

Recreation Camps and Reserve Board 2002/2003 **ANNUAL REPORT**



Department of Sport and Recreation
Government of Western Australia

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President's Report



I am pleased to report on the continued progress in the strategic management and direction of the camps in the 2002/2003 reporting period.

This year has been one of continued change as the merging of the Recreation Camps and Reserve Board (RCRB) and Department of Sport and Recreation's operations have moved closer together. Significant progress has been made to achieve the strategic goals for the camps chain and at an operational level the camps have sustained their usage levels despite the closure of one camp.

Major achievements during the year included:

- Review of the Board's vision, mission and objectives for the camps in July 2002.
A review of the strategic directions for camps was implemented in conjunction with the Review of State Government Recreation Camps carried out by DSR and completed in November 2002.
- The strategic directions for the camp chain are to focus on its core metropolitan camps at Bickley, Ern Halliday, Point Walter and Woodman Point. The retention of Camp Quararup at Albany has been further strengthened with the signing of another ten-year lease with its operators.
- Noalimba Accommodation Conference Centre closed in October 2002 in line with the Cabinet decision of the previous year to dispose of the site. Negotiations have been concluded with Landcorp to dispose of the site and reinvest the proceeds in the rest of the camps.
- Commissioning of Master Plans for each metropolitan camp and Quararup in Albany. The Master Plan for Woodman Point was completed and the work continued on other camps plans. The Master Plans will help guide the restorative maintenance and capital upgrades proposed in each camp using funds from the disposal of Noalimba Conference Centre.
- Capital improvement continued, primarily focussed on asbestos removal programs at Ern Halliday and Woodman Point.
- RCRB have been working with officers from Department of Land Administration (now Department of Planning and Infrastructure) to prepare relevant legislation [Acts Amendment (Reserves and Reserve Boards) Act 2003] to enable the RCRB to cease operations and merge with DSR as recommended by the Machinery of Government Report 2001.
- A restructure of the staff organisation and management team has resulted in the recruitment of new management team within the branch. A new senior management role was created and camp managers positions reclassified and recruitment finalised.

- In May 2003 the RCRB determined to dispose of the Tone River Wilderness Cottages east of Manjimup by seeking expressions of interest to lease. The process is underway and the future operations of the camp determined early in the next financial year.
- Participation levels in programs have slightly decreased on previous years growth. Contributing factors to this included the closure of Ern Halliday for an extended period for asbestos removal, cessation of programs at Tone River and the loss of one large-scale event (Scout Jamboree held biannually). The programs remained a key driver at the camps and have the highest approval rating for customer satisfaction at 98 per cent for program activities across all camps.
- Accommodation occupancy fell by 17 per cent over the previous year. This is primarily due to the closure of Noalimba (bed occupancy fell 61 per cent) and a fall in occupancy at Tone River. Other camps maintained or slightly increased occupancy. Customer surveys indicated continued dissatisfaction with the standard of accommodation (69 per cent approved) but high approval for customer service (96 per cent).

I would like to take this opportunity to thank retiring Board members Rob Clement (January 2003) and Peter Duffy (June 2003). I congratulate the Board and camps staff for their continued commitment and hard work in a very difficult year.

I would also like to particularly thank the management and staff at each of the camps for their diligence and creativity in the way they have managed and represented the Recreation Camps and Reserve Board to the wider community. This has been done during a time of change and challenge.



Ron Alexander
President Recreation Camps and Reserve Board

Legislation and Compliance



The Recreation Camps and Reserve Board is a board constituted under the Parks and Reserves Act 1895.

Legislation impacting on Board activities

In the performance of its functions, the Board has exercised controls, which provide reasonable assurance that it has complied with the following relevant written laws:

- Parks and Reserves Act 1895
- Financial Administration and Audit Act 1986
- State Supply Commission Act 1991
- Public Sector Management Act 1994
- Salaries and Allowances Act 1975
- Public and Bank Holidays Act 1972
- Equal Opportunity Act 1984
- Government Employees Superannuation Act 1987
- Workers' Compensation and Rehabilitation Act 1981 (as amended Workers' Compensation and Rehabilitation Amendment Act 1993)
- Freedom of Information Act 1992
- Occupational Health and Safety Act 1984
- State Records Act 2000
- Industrial Relations Act 1979
- Workplace Agreement Act 1993
- Minimum Conditions of Employment Act 1993

Public Sector Standards

The Board has complied with the Public Sector Standards in Human Resource Management, the Western Australian Public Sector Code of Ethics and has adopted the Department of Sport and Recreation's Employee Charter, which incorporates the Code of Conduct and is applicable to Recreation Camps and Reserve Board personnel.

All procedures are in place to support Public Sector Standards and to appropriately manage staff.

There were no applications made for the breach of standards.

Statutory Reporting

In compliance with Principle 6 of the State Records Act 2000 the Recreation Camps and Reserve Board is required to report on its compliance with the Act. The State Records Act 2000 requires that a Recordkeeping Plan be submitted to the State Records Advisory Committee (SRAC) for approval prior to March 2004. The Board's plan has been partially completed and the document will be submitted for approval within the timeframe.

As part of the requirements for the recordkeeping plan, training is conducted for staff.

Each induction program addresses the roles and responsibilities of the employees in regard to compliance with the Recordkeeping Plan. Employees are issued with training manuals and refresher courses are conducted from time to time.

Freedom of Information (FOI) Act 1992

There were no FOI requests received during the year

Administration

The Recreation Camps and Reserve Board is administered through the Department of Sport and Recreation, with policies and procedures covering the areas of Equal Employment Opportunity, Disability Services, State Supply Commission Act 1991, Occupational Health, Safety and Welfare, Freedom of Information Act 1992, Risk Management and Customer Service Charter represented through the Department of Sport and Recreation.

Advertising and Marketing Expenditure

In compliance with section 175ZE of the Electoral Act 1907, the Recreation Camps and Reserves Board is required to report on expenditure incurred during the financial year in relation to advertising agencies, market research organisations, polling organisations, direct mail organisations and media advertising organisations

Expenditure with Advertising Agencies

Marketforce Productions	\$8,024
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Expenditure with Media Advertising

Australian Business Directory	95
Outdoors WA	2,374
Sensis Pty Ltd (Yellow Pages)	6,329
Telstra (White Pages)	457
West Australian Publishers	1,600
	\$10,855



Chairman of the Accountable Authority
R. Alexander
29 August 2003



Member of the Accountable Authority
G. Brimage
29 August 2003

Organisation Profile



The Recreation Camps and Reserve Board is a statutory authority that has responsibility for seven recreation camps and two major recreational reserves in Western Australia.

Vision:

To provide quality outdoor recreational experiences in a range of environments.

Mission

To manage Department of Sport and Recreation outdoor recreation and conference centres to promote an interaction with natural environments and increased participation in physical activity.

Objectives

The objectives of the Recreation Camps and Reserve Board are to:

- Provide accommodation and program delivery at each site;
- Provide opportunities in a variety of physical activities that will encourage participants to increase participation, skills and fitness levels;
- Provide professional development opportunities for educators, instructors, trainers and coaches;
- Encourage personal and community growth through accommodation and program provision;
- Be responsive to people who may not be exposed to outdoor recreational experiences at affordable prices; and
- Manage risks through providing quality safe environments and employment of skilled staff.

Activities

The Board has the power to acquire, hold, lease and dispose of real and personal property and make by-laws.

The Board requires assistance to successfully fulfill these obligations. All financial, human resources and other operational support services are provided by the Department of Sport and Recreation.

Membership

The Recreation Camps and Reserve Board is responsible to the Minister for Sport and Recreation. Membership of the Board is presently under review, however, the membership of the Board in 2002/2003 comprised:

Mr Ron Alexander
Director General
Department of Sport and Recreation
President

Ms Karen Caple
Director, Facilities and Camps,
Department of Sport and Recreation
Member

Mr Rob Clement
Director, Programs and Services,
Department of Sport and Recreation
Member – Retired January 2003

Ms Lauren Cowan
Senior Policy Officer, Strategic Policy and Planning
Department of Sport and Recreation
Member

Mr Graham Brimage
Director, Strategic Policy and Planning
Department of Sport and Recreation
Member

Mr Peter Duffy
Director, Business Management,
Department of Sport and Recreation
Member – Retired June 2003

Ms Faye Graham
Manager, Human Resources
Department of Sport and Recreation
Member

Organisation Profile

Sites and Facilities

The Board's camps, which provide either cottage or dormitory style accommodation, are located in the Perth metropolitan area and the Great Southern region.

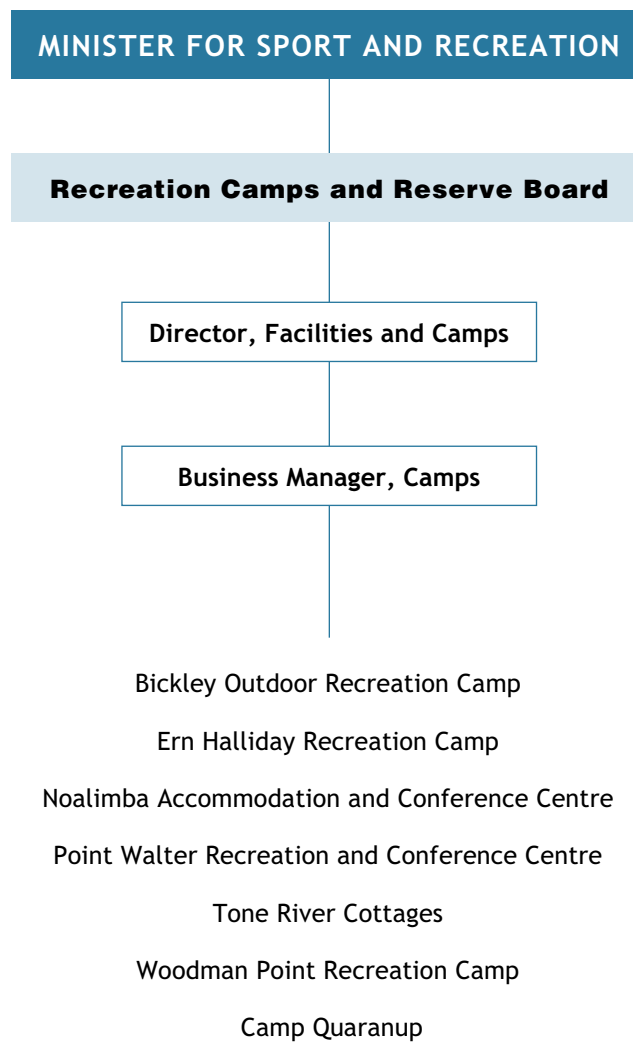
The camps are:

- Bickley Outdoor Recreation Camp (dormitory)
Harding Road, Orange Grove
- Ern Halliday Recreation Camp (dormitory)
Whitfords Avenue, Hillarys
- Noalimba Accommodation and Conference Centre (residential blocks)
Mandala Crescent, Bateman (Closed October 2002)
- Point Walter Recreation and Conference Centre (dormitory)
Stock Road, Bicton
- Tone River Wilderness Camp (cottages)
Near Manjimup, 352 km from Perth
- Woodman Point Recreation Camp (dormitory and cottages)
O'Kane Court, Munster
- Camp Quaranup (dormitory)
Big Grove, Albany (Management leased out)

The Reserves are:

- Woodman Point Reserve No. 40184 designated for the purpose of recreation and conservation, and located south of Fremantle at Munster.
- Point Peron Reserve No. 27853 designated for the purpose of recreation, and located near Rockingham.
- The day-to-day management of these Reserves has been transferred to the Department of Conservation and Land Management (DCLM).

Organisation Structure



Bickley Outdoor Recreation Camp



Bickley Outdoor Recreation Camp is set in the Darling Scarp alongside picturesque Bickley Reservoir, 25km from Perth. The camp offers self-catered dormitory accommodation for up to 70 people, tent camping for 50 people and a day use area. Clients include schools, youth, corporate, sporting, religious, family and community groups.

Major Highlights

The camp was used by a variety of client groups, participating in at least one type of camp based recreational activity:

- Environmental Encounters camps involving students from Singapore;
- Rotary Youth Leadership Awards (RYLA) camp with young adults developing leadership skills in outdoor recreation;
- Australian Islamic College camp involving young Muslim women experiencing abseiling, flying fox and canoeing supervised by female instructors;
- University groups including UWA Engineering and Murdoch Law students;
- Team building programs with groups such as Sorrento Surf Lifesaving, Whitfords Junior Football Club, Teamforce and Youth Focus and
- Student cadet groups from York and Northam participating in high ropes course and mountain biking activities.

Performance and Achievements

Bickley Camp recorded a decrease in total dormitory occupancy of 1,020 nights to 7,417 bed nights, which represents a 12 per cent decrease on the previous year. Contributing factors to this decrease were increasing numbers of day bookings (for recreational programs), smaller average group sizes and partial closure of facilities to cater for capital works. In contrast, tent occupancy increased by 49 per cent in 2002/2003 to 1233 bed nights, which represents a seven per cent occupancy rate.

Program participation of 16,946 at Bickley in 2002/2003 represents a decrease of 14 per cent from the previous year. The program participation translates to 3,715 people undertaking at least one recreation program in 2002/2003.

New activities developed at the camp in 2002/2003 included the addition of a tree climb element to the high ropes course, construction of a blind trail and an initiative team games area.

Ern Halliday Recreation Camp



Ern Halliday Recreation Camp is located on the coast 22 kms north of Perth. The complex features two large self-contained dormitory camps, two group tent areas and one of the best ranges of adventure programs in Australia.

Major Highlights

- Ern Halliday conducted successful adventure programs in Argyle for the Kimberley Aboriginal Girls Leadership Camp;
- School holiday programs were held during every holiday period throughout the year.
All programs were well received and all parent evaluations were very supportive;
- A major asbestos replacement program resulted in the re-roofing of the Commodore, Spinnaker and Windmill dormitory areas;
- The continuation of the neighbourhood-networking project successfully attracted adults aged over 35 years to tackle their fear of heights through abseiling and roping activities and
- The adventure tower was completed by the installation of a roof, landscaping and specialised surfaces in the fall zone.

Performance and Achievements

Ern Halliday had a slight increase in total dormitory occupancy of 96 nights to 19,556 bed nights, which represents a 0.5 per cent increase on the previous year. This increase was achieved despite significant closure of the site for asbestos removal during the year. Tent occupancy also increased in 2002/2003 by 9.3 per cent to 1,284 bed nights.

Program participation of 32,232 was the second highest level in the history of the Ern Halliday Recreation Camp, despite showing a decrease of 14.3 per cent from the previous year. The program participation translates to 7,206 people undertaking at least one recreation program in 2002/2003.

The Ern Halliday Camp continued to provide the widest range of physical adventure activities in the state with the addition of the “Lost Pilot” — a radio communications game and another corporate program known as “Search for the Holey Grail”.

Noalimba Accommodation and Conference Centre



The Noalimba Accommodation and Conference Centre is located 12 kilometres from Perth and Fremantle. The centre was developed in the 1960s to service the needs of migrants.

It has operated as an accommodation centre for sporting and recreation groups for many years. Occupancy rates have gradually reduced due to commercial operators offering similar facilities of a higher standard.

Noalimba has eight accommodation blocks with a capacity to sleep 416 people, six conference rooms with the capacity to seat from 25 to 250 people and on-site contract caterers serving up to 300 people.

Major Issues / Future Strategy

In the 2001/2002 financial year State Cabinet approved the disposal of the Noalimba Centre. The centre ceased operations from October 2002 and work is progressing on the disposal of the facility.

Performance and Achievements

Noalimba had a total dormitory occupancy of 7,312 bed nights in 2002/03. Comparison of this occupancy with previous years is difficult given the closure of Noalimba in October 2002.

Point Walter Recreation and Conference Centre



The Point Walter Recreation and Conference Centre is located 20 minutes from the Perth CBD and 10 minutes from Fremantle. Point Walter can accommodate up to 96 people and is an ideal venue for conferences, seminars, school camps and sport and recreation activities.

Facilities at the centre include a 10 metre high abseiling tower, low and high ropes courses, 94 metre long flying fox, swimming pool and a range of team-building game stations.

The centres' close proximity to the Swan River has allowed for the development of water based adventure activities.

Major Highlights

- During the year 112 groups, including 44 schools, 13 sporting groups, 41 community groups, 5 church groups and four government departments used the centre. This included several overseas groups, many country high schools and metropolitan primary and high schools;
- For a fourth year the Rotary Club of Perth and Point Walter ran a successful "Handicap" during January. Participants enjoyed wheelchair abseiling, flying fox and water-based programs. The leaders also enjoyed a team-building day prior to the camp commencing; and
- The overseas-based "English In Japan" group also attended Point Walter and used the Tone River Wilderness Camp at Manjimup. While at Tone River an abseiling and caving program at Margaret River was organised jointly with Edith Cowan University.

Performance and Achievements

Point Walter had a slight decrease in total dormitory occupancy of 135 to 10,644 bed nights, which represents a 1.25 per cent decrease from the previous year.

Point Walter recorded an increase of 184 to 2,441 people undertaking at least one recreation program at the Centre. This represents an eight per cent increase on the previous year. Contributing factors to the increased program participation included the purchase of a fleet of paddle craft and subsequent program development for water based activities. Abseiling and team building activities were also extremely popular throughout the year.

Tone River Wilderness Cottages



Tone River Wilderness Cottages is located 42 kilometres south east of Manjimup, on the banks of the Tone River. Originally a mill town, 20 of the original fully self-contained cottages accommodate up to six, eight or ten people each, with three of the cottages modified to cater for people with disabilities.

Tone River caters for families and small groups, and can accommodate groups of up to 166.

The cottages are set among 40 hectares of C-class reserve and are surrounded by State forest, providing the ideal venue for unique sport and recreation opportunities with an emphasis on the wilderness experience.

Major Highlights

Tone River was identified in the Review of State Government camps as no longer key to the future operation of RCRB camps and the Board accepted a recommendation that the camp be leased to a private operator.

In May 2003 the Board, with endorsement of the Minister, commenced a program to find a suitable operator. Camp operations were maintained as the process to seek a suitable lessee continues. It is anticipated that the future of the camp will be determined by December 2003.

Performance and Achievements

Tone River Cottages recorded a decrease in total occupancy of 1,515 nights to 7,672 bed nights, which represents a 16 per cent decrease on the previous year. A major contributing factor to this decrease is the degradation of the facilities.

Tone River recorded a 14 per cent decrease in the number of program participants from 2001/2002. This is largely due to the cessation of programs at Tone River in January 2003, consistent with the future directions of the camp.

Woodman Point Recreation Camp



Woodman Point Recreation Camp is located on the site of a former quarantine station dating back to 1886. Most of the buildings were re-built in 1926. The camp is located in the middle of the large Woodman Point Recreation Reserve, on the coast 10 kilometres south of Fremantle.

The camp can accommodate 272 people in four dormitories and three fully self-contained cottages.

Major Highlights

The camp provides a valuable accommodation service to schools, community groups and families. With the closure of the Noalimba Accommodation and Conference Centre, Woodman Point now provides the largest dormitory capacity of any of the RCRB facilities.

- The Department of Conservation and Land Management (DCLM) continued to manage the reserve surrounding the camp's boundaries to protect the natural woodlands in the reserve. Cooperation between the Board and DCLM has resulted in defined boundaries for the camp.
- The Friends of Woodman Point Recreation Camp (Inc) formalised agreements with a range of community sport and recreation clubs for joint-use of the former Isolation Hospital. A contract was established to remove asbestos, re-roof and reclad the hospital building. The Friends have secured Lotterywest funding for a portion of the works.
- A Master Plan for the proposed redevelopment of Woodman Point was completed in February 2003.

Performance and Achievements

Woodman Point recorded a slight increase in total occupancy of 50 nights to 9,595 bed nights, which represents a 0.5 per cent increase on the previous year. Increases in occupancy of the self-catering dormitory at the camp are attributed to increases in usage by remote and desert schools.

Woodman Point did not provide recreation programs for clients in 2002/2003.

Camps Marketing and Promotion



Marketing and promotion of camp facilities was conducted with combined activities across the chain and the continued efforts of individual camp managers to promote their camps in local marketplaces.

Strategies through the year included:

- Direct mail targeting schools, teachers and community organisations;
- Advertising and advertorial content in trade and specialist journals;
- Brochure mail outs to previous and prospective clients;
- Prompt response to repeat business clients and referrals from previous clients;
- Improved web site booking facility to enable potential clients to source information, check camp availability and make tentative booking requests;
- Development of specific products aimed at specific markets e.g. corporate training and leadership, and using cold calling and direct sales approaches to secure business;
- Point Walter continued to use its promotional CD-Rom in direct mail and follow-up to prospective clients;
- Promotional activities run at little or no cost to promote the camps and encourage new business. For example the camps provide a range of activities and attractions at the annual Have-A-Go day for a seniors at Burswood in November 2002;
- Use of metropolitan newspapers to advertise and promote specialist programs such as school holiday programs at Ern Halliday and school holiday accommodation at Tone River; and,
- On the closure of Noalimba in October 2002 a direct mail campaign aimed at previous clients of the centre to promote the use the other camps in the chain.

In May 2003 work began on new strategies to promote camps including a chain wide approach to marketing and the commissioning of new printed material that will focus on the camp chain as a whole, rather than individual camps.

Camp Quararup

Formerly a quarantine station, Camp Quararup is located across Princess Royal Harbour from the Albany town site. It contains six dormitories and can accommodate 103 people.

It remains extremely popular with schools and community groups.

The site has been identified as significant in the development of Western Australia and the City of Albany, and is part of the Vancouver Waterways Project, which will allow increased access by tourist groups, particularly by boat from Albany.

Restoration continues to be completed with assistance from the Federal Government, the local community, and investment by the lessee. The RCRB contributed towards the cost of restoration projects through the year. The lessee was successful in receiving Heritage Council Grants towards the restoration of the Gunpowder Magazine at the Camp.

Maintenance and repair of the fabric and infrastructure remains a responsibility of the State Government. Projects completed during the year have included restoration of the former morgue, isolation hospital and the old hospital.

A ten-year lease extension was negotiated and completed during the course of the year with the camp operators Gimmerton Pty Ltd.

Recreation Reserves

Management of the Reserves at Woodman Point and Point Peron vested in the Recreation Camps and Reserve Board continued to be undertaken by officers from the Department of Conservation and Land Management (DCLM).

It is expected that formal transfer of the reserves to the Conservation Commission will occur during the next year once the Commission adopts formal Management Plans for the areas.



AUDITOR GENERAL

INDEPENDENT AUDIT OPINION

To the Parliament of Western Australia

RECREATION CAMPS AND RESERVE BOARD FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2003

Audit Opinion

In my opinion,

- (i) the controls exercised by the Recreation Camps and Reserve Board provide reasonable assurance that the receipt and expenditure of moneys, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions; and
- (ii) the financial statements are based on proper accounts and present fairly in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia and the Treasurer's Instructions, the financial position of the Board at June 30, 2003 and its financial performance and cash flows for the year ended on that date.

Scope

The Board's Role

The Board is responsible for keeping proper accounts and maintaining adequate systems of internal control, preparing the financial statements, and complying with the Financial Administration and Audit Act 1985 (the Act) and other relevant written law.

The financial statements consist of the Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows and the Notes to the Financial Statements.

Summary of my Role

As required by the Act, I have independently audited the accounts and financial statements to express an opinion on the controls and financial statements. This was done by looking at a sample of the evidence.

An audit does not guarantee that every amount and disclosure in the financial statements is error free. The term "reasonable assurance" recognises that an audit does not examine all evidence and every transaction. However, my audit procedures should identify errors or omissions significant enough to adversely affect the decisions of users of the financial statements.

D D R PEARSON
AUDITOR GENERAL
October 28, 2003

Certification of Financial Statements

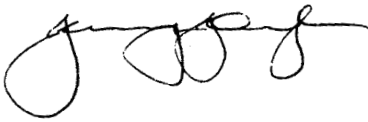
for the year ended 30 June 2003

The accompanying financial statements for the Recreation Camps and Reserve Board have been prepared in compliance with the provisions of the Financial Administration and Audit Act 1985 from proper accounts and records to present fairly the financial transactions for the year ended 30 June 2003 and the financial position as at 30 June 2003.

At the date of signing we are not aware of any circumstances which would render the particulars included in the Financial Statements misleading or inaccurate.



Chairman of Accountable Authority
R Alexander
29 August 2003



Principal Accounting Officer
J Ough
29 August 2003



Member of Accountable Authority
G Brimage
29 August 2003

Statement of Financial Performance

for the year ended 30 June 2003

	Note	2002/03 \$	2001/02 \$
COST OF SERVICES			
Expenses from ordinary activities			
Employee expenses	2	1,386,367	1,251,704
Supplies and services	3	1,142,702	812,485
Depreciation and amortisation expense	4	511,673	1,018,392
Administration expenses	5	422,670	386,003
Capital user charge	6	1,032,000	1,006,000
Other expenses from ordinary activities	7	133	24,647
Total cost of services		4,495,545	4,499,231
Revenues from ordinary activities			
<i>Revenue from operating activities</i>			
User charges and fees	8	1,589,769	1,772,176
<i>Revenue from non-operating activities</i>			
Proceeds from disposal of non-current assets	9	825	2,647
Total revenues from ordinary activities		1,590,594	1,774,823
NET COST OF SERVICES		(2,904,951)	(2,724,408)
REVENUES FROM STATE GOVERNMENT			
Output appropriation	10	2,777,000	2,534,000
Liabilities assumed by the Treasurer	10	7,742	28,359
Resources received free of charge	10	396,331	335,664
Total revenues from State Government		3,181,073	2,898,023
CHANGE IN NET ASSETS		276,122	173,615
Net increase/(decrease) in asset revaluation reserve		(471,819)	3,446,175
Total revenues, expenses and valuation adjustments recognised directly in equity		(471,819)	3,446,175
Total changes in equity other than those resulting from transactions with WA State Government as owners		(195,697)	3,619,790

The Statement of Financial Performance should be read in conjunction with the accompanying notes.

Statement of Financial Position

as at 30 June 2003

	Note	2002/03 \$	2001/02 \$
Current Assets			
Cash assets	19 (a)	580,347	394,908
Restricted cash assets	11	37,090	32,090
Receivables	12	148,584	131,605
Amounts receivable for outputs	13	25,000	150,000
Total Current Assets		791,021	708,603
Non-Current Assets			
Amounts receivable for outputs	13	1,736,000	811,000
Property, plant and equipment	14	14,087,456	14,993,860
Total Non-Current Assets		15,823,456	15,804,860
Total Assets		16,614,477	16,513,463
Current Liabilities			
Payables	15	272,805	52,686
Provisions	16	80,157	69,023
Other liabilities	17	241,921	188,871
Total Current Liabilities		594,883	310,580
Non-Current Liabilities			
Provisions	16	99,216	86,809
Total Non-Current Liabilities		99,216	86,809
Total Liabilities		694,099	397,388
NET ASSETS		15,920,378	16,116,075
Equity			
Contributed equity	18	105,000	105,000
Reserves	18	14,773,493	15,245,312
Accumulated surplus	18	1,041,885	765,763
TOTAL EQUITY		15,920,378	16,116,075

The Statement of Financial Position should be read in conjunction with the accompanying notes.

Statement of Cash Flows

for the year ended 30 June 2003

	Note	2002/03 \$	2001/02 \$
CASH FLOWS FROM STATE GOVERNMENT			
Output appropriations		1,827,000	1,573,000
Capital contributions		–	105,000
Holding account drawdowns		150,000	–
Net cash provided by State Government		1,977,000	1,678,000
Utilised as follows:			
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee costs		(1,273,157)	(1,202,846)
Supplies and services		(1,388,094)	(1,100,400)
Capital user charge		(896,000)	(1,006,000)
GST payments on purchases		(222,753)	(203,789)
GST payments to taxation authority		(14,993)	(42,218)
Receipts			
User charges and fees		1,852,417	2,011,174
GST receipts on sales		163,323	162,734
GST receipts from taxation authority		60,767	27,636
Other receipts		4,166	–
Net cash provided by/(used in) operating activities	19 (c)	(1,714,324)	(1,353,709)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of non-current physical assets		(72,237)	(38,436)
Net cash provided by/(used in) investing activities		(72,237)	(38,436)
Net increase/(decrease) in cash held		190,439	285,855
Cash assets at beginning of the financial year		426,998	141,143
CASH ASSETS AT THE END OF THE FINANCIAL YEAR	19 (a)	617,438	426,998

The Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

for the year ended 30 June 2003

1 Significant accounting policies

The following accounting policies have been adopted in the preparation of the financial statements. Unless otherwise stated these policies are consistent with those adopted in the previous year.

General Statement

The financial statements constitute a general purpose financial report which has been prepared in accordance with Accounting Standards, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board, and Urgent Issues Group (UIG) Consensus Views as applied by the Treasurer's Instructions. Several of these are modified by the Treasurer's Instructions to vary application, disclosure, format and wording. The Financial Administration and Audit Act and the Treasurer's Instructions are legislative provisions governing the preparation of financial statements and take precedence over Accounting Standards, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board, and UIG Consensus Views. The modifications are intended to fulfil the requirements of general application to the public sector, together with the need for greater disclosure and also to satisfy accountability requirements.

If any such modification has a material or significant financial effect upon the reported results, details of that modification and where practicable, the resulting financial effect, are disclosed in individual notes to these financial statements.

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting using the historical cost convention, except for certain assets and liabilities which, as noted, are measured at fair value.

(a) Output Appropriations

Output appropriations are recognised as revenues in the period in which the Board gains control of the appropriated funds. The Board gains control of appropriated funds at the time the funds are deposited into the Board's bank account or credited to the holding account held at the Department of Treasury and Finance.

(b) Contributed Equity

Under UIG 38 "Contributions by Owners Made to Wholly-Owned Public Sector Entities" transfers in the nature of equity contributions must be designated by the Government (owners) as contributions by owners (at the time of, or prior to transfer) before such transfers can be recognised as equity contributions in the financial statements. Capital contributions (appropriations) have been designated as contributions by owners and have been credited directly to Contributed Equity in the Statement of Financial Position. Capital appropriations which are repayable to the Treasurer are recognised as liabilities. Refer to Note 10 for further commentary on the application of UIG 38 and TI955.

(c) Grants and Other Contributions Revenue

Grants, donations, gifts and other non-reciprocal contributions are recognised as revenue when the Board obtains control over the assets comprising the contributions. Control is normally obtained upon their receipt.

Contributions are recognised at their fair value. Contributions of services are only recognised when a fair value can be reliably determined and the services would be purchased if not donated.

(d) Revenue Recognition

Revenue from the sale of goods and disposal of other assets and the rendering of services, is recognised when the Board has passed control of the goods or other assets or delivery of the service to the customer.

(e) Acquisitions of Assets

The cost method of accounting is used for all acquisitions of assets. Cost is measured as the fair value of the assets given up or liabilities undertaken at the date of acquisition plus incidental costs directly attributable to the acquisition.

Notes to the Financial Statements

for the year ended 30 June 2003

1 Significant accounting policies (continued)

Assets acquired at no cost or for nominal consideration, are initially recognised at their fair value at the date of acquisition.

(f) Depreciation of non-current assets

All non-current assets having a limited useful life are systematically depreciated over their useful lives in a manner which reflects the consumption of their future economic benefits.

Depreciation is calculated on the straight line basis, using rates which are reviewed annually. Expected useful lives for each class of depreciable asset are:

Buildings	10 years
Plant and general equipment	3.33 to 5 years

(g) Revaluation of Land, Buildings and Infrastructure

The Board has a policy of valuing land, buildings and infrastructure at fair value. The revaluations of the Board's land and buildings undertaken by the Valuer General's Office are recognised in the financial statements.

Land and improvements are shown at valuation in the financial statements. Increments have been taken to the Asset Revaluation Reserve. Decrements are offset against previous increments relating to the same class of asset and the balance is charged to the Statement of Financial Performance.

(h) Leases

The Board has entered into operating lease arrangements for vehicles where the lessor effectively retains all risks and benefits incident to ownership of the items held under the operating leases. Equal instalments of the lease payments are charged to the Statement of Financial Performance over the lease term as this is representative of the pattern of benefits to be derived from the leased property.

(i) Cash

For the purpose of the Statement of Cash Flows, cash includes cash assets and restricted cash assets. These include short-term deposits that are readily convertible to cash on hand and are subject to insignificant risk of changes in value.

(j) Receivables

Receivables are recognised at the amounts receivable as they are due for settlement no more than 30 days from the date of recognition.

Collectibility of receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful debts is raised when some doubt as to collection exists.

(k) Software

Significant costs associated with the acquisition or development of computer software are capitalised and amortised on a straight line basis over the periods of the expected benefit of 3 1/3 years.

(l) Payables

Payables, including accruals not yet billed, are recognised when the Board becomes obliged to make future payments as a result of a purchase of goods or services. Payables are generally settled within 30 days.

1 Significant accounting policies (continued)

(m) Employee benefits

Annual leave

This benefit is recognised at the reporting date in respect to employees' services up to that date and is measured at the nominal amounts expected to be paid when the liabilities are settled.

Long service leave

Leave benefits are calculated at remuneration rates expected to be paid when the liabilities are settled. A liability for long service leave is recognised as soon as an employee commences service. An actuarial assessment of long service leave undertaken by Barton Consultancy in 2001 determined that the liability measured using the short hand method was not materially different from the liability measured using the present value of expected future payments.

This method of measurement of the liability is consistent with the requirements of Australian Accounting Standard AASB 1028 "Employee Benefits".

Superannuation

Staff may contribute to the Pension Scheme, a defined benefits pension scheme now closed to new members, or to the Gold State Superannuation Scheme, a defined benefit lump sum scheme now also closed to new members. All staff who do not contribute to either of these schemes become non-contributory members of the West State Superannuation Scheme, an accumulation fund complying with the Commonwealth Government's Superannuation Guarantee (Administration) Act 1992. All of these schemes are administered by the Government Employees Superannuation Board (GESB).

The Pension Scheme and the pre-transfer benefit for employees who transferred to the Gold State Superannuation scheme are unfunded and the liability for future payments is provided for at reporting date.

The liabilities for superannuation charges under the Gold State Superannuation Scheme and the West State Superannuation Scheme are extinguished by payment of employer contributions to the GESB.

The note disclosure required by paragraph 6.10 of AASB 1028 (being the employer's share of the difference between employees' accrued superannuation benefits and the attributable net market value of plan assets) has not been provided. State scheme deficiencies are recognised by the State in its whole of government reporting. The GESB's records are not structured to provide the information for the Board. Accordingly, deriving the information for the Board is impractical under current arrangements, and thus any benefits thereof would be exceeded by the cost of obtaining the information.

(n) Employee benefit on-costs

Employee benefit on-costs are recognised and included in employee benefit liabilities and costs when the employee benefits to which they relate are recognised as liabilities and expenses (see notes 2 and 16).

(o) Accrued Salaries

Accrued salaries (refer Note 17) represent the amount due to staff but unpaid at the end of the financial year, as the end the last pay period for that financial year does not coincide with the end of financial year. Accrued salaries are settled within a few days of financial year end. The Board considers the carrying amount of accrued salaries to be equivalent to their net fair value.

(p) Resources Received Free of Charge or For Nominal Value

Resources received free of charge or for nominal value which can be reliably measured are recognised as revenues and as assets or expenses as appropriate at fair value.

(q) Comparative Figures

Comparative figures are, where appropriate, reclassified so as to be comparable with the figures presented in the current financial year.

(r) Rounding of amounts

Amounts in the financial statements have been rounded to the nearest dollar.

Notes to the Financial Statements

for the year ended 30 June 2003

	2002/03 \$	2001/02 \$
2 Employee Expenses		
Wages and salaries	1,184,927	1,032,472
Superannuation	101,934	117,137
Long service leave	7,782	23,805
Annual leave	11,128	(7,473)
Other related expenses (i)	80,596	85,763
	<u>1,386,367</u>	<u>1,251,704</u>
(i) These employee expenses include superannuation, workers compensation premiums and other employment on-costs associated with the recognition of annual and long service leave liability. The related on-costs liability is included in employee benefit liabilities at Note 16.		
3 Supplies and Services		
Repairs and maintenance	492,421	179,053
Services and contracts	78,627	66,169
Utilities	119,411	167,764
Motor vehicles	72,628	63,311
Equipment	91,862	78,146
Cleaning	66,238	76,713
Communications	38,892	35,142
Other	182,623	146,187
	<u>1,142,702</u>	<u>812,485</u>
4 Depreciation expense		
Buildings	485,215	984,535
Plant and general equipment	26,458	33,857
	<u>511,673</u>	<u>1,018,392</u>
5 Administration expenses		
Services and Contracts	417,783	381,358
Consumable Supplies	4,887	4,645
	<u>422,670</u>	<u>386,003</u>
6 Capital User Charge		
Capital user charge	1,032,000	1,006,000
	<u>1,032,000</u>	<u>1,006,000</u>
A capital user charge rate of 8% has been set by the Government for 2002-03 and represents the opportunity cost of capital invested in the net assets of the Board used in the provision of outputs. The charge is calculated on the net assets adjusted to take account of exempt assets. Payments are made to the Department of Treasury and Finance on a quarterly basis.		
7 Other expenses from ordinary activities		
Doubtful debts expense	(42)	24,647
Carrying amount of non-current assets disposed of	175	–
	<u>133</u>	<u>24,647</u>

	2002/03 \$	2001/02 \$
8 User charges and fees		
Accommodation	1,008,232	1,229,388
Meals	31,806	80,786
Rent and lease fees	72,683	47,169
Programs	421,899	398,795
Utilities/phones/miscellaneous	55,149	16,038
	<u>1,589,769</u>	<u>1,772,176</u>
9 Net gain/(loss) on disposal of non-current assets		
Gain on Disposal of Non-Current Assets		
Plant and general equipment	825	2,647
	<u>825</u>	<u>2,647</u>
10 Revenues from State Government		
Appropriation revenue received during the year:		
Output appropriations (i)	2,777,000	2,534,000
The following assets have been assumed from/(transferred to) other government agencies during the financial year: (ii)		
Liabilities assumed by the Treasurer		
Superannuation	7,742	28,359
Resources received free of charge (iii)		
Determined on the basis of the following estimates provided by agencies:		
Office of the Auditor General	12,500	11,500
Crown Solicitors Office	6,154	14,311
Department of Sport and Recreation	377,677	309,853
	<u>396,331</u>	<u>335,664</u>
	<u>3,181,073</u>	<u>2,898,023</u>

- (i) Output appropriations are accrual amounts reflecting the full cost of outputs delivered. The appropriation revenue comprises a cash component and a receivable (asset). The receivable (holding account) comprises the depreciation expense for the year and any agreed increase in leave liability during the year.
- (ii) Where a liability has been assumed by the Treasurer or other entity, the Board recognises revenues equivalent to the amount of the liability assumed and an expense relating to the nature of the event or events that initially gave rise to the liability. Discretionary transfer of assets between State Government agencies are reported as Assets assumed/ (transferred) under Revenues from State Government.
- (iii) Where assets or services have been received free of charge or for nominal consideration, the Board recognises revenues (except where the contribution of assets or services is in the nature of contributions by owners, in which case the Board shall make a direct adjustment to equity) equivalent to the fair value of the assets and/or the fair value of those services that can be reliably determined and which would have been purchased if not donated, and those fair values shall be recognised as assets or expenses, as applicable.

Notes to the Financial Statements

for the year ended 30 June 2003

	2002/03 \$	2001/02 \$
11 Restricted cash assets		
Accrued salaries suspense account	37,090	32,090
The amount held in the suspense account is only to be used for the purpose of meeting the 27th pay in a financial year. This only occurs every 11 years.		
12 Receivables		
Current		
Trade Debtors	129,910	132,835
Provision for doubtful debts	(26,635)	(26,677)
GST receivable	45,309	25,447
	<u>148,584</u>	<u>131,605</u>
13 Amounts receivable for outputs		
Current	25,000	150,000
Non-current	1,736,000	811,000
	<u>1,761,000</u>	<u>961,000</u>
This asset represents the non-cash component of output appropriations. It is restricted in that it can only be used for asset replacement or payment of leave liabilities.		
14 Property, plant and general equipment		
Land		
At fair value (i)	9,661,500	6,101,000
	<u>9,661,500</u>	<u>6,101,000</u>
Buildings		
At fair value (i)	4,828,490	9,845,344
At Cost (i)	44,446	–
Accumulated depreciation	(485,215)	(984,535)
	<u>4,387,721</u>	<u>8,860,809</u>
Plant and general equipment		
At cost	216,481	218,402
Accumulated depreciation	(178,246)	(186,351)
	<u>38,235</u>	<u>32,051</u>
	<u>14,087,456</u>	<u>14,993,860</u>

- (i) The revaluation of land, improvements and buildings was performed on either 23 May, 2002 or 1 July, 2002 in accordance with an independent valuation by the Valuer General's Office. Fair value has been determined on the basis of current market buying values and values based on current use. The valuation was made in accordance with a regular policy of annual revaluation. Improvements after 1 July, 2002 are recognised at cost.

14 Property, plant and general equipment (continued)

Reconciliations

Reconciliations of the carrying amounts of property, plant and general equipment at the beginning and end of the current financial year are set out below.

	Plant, and general equipment	Land	Buildings	Total
	\$	\$	\$	\$
2002/03				
Carrying amount at start of year	32,051	6,101,000	8,860,809	14,993,860
Additions	32,642	–	44,446	77,088
Disposals	–	–	–	–
Revaluation increments/(decrements)	–	3,560,500	(4,032,319)	(471,819)
Depreciation	(26,458)	–	(485,215)	(511,673)
Carrying amount at end of year	38,235	9,661,500	4,387,721	14,087,456

In 2001/02 State Cabinet gave approval for the disposal of the Noalimba Accommodation and Conference Centre. The Noalimba Accommodation and Conference Centre ceased trading on 31 October 2002 and was transferred to the Department of Planning and Infrastructure on 12 September 2003. The value of land included above in respect of Noalimba is \$9.2 million, as determined by the Valuer General's Office. The land is valued at market value. Buildings and improvements at Noalimba have been fully written down.

	2002/03 \$	2001/02 \$
15 Payables		
Current		
Trade payables	136,805	52,686
Capital user charge payable	136,000	–
	272,805	52,686

16 Provisions

Current		
Annual leave (i)	54,020	42,893
Long service leave (i)	26,137	26,130
	80,157	69,023
Non Current		
Long service leave (i)	99,216	86,809
	179,373	155,832

- (i) The settlement of annual and long service leave liabilities gives rise to the payment of employment on-costs including superannuation and workers compensation premiums. The liability for such on-costs is included here. The associated expense is included under Long Service Leave and Annual Leave (under Employee expenses) at Note 2.

The Board considers the carrying amount of employee entitlements approximates the net fair value.

Notes to the Financial Statements

for the year ended 30 June 2003

	2002/03 \$	2001/02 \$
Employee Benefit Liabilities		
The aggregate employee entitlements liability recognised and included in the financial statements is as follows:		
Provision for employee entitlements:		
Current	80,157	69,022
Non-current	99,216	86,809
	<u>179,373</u>	<u>155,831</u>
17 Other Liabilities		
Current		
Deposits/Income in advance	178,495	165,663
Accrued salaries	63,426	23,208
	<u>241,921</u>	<u>188,871</u>
18 Equity		
Contributed Equity		
Opening balance	105,000	–
Capital Contributions (i)	–	105,000
Closing balance	<u>105,000</u>	<u>105,000</u>
(i) Capital Contributions have been designated as contributions by owners and are credited directly to equity in the Statement of Financial Position.		
Reserves		
Asset Revaluation Reserve (i)		
Opening balance	15,245,312	11,799,137
Net revaluation increments/(decrements)		
Land	3,560,500	1,814,000
Buildings	(4,032,319)	1,632,175
Closing balance	<u>14,773,493</u>	<u>15,245,312</u>
(i) The asset revaluation reserve is used to record increments and decrements on the revaluation of non-current assets, as described in accounting policy note 1(g).		
Accumulated surplus		
Opening balance	765,763	592,148
Change in net assets	276,122	173,615
Closing balance	<u>1,041,885</u>	<u>765,763</u>

	2002/03 \$	2001/02 \$
19 Notes to the Statement of Cash Flows		
(a) Reconciliation of cash		
Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:		
Cash assets	580,347	394,908
Restricted cash assets (refer to note 11)	37,090	32,090
	<u>617,437</u>	<u>426,998</u>
(b) Non cash financing and investing activities		
During the financial year, there were no assets/liabilities transferred/assumed from other government agencies not reflected in the Statement of Cash Flows (2001/2002: nil).		
(c) Reconciliation of net cost of services to net cash flows used in operating activities		
Net cost of services	(2,904,951)	(2,724,408)
Non-cash items:		
Depreciation and amortisation expense	511,673	1,018,392
Adjustment for other non-cash items	–	20,146
Other expenses from ordinary activities	133	24,647
Resources received free of charge	396,331	335,664
Net(gain)/loss on sale of property, plant and equipment	(825)	(2,647)
Superannuation expense	7,742	28,359
(Increase)/decrease in assets:		
Current receivables (iii)	2,925	(17,070)
Increase/(decrease) in liabilities:		
Current payables	220,120	20,121
Current provisions	11,133	(10,505)
Other current liabilities	53,050	7,839
Non-current provisions	12,407	26,837
Net GST receipts/(payments) (i)	(13,656)	(55,637)
Change in GST in receivables/payables(ii)	(10,406)	(25,447)
Net cash used in in operating activities	<u>(1,714,324)</u>	<u>(1,353,709)</u>
i) This is the net GST paid/received, ie. Cash transactions		
ii) This reverses out the GST in accounts receivable and payable.		
iii) Note that ATO receivables/payables in respect of GST and receivable/payable in respect of the sale/purchase of non-current assets are not included in these items as they are not reconciling items.		
(d) At the reporting date, the Board had fully drawn on all financing facilities, details of which are disclosed in the financial statements.		

Notes to the Financial Statements

for the year ended 30 June 2003

	2002/03 \$	2001/02 \$
20 Commitments for expenditure		
Non-cancellable operating lease commitments		
Commitments in relation to leases contracted for at the reporting date but not recognised as liabilities, are payable as follows:		
Within 1 year	35,272	38,824
Later than 1 year and not later than 5 years	12,233	34,429
	<u>47,505</u>	<u>73,253</u>

These commitments relate to motor vehicles and are inclusive of GST.

21 Contingent Liabilities and Contingent Assets

The Members of the Board are not aware of any contingent liabilities and contingent assets as at reporting date.

22 Events Occurring After Reporting Date

Other than as disclosed in note 14, the Members of the Board are not aware of any other matters or circumstances that have arisen since the end of the financial year to the date of this report which have significantly affected or may significantly affect the activities of the Board, the results of those activities or the state of affairs of the Board in the ensuing or any subsequent years.

23 Explanatory Statement

(i) Significant variations between estimates and actual results for the financial year

Details and reasons for significant variations between estimates and actual results are detailed below.

Significant variations are considered to be those greater than 10% or \$75,000.

	Estimate \$	Actual \$	Variance \$
Employee Expenses and Superannuation	1,034,000	1,386,367	(352,367)
Accommodation	201,000	–	201,000
Depreciation and amortisation	947,000	511,673	435,327
Other expenses	81,000	133	80,867
User charges and fees	1,841,000	1,589,769	251,231
Resources provided free of charge	196,000	396,331	(200,331)
Output Appropriations	2,640,000	2,777,000	(137,000)

Employee Expenses and Superannuation

State Government policy required all agencies to move from Workplace Agreements to the relevant award (for the Board this is the Government Officers Salaries, Allowances and Conditions Award 1989 (GOSAC) and the Government Officers Salaries, Allowance and Conditions General Agreement 2002). The impact of this upon the Board was a significant increase in wages and salaries due to the move from a 40 hour week to 37.5 hours, and the replacement of commuted overtime and other allowances with penalty rates for work outside award prescribed hours (i.e. early morning, evenings and weekend work). The Board implemented significant operational and structural changes to mitigate the impact of this, which resulted in approximately a 50% reduction in the forecast additional costs. Supplementary funding of \$137,000 was received for the balance of the additional costs.

23 Explanatory Statement (continued)

Furthermore, in 2002, an industrial dispute regarding the nature of tenure of the Board's cleaners was heard in the WA Industrial Relations Commission and the Industrial Magistrate's Court, and subsequently settled. The cleaners had been employed on a casual basis and the union challenged the status of their employment maintaining their tenure should be permanent part time, given the long term nature of their employment.

As agreed under the settlement, the Board paid the yearly increments and accrued leave liabilities for the two cleaners involved in the dispute. These payments were made in September 2002 and since that time similar agreements and arrangements have been finalised for the four other cleaners employed under identical conditions.

In addition to this, employees who worked at the Noalimba Accommodation and Conference Centre were offered voluntary severance upon closure of that centre in October 2002. Payments of \$67,085 were taken up by some employees (including severance and accrued leave), and the remaining employees were redeployed to other camps.

Accommodation and Other Expenses

These expense categories have been reallocated within the Supplies and Services category, as it is considered that this category is a more accurate reflection of where the funds are actually spent. Accordingly, explanations for variances against these budget items have been incorporated under the commentary on the Supplies and Services category.

Depreciation and amortisation expense

There was a significant decrease in depreciation expense as no depreciation was charged on buildings and improvements at Noalimba during the year. These assets were written down to nil value, during the 2003 year.

User charges and fees

The rent estimate includes accommodation revenue at the Noalimba camp for a full year, however the camp ceased operations on 31st October 2002.

Resources provided free of charge

Resources provided free of charge from the Department of Sport and Recreation have been increased to more accurately reflect the level of services provided.

Output appropriations

Appropriations were higher than estimated due to the provision of supplementary funding to meet the additional salaries costs noted above.

- (ii) Significant variations between actual revenues and expenditure for the financial year and the revenues and expenditures for the immediately preceding financial year.

Details and reasons for significant variations between actual results with the corresponding items of the preceding year are detailed below. Significant variations are considered to be those greater than 10% or \$75,000.

	2002/03	2001/02	Variance
	\$	\$	\$
Employee Expenses	1,386,367	1,251,704	134,663
Supplies and Services	1,142,702	812,485	330,217
Depreciation and amortisation	511,673	1,018,392	(506,719)
User charges and fees	1,589,769	1,772,176	(182,407)
Output Appropriations	2,777,000	2,534,000	243,000

Notes to the Financial Statements

for the year ended 30 June 2003

23 Explanatory Statement (continued)

Employee Expenses

Salaries were higher this year due to the move from Workplace agreements to the GOSAC award, as explained in note 23 (i).

Supplies and Services

The significant increase in this item is due to the completion of some major restoration works and upgrading facilities. Asbestos was removed from two dormitory blocks at Ern Halliday camp, and at Bickley, urgent kitchen repairs were undertaken and a major renovation project commenced on the dining hall.

Depreciation and amortisation

The decrease in depreciation is directly attributable to the write down of improvements at Noalimba. For further information on Noalimba, see note 14. The depreciation rate is unchanged.

User charges and fees

There was a decrease in revenue due to a reduction in both accommodation and program revenue.

Output Appropriations

The increase in appropriations was due to the receipt of supplementary funding of \$137,000 along with additional funding in the current year for the upgrade of facilities at the camps.

24 Financial Instruments

(a) Interest rate risk exposures

	2002/03 \$	2001/02 \$
The following table summarises interest rate risk to the Board as at 30 June	Non-interest bearing	Non-interest bearing
Financial Assets		
Cash assets	580,347	394,908
Restricted cash assets	37,090	32,090
Receivables	148,584	131,605
	766,021	558,603
Financial Liabilities		
Payables	272,805	52,686
Accrued salaries	63,426	23,208
	336,231	75,894

(b) Credit Risk Exposure

The carrying amount of financial assets recorded in the financial statements net of any provisions for losses, represents the entity's maximum exposure to credit risk without taking into account the value of any collateral or other security, in the event other parties fail to perform their obligations under financial instruments.

(c) Net Fair Values

The carrying amount of financial assets and financial liabilities recorded in the financial statements are not materially different from their net fair values, determined in accordance with the accounting policies disclosed in note 1 to the financial statements.

25 Remuneration of Senior Officers

Remuneration of Senior Officers

The number of senior officers, whose total of fees, salaries, superannuation and other benefits for the financial year, fall within the following bands are:

	2002/03	2001/02
\$	\$	\$
	No.	No.
30,001–40,000	1	–
50,001–60,000	1	1
	\$	\$
The total remuneration of senior officers is:	82,735	66,637

The superannuation included here represents the superannuation expense incurred by the Board in respect of senior officers.

No senior officers are members of the Pension Scheme.

26 Related and Affiliated Bodies

The Recreation Camps and Reserve Board has no related or affiliated bodies.

27 Supplementary Financial Information

There were no losses, write-offs or gifts during the year.

28 Output Information

The Board only has one output, consequently a separate statement of outputs is not required.



AUDITOR GENERAL

INDEPENDENT AUDIT OPINION

To the Parliament of Western Australia

RECREATION CAMPS AND RESERVE BOARD PERFORMANCE INDICATORS FOR THE YEAR ENDED JUNE 30, 2003

Audit Opinion

In my opinion, the key effectiveness and efficiency performance indicators of the Recreation Camps and Reserve Board are relevant and appropriate to help users assess the Board's performance and fairly represent the indicated performance for the year ended June 30, 2003.

Scope

The Board's Role

The Board is responsible for developing and maintaining proper records and systems for preparing performance indicators.

The performance indicators consist of key indicators of effectiveness and efficiency.

Summary of my Role

As required by the Financial Administration and Audit Act 1985, I have independently audited the performance indicators to express an opinion on them. This was done by looking at a sample of the evidence.

An audit does not guarantee that every amount and disclosure in the performance indicators is error free, nor does it examine all evidence and every transaction. However, my audit procedures should identify errors or omissions significant enough to adversely affect the decisions of users of the performance indicators.

A handwritten signature in black ink, appearing to read 'D D R Pearson'.

D D R PEARSON
AUDITOR GENERAL
October 28, 2003

Certification of Performance Indicators

for the year ended 30 June 2003

We hereby certify that the performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Recreation Camps and Reserve Board's performance, and fairly represent the performance of the Recreation Camps and Reserve Board for the financial year ended 30 June 2003.



Chairman of Accountable Authority
R Alexander
29 August 2003



Member of Accountable Authority
G Brimage
29 August 2003

Performance Indicators

Reporting Methodology

One outcome and one output – Recreation Camps Management – formed the framework for external reporting in 2002/03.

Corporate Profile and Key Performance Indicators

The Board's mission is to manage all camps and reserves under the Board's control and to assist in meeting the objectives of the Department of Sport and Recreation.

The Board's outcome is "Board camps and reserves for use by groups, organisations and individuals for recreational purposes.

Key Performance Indicators consist of three effectiveness indicators and one efficiency indicator.

The Board has implemented a new strategic direction of camps activities over the past year with a strengthened focus on programming activities at camps, whilst maintaining accommodation and conference facility access for community, school, corporate and family groups.

Progress has been made with the implementation of Machinery of Government Taskforce Report recommendations to subsume the Board activities within the Department of Sport and Recreation.

To oversee operations during the transition and to closely align the operations of the RCRB with the Department, an interim Board was established incorporating the Department's Corporate Executive and additional senior staff members.

Work will commence during the 2003/04 year regarding the future alignment of the Board's reporting structure with that of the Department's outcomes and outputs. The RCRB outcomes and effectiveness indicators will be revised to reflect both the quality (satisfaction rating) of the recreational services provided as well as the quality of the accommodation services provided. This will be done in conjunction with the Office of the Auditor General.

Key Performance Indicators – Effectiveness

Outcome: *Board camps and reserves for use by groups, organisations and individuals for recreational purposes.*

EFFECTIVENESS INDICATOR NO. 1:

The extent to which the Board satisfied the accommodation expectations of groups.

In 2002/2003 the Board provided accommodation at Noalimba (up until closure on 31 October 2002), Woodman Point, Point Walter, Ern Halliday, Bickley and Tone River camps.

Customer satisfaction surveys specific to each site were provided to groups and individuals on departure. The results of these surveys are used for management purposes.

In addition, the Board commissioned an independent client satisfaction survey. From a contact list of 1,118 customers, a sample of 483 clients was selected for telephone interview, of which 272 responded. The overall response rate was 56.3 percent. This sample size produced results with a forecasting accuracy of ± 5.17 percent at the 95 per cent confidence interval.

From these responses the Board determined the following:

Key Effectiveness Indicator	2000/01 Actual	2001/02 Actual	2002/03 Actual
Percentage of clients satisfied with the accommodation provided	87%	73%	70%

Notes:

- (1) To alleviate the biased result of 2001/02 (refer to footnote 1), a revised sample selection methodology was utilised, to more accurately reflect management operations and the activity of camps. Sample selection in 2002/03 was based on the percentage of turnover generated by each camp (from accommodation and program revenue).
- (2) The Board is confident that the satisfaction rating for accommodation as reported in the Independent Client Survey in 2002/03 is an accurate reflection of perceptions across all camps. The methodology for sample selection will be repeated in 2003/04.
- (3) In preparation for the refinement of effectiveness measures to reflect the change in the strategic direction of camps toward increased program delivery, information was collected via the Independent Client Survey for 2002/03 on client satisfaction of the standard of program activity. A satisfaction rating of 98% was reported for 2002/03.

¹ Target satisfaction rate for 2001/02 was 92 per cent. Seventy three per cent was achieved, which was a reduction on the target as well as on the actual for the previous year. This result was heavily influenced by responses received from groups that stayed at one particular Camp. This camp was the Board's only cottage/chalet facility that caters for family groups. As a result it generally has higher group numbers as it can accommodate 19 groups at one time. The accommodation at this camp requires extensive upgrading and the low satisfaction rating reflects this fact.

² This result was not significantly different to that reported in 2001/02 (72.7%). Similar to the previous year, the satisfaction rating for Tone River Camp was significantly lower than the other camps, drawing the overall rating down.

Key Performance Indicators – Effectiveness

EFFECTIVENESS INDICATOR NO. 2:

The extent to which the Board increased the number of persons accommodated.

In 2002/03 the Board provided accommodation at the Noalimba (up until closure on 31 October 2002), Woodman Point, Point Walter, Ern Halliday, Bickley and Tone River camps.

Bed occupancy rates are the data used to measure the growth/reduction in clients who have stayed in camps.

Performance over the past year is detailed below.

Key Effectiveness Indicator	2001/02 Target	2001/02 Actual	Variation	2002/03 Target	2002/03 Actual	Variation
Total occupancy in bed nights	80,000	78,406	(1,594)	80,000	64,713	(15,287)

Notes:

- (1) The number of bed nights is a measure that is derived by individually multiplying the number of persons staying in the camps by the number of nights stayed.
- (2) The 2002/2003 bednights of 64,713 represents a decrease in bed occupancy of 17.5%. This reduction is primarily due to the closure of Noalimba in October 2002. Other contributing factors include the limited pick up of new business from previous Noalimba clients, temporary camp closures to accommodate capital works and the declining condition of the Tone River Cottages.
- (3) Details of the past five years' occupancy data are contained at Appendix 1.

EFFECTIVENESS INDICATOR NO. 3:

The extent to which the Board increased participation in recreation programs.

In 2002/03 the Board conducted recreation programs at the Ern Halliday, Pt Walter, Tone River and Bickley camps.

Data was collated from these programs and the following results were achieved.

Key Effectiveness Indicator	2000/01 Actual	2001/02 Actual	Variation	2001/02 Actual	2002/03 Actual	Variation
Total number of program participants	12,657	16,196	3,539	16,196	14,005	(2,191)

Notes:

- (1) Program participant numbers is a single statistic that indicates the number of persons who actually undertook some type of activity at the camps. It does not show that persons usually participate in several activities. Hence program participations are being introduced in 2003/2004 as an additional effectiveness indicator. Program participations will more accurately reflect the number of participants and the number of activities each participant undertakes.
- (2) The 2002/2003 participant numbers of 14,005 represent a decrease in participation of 13.5%. Factors that contributed to this reduction include the cessation of programs at Tone River, temporary camp closures to accommodate capital works and the loss of one large-scale event. Program delivery remains a key focus of the Camps.
- (3) Client satisfaction with program delivery remains high at 98% (compared with a satisfaction rating of 97% in 2001/2002).

³ In 2001/02, program participant numbers increased by 28 per cent from 2000/01. This was a result of the increasing public/client awareness and popularity of the Board's programs

⁴ A major assumption behind the derivation of the program participant statistic changed during 2001/02. As a result the actual program participants achieved for 2000/01 was recalculated to more accurately represent past performance. Actual participant numbers decreased from 20,558 (as reported in the RCRB Annual Report for 2000/01) to 12,657. In 2000/01 program participations, which are derived by multiplying the number of participants by the number of activities undertaken, were included as single participants. Steps have been implemented to ensure that program participant information is calculated correctly.

Key Performance Indicators – Efficiency

Output 1: *Recreation Camps Management*

Output Description:

The Recreation Camps and Reserve Board is responsible for seven recreation camps of which it operates six. One camp, Camp Quararup, is leased to a private operator. All camps with the exception of Noalimba (which closed in October 2002), Woodman Point and Tone River offer outdoor recreation programs, which are designed to provide experiential opportunities to the community.

Relevance and Rationale:

Recreation programs and accommodation are offered to clients to provide them with a variety of activities and experiences. It is envisaged that the number of recreation programs will increase as camp usage/occupancy increases.

The indicator below reflects the cost per bed night.

Key Efficiency Indicator	2001/02 Target	2001/02 Actual	Variation	2002/03 Target	2002/03 Actual	Variation
Total accrual cost per bed night	\$47.79	\$57.38	(\$9.59)	\$58.53	\$69.47	(\$10.94)

- (1) Total Accrual Cost per bed night is derived by dividing the Total Accrual Cost of all services by the number of bed nights achieved.
- (2) In 2002/2003 the total bed occupancy decreased by 13,693, which was primarily due to the closure of Noalimba in October 2002. Although Noalimba ceased operations, the Board has continued to fund outgoings while the negotiations for disposal of the site have been finalised. The closure of Noalimba resulted in increased employee expenses to cater for voluntary severances.
- (3) In 2002/2003 a key focus of the camps was program delivery and a major proportion of the total costs was expended in this area i.e. not solely for the provision of accommodation. The 2002/2003 cost per bed night is therefore not an accurate reflection of the real business delivery of the camps. Steps have been implemented to reduce this anomaly, via the introduction of program participations in 2003/2004 as an additional key performance measure of Output 1: Recreation Camps Management.
- (4) "Target" refers to figures provided in the budget papers for 2001/2002 and 2002/2003.

Appendices

APPENDIX 1

CAMP USAGE COMPARISONS

Number of People Using Camps

Accommodation	Number of People Using Camps				
	1998/99	1999/00	2000/01	2001/02	2002/03
Dormitories (self catered):					
Bickley — Accommodation	3211	3587	3210	3784	3830
Bickley — Tents	412	422	601	439	710
Ern Halliday — Accommodation	7465	7906	8829	8888	9094
Ern Halliday — Tents	1321	1071	1083	635	874
Ern Halliday — Picnic	709	849	745	0	0
Woodman Pt — Jervoise	592	582	701	653	765
Dorms (catered):					
Woodman Point (3 Dorms)	2332	2758	2684	2843	2799
Cottages:					
Tone River	2681	2296	2723	2992	2298
Woodman Point	480	548	466	565	676
Accommodation/Conference Centres:					
Noalimba	9852	7556	6673	5973	1977
Point Walter — Dorms	4743	4574	3931	4539	4990
Total	33797	32149	31646	31311	28013

Note (1) Bed Occupancy is derived by multiplying the number of people staying by the number of nights stayed.

Note (2) Cottage Occupancy is the number of nights occupied as a percentage of the total nights possible.

Note (3) An additional dormitory was added to the Ern Halliday camp in 1996/97.

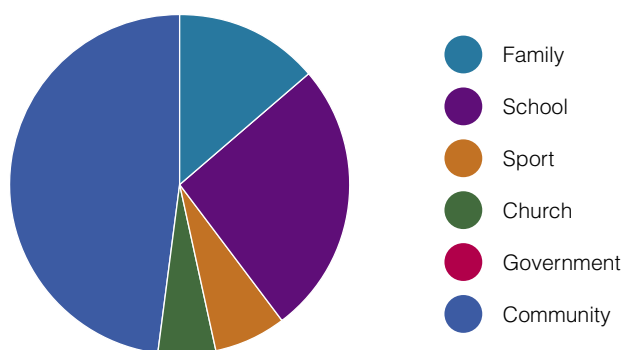
Note (4) From 1999/2000 until December 2002, statistics for Tone River Cottages are based on 19 cottages (not 20) as one cottages was leased and not included within booking statistics.

Note (5) The Ern Halliday picnic area is now used as a program area. From 2001/02 it was not available for Picnic use by groups.

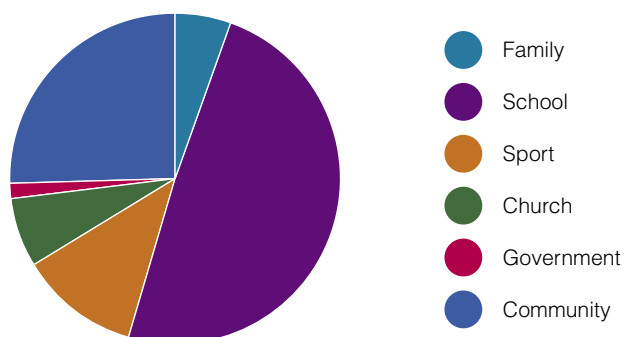
Note (6) Noalimba was closed as of October 2002.

APPENDIX 2

Groups Using Tent Areas in 2002/03



Groups Using Dormitories and Conference Centres in 2002/03



Groups Using Cottage Camps in 2002/03

