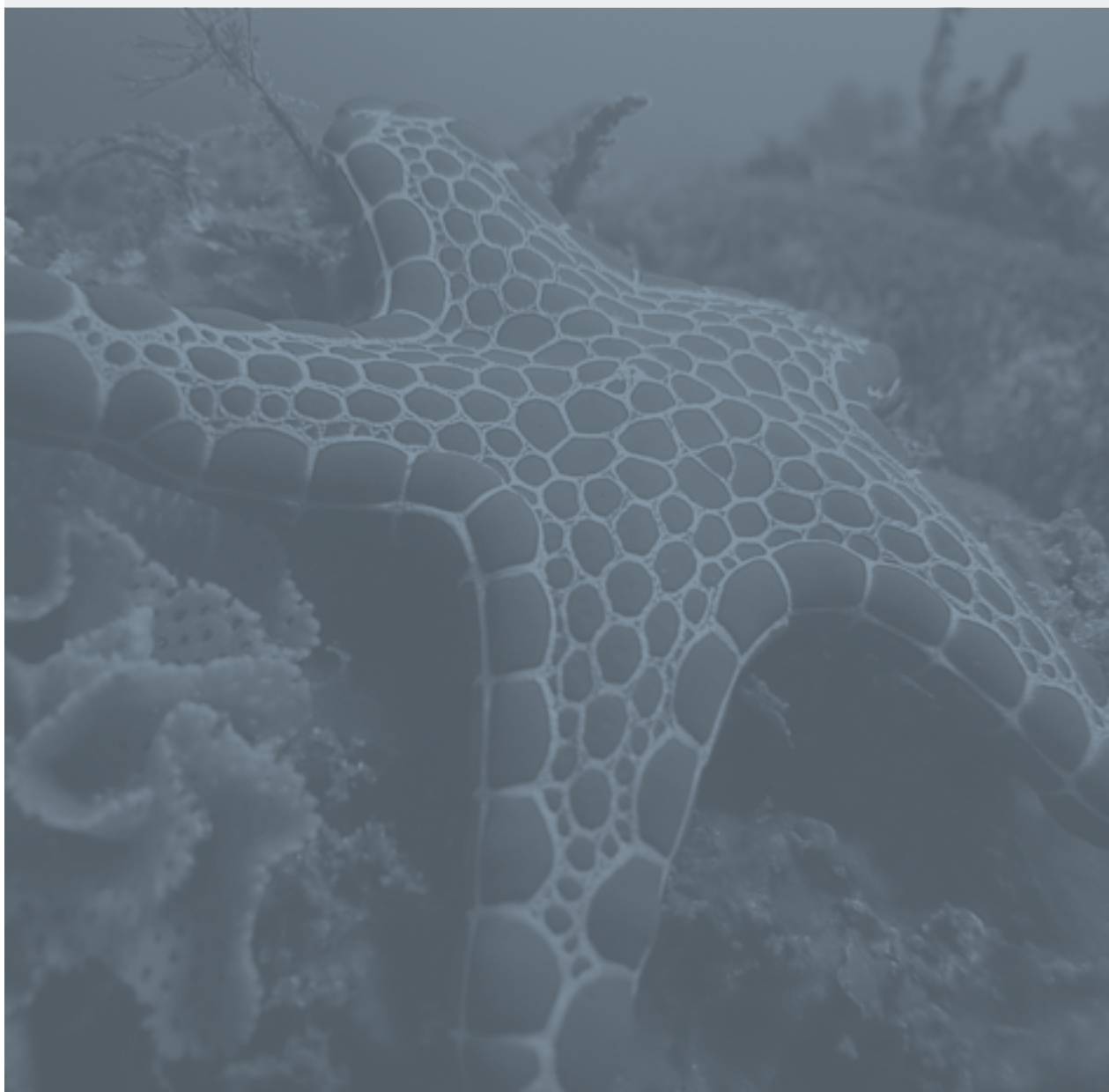


2 Corporate overview and financial summary



The Minister

During 2013–14, the Hon Greg Hunt, MP, was appointed Minister for the Environment, with responsibility for the Director of National Parks as set out under the *Environment Protection and Biodiversity Conservation Act 1999*. Senator the Hon Simon Birmingham was appointed Parliamentary Secretary to the Minister for the Environment and assists the Minister with responsibilities for Commonwealth reserves and parks.

The Director of National Parks

The Director of National Parks is a corporation sole established under Division 5 of Part 19 of the Environment Protection and Biodiversity Conservation Act. The corporation has a single director—the person appointed to the office named the Director of National Parks.

The holder of the office until December 2013 was Peter Cochrane. The current office holder is Sally Barnes, appointed by the Governor-General in January 2014 for a period of five years.

The Director of National Parks was a Commonwealth authority for the purposes of the *Commonwealth Authorities and Companies Act 1997*, which applied during the reporting period but was replaced by the *Public Governance, Performance and Accountability Act 2013* on 1 July 2014. The Director is now a Commonwealth corporate entity for the purposes of the Public Governance, Performance and Accountability Act.

The Environment Protection and Biodiversity Conservation Act requires the Director to perform functions and exercise powers in accordance with any directions given by the Minister, unless the Act provides otherwise. The Minister responsible for the Commonwealth Authorities and Companies Act could, via a General Policy Order, also notify the Director under the Commonwealth Authorities and Companies Act of general government policies that apply to the Director. No General Policy Orders were issued to the Director in 2013–14.

The Environment Protection and Biodiversity Conservation Act provides for the proclamation and management of Commonwealth reserves and conservation zones. The term ‘Commonwealth reserve’ includes all areas proclaimed under the Environment Protection and Biodiversity Conservation Act with names such as national parks, Commonwealth marine reserves and botanic gardens. This report generally uses the term ‘reserves’ to encompass all types of Commonwealth reserves under the Environment Protection and Biodiversity Conservation Act. Three reserves, Uluru–Kata Tjuta, Kakadu and Booderee national parks, are established on Aboriginal-owned land and are managed by the Director of National Parks in conjunction with a board of management established under the Act with a majority of board members being Indigenous persons nominated by the traditional Aboriginal owners.

The Director of National Parks is responsible under the Environment Protection and Biodiversity Conservation Act for the administration, management and control of Commonwealth reserves and conservation zones. The Director is assisted by staff of Parks Australia—a division of the Department of the Environment. In this report, reference to Parks Australia means the Director of National Parks and Parks Australia staff members.

Statutory functions

The Director is responsible for the administration of Divisions 4 and 5 of Part 15 of the Environment Protection and Biodiversity Conservation Act (Commonwealth reserves and conservation zones) and regulations made for the purposes of those divisions.

The functions of the Director as set out in subsection 514B(1) of the Environment Protection and Biodiversity Conservation Act are to:

- administer, manage and control Commonwealth reserves and conservation zones
- protect, conserve and manage biodiversity and heritage in Commonwealth reserves and conservation zones
- contribute to the protection, conservation and management of biodiversity and heritage in areas outside Commonwealth reserves and conservation zones
- cooperate with any country in matters relating to the establishment and management of national parks and nature reserves in that country
- provide, and assist in the provision of, training in knowledge and skills relevant to the establishment and management of national parks and nature reserves
- carry out alone, or in cooperation with other institutions and persons, and arrange for any other institution or person to carry out research and investigations relevant to the establishment and management of Commonwealth reserves
- make recommendations to the Minister in relation to the establishment and management of Commonwealth reserves
- administer the Australian National Parks Fund
- undertake any other functions conferred on the Director under the Environment Protection and Biodiversity Conservation Act or any other Act
- do anything incidental or conducive to the performance of any of the functions mentioned above.

As at 30 June 2014, seven Commonwealth terrestrial reserves (six national parks and one botanic gardens) and 59 Commonwealth marine reserves were established under the Environment Protection and Biodiversity Conservation Act and were the responsibility of the Director.

The terrestrial reserves and 58 of the 59 marine reserves are managed by staff of Parks Australia. Under delegation from the Director, staff of the department's Australian Antarctic Division managed the Heard Island and McDonald Islands Marine Reserve. The locations of the Commonwealth reserves are shown in figure 1.

In addition to managing Commonwealth reserves, the Director is in a partnership with Tourism Australia to identify and promote national landscapes that capture the essence of Australia and offer distinctive natural and cultural experiences. Parks Australia's interest in the program is to enhance and promote the role of protected areas in the social and economic well-being of regional Australia.

Non-statutory functions

The Director has been delegated functions and powers by the Minister and the secretary of the department for programs that complement the Director's statutory functions.

Under these delegations the Director manages the Australian Biological Resources Study and the development of Australian Government policy on management of Australia's genetic resources, including regulating access to such resources in Commonwealth areas.

The outputs of these non-statutory functions are reported in the department's annual report.

Financial summary

The Director recorded a \$14.96 million operating loss for 2013–14 against an approved operating loss from the Department of Finance of \$12.44 million. The major difference was a \$3.23 million increase due to the transfer of pastoral leases for Calperum and Taylorville stations.

The operating loss included small variances in both depreciation (\$7.23 million) and asbestos remediation (\$4.50 million) expenses.

The DNP held Calperum & Taylorville stations under a deed of assignment since 1993 and 2000 respectively. Both properties have been managed by the Australian Landscape Trust (ALT) since 1998. The full transfer of the leases in 2013–14 finalised a three year transition from the DNP to ALT. The subsequent write down of assets has increased the operating loss recorded in 2013-14.

The Director received higher than anticipated revenue from interest on cash investments, recognition of assets for the first time, recoveries (including insurance claims) and donations. In addition, park fee revenue improved slightly which was primarily a result of the exposure the Royal visit generated at Uluru Kata Tjuta National Park. These revenue increases resulted in the Director not being required to supplement entry fee income as was originally anticipated.

Table 1 summarises income and expenses information for the Director of National Parks. Audited financial statements are in Chapter 6 of this report.

Table 2 shows a five-year overview of financial, staffing and area information for Commonwealth terrestrial and marine reserves and Table 3 provides an overview of individual reserves for 2013–14.

An Agency Resourcing Statement was introduced to Portfolio Budget Statements for government departments in 2008–09 to provide information about the various funding sources that CAC Act agencies draw upon during the year. An Agency Resourcing Statement that reconciles to cash reserves in the financial statements for the Director of National Parks is provided at Appendix A.

Table 1: Overview of financial results 2013–14

		2013 Actuals \$000s	2014 Actuals \$000s	2014 Budget \$000s	2014 Variance \$000s
Jointly managed parks ⁽¹⁾	Income	34,223	37,475	36,103	1,372
	Expenses	(43,463)	(44,682)	(43,472)	(1,210)
	Surplus/(Deficit)	(9,240)	(7,207)	(7,369)	162
Other parks and reserves ⁽²⁾	Income	16,711	26,975	25,346	629
	Expenses	(17,536)	(29,323)	(25,140)	(4,183)
	Surplus/(Deficit)	(825)	(3,348)	206	(3,554)
Total for other parks and reserves	Income	50,934	63,450	61,449	2,001
	Expenses	(60,999)	(74,005)	(68,612)	(5,393)
	Surplus/(Deficit)	(10,065)	(10,555)	(7,163)	(3,392)
Governance, corporate services and executive ⁽³⁾	Income	11,351	10,655	9,736	919
	Expenses	(10,970)	(15,055)	(14,749)	(306)
	Surplus/(Deficit)	381	(4,400)	(5,013)	613
Total for Director of National Parks	Income⁴	62,285	74,105	71,185	2,920
	Expenses	(71,969)	(89,060)	(83,361)	(5,699)
	Surplus/(Deficit)	(9,684)	(14,955)	(12,176)	(2,779)

1 Kakadu, Uluru–Kata Tjuta and Booderee national parks.

2 Includes Calperum and Taylorville Stations which are not formal reserves.

3 Governance, corporate services and executive includes administration, finance, legal, insurance, planning, interest income and bank charges.

4 The increase in income from 2013 to 2014 is predominantly due to revenue associated with the management of marine reserves.

Table 2: Five-year overview of terrestrial and marine Commonwealth reserves

	2009–10	2010–11	2011–12	2012–13	2013–14
Number of staff (full-time equivalent)					
Management of terrestrial reserves	290	281.4	261	260	269
Management of marine reserves ¹	15	13.7	18.2	18.2	46.3
Area of Commonwealth reserves (hectares)					
Terrestrial reserves area (number of reserves)	2 130 774 (7)	2 130 774 (7)	2 130 774 (7)	2 132 002 (7)	2 132 002 (7)
Marine reserves area (number of reserves)	49 844 075 (26)	49 844 075 (26)	49 844 075 (26)	282 773 335 (59)	283 402 751 (59)
Visitors to Commonwealth terrestrial reserves					
Number of visitors to terrestrial reserves	1 445 381	1 368 868	1 364 714	1 300 309	1,291,000
Safety incidents recorded (including staff, contractors and visitors)					
Minor injury or near miss ²	126	126	171	86	4
Moderate injury ³	41	54	37	24	NA
Major injury ⁴	20	25	6	4	2
Death	2	4	2	2	2
Compliance and enforcement—Commonwealth terrestrial and marine reserves					
EPBC Act incidents detected	203	105	125	116	173
Warnings and cautions issued	147	58	62	59	64
Infringement notices issued	38	42	87	67	30
Cases taken to court	2	1	0	1	9
Court convictions	0	0	0	0	5
Court cases pending at year end	2	0	0	0	4
Financial summary—Commonwealth terrestrial and marine reserves (\$ millions)					
Total operating expenditure ⁵	58.88	54.64	64.21	60.99	74.10
Total operating revenue ⁶	59.04	67.07	51.83	50.93	89.06
Current assets	29.30	44.91	45.35	44.79	49.4
Non-current assets	41.67	219.73	208.12	200.47	235.13
Current liabilities	151.54	12.17	13.30	14.75	8.25
Non-current liabilities	17.80	0.59	0.73	0.76	14.42
Total equity	0.54	251.87	239.44	229.75	261.90

1 Staff numbers for management of marine reserves for 2013-14 include all staff of the Commonwealth Marine Reserves Branch that were transferred to the Director following finalisation of the planning process and had previously not been recorded against reserve management.

2 For 2013–14 a dangerous incident is defined by Section 37 of the *Work Health and Safety Act 2011*.

3 For 2013–14 the category of incident does not apply. Only notifiable incidents defined by Section 35 of the *Work Health and Safety Act 2011* are reported.

4 For 2013–14 a serious injury or illness is defined by Section 36 of the *Work Health and Safety Act 2011*.

5 Excludes governance, corporate services and executive, which can be found in table 1.

6 Includes revenue from all sources including grants from portfolio agency and externally raised revenue.

Reserve name	Area (hectares)	Year declared	IUCN category ⁽¹⁾	Operating cost (\$000s)	Capital expenditure ⁽²⁾ (\$000s)	External revenue ⁽³⁾ (\$000s)	Payment to traditional owners (\$000s)
Jointly managed national parks							
Booderee National Park	6,379	1992	II	7,494	1,173	1,700	677
Kakadu National Park	1,980,995	1979	II	21,882	2,572	3,497	1,695
Uluru–Kata Tjuta National Park	132,566	1977	II	15,306	1,379	6,778	1,752
Other Commonwealth terrestrial reserves							
Australian National Botanic Gardens	85	1991	IV	10,749	1,079	1,432	
Christmas Island National Park	8,719	1980	II	4,414	557	2,634	
Norfolk Island National Park and Botanic Garden	656	1986	II	1,295	45	53	
Pulu Keeling National Park	2,602	1995	II	488	0	34	
Commonwealth marine reserves⁽⁴⁾							
On 17 November 2012, 40 Commonwealth marine reserves were proclaimed under the <i>Environment Protection and Biodiversity Conservation Act 1999</i> and the names of four existing reserves were amended. Associated with declaration of the new reserves was revocation of seven reserves and one conservation zone as the areas are included in the new marine reserves.							
Argo-Rowley Terrace	14,609,910	2012	II, VI	195.8 ⁽⁵⁾		North-west Commonwealth Marine Reserves Network	
Ashmore Reef (formerly Ashmore Reef National Nature Reserve)	58,337	1983	Ia, II		271		
Carnarvon Canyon	617,669	2012	IV				
Cartier Island (formerly Cartier Island Marine Reserve)	17,237	2000	Ia				
Dampier	125,158	2012	II, IV				
Eighty Mile Beach	1,078,521	2012	VI				
Gascoyne	8,176,611	2012	II, IV, VI				
Kimberley	7,446,857	2012	II, IV, VI				
Mermaid Reef (formerly Mermaid Reef Marine National Nature Reserve)	53,987	1991	Ia		141		
Montebello	341,279	2012	VI				
Ningaloo (formerly Ningaloo Marine Park (Commonwealth Waters))	243,513	1987	II				
Roebuck	30,370	2012	VI				
Shark Bay	744,254	2012	VI				

Table 3: Overview of individual reserves in 2013–14

Reserve name	Area (hectares)	Year declared	IUCN category ⁽¹⁾	Operating cost (\$000s)	Capital expenditure ⁽²⁾ (\$000s)	External revenue ⁽³⁾ (\$000s)	Payment to traditional owners (\$000s)
Arafura	2 292 416	2012	VI	0 ⁽⁶⁾			North Commonwealth Marine Reserves Network
Arnhem	712 486	2012	VI				
Gulf of Carpentaria	2 377 453	2012	II, VI				
Joseph Bonaparte Gulf	859 704	2012	VI				
Limmen	139 919	2012	VI				
Oceanic Shoals	7 174 328	2012	VI				
Wessel	590 807	2012	II, VI				
West Cape York	1 601 223	2012	II, VI				
Central Eastern	7 005 406	2012	II, IV, VI	499.4 ⁽⁷⁾			Temperate East Commonwealth Reserves Network
Cod Grounds (includes former Cod Grounds Commonwealth Marine Reserve)	407	2012	II				
Gifford	582 851	2012	IV				
Hunter	625 737	2012	VI				
Jervis	247 342	2012	VI				
Lord Howe (includes former Lord Howe Island Marine Park (Commonwealth Waters) and Elizabeth and Middleton Reefs Marine National Nature Reserve)	11 013 878	2012	II, IV, VI				
Norfolk	18 844 343	2012	II, IV, VI				
Solitary Islands (includes former Solitary Islands Marine Reserve (Commonwealth Waters))	15 232	2012	II, VI				

Reserve name	Area (hectares)	Year declared	IUCN category ⁽¹⁾	Operating cost (\$000s)	Capital expenditure ⁽²⁾ (\$000s)	External revenue ⁽³⁾ (\$000s)	Payment to traditional owners (\$000s)
Abolhos	8 812 598	2012	II, IV, VI	75 ⁽⁸⁾		South-west Commonwealth Marine Reserves Network	
Bremer	447 230	2012	II, VI				
Eastern Recherche	2 057 403	2012	II, VI				
Geographe	97 665	2012	II, VI				
Great Australian Bight (includes former Great Australian Bight Marine Park (Commonwealth Waters))	4 592 550	2012	II, VI				
Jurien	185 089	2012	II, VI				
Murat	93 777	2012	II				
Perth Canyon	740 923	2012	II, IV, VI				
Southern Kangaroo Island	62 994	2012	VI				
South-west Corner	27 189 789	2012	II, IV, VI				
Twilight	464 131	2012	II				
Two Rocks	88 225	2012	II, VI				
Western Eyre	5 794 609	2012	II, VI				
Western Kangaroo Island	233 533	2012	II, VI				

Reserve name	Area (hectares)	Year declared	IUCN category ⁽¹⁾	Operating cost (\$000s)	Capital expenditure ⁽²⁾ (\$000s)	External revenue ⁽³⁾ (\$000s)	Payment to traditional owners (\$000s)
Apollo	118 360	2007	VI	398.3	20	South-east Commonwealth Marine Reserves Network	
Beagle	292 758	2007	VI				
Boags	53 748	2007	VI				
East Gippsland	413 664	2007	VI				
Flinders	2 704 306	2007	II, VI				
Franklin	67 077	2007	VI				
Freycinet	5 794 248	2007	II, VI				
Huon	999 074	2007	IV, VI				
Macquarie Island	16 189 466	1999	II, IV				
Murray	2 580 312	2007	II, VI				
Nelson	612 311	2007	VI				
South Tasman Rise	2 770 437	2007	VI				
Tasman Fracture	4 250 056	2007	II, VI				
Zeehan	1 989 697	2007	VI				
Coral Sea Commonwealth Marine Reserve (includes former Coral Sea Conservation Zone, Coringa–Herald National Nature Reserve and Lihou Reef National Nature Reserve) ⁽⁹⁾	98 984 225	2012	II, IV, VI	53.8			
Heard Island and McDonald Islands Marine Reserve ⁽¹⁰⁾	7 095 260	2002	Ia	0			

1 The International Union for Conservation of Nature (IUCN) protected area classification system comprises seven management categories, not all of which have been applied to reserves declared under the Environment Protection and Biodiversity Conservation Act. Sections of some reserves are zoned a different IUCN category from the reserve as a whole, to reflect the management strategy for those sections.

2 Includes assets recognised for the first time as part of the asset revaluation process.

3 External revenue represents total revenue from the income statement less grants from portfolio agency and assets recognised for the first time.

4 Operating costs for the 58 marine reserves managed by Parks Australia include relevant annual business agreement, aerial surveillance and incident management costs and exclude services provided under memorandums of understanding or business agreements by the Australian Fisheries Management Authority and the Australian Customs and Border Protection Service and costs across all reserves that are not attributable by region.

5 Only Ashmore Reef, Cartier Island, Mermaid Reef and Ningaloo Commonwealth marine reserves were actively managed in 2013–14.

All other reserves in the North-west network were under transitional management arrangements.

6 All Commonwealth marine reserves in the North network were under transitional management arrangements in 2013–14.

7 Only the areas corresponding to the former Cod Grounds Marine Reserve, Solitary Islands Marine Reserve (Commonwealth Waters), Lord Howe Island Marine Park (Commonwealth Waters) and Elizabeth and Middleton Reefs Marine National Nature Reserve were actively managed in 2013–14. All other reserves in the Temperate East network were under transitional management arrangements.

8 Only the area corresponding to the former Great Australian Bight Marine Park (Commonwealth Waters) was actively managed in 2013–14. All other reserves in the South-west network were under transitional management arrangements.

9 Services provided by the Australian Customs and Border Protection Service are not included.

10 Managed by the Australian Antarctic Division under delegation from the Director.