

Recreation Camps and Reserve Board

2003/2004 Annual Report



Department of Sport and Recreation
Government of Western Australia

Hon BOB KUCERA APM JP MLA

Minister for Sport and Recreation

In accordance with Section 62 of the *Financial Administration and Audit Act 1985*, I hereby submit for your information and presentation to Parliament the annual report of the Recreation Camps and Reserve Board for the period 1 July 2003 to 30 June 2004.

A handwritten signature in black ink, reading "Ron Alexander". The signature is fluid and cursive, with the first name "Ron" and last name "Alexander" clearly distinguishable.

Ron Alexander
President
October 2004

Recreation Camps and Reserve Board
Perry Lakes Stadium
Meagher Drive
Floreat WA 6014

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President's Report



I am pleased to report on an extremely productive and exciting year for the Recreation Camps and Reserve Board (RCRB). Without doubt a significant achievement was the securing of funding to refurbish and restore the Bickley, Ern Halliday, Point Walter, Woodman Point and Quaranup sites.

The Expenditure Review Committee recognised the need to maintain and upgrade these camps and approved the proceeds from the sale of the Noalimba Conference and Accommodation Centre to be used for this purpose.

A range of urgent renovations and upgrades were identified for each camp. Consultant architects also identified which new buildings and facilities each camp required to improve its viability and to satisfy future program demand. It is expected these works will be completed over the next three years.

Major achievements during the year included:

- A strong leadership team focused the strategic directions for the camp chain on its core metropolitan camps.
- Extensive staff training was conducted to ensure the board's recreation programs satisfied risk management policies and all other safety and occupational health guidelines. Training included senior first aid, bronze medallion and the National Outdoor Leader Registration Scheme (NOLRS).
- In March 2004 the board appointed contract caterers to provide services across the camps chain. This has resulted in a significant revenue stream for the board. Limited self-catering opportunities for some clients were retained.
- Master plans for each metropolitan camp and Quaranup in Albany were completed by Woodhead International Architects to guide restorative maintenance and capital upgrades.
- Capital improvement during the year focused on the asbestos removal program at Woodman Point and Ern Halliday; the renovation of ablutions at Ern Halliday; and the construction of program infrastructure at Bickley and Point Walter.
- In December 2003 State Parliament passed *The Acts Amendment (Reserves and Reserve Boards) Act 2003* to enable the RCRB to cease operations and merge with the Department of Sport and Recreation (DSR) as recommended by the Machinery of Government Taskforce 2001. This is expected to take place late 2004.

- In January 2004 the RCRB determined to close the Tone River Wilderness Cottages near Manjimup. The board is currently exploring disposal options with Landcorp.
- Participation levels in programs increased significantly on the previous year. Programs remained a key driver at the camps and have the highest approval rating for customer satisfaction at 97 per cent across all camps.
- During 2003/2004 the camp chain delivered 71,577 program participations involving 14,244 participants. These figures indicate that each person who attended a board camp completed an average of five activities per visit.
- Accommodation occupancy decreased by six per cent over the previous year. This is primarily due to the closure of the Noalimba Conference and Accommodation Centre in October 2002 and Tone River Wilderness Cottages in January 2004.
- Customer surveys indicated a slight increase in the satisfaction of accommodation facilities from 69 per cent in 2002/2003 to 75 per cent in 2003/2004. Customer service satisfaction levels remain high at 97 per cent.

On behalf of the board I would like welcome to Mr Ronnie Hurst and Mr Bill Swetman who were appointed during the year. I would also like to thank Ms Karen Caple for her efforts prior to her retirement from the board in May 2004.

I congratulate the board and camps staff for their continued commitment and hard work during the 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 RCRB to the wider community.



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.

In December 2003 assent was given to the *Acts Amendment (Reserves and Reserve Boards) Bill 2003* that will enable the board to be dissolved and be absorbed into the Department of Sport and Recreation.

Legislation impacting on RCRB 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

Disability Services Plan

The RCRB has two members on the Equity and Access Committee of the Department of Sport and Recreation (DSR) and shares the department's commitment to this committee.

Equity, access and inclusion are principles on which both the board's and DSR's Strategic Intent is based. The inter-divisional equity and access committee met quarterly to progress the agency's plan.

Key achievements against the plan's key outcomes are:

- Existing services are adapted to ensure they meet the needs of people with disabilities.
- DSR entered into a contractual agreement with the Australian Sports Commission (ASC) to deliver the Disability Education Program on the ASC's behalf for the first time in 2003/2004.

- Access to buildings and facilities is improved.

All office re-locations take into account access requirements; planning for the agency's move to Leederville includes all access considerations.

- Information about services is provided in formats that meet the communication requirements of people with disabilities.

The department's style guide specifies the use of clear, concise language in all publications. The website has been reviewed to ensure compliance; it is mainly in black on white, with clear headings, a minimum of images and text presented in plain language.

Access to information for staff and external clients has been provided through the services of the department's information centre but no specific requests have been received for alternative format materials.

- Advice and services are delivered by staff who are aware of and understand the needs of people with disabilities.

Awareness raising session for all staff at annual staff conference included a presentation and hands-on experiences. The Chair of the Equity and Access Committee attended an ACROD training day on inclusive practices.

Industry awareness is increasing as the department's consultants discuss performance indicators targeted at servicing specific populations by state sporting associations during their funding assessment meetings.

- Opportunities are provided for people with disabilities to participate in public consultations, grievance mechanisms and decision-making processes.

Equitable arrangements were made for ease of participation in consultation processes for sport and recreation policy.

Grievance policy and procedures have been updated as required to allow for access for external people with disabilities.

- Opportunities are provided for people with disabilities to participate in all board camping programs and outdoor adventure programs, for example, the Point Walter Camp hosted many wheelchair abseiling programs, the "Handicamp" run by Rotary International and the Auslan Training conference. In addition the board has constantly upgraded its physical structures to accommodate special populations.

Public Sector Standards

The board has complied with Public Sector Standards in Human Resource Management, the Western Australian Public Sector Code of Ethics and has adopted DSR'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 breach of standards.

Statutory Reporting

In compliance with Principle 6 of the *State Records Act 2000* the RCRB is required to report on its compliance with the *Act*. The *State Records Act 2000* required that a Recordkeeping Plan be submitted to the State Records Advisory Committee (SRAC) for approval prior to March 2004. The board's record keeping plan including training has now been completed and implemented across all camps.

Freedom of Information (FOI) Act 1992

There were no FOI requests received during the year.

Administration

The RCRB is administered through DSR, 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 DSR.

Advertising and Marketing Expenditure

In compliance with section 175ZE of the Electoral Act 1907, the RCRB 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	2,401
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Expenditure with Media Advertising

Australian Business Directory	95
Outdoors WA	955
Sensis Pty Ltd (Yellow Pages)	8,823
West Australian Publishers	1,000

Expenditure with Market Research Agencies

NIL

Expenditure with Marketing Agencies

NIL

Expenditure with Polling Organisations

NIL

Total Expenditure with Media

\$15,969



President of the Accountable Authority
Ron Alexander
31 August 2004



Member of the Accountable Authority
Graham Brimage
31 August 2004

Organisation Profile



The Recreation Camps and Reserve Board is a statutory authority that has responsibility for six 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 Recreation Camps and Reserve Board objectives are to:

- Provide accommodation and deliver programs at each site;
- Provide opportunities in a variety of physical activities that will increase participation, skills and fitness levels of individuals;
- 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 fulfil 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 in 2003/2004 comprised:

Mr Ron Alexander
Director General
Department of Sport and Recreation President

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

Mr Ronnie Hurst
Director, Programs and Services, Department of
Sport and Recreation Member

Mr Bill Swetman
Director, Business Management,
Department of Sport and Recreation Member

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

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

Ms Karen Caple
Director, Facilities and Camps
Department of Sport and Recreation Retired May 2004

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:

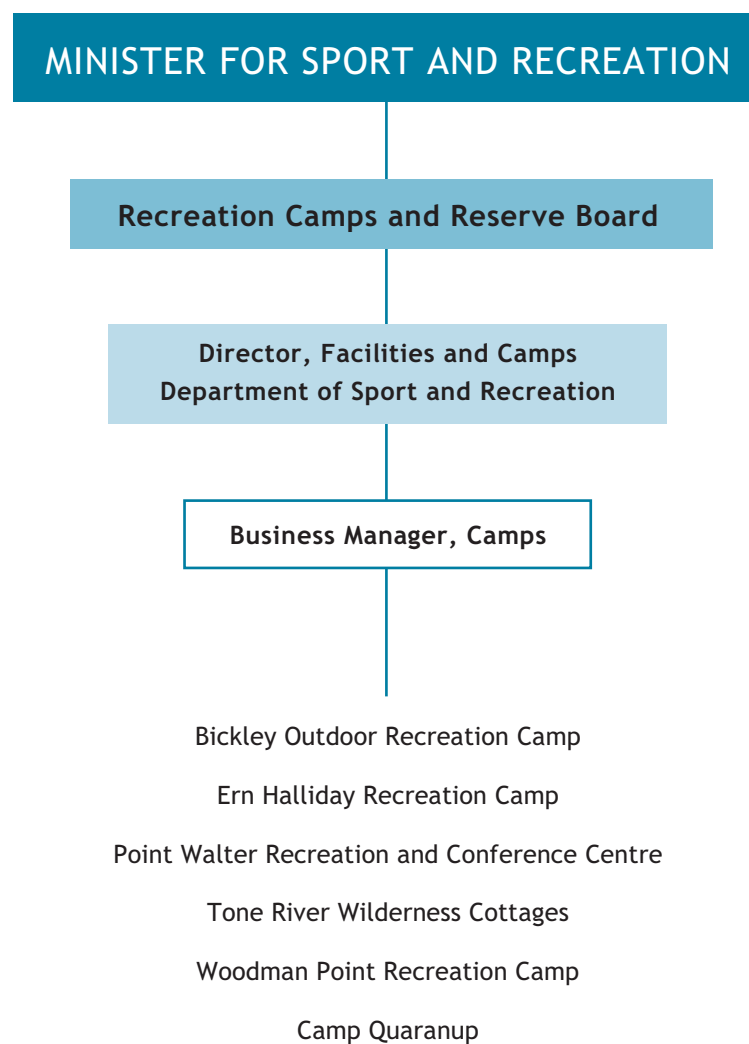
- Bickley Outdoor Recreation Camp (dormitory)
Harding Road, Orange Grove
- Ern Halliday Recreation Camp (dormitory)
Whitfords Avenue, Hillarys
- Point Walter Recreation and Conference Centre (dormitory)
Stock Road, Bicton
- Tone River Wilderness Camp (cottages) (closed January 2004)
Near Manjimup, 352 km from Perth
- Woodman Point Recreation Camp (dormitory and cottages)
O'Kane Court, Munster
- Camp Quaranup (dormitory) (leased to private operator)
Big Grove, Albany

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.

Note: The day-to-day management of these Reserves has been previously transferred to the Department of Conservation and Land Management (DCLM) while the vesting for these reserves will revert to DCLM during the 2004/2005 financial year.

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, corporate, sporting, religious, youth, family and community groups.

Major Highlights

- Upgrading of kitchen and dining facilities including external and internal painting, replacement of kitchen flooring and a new split system air conditioner.
- Completion of Stage 3 of the high ropes challenge course. New elements include a leap of faith, balance beam and rickety bridge.
- Construction and installation of a new storage shed for chemicals, gas bottles and workshop equipment.
- Students from France spent a week enjoying the bush valley experience and recreational activities we have to offer.
- Heart Kids, children with heart complications, stayed at Bickley and participated in canoeing, flying fox and abseiling.
- Create Foundation, a support foundation for children who live in foster care, attended the camp with their foster parents and social workers.
- Kalamunda Education Support Centre attended the camp with children with various levels of intellectual and physical disabilities. They participated in canoeing, flying fox and climbing activities.

Performance and Achievements

Bickley Camp recorded a decrease in total dormitory occupancy of 465 bed nights, which represents a six per cent decrease on the previous year. Contributing factors were the closure of the water facilities due to algal blooms for extended periods and smaller average group sizes. Tent occupancy decreased by 20 per cent in 2003/2004 to 989 bed nights, due to the camping under canvas option being less attractive for community organisations and school groups.

Program participation of 12,177 at Bickley in 2003/04 represents a decrease of 28 per cent from the previous year. The program participation translates to 3,110 people undertaking at least one recreation program in 2003/2004.

New activities developed at the camp in 2003/2004 included the addition of a tree climb element to the high ropes course, construction of a walk trail suitable for sight-impaired clients and an initiative team games area.

Marketing and Promotion

In March 2004 a mail out to primary and secondary schools was undertaken. This resulted in a number of bookings and informed clients of the new prices for the Full on Fun package for primary students and Extreme Challenge package for high school students.

Marketing for holiday programs was unsuccessful. A combination of newspaper advertisements, colour flyers distributed by mail and in person, did not attract the numbers needed to make the programs profitable. It was decided to target local councils in 2004/2005 to promote holiday program options at Bickley.

Ern Halliday Recreation Camp



Ern Halliday Recreation Camp is located on the coast 22 kms north of Perth. The adventure 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

- The site was approved as a registered operator of the Duke of Edinburgh Award and commenced expedition skills training courses for the bronze level.
- Ern Halliday continued its partnership with Garnduwa by conducting programs in the Argyle Diamond mine for the Kimberley Aboriginal Girls Leadership Camp.
- School holiday programs increased in popularity from previous years with challenging programs held in every holiday period throughout the year.
- A very successful jamboree was held for the Fire and Emergency Services Cadet Corps with 300 cadets accommodated in tents and participating in adventure programs.
- The continuation of the neighbourhood-networking projects helped baby boomers to tackle their fear of heights and challenged teenagers to abseil and undertake ocean paddling programs.
- There were two Work-for-Dole programs conducted and completed successfully through the year.
- Conceptual work continued on the proposed artificial caving system with earthworks due to commence early in 2005. This will be the first facility of its kind in the metropolitan area.

Performance and Achievements

Ern Halliday had an increase in total dormitory occupancy of 1,468 bed nights to 21,024 bed nights or a 7.5 per cent increase on the previous year.

Tent occupancy increased by 90 per cent in 2003/2004 to 2,446 bed nights.

Program participations of 40,541 was the highest recorded in the history of the camp showing an increase of 25.7 per cent from 2002/2003.

The number of people undertaking at least one program was 7,732 compared with 7,206 in 2002/2003.

Marketing and Promotion

Marketing the facility was largely achieved through a professional word-of-mouth program. The strategy incorporated lengthy site visits with potential clients and placed emphasis on groups having positive experiences whilst at the camp. The continual movement of teachers between schools greatly assisted this strategy.

Point Walter Recreation Camp



The Point Walter Recreation and Conference Centre is located 20 minutes from the Perth CBD and 10 minutes from Fremantle. It has magnificent river and city views from its parkland environment. Point Walter can accommodate up to 96 people and is an ideal venue for conferences, seminars, school camps and sport and recreation activities. The centre has developed a range of adventure activities and team building events that are in great demand.

Major Highlights

- For a fifth consecutive year the Rotary Club of Perth and Point Walter ran a very successful “Handicamp” 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.
- CanTeen, a support group for young people with cancer and PMH Diabetes Clinic, again booked Point Walter to utilise the facilities for people with special needs. The accommodation is suitable and accessible, and the camp’s reputation for providing quality programs for people with special needs is growing.
- The Western Australian Police Tactical Response Group (negotiators) spent a week at Point Walter, utilising the area to provide realistic training opportunities for staff.
- Country schools from Albany in the south to Geraldton in the north and through the Goldfields area to Esperance used Point Walter throughout the year, with many groups participating in recreation programs.
- A new high ropes course was constructed that included five new elements that are sure to test and challenge participants and generate additional participation and revenue for the camp chain.
- Modifications to the low ropes course to reflect changing trends at the camp and to prepare people for the new high rope elements have been completed.

Performance and Achievements

Point Walter had a slight increase in total dormitory occupancy of 26 to 10,670 bed nights, which represents a 0.25 per cent increase from the previous year.

Program participation increased by 3,567 to 16,276 representing an increase of 28 per cent from 2003/2004. Point Walter recorded an increase of 622 to 3,063 people undertaking at least one recreation program at the centre. This represents a 25 per cent increase on the previous year.

Point Walter Recreation Camp



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.

Marketing and Promotion

The centre's promotional CD-Rom was updated to reflect new facilities and changes that had occurred. It features all of the centre's services and facilities, contact details and prices. Promotion of the centre's recreation programs and in particular, the new high ropes course elements, was initiated with several 'target market' mail-outs completed.

Tone River Wilderness Cottages



Tone River Wilderness Cottages is located 42 kms 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.

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 the emphasis on the wilderness experience.

The board determined to close the Tone River Wilderness Cottages in January 2004. The site is no longer central to the business needs of the board and it is currently exploring disposal options through Landcorp.

Accommodation and programs facilities have not operated at the camp since the closure. The camp is currently managed by an onsite caretaker.

As a consequence of the decision to close Tone River a significant decrease in total occupancy from 7,672 bed nights in 2002/2003 to 3,486 bed nights in 2003/2004 was recorded.

No programs were delivered at Tone River during 2003/2004.

Woodman Point Recreation Camp



Woodman Point Recreation Camp is located on the coast eight kilometers south of Fremantle on the site of a former quarantine station dating back to 1886. Most of the buildings were rebuilt in 1926. The camp is located in the middle of the large Woodman Point Recreation Reserve.

The camp can accommodate 262 people in four dormitories and three fully self-contained cottages.

Major Highlights

- A new camp management regime was introduced during the year and included the appointment of a manager and assistant manager to develop and market the camp as a provider of high-level recreation programs.
- Detailed operational and risk management plans have been developed consistent with other camps in the chain.
- Recreation programs were introduced in April 2004 and include climbing wall, surf life saving, surf ski paddling, raft building, team games, archery and kite making.
- A successful Guide Jamboree was held in January 2004 with 600 guides from around Australia attending and utilising the sites tent camping areas and dormitories. In addition, the Guides participated in self-directed adventure programs.
- Staff continued to develop working links with The Friends of Woodman Point group who manage the community hub at the Isolation Hospital. Members include the Scouts, Guides, Historical Society and the WA Sea Kayak Club.

Performance and Achievements

Woodman Point had a significant increase in total occupancy amounting to an increase of 5,035 bed nights to 14,630 bed nights in 2003/2004, which represents a 52.4 per cent increase on the previous year.

Programs were conducted for the first time at the camp during 2003/04. The programs commenced in April 2004. The program participation translates to 2,583 people undertaking at least one recreation program. The total number of participants was 339.

Construction of a new program area was completed that will allow groups to participate in team building activities.

A large clean up of the site was completed to reduce hazards and increase the visual aesthetics of the camp.

Marketing and Promotion

Marketing the facility was largely achieved through word-of-mouth, telephone marketing and targeted mail-outs advising potential clients of the recreation programs at Woodman Point.

The strategy incorporated lengthy discussions with potential clients to understand their exact requirements and then staff designed a program to suit the groups' needs and goals.

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 also contributed towards the cost of restoration projects during the year. Significant repairs were carried out on the jetty and a Work for the Dole program is continuing a complete repaint of the buildings.

A consultant architect has been appointed to design and manage restoration and renovation at Quararup and is currently developing plans and cost estimates.

Recreation Reserves

Management of the Reserves at Woodman Point and Point Peron vested in the Recreation Camps and Reserve Board has been transferred to the Department of Conservation and Land Management (DCLM).

The formal transfer of the reserves to the Conservation Commission has not occurred due to the need for DCLM to complete management plans for the reserves. This is expected to be completed in the 2004/2005 financial year.

Camps Marketing and Promotion



Marketing strategies conducted throughout the year included:

- Completion of an advertising schedule that was related to school terms to specifically target school groups and ensure that inappropriate advertising did not occur.
- Direct mail targeting schools, teachers and community organisations.
- Advertising and advertorial content in trade and specialist journals.
- Several brochure mail outs to previous and prospective clients.
- Prompt response to repeat business clients and referrals from previous clients.
- Continued improvement to the web site booking facility to enable potential clients to source information, check camp availability and make tentative bookings.
- Development of specific products aimed at target 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 as an innovative marketing tool to promote the camp.
- Promotional activities to promote the camps to encourage new business were conducted. For example, the camps provided a range of activities and attractions at the annual Have-a-Go day for seniors at Burswood Park in November 2003, conferences and DSR functions.
- Use of metropolitan newspapers to advertise and promote specialist programs such as school holiday programs and other special events.
- Purchase of large display boards for each camp to enable the board to promote and inform the community of the Master Planning Report implementation.
- A corporate video covering recreation and team-building activities at all camps was produced by a group of Media Studies students from Curtin University. This eight-minute video will be used to market camps programs.

The establishment of the Camps Marketing Group has enabled the coordination of additional marketing strategies across the camp chain. It also allowed economies of scale and savings with this whole of camp approach.

Individual camp managers continued to promote their camps through local media and local community contacts.





AUDITOR GENERAL

INDEPENDENT AUDIT OPINION

To the Parliament of Western Australia

RECREATION CAMPS AND RESERVE BOARD

FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2004

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, 2004 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

September 17, 2004

Certification of Financial Statements

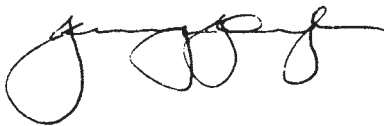
for the year ended 30 June 2004

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 2004 and the financial position as at 30 June 2004.

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
31 August 2004



Principal Accounting Officer
J Ough
31 August 2004



Member of Accountable Authority
G Brimage
31 August 2004

Statement of Financial Performance

for the year ended 30 June 2004

	Note	2003/04 \$	2002/03 \$
COST OF SERVICES			
Expenses from ordinary activities			
Employee expenses	2	1,255,159	1,386,367
Supplies and services	3	1,082,469	1,142,702
Depreciation and amortisation expense	4	527,961	511,673
Administration expenses	5	448,079	422,670
Capital user charge	6	884,000	1,032,000
Costs of disposal of non-current assets	9	232	-
Other expenses from ordinary activities	7	20,098	133
Total cost of services		4,217,998	4,495,545
Revenues from ordinary activities			
<i>Revenue from operating activities</i>			
User charges and fees	8	1,672,929	1,589,769
<i>Revenue from non-operating activities</i>			
Proceeds from disposal of non-current assets	9	589	825
Total revenues from ordinary activities		1,673,518	1,590,594
NET COST OF SERVICES		(2,544,480)	(2,904,951)
REVENUES FROM STATE GOVERNMENT			
Output appropriation	10	2,025,000	2,777,000
Liabilities assumed by the Treasurer	10	7,297	7,742
Resources received free of charge	10	368,905	396,331
Total revenues from State Government		2,401,202	3,181,073
CHANGE IN NET ASSETS		(143,278)	276,122
Net increase/(decrease) in asset revaluation reserve		756,081	(471,819)
Transfer from Asset Revaluation Reserve	18	(9,200,000)	-
Total revenues, expenses and valuation adjustments recognised directly in equity		(8,443,919)	(471,819)
Total changes in equity other than those resulting from transactions with WA State Government as owners		(8,587,197)	(195,697)

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

Statement of Financial Position

as at 30 June 2004

	Note	2003/04 \$	2002/03 \$
Current Assets			
Cash assets	19 (a)	273,677	580,347
Restricted cash assets	11	41,090	37,090
Receivables	12	194,346	148,584
Amounts receivable for outputs	13	2,079,000	25,000
Total Current Assets		2,588,113	791,021
Non-Current Assets			
Amounts receivable for outputs	13	6,000	1,736,000
Property, plant and equipment	14	5,226,457	14,087,456
Total Non-Current Assets		5,232,457	15,823,456
Total Assets		7,820,570	16,614,477
Current Liabilities			
Payables	15	106,202	272,805
Provisions	16	97,111	80,157
Other liabilities	17	226,088	241,921
Total Current Liabilities		429,401	594,883
Non-Current Liabilities			
Provisions	16	57,988	99,216
Total Non-Current Liabilities		57,988	99,216
Total Liabilities		487,389	694,099
Equity			
Contributed equity	18	-	105,000
Reserves	18	6,329,574	14,773,493
Accumulated surplus	18	1,003,607	1,041,885
TOTAL EQUITY		7,333,181	15,920,378
TOTAL LIABILITIES AND EQUITY		7,820,570	16,614,477

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

Statement of Cash Flows

for the year ended 30 June 2004

	Note	2003/04 \$	2002/03 \$
CASH FLOWS FROM STATE GOVERNMENT			
Output appropriations		1,676,000	1,827,000
Holding account drawdowns		25,000	150,000
Net cash provided by State Government		1,701,000	1,977,000
Utilised as follows:			
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee costs		(1,320,071)	(1,273,157)
Supplies and services		(1,150,646)	(1,388,094)
Capital user charge		(1,020,000)	(896,000)
GST payments on purchases		(231,881)	(222,753)
GST payments to taxation authority		(165,138)	(14,993)
Receipts			
User charges and fees		1,578,412	1,852,417
GST receipts on sales		161,629	163,323
GST receipts from taxation authority		237,255	60,767
Other receipts		16,975	4,166
Net cash provided by/(used in) operating activities	19 (c)	(1,893,465)	(1,714,324)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from the sale of non-current physical assets		825	-
Purchase of non-current physical assets		(111,030)	(72,237)
Net cash provided by/(used in) investing activities		(110,205)	(72,237)
Net increase/(decrease) in cash held		(302,670)	190,439
Cash assets at the beginning of the financial year		617,437	426,998
CASH ASSETS AT THE END OF THE FINANCIAL YEAR	19 (a)	314,767	617,437

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 2004

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 those 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

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 2004

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 estimated 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 to 20 years
Plant and general equipment	3 to 5 years

The depreciation rate for buildings has been changed from 10 per cent to 5 per cent as the funds injected for restoration and capital works are expected to extend the useful lives of the buildings.

(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 of the 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 where 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 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 2004 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 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 2004

	2003/04 \$	2002/03 \$
2 Employee expenses		
Wages and salaries	1,114,050	1,184,927
Superannuation	107,862	101,934
Long service leave	(24,372)	7,782
Annual leave	99	11,128
Other related expenses (i)	57,520	80,596
	<u>1,255,159</u>	<u>1,386,367</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	429,629	492,421
Services and contracts	64,961	78,627
Utilities	95,079	119,411
Motor vehicles	65,710	72,628
Equipment	99,488	91,862
Cleaning	56,392	66,238
Communications	30,987	38,892
Accommodation	213,952	163,132
Other	26,271	19,491
	<u>1,082,469</u>	<u>1,142,702</u>
4 Depreciation expense		
Buildings	505,527	485,215
Plant and general equipment	22,434	26,458
	<u>527,961</u>	<u>511,673</u>
5 Administration expenses		
Services and Contracts	448,079	417,783
Consumable Supplies	-	4,887
	<u>448,079</u>	<u>422,670</u>
6 Capital user charge		
Capital user charge	884,000	1,032,000
	<u>884,000</u>	<u>1,032,000</u>
A capital user charge rate of 8% has been set by the Government for 2003/04 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	20,098	(42)
Carrying amount of non-current assets disposed of	-	175
	<u>20,098</u>	<u>133</u>

	2003/04 \$	2002/03 \$
8 User charges and fees		
Accommodation	985,534	1,008,232
Meals	54,653	31,806
Rent and lease fees	50,822	72,683
Programs	464,619	421,899
Utilities/phones/miscellaneous	117,301	55,149
	<u>1,672,929</u>	<u>1,589,769</u>
9 Net gain/(loss) on disposal of non-current assets		
<u>Gain on Disposal of Non-Current Assets</u>		
Plant and general equipment	589	825
<u>Loss on Disposal of Non-Current Assets</u>		
Plant and general equipment	(232)	-
Net gain/(loss)	<u>357</u>	<u>825</u>
10 Revenues from State Government		
Appropriation revenue received during the year:		
Output appropriations (i)	2,025,000	2,777,000
The following assets have been assumed from/(transferred to) other government agencies during the financial year: (ii)		
Liabilities assumed by the Treasurer		
Superannuation	7,297	7,742
Resources received free of charge (iii)		
Determined on the basis of the following estimates provided by agencies:		
Office of the Auditor General (iv)	-	12,500
Crown Solicitors Office	1,008	6,154
Department of Sport and Recreation	367,897	377,677
	<u>368,905</u>	<u>396,331</u>
	<u>2,401,202</u>	<u>3,181,073</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 transfers 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 contributions of assets or services are 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.
- (iv) Commencing with the 2003-04 audit, the Office of the Auditor General will be charging a fee for auditing the accounts, financial statements and performance indicators. The fee for the 2003-04 audit will be due and payable in the 2004-05 financial year.

Notes to the Financial Statements

for the year ended 30 June 2004

	2003/04 \$	2002/03 \$
11 Restricted cash assets		
Accrued salaries suspense account	41,090	37,090
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	169,362	129,910
Prepayments	2,090	-
Provision for doubtful debts	(15,373)	(26,635)
GST receivable	38,267	45,309
	194,346	148,584
13 Amounts receivable for outputs		
Current	2,079,000	25,000
Non-current	6,000	1,736,000
	2,085,000	1,761,000
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)	566,000	9,661,500
	566,000	9,661,500
Buildings		
At fair value (i)	5,039,302	4,828,490
At Cost (i)	77,476	44,446
Accumulated depreciation	(505,527)	(485,215)
	4,611,251	4,387,721
Plant and general equipment		
At cost	226,787	216,481
Accumulated depreciation	(177,581)	(178,246)
	49,206	38,235
	5,226,457	14,087,456

- (i) The revaluation of land, improvements and buildings was performed on 1 July, 2003 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, 2003 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 \$
2003/04				
Carrying amount at start of year	38,235	9,661,500	4,387,721	14,087,456
Additions	33,637	-	77,476	111,113
Disposals	(232)	(9,200,000)	-	(9,200,232)
Revaluation increments/(decrements)	-	104,500	651,581	756,081
Depreciation	(22,434)	-	(505,527)	(527,961)
Carrying amount at end of year	49,206	566,000	4,611,251	5,226,457

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 Noalimba land transferred was \$9.2 million, as determined by the Valuer General's Office. The land was valued at market value. Buildings and improvements at Noalimba had been fully written down.

	2003/04 \$	2002/03 \$
15 Payables		
Current		
Trade payables	106,202	136,805
Capital user charge payable	-	136,000
	106,202	272,805
16 Provisions		
Current		
Annual leave (i)	54,119	54,020
Long service leave (i)	42,992	26,137
	97,111	80,157
Non Current		
Long service leave (i)	57,988	99,216
	155,099	179,373

(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 to approximate the net fair value.

Notes to the Financial Statements

for the year ended 30 June 2004

16 Provisions (continued)

	2003/04 \$	2002/03 \$
<u>Employee Benefit Liabilities</u>		
The aggregate employee entitlements liability recognised and included in the financial statements is as follows:		
Provision for employee entitlements:		
Current	97,111	80,157
Non-current	57,988	99,216
	<u>155,099</u>	<u>179,373</u>

17 Other Liabilities

Current		
Deposits/Income in advance	170,442	178,495
Accrued salaries	55,646	63,426
	<u>226,088</u>	<u>241,921</u>

18 Equity

Contributed equity		
Opening balance	105,000	105,000
Capital contributions (i)	-	-
Distribution to owners (ii)	(105,000)	-
Closing balance	<u>-</u>	<u>105,000</u>
Reserves		
Asset revaluation reserve (iii)		
Opening balance	14,773,493	15,245,312
Net revaluation increments/(decrements)		
Transfer to Accumulated Surplus (iv)	(9,200,000)	-
Land	104,500	3,560,500
Buildings	651,581	(4,032,319)
Closing balance	<u>6,329,574</u>	<u>14,773,493</u>
Accumulated surplus		
Opening balance	1,041,885	765,763
Distribution to owners (ii)	(9,095,000)	-
Transfer from Asset Revaluation Reserve (iv)	9,200,000	-
Change in net assets	(143,278)	276,122
Closing balance	<u>1,003,607</u>	<u>1,041,885</u>

- (i) Capital Contributions have been designated as contributions by owners and are credited directly to equity in the Statement of Financial Position.
- (ii) The distribution to owners relates to land valued at \$9,200,000 in respect of the Noalimba Accommodation and Conference Centre, which was transferred to the Department for Planning and Infrastructure by the Government on 12 September 2003. The Centre ceased trading on 31 October 2002.
- (iii) 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).
- (iv) The reduction in the Asset Revaluation Reserve relates to a previously credited increment for land relating to the Noalimba Accommodation and Conference Centre. Control of this land was transferred to the Department for Planning and Infrastructure by the Government on 12 September 2003. The revaluation credit relating to this land has been transferred to Accumulated Surplus.

2003/04	2002/03
\$	\$

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	273,677	580,347
Restricted cash assets (refer to note 11)	41,090	37,090
	<u>314,767</u>	<u>617,437</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 (2002/2003: nil).

(c) Reconciliation of net cost of services to net cash flows used in operating activities

Net cost of services	(2,544,480)	(2,904,951)
Non-cash items:		
Depreciation and amortisation expense	527,961	511,673
Adjustment for other non-cash items	-	-
Other expenses from ordinary activities	-	133
Resources received free of charge	368,905	396,331
Net(gain)/loss on sale of property, plant and equipment	(357)	(825)
Superannuation expense	7,297	7,742
(Increase)/decrease in assets:		
Current receivables (iii)	(52,803)	2,925
Increase/(decrease) in liabilities:		
Current payables	(166,603)	220,120
Current provisions	16,954	11,133
Other current liabilities	(15,833)	53,050
Non-current provisions	(41,228)	12,407
Net GST receipts/(payments) (i)	1,865	(13,656)
Change in GST in receivables/payables(ii)	4,857	(10,406)
Net cash used in operating activities	<u>(1,893,465)</u>	<u>(1,714,324)</u>

(i) This is the net GST paid/received, ie. Cash transactions

(ii) This reverses out the GST in receivables and payables.

(iii) Note that ATO receivable/payable 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 2004

	2003/04 \$	2002/03 \$
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	24,542	35,272
Later than 1 year and not later than 5 years	10,378	12,233
	<u>34,920</u>	<u>47,505</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

In December 2003, the Parks and Reserves Amendment Act was passed to amend the Parks and Reserves Act 1895.

The amended Parks and Reserves Act 1895 makes provision for the dissolution of boards constituted under the Act and enables the Department of Sport and Recreation (DSR) to complete the incorporation of the Recreation Camps and Reserve Board (RCRB) operations into DSR as recommended in the Machinery of Government recommendations.

DSR is in the process of coordination of the required legislative and transitional arrangements and it is anticipated this process will be completed by September 2004.

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	1,343,000	1,255,159	87,841
Depreciation and amortisation	945,000	527,961	417,039
Accommodation	117,000	213,952	(96,952)
Other expenses	144,000	20,098	123,902
Administration	360,000	448,079	(88,079)
User charges and fees	1,784,000	1,672,929	111,071
Output appropriations	2,609,000	2,025,000	584,000

Employee expenses and Superannuation

Employee expenses were lower than expected due to the closure of both the Noalimba and the Tone River camps. There was also a significant reduction in leave liabilities during the year.

Depreciation and amortisation

The estimate for depreciation included depreciation on buildings at Noalimba. As the camp was scheduled for disposal, the buildings were fully written down at the end of 2002/03.

23 Explanatory Statement (continued)

Accommodation and Other expenses

There was a misallocation of expenses between these two items in the estimate. The actual figure is a better reflection of how those monies are expended, and future estimates will be adjusted to bring them in line. The total offsetting variance across both line items is not significant.

Administration expenses

Subsequent to the estimate being set, the Board received funding for major capital works over several years, funded by the sale of the Noalimba Accommodation and Conference Centre. Significant funds were expended on professional services during the year in relation to the preparation of master plans for restorative maintenance programs and new works.

User charges and fees

Estimates were not achieved due to the closure of the Tone River camp and lower than anticipated program participations at the Bickley camp.

Output appropriations

The appropriation was adjusted down by \$584,000 in respect of depreciation on buildings at Noalimba, as the buildings were fully written down at the end of 2002/03. This is an accrual appropriation which is normally credited to the holding account.

(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.

	2003/2004	2002/2003	Variance
	\$	\$	\$
Employee expenses	1,255,159	1,386,367	(131,208)
Capital user charge	884,000	1,032,000	(148,000)
User charges and fees	1,672,929	1,589,769	83,160
Output appropriations	2,025,000	2,777,000	(752,000)

Employee expenses

In 2002/03, 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. The disposal of Noalimba in September 2003 and closure of the Tone River camp also contributed to lower employee expenses in 2003/04, along with the reduction in leave liabilities.

Capital user charge

The reduction in this item is due to a significant reduction in the Board's average net assets, which is the figure used to calculate the capital user charge. The asset reduction was due to the disposal of the Noalimba Accommodation and Conference Centre.

User charges and fees

Revenue from programs and meals increased, and a contribution towards the upgrade of facilities was accrued from the Friends of Woodman Point. These increases were partially offset by the closure of the Tone River camp and lower than anticipated program participations at the Bickley camp.

Output appropriations

As mentioned in 23(i) above, the appropriation was adjusted down by \$584,000 in respect of depreciation on buildings at Noalimba. There was also additional funding in 2002/03 for restorative maintenance and upgrading facilities at the camps.

Notes to the Financial Statements

for the year ended 30 June 2004

24 Financial Instruments

(a) Interest rate risk exposure

The following table summarises interest rate risk to the Board as at the reporting date:

	2003/04 \$	2002/03 \$
	Non-interest bearing	Non-interest bearing
Financial Assets		
Cash assets	273,677	580,347
Restricted cash assets	41,090	37,090
Receivables	194,346	148,584
	509,113	766,021
Financial Liabilities		
Payables	106,202	272,805
Accrued salaries	55,646	63,426
	161,848	336,231

(b) Credit Risk Exposure

The carrying amount of financial assets recorded in the financial statements, net of any provisions for losses, represents the Board's maximum exposure to credit risk without taking account of the value of any collateral or other security obtained, 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 Members of the Board and Senior Officers

Remuneration of Members of the Board

The number of members of the Board, whose total of fees, salaries, superannuation and other benefits for the financial year, fall within the following band are:

\$	2003/04 No.	2002/03 No.
0 - 10,000	7	7
	\$	\$
	-	-

The total remuneration of the members of the Board is:

The members of the Board are all employed by the Department of Sport and Recreation and are remunerated by that agency.

The superannuation expense in respect of members of the Board is met by the Department of Sport and Recreation.

No members of the Board are members of the Pension Scheme.

25 Remuneration of Members of the Board and Senior Officers (continued)

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:

	2003/04 No.	2002/03 No.
\$		
20,001 - 30,000	1	1
50,001 - 60,000	1	1
	\$	\$
The total remuneration of senior officers is:	80,020	82,735

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

	2003/04 \$	2002/03 \$
Write-Offs		
During the financial year \$32,033 was written off as bad debts under the authority of:		
The Board	7,429	-
The Minister	24,604	-
	32,033	-
During the financial year \$232 of assets were written off under the authority of:		
The Board	232	-
	232	-

There were no losses or gifts during the year.

28 Output Information

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

Notes to the Financial Statements

for the year ended 30 June 2004

29 The Impact of Adopting International Accounting Standards

The Australian Accounting Standards Board (AASB) is adopting the Standards of the International Accounting Standards Board (IASB) for application to reporting periods beginning on or after 1 January 2005.

AASB 1047 "Disclosing the Impacts of Adopting Australian Equivalents to International Financial Reporting Standards" requires financial reports to disclose information about the impacts of any changes in accounting policies in the transition period leading up to the adoption date.

The Treasurer has released Treasurer's Instruction TI 1106 to assist agencies in meeting the disclosure requirements of the above standards. Where the new Standards offer alternative accounting treatments or disclosures, TI 1106 prescribes policies which mandate an accounting treatment or disclosure to ensure consistency across the public sector.

After reviewing the Standards in conjunction with TI 1106, the Board has identified the changes in accounting treatments and disclosures that will have an impact now or could have an impact in the future:

AASB 138 'Intangible Assets'

Requires the Board to reclassify non-operating computer software as intangible assets as opposed to its current treatment as a component of Property, Plant and Equipment.

AASB 116 'Property, Plant and Equipment'

Requires the Board to capitalise restoration costs that are showing as a liability at the time of adoption of the Standards and continue the treatment on such new costs as they arise. The current treatment on restoration costs that are not deemed as improvements, is to expense in the given year.

AASB 5 'Non-Current Assets Held for Sale and Discontinued Operations'

Requires the Board to classify non-current assets as 'held for sale' if the carrying amount will be recovered through a sale transaction rather than through continuing use.



AUDITOR GENERAL

INDEPENDENT AUDIT OPINION

To the Parliament of Western Australia

RECREATION CAMPS AND RESERVE BOARD

PERFORMANCE INDICATORS FOR THE YEAR ENDED JUNE 30, 2004

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, 2004.

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.

D D R PEARSON
AUDITOR GENERAL

September 17, 2004

Certification of Performance Indicators

for the year ended 30 June 2004

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 2004.



Chairman of Accountable Authority
R Alexander

31 August 2004



Member of Accountable Authority
G Brimage

31 August 2004

Performance Indicators

for the year ended 30 June 2004

Reporting Methodology

One outcome and one output – Recreation Camps Management – formed the framework for external reporting in 2003/04.

Corporate Profile and Key Performance Indicators

The Board's mission is *"to manage its outdoor recreation and conference centres to promote an interaction with natural environments and increased participation in physical activity"*.

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

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

The Board continued to implement strategies with a strengthened focus on programming activities at camps, whilst maintaining accommodation and conference facility access for community, school, corporate and family groups.

Impacting the performance of camps in 2003/04 was the closure of Tone River Wilderness Cottages and the introduction of program delivery at the Woodman Point Camp.

During 2003/04 Expenditure Review Committee (ERC) approved a Capital Investment Plan to redevelop the metropolitan camps using the proceeds from the sale and disposal of the Noalimba Conference Centre in Bateman. ERC approved an appropriation of \$9.8 million to be spent on capital improvements and restorative maintenance over the next three years. The Board completed extensive Master Planning for the camps in December 2003 and appointed Department of Housing Works to project manage the capital investment plan in February 2004.

Progress continued this year with the implementation of the Machinery of Government Taskforce Report 2001 recommendation to incorporate the Board activities within the Department of Sport and Recreation. The Board has been working with officers from Department of Planning and Infrastructure to prepare regulations to enable the winding up of the Board in 2004/05.

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

Key Performance Indicators – Effectiveness

for the year ended 30 June 2004

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 2003/04 the Board provided accommodation at Bickley, Ern Halliday, Point Walter, Woodman Point, and Tone River (up until closure on 31 January 2004).

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 survey¹. From a contact list of 985 customers, 285 telephone interviews were completed. The overall response rate was 51.7 percent. This sample size produced results with a forecasting accuracy of ± 4.9 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	2003/04 Target	2003/04 Actual
Percentage of clients satisfied with accommodation provided.	87% ²	73% ³	70% ⁴	90%	75%

Notes:

- (1) The client satisfaction levels increased in each camp between 2002/03 and 2003/04, thereby achieving an average increase of 5% across all camps.
- (2) The current client satisfaction levels with accommodation standards are reflective of the poor standard of the accommodation. The Board is confident that they will increase in following years after the Capital Investment Plan is completed.
- (3) The sample selection in 2003/04 was based on the percentage of turnover generated by each camp (from accommodation and program revenue), which was identical to the sample selection used in 2002/03.
- (4) This sample selection methodology was introduced in 2002/03, to more accurately reflect the management of operations and performance of the camps.
- (5) The Board is confident that the satisfaction rating for accommodation as reported in the Independent Client Survey in 2003/04 is an accurate reflection of perceptions across all camps.

¹ Key Performance Indicator Study. Research Solutions Pty Ltd, July 2004

² Stakeholder and Customer Satisfaction – Key Performance Indicators Report. Market Equity Pty Ltd, July 2001

³ Client Satisfaction Survey. Hides Consulting Group Pty Ltd, July 2002

⁴ Key Performance Indicator Study, Annual Client Survey. Research Solutions Pty Ltd, July 2003

Key Performance Indicators – Effectiveness

for the year ended 30 June 2004

EFFECTIVENESS INDICATOR NO.2:

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

In 2003/04 the Board provided accommodation at Bickley, Ern Halliday, Point Walter, Woodman Point, and Tone River (up until closure on 31 January 2004) Camps.

The number of bed nights are used to measure the growth/reduction in clients who have stayed in camps. Performance over the past year is detailed below.

Key Effectiveness Indicator	2000/01 Actual	2001/02 Actual	2002/03 Actual	2003/04 Target	2003/04 Actual	Variation
Total occupancy in bed nights	79,695	78,406	64,713	64,000	60,697	(3,303)

Notes:

- (1) The total number of bed nights is determined by multiplying the number of people staying in the camps by the number of nights they stayed.
- (2) The reduced target of bed nights between 2002/03 (80,000) and 2003/04 (64,000) is primarily due to the closure of the Noalimba Conference Centre in October 2002.
- (3) The 5% variation in bed nights in 2003/04 is due to the closure of operations mid year at Tone River and the impact of water quality issues at the Bickley Camp resulting in the cancellation of several camp bookings. Whilst a minor increase in program activities did occur, it did not translate into increased accommodation sales. Substandard accommodation facilities continued to impact upon sales.
- (4) Accommodation usage in 2003/04 at Ern Halliday, Point Walter and Woodman Point increased in comparison to 2002/03.
- (5) Supplementary information on accommodation usage across all camps are at Appendix 1.

Key Performance Indicators – Effectiveness

for the year ended 30 June 2004

EFFECTIVENESS INDICATOR NO. 3:

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

In 2003/04 the Board conducted a large range of adventure based recreation programs at the Bickley, Ern Halliday, Pt Walter, and Woodman Point camps.

This indicator reflects the number of persons participating in programs.

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

Key Effectiveness Indicator	2000/01 Actual	2001/02 Actual	2002/03 Actual	2003/04 Actual	Variation
Total number of program participants	12,657	16,196	14,005	14,244	239

Notes:

- (1) Program participant numbers indicates the number of persons who actually undertook some type of program activity at the camps. It does not indicate that persons may participate in several activities.
- (2) The 2003/04 participant numbers of 14,244 represents a slight increase of 239 from 2002/03. The slight increase was achieved despite the closure of the Tone River Wilderness Cottages in January 2004.
- (3) Woodman Point Camp commenced program delivery in April 2004.
- (4) Client satisfaction with program delivery remains high at 97% (2002/03: 98%).
- (5) Details of participants in recreation programs across all camps are at Appendix 2.

Key Performance Indicators – Effectiveness

for the year ended 30 June 2004

EFFECTIVENESS INDICATOR NO. 4:

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

In 2003/04 the Board conducted a large range of adventure based recreation programs at the Bickley, Ern Halliday, Pt Walter, and Woodman Point camps.

Program participations have been introduced in 2003/04 as an effectiveness indicator. It reflects the number of activities participants undertake across a range of programs.

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

Key Effectiveness Indicator	2001/02 Actual	2002/03 Actual	2003/04 Target	2003/04 Actual	Variation
Total number of program participations	68,511	62,631	63,000	71,577	8,577

Notes:

- (1) Program participations indicate the number of program activities undertaken by a single participant. It does not show the number of persons who undertook an activity.
- (2) The 2003/04 program participation numbers represents an increase against 'Target' of 8,577 participants. The increase in participations is primarily due to the increased participants at Ern Halliday and Point Walter camps, introduction of programs at Woodman Point Camp and an increase in the number of activities provided to each participant across the camps.
- (3) Details of participations in recreation programs across all camps are at Appendix 2.

Key Performance Indicators – Efficiency

Efficiency Output 1: Recreation Camps Management

Output Description:

The Recreation Camps and Reserve Board is responsible for six recreation camps of which it operates five. Camp Quaranup, located at Albany is leased to a private operator. All camps offer outdoor recreation adventure programs, which are designed to provide experiential learning and recreational 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. With the implementation of the new strategic direction for camps, including major capital refurbishment and upgrade it is envisaged that the number of recreation programs will increase as camp usage increases.

This indicator reflects the average cost of output per bed night and participation. This is the first year that costs per participation have been introduced as an effectiveness indicator. The 2002/03 target figure has been amended retrospectively.

Key Efficiency Indicator	2002/03 Target	2002/03 Actual	Variation	2003/04 Target	2003/04 Actual	Variation
Bed night	38.63	45.85	(7.22)	48.14	45.86	2.28
Participation	21.37	24.70	(3.33)	25.19	20.04	5.15
TOTAL	60.00	70.55	(10.55)	73.33	65.90	7.43

Notes:

- (1) Total cost of output has been split 66/34 between bed nights and participations respectively to determine the average cost per indicator. The 66/34 split is based on the average budgeted revenue split between Accommodation and Programs. While the 'Actual' splits may vary to budget, these variances are deemed to be marginal and the standard 66/34 split is adopted to ensure compatibility of data across years. The split is reviewed annually during the budget process.
- (2) The variation of \$7.43 between the 'Target' and 'Actual' for 2003/04 can be attributed to the reduction in Depreciation costs as a result of the closure of the Noalimba Conference Centre.
- (3) Average cost per participation has reduced from the target by \$5.15 due to the increased number of participations in program activity.

Appendices

APPENDIX 1

CAMP USAGE COMPARISONS

Number of People Using Camps

Accommodation	Number of People Using Camps				Bed Nights	
	2000/01	2001/02	2002/03	2003/04	2002/03	2003/04
Dormitories: (self catered)						
Bickley-Accom	3,210	3,784	3,830	3,395	7,417	6,952
Bickley-Tents	601	439	710	602	1,233	989
Ern Halliday-Accom	8,829	8,888	9,094	9,278	19,556	21,024
Ern Halliday-Tents	1,083	635	874	1,091	1,284	2,446
Ern Halliday-Picnic	745	0	0	0	0	0
Woodman Pt-Jervoise	701	653	765	782	1,862	2,083
Dorms (catered):						
Woodman Point (3 Dorms)	2,684	2,843	2,799	3,682	5,991	9,940
Cottages:						
Tone River	2,723	2,992	2,298	1,098	7,672	3,486
Woodman Point	466	565	676	823	1,742	2,606
Ern Halliday	0	0	0	228	0	501
Accommodation/ Conference Centres:						
Noalimba	6,673	5,973	1,977	0	7,312	0
Point Walter Dorms	3,931	4,539	4,990	4,901	10,644	10,670
Total	31,646	31,311	28,013	25,880	64,713	60,697

Notes

- (1) Bed Occupancy is derived by multiplying the number of people staying by the number of nights they stayed.
- (2) Cottage Occupancy is the number of nights occupied as a percentage of the total nights possible.
- (3) From 1999/2000 until December 2002, statistics for Tone River Cottages are based on 19 cottages (not 20) as One cottage was leased and not included within booking statistics.
- (4) The Ern Halliday picnic area is now used as a program area. From 2001/02 it was not available for Picnic use by groups.
- (5) Noalimba was closed in October 2002.
- (6) Tone River was closed in January 2004.
- (7) Woodman Point commenced programs in April 2004.

Appendices

APPENDIX 2

Camps Program Participations/Participants Statistics

	2001/02 Participations as at 30/6/2002	2002/03 Participations as at 30/6/2002	2003/04 Participations as at 30/6/2002	2001/02 Participants as at 30/6/2002	2002/03 Participants as at 30/6/2002	2003/04 Participants as at 30/6/2002
Bickley	19,799	16,946	12,177	4,083	3,715	3,110
Ern Halliday	37,612	32,232	40,541	8,292	7,206	7,732
Pt Walter	8,833	12,709	16,276	2,257	2,441	3,063
Woodman Pt	0	0	2,583	0	0	339
Tone River	2,267	744	0	2,293	643	0
TOTAL	68,511	62,631	71,577	16,925	14,005	14,244

Notes

- (1) Bickley experienced closure of the water body in the camp due to algal blooms. This adversely affected program delivery across the summer months of February and March 2004.
- (2) Woodman Point commenced program delivery in April 2004.
- (3) Tone River did not deliver program activities at all during 2003/04.

RCRB Camp Usage Statistics 2003/04 by Group Type

