nil): (1) waivers of amounts owing to the Australian Government; (2) compensation for detriment caused by defective administration; or (3) special circumstances payments relating to APS employment.

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

**Note 18: Reporting of Outcomes**

Net Cost of Outcome Delivery

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

**Outcome 1**

The Director of National Parks has only one outcome - *Conservation and appreciation of Commonwealth reserves through the provision of safe visitor access, then control of invasive species and working with stakeholders and neighbours.*

	Outcome 1		Total	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
<b>Expenses</b>				
Departmental	<b>66,729</b>	62,739	<b>66,729</b>	62,739
<b>Total expenses</b>	<b>66,729</b>	62,739	<b>66,729</b>	62,739
<b>Income from non-government sector</b>				
Departmental				
Sales of goods and services - External	<b>10,361</b>	8,885	<b>10,361</b>	8,885
Interest	<b>872</b>	1,114	<b>872</b>	1,114
Sublease rental income	<b>201</b>	196	<b>201</b>	196
Net gains from disposal of assets	<b>192</b>	60	<b>192</b>	60
<b>Total costs recovered</b>	<b>11,626</b>	10,255	<b>11,626</b>	10,255
<b>Other Own Source Income</b>				
Departmental				
Sales of goods and services - to related entities	<b>4,844</b>	2,842	<b>4,844</b>	2,842
Other gains	<b>3,933</b>	3,911	<b>3,933</b>	3,911
Other revenue	<b>532</b>	1,352	<b>532</b>	1,352
Total Departmental	<b>9,309</b>	8,105	<b>9,309</b>	8,105
<b>Total other external revenues</b>	<b>9,309</b>	8,105	<b>9,309</b>	8,105
<b>Net cost of outcome</b>	<b>45,794</b>	44,379	<b>45,795</b>	44,379

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



