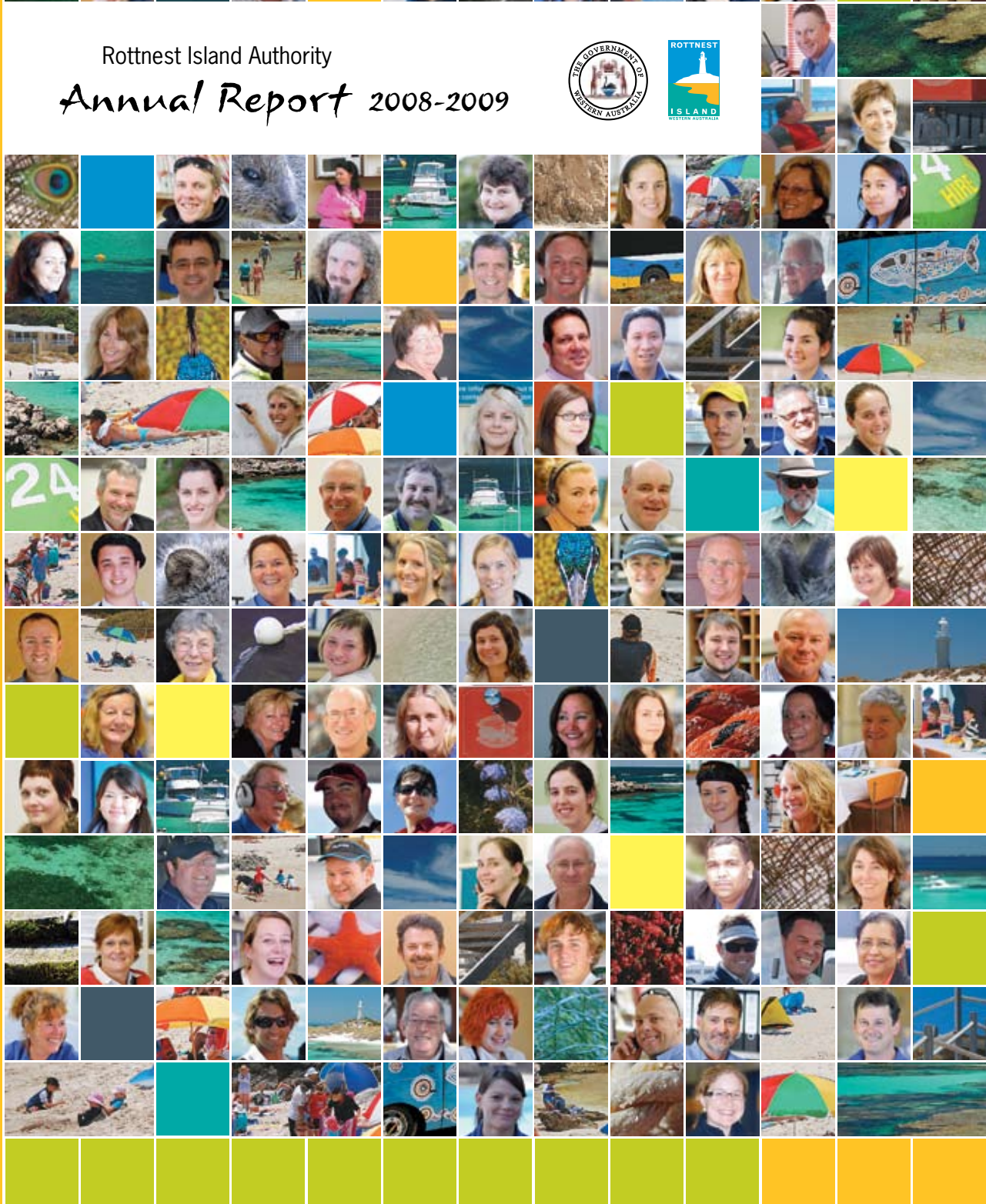


# Experience Rottnest Island



Rottnest Island Authority  
*Annual Report 2008-2009*







# Annual Report 2008-2009

Rottneet Island Authority

Hon. Dr Elizabeth Constable MLA  
Minister for Tourism

In accordance with section 63 of the *Financial Management Act 2006*, we hereby submit for your information and presentation to Parliament the Annual Report of the Rottneet Island Authority for the year ended 30 June 2009.

The report has been prepared in accordance with the provisions of the *Financial Management Act 2006*.

Laurie O'Meara AM  
**CHAIRMAN**

17 September 2009

Sue Murphy  
**DEPUTY CHAIR**

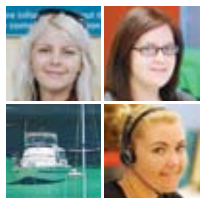
17 September 2009

Experience Rottneet Island

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## Chairman's Review

The year under review has seen the completion of the major refurbishment of the Rottnest Island Authority's 299 accommodation units which provide around 1,600 beds in a variety of styles and prices. A carefully costed reserve fund will now ensure a ten-year maintenance program. This will mean a Sydney Harbour bridge approach – as soon as we finish on one end, we start again on the other.

It is pleasing to note that the private sector has gained confidence from the upgrade steps taken by the Rottnest Island Authority (RIA or the Authority) and this is best evidenced by the new Dome, Hotel Rottnest, Aristos Waterfront and the smart upgrade of its ferry fleet by Rottnest Express. An exciting extension of this has been the establishment of a dynamic cooperative venture known as Team Rottnest which combines the skills, talents and investments into the Island by the business community and the RIA. The group has set itself initial goals of maximising the dollar spend on marketing the Island as a preferred holiday destination, ensuring consistent levels of customer service and in all ways working together to enhance the visitor experience. An essential element of this initiative is to develop ways of mitigating the "Blotto on Rotto" style of hooliganism to ensure that the Island remains a haven for families and all sectors of the community having fun-filled, restful and safe holidays together. The Rottnest Island police are very supportive of this initiative.

The big news of the year is the development of the Rottnest Island Management Plan (RIMP) for the next five years – 2009-2014. It is a



requirement of the *Rottnest Island Authority Act 1987* to have in place a five-year plan. An essential element of both the preparation and finalisation of such a Plan was community input.

From a call for ideas and suggestions, the Authority members and staff spent many hours of discussion with drafts and re-drafts to produce a document which with as much publicity as we could muster, was put out for public comment and feedback. Every effort was made to ensure that this consultation was as inclusive as possible.

Some 203 responses were received and these were processed by the RIA staff and supervised by a probity auditor to ensure that every submission was fairly considered. From this process, the final document was presented to the Minister, the Hon. Dr Elizabeth Constable MLA, for her endorsement. It was gazetted on 1 July 2009.

There are 25 initiatives in this RIMP which has been entitled "Revitalised and Moving Forward". I commend it and urge all persons interested in Rottnest Island to obtain a printed copy or check on our website [www.rottnestisland.com](http://www.rottnestisland.com).

An important difference in this RIMP from any of its predecessors is that it is costed. If a proposal is not within the financial capacity of the RIA, it is noted as requiring private funding support. There are therefore a number of exciting possibilities for public/private partnerships identified within the RIMP.

An historic event occurred on the Island on 25 February 2009 when the Authority's Reconciliation Action Plan (RAP) was launched. This event on Heritage Common where some 150 people stood in steady rain, was a most moving one. The theme, embraced by both Aboriginal and non-Aboriginal people present was, recognising the sad past; looking to the future together. The RAP is an integral part of the Rottnest Island Management Plan 2009-14, providing a positive structure and framework to collaboratively manage the Island in a culturally appropriate way, providing economic opportunities for Aboriginal people through tourism and related pursuits.

Although the five-year period addressed by the RIMP is required by legislation and is seen as an important directive; a proposal in the RIMP provides for the preparation of a 20-year strategic vision. The issue of Rottnest Island's capacity and environmental sustainability will obviously be a focus.

In similar vein is the decision to review the *Rottnest Island Authority Act 1987*. We are now twenty years on and with community input we see a need to ensure that the Act gives both the protection and direction needed to support the Island's development for the next twenty years.

*The event on Heritage Common where some 150 people stood in steady rain, was a most moving one.*



It would be very remiss of me not to acknowledge and thank the many volunteers who work tirelessly to make a Rotttnest holiday or one day visit an experience to remember. Without singling out specific groups I include tour information, physical maintenance, revegetation, expert advice through advisory committees, and the list goes on. Without this support holidays on Rotttnest would be less enjoyable.

The opportunity for some development of further accommodation is outlined in the RIMP. These include the continuation of the provision of an accommodation hotel at Mount Herschel, further units adjacent to the Hotel Rotttnest and a new camp ground facility at South Thomson. These and any similar developments will be subject to close scrutiny on the grounds of environmental sustainability; and an opportunity will be given for the community to comment on their size and scale.

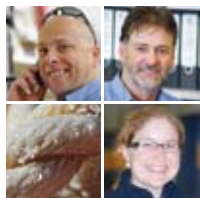
During this year a change of government saw a change of Minister. I thank Sheila McHale for her support and welcome the Hon. Dr Elizabeth Constable who has quickly shown a strong and informed interest in Rotttnest Island and has already proven to be a valuable guide to our endeavours.

It has been a busy and satisfying year and I wish to record my sincere appreciation to the members of the Authority for their valuable input and support. We were fortunate during the latter part of the year to be joined by Geoff Totterdell. Geoff brings years of corporate and financial experience at the highest level and will be known to many in Perth's business circles as an astute, forward-thinking professional.

It is a comfort to reach a point in the economic cycle where we can attract and retain high calibre staff. Our Chief Executive Officer Paolo Amaranti is now very ably supported by high quality staff and this is best illustrated by the improved performance results which are evident in this report. On behalf of the members of the Authority I congratulate Paolo on being appointed for a further five-year term and thank him and all of his staff for the notable achievements during the year under review.

Laurie O'Meara AM  
**CHAIRMAN**





## Chief Executive Officer's Summary

The 2008-09 financial year has been one of consolidation and setting new directions for the immediate future within a long term vision of maintaining and enhancing Rottnest Island for the people of Western Australia and other visitors.

### Achievements

#### Financial Sustainability

The RIA has applied significant effort towards addressing the financial sustainability of Rottnest Island over the last four years. A net loss has been reduced from \$4.9 million in 2004-05, \$3.2 million in 2005-06 and \$0.9 million in 2006-07 into a \$0.5 million profit in 2007-08 and \$0.9 million profit in 2008-09.

The Authority determined that there would be no CPI increases to the 2009-10 expenditure budgets. A Treasury requirement to further reduce expenditure budgets by 3 per cent combined with a 3 per cent increase in revenue targets represents a 7.9 per cent reduction in the Authority's expenditure budgets for 2009-10 in real terms.

#### Visitor Numbers

A five year decline in visitor numbers was reversed in 2006-07 and visitor numbers in the 2008-09 period climbed to the highest ever recorded.

During the year 52,668 staff and contractor daily commuters, together with tourism familiarisation and other business-related visitors brought the total number of ferry arrivals to 413,386.

The increase in visitors was also reflected in accommodation bookings with an increase by 1.3 per cent to 26,955 compared with the previous financial year, and the average length of stay also showed a slight increase.

Total revenue for accommodation services increased by 11 per cent to \$13 million compared with the previous year's result of \$11.7 million.

#### Visitor Experience

A new method of capturing feedback from our visitors, and monitoring satisfaction levels was introduced in the latter quarter of the year. The results show that 96 per cent of visitors to the Island considered that their experience had either met or exceeded their expectations.

While this is an outstanding result, we believe it is essential that continuing effort is applied to meeting and exceeding visitor expectations.

In preparation for the next financial year, a review of operations has resulted in a flatter management structure. A new management position - that of Manager of Holiday Services has been introduced. A key component of the role is to manage visitor experience with the clear goal of exceeding expectations, and to encourage our visitors to make the most of their Island getaway.

Our focus on continuous business improvement has highlighted a need to improve our cleaning standards, particularly in our holiday accommodation. As an integral part of holiday enjoyment, improving cleaning standards will be a major focus for the 2009-10 financial year.



#### Accommodation Upgrades

Final improvements under a \$21 million five-year program to refurbish accommodation were completed during the year. These included upgrading 28 units at Central Thomson, the Light Keepers Cottages at Bathurst, 8 Governor's Circle units and the Sergeant's mess at Kingstown. The Kingstown Barracks were also refurbished.

An annual \$500,000 maintenance program will be replaced by a \$2 million annual rolling maintenance and refurbishment fund starting in 2009-10.

Refurbishments to 28 Caroline Thomson cabins included new beds and mattresses, furnishings, cooking facilities and partial repaints.

#### Private Business Partnerships

Investment by private business into the Island has paid off during the year with the Domé outlet on Rottnest Island reported as Australia's best performing Domé franchise in 2008-09.

Similarly, there has been a dramatic increase in patronage of the new and improved areas of Hotel Rottnest providing visitors with outstanding

*A five year decline in visitor numbers was reversed in 2006-07 and visitor numbers in the 2008-09 period climbed to the highest ever recorded.*



spaces to enjoy the beautiful vistas back over the ocean to the Perth city skyline, whilst enjoying an excellent range of food and beverage options.

Aristos Waterfront opened in the latter months of the year with exceptional 180 degree views and a variety of seafood delicacies in addition to first class fish and chips, providing a welcome and appropriate addition to the variety of food choices on the Island.

A new level of cooperation between the RIA and the Rottnest Island Business Community has seen the formation of Team Rottnest, a dynamic group whose main objective is to improve the visitor experience.

Significant investment in the ferry fleet has improved standards of the ferry services to the Island. Rottnest Express has invested significant marketing funds into its “Red Goes Faster” campaigns and has added exciting new product including its eco-tours and whale watching tours.

In a first ever partnership approach to destination marketing, a Rottnest Island Business Community Marketing Executive has been established to drive destination marketing, including the development of new branding for the Island as a preferred holiday destination.

#### ***A Sense of Place – Our Precious Environment***

The environment is what matters most to our visitors, as confirmed in recent survey results. The natural beauty of the Island, its pristine beaches, relaxation, peace and quiet, were identified as the most important features of Rottnest Island.

Effective management and protection of the marine and terrestrial environment is imperative to ensure long term sustainability and a sense of place for the visitor.

Environmental programs include the conservation and protection of groundwater, landforms, vegetation, fauna, and marine habitats. Park service programs include visitor risk management and safety, terrestrial and marine facilities management, education and compliance.

Extension programs focus on raising awareness and appreciation of the natural environment by facilitating scientific research, volunteer coordination, visitor education and interpretation. These are key strategies to provide visitors to the Island with a strong sense of place.

Key achievements during the year include the implementation of sustainable visitor capacity research, concerning the Island's most popular natural and heritage locations. The first stage of a longitudinal study was completed by researchers from Edith Cowan University.

Meeting the costs of maintaining the Island's environment is a key driver behind increases in fees and charges to be implemented with effect from

4 July 2009. The “user pays” basis of the increases brings entry fees to the Island into line with other local tourism destinations such as Perth Zoo.

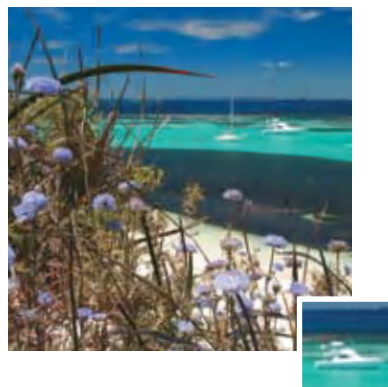
Numerous volunteers provide a highly valued and generous contribution and dedication to improvement of the environment on Rottnest Island. During the year 1,160 volunteers provided 27,500 hours of their time to benefit the natural and cultural environments.

#### ***Custodians of Culture and Social Capital***

A \$3 million program of works and activities during the year reflect the RIA's responsible stewardship role of the Island's built environment. A further \$2.3 million has been spent on conservation of the former Governor's Residence (Hotel Rottnest). Stage one has reinstated this significant building and enhanced the conservation, presentation and interpretation of the former Governor's Residence.

Stabilising works have been completed on the Battery Observation Post building which operated as part of the nationally significant 9.2 inch gun emplacement at Oliver Hill. The cost of restoration being prohibitive, the Authority has undertaken to manage the building as a standing ruin.

The Authority recognises the cultural significance and sad history that the Island holds for Aboriginal people, and therefore its position of responsibility to ensure the Island is managed in a culturally appropriate way.





The Reconciliation Action Plan was finalised with the help of a Working Group which included representatives from the Noongar Aboriginal community and other Aboriginal people, and launched during the year. It formalises the Authority's commitment to working towards the goals of Reconciliation Australia and in the spirit of the 2008 formal apology.

The introduction of Wadjemup Bus tours with cultural content provided by a wholly Aboriginal owned and operated business in February 2009, was a concrete example of the RIA's commitment to providing opportunities for Aboriginal employment and economic benefit.

I would like to thank the Authority members for their guidance and support during the year. Thank you to our wonderful volunteers for their outstanding effort.

I would also like to recognise the dedication, passion and hard work of my staff who continue to produce results in a climate of unrelenting change. To the families of my staff thank you for your support, especially on those early morning winter days with five metre swells and 40 knot winds!

We have worked together to care for a record number of visitors, whose expectations have been met and exceeded. Considerable time this year has been devoted to seeking input from stakeholders, including staff, into planning and preparing for the next five years, encapsulated in the Rottnest Island Management Plan 2009-14. I sincerely thank everyone who has contributed to these results and look forward to another successful year in 2009-10.

*Paolo Amaranti*

Paolo Amaranti  
**CHIEF EXECUTIVE OFFICER**



# Agency Overview



## Rottnest Island Management Plan

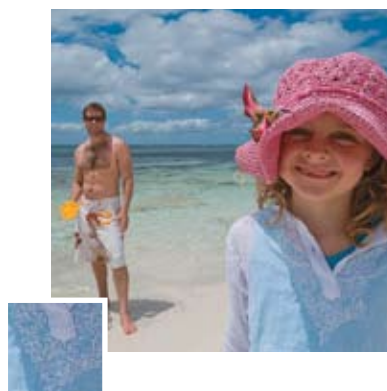
The *Rottnest Island Authority Act 1987* requires the Rottnest Island Authority (RIA or the Authority) to have a five-year Management Plan to guide the management and development of the Island including accommodation, visitor facilities and services and conservation of the Island's natural environment and cultural heritage.

The Rottnest Island Management Plan 2003-08 (RIMP 2003-08) as amended, contained 249 recommendations spanning sustainability, Settlement Area planning, terrestrial environment, marine environment, cultural heritage, holiday and recreation facilities, marine recreation facilities, community involvement and relations, utilities and infrastructure and implementation.

The vast majority of those recommendations were completed or are ongoing. Implementation of the RIMP 2003-08 proceeded in tandem with the Island's accommodation and facilities refurbishment program. This was a major achievement for the RIA despite the recommendations not having specific funding identified.

The RIMP 2003-08 did not include cost estimates or funding sources and therefore some recommendations were aspirational rather than financially achievable. This has been addressed in planning the development of the Rottnest Island Management Plan 2009-14 (RIMP 2009-14). The new Plan includes estimated costings and sources of funding with regard to the various policies and initiatives.

The RIMP 2009-14 was developed over a 12-month period with unprecedented input from the



community, both throughout its preparation and during public consultation on the draft Plan. The overall direction of Island management was strongly endorsed by the community, with each of the nine policy areas and 25 initiatives receiving support to proceed. Opinion was more divided on the extent of new accommodation and facilities; however these views were accommodated through proposed strengthened development approval processes to protect the Island from inappropriate developments and from the cumulative effects of development.

The theme of the new Plan is sustainability and the community was assured that environmental, heritage and social values will be paramount in planning and management. The Plan underlines the RIA's commitment to Aboriginal reconciliation in accordance with the recently released Rottnest Island Reconciliation Action Plan. A number of proposals will make sure that an appropriate range and level of accommodation is provided. A major financial commitment for a rolling refurbishment program will maintain the improved standard of accommodation that has been achieved in recent years.

The visitor experience will be enriched by providing more recreational opportunities, especially related to the Island's natural and cultural environment, improving facilities, a focus on improved customer service and measures to control antisocial behaviour on the Island to ensure a safe, secure and relaxed holiday environment.

The new Plan also responds to the changing external environment including climate change and economic trends, and looks to the future with a review of the *Rottnest Island Authority Act 1987* and developing a twenty-year vision.

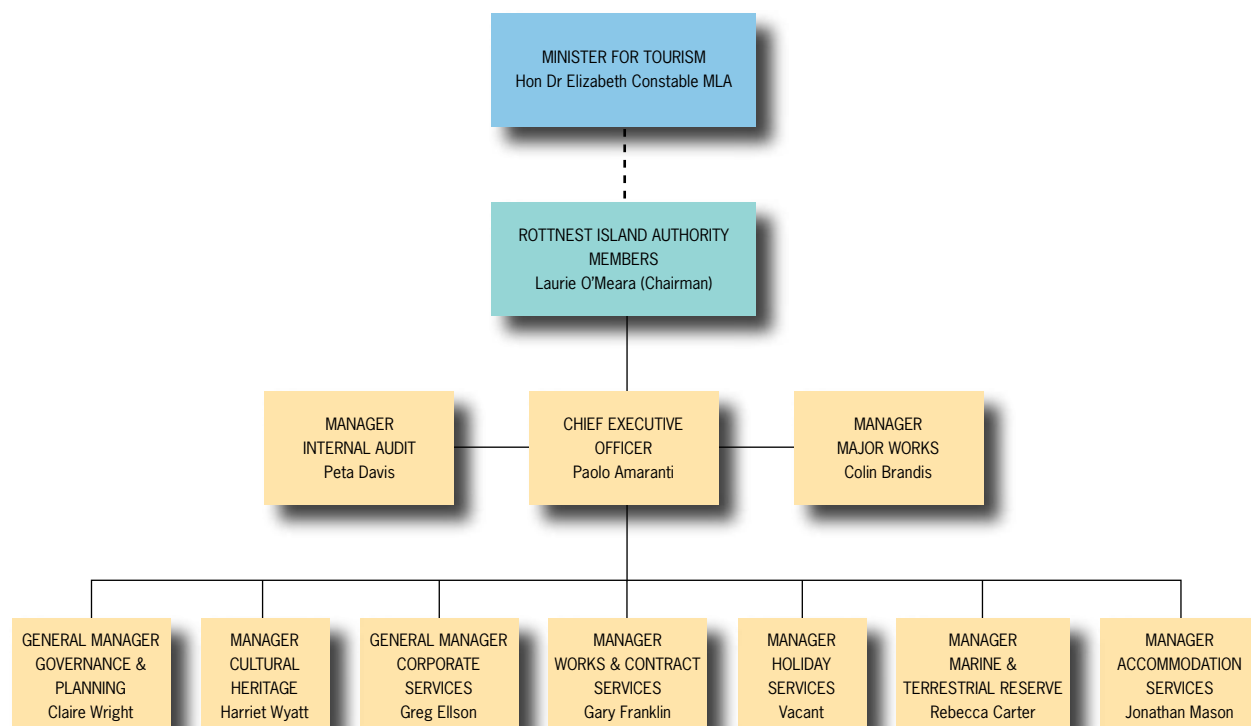
The Authority will provide updates to stakeholders every six months, as well as reporting against performance indicators in its Annual Reports to measure progress.

Additional details are provided at a special section on the RIMP 2009-14 in this Report.

## Operational Structure

The Rottnest Island Authority is supported by an organisation to fulfil its functions and implement its policies and strategies. It is referred to as the Rottnest Island Authority's Administration. The Administration is overseen by a Chief Executive Officer who is supported by a core permanent staff (105 full-time equivalents) and temporary staff engaged to meet seasonal demand.

During the year, the Administration was restructured to reflect the policies and strategies of the new Rottnest Island Management Plan 2009-14, and is based on logical corporate functions. This structure is reflected in the diagram overleaf.



## Authority Members

The Rottnest Island Authority is governed by members appointed by the Minister for Tourism for terms not exceeding three years and members may be re-appointed. Members are selected according to their experience relevant to the agency's operations. Mr Laurie O'Meara, Chairman of the Authority, has recently been reappointed by the Minister for Tourism for a further two-year term concluding on 30 June 2011. Profiles of the Authority's members together with details of meeting attendances are provided in the Disclosures and Legal Compliance section of this annual report.

## Other Information

### Finance and Audit Committee

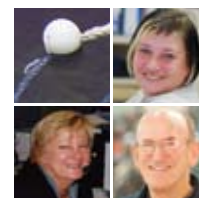
This Committee is established under the *Rottnest Island Authority Act 1987* to assist the Authority to discharge its responsibilities of overseeing financial and related management, compliance and corporate governance. The Committee comprises two Authority members, plus an alternative Authority member, one of whom acts as Chairman, and the Chief Executive Officer. The Authority Chairman also participates as a member of the Committee. The committee met on 10 occasions during the year.

### Other Committees

People from the community and Rottnest Island stakeholders are members of advisory committees which support the work of the Authority in an advisory capacity. During the year the following committees operated:

- Rottnest Island Marine Issues Advisory Committee
- Rottnest Island Environmental Advisory Committee
- Rottnest Island Cultural Heritage Advisory Committee
- Rottnest Island Railway Advisory Committee
- Rottnest Island Tourism Advisory Committee

*The overall direction of Island management was strongly endorsed by the community.*



The Authority is appreciative of the work of these committee members and the many volunteers who contributed to Rottnest Island throughout the year.

#### **Responsible Minister**

The Hon. Dr Elizabeth Constable MLA, Minister for Tourism.

#### **Enabling Legislation and Regulations Administered**

*Rottnest Island Authority Act 1987*

*Rottnest Island Regulations 1988*

A list of other key legislation impacting on the Authority's activities is provided in the Disclosures and Legal Compliance section of this annual report.

## **Performance Management Framework**

The Rottnest Island Authority's performance management framework reflects its functions as outlined in the *Rottnest Island Authority Act 1987* (the Act), as well as Government Policy through strategic documents such as the prevailing Rottnest Island Management Plan. The framework is structured in accordance with the requirements of the Government's Outcome Based Management Framework for public sector agencies.

During 2007-08 the RIA reviewed its Outcome Based Management Framework to increase the relevance and usefulness of its performance information, and this framework reflects those changes.

The Authority is classified as a Public Non-Financial Corporation by the State Government. This implies that the Agency is required to be self-funding and not rely on State Budget funding for its operating expenses. While this requires the Authority to act in a commercial manner in the fulfilment of its functions, the Act does not stipulate profit-maximisation or realisation of commercial rates of return as its objectives.

#### **Shared Responsibilities with Other Agencies**

The RIA did not share any key service-related responsibilities with other agencies in 2008-09. However, the Authority works in partnership with other Government providers servicing Rottnest Island including the Western Australia Police Service, Department of Health and Department of Education Services.

#### **Rottnest Island Authority's Outcome Based Management Framework**

##### *Government Goal: Social and Environmental Responsibility*

Ensuring that economic activity is managed in a socially and environmentally responsible manner for the long-term benefit of the State.

ROTTNEST ISLAND AUTHORITY'S DESIRED OUTCOME	KEY PERFORMANCE INDICATORS	SERVICES PROVIDED TO THE COMMUNITY
Rottnest Island visitors enjoy recreational and holiday experiences in healthy natural and cultural environments.	<b>EFFECTIVENESS</b> Visitor satisfaction with the Rottnet Island Experience. Health of Rottnest Island's natural environment. Health of Rottnest Island's Cultural heritage.	1. Recreational and holiday services.
	<b>EFFICIENCY</b> Average cost of recreational and holiday services provided per visitor. Average cost of natural environment and cultural heritage management per reserve hectare.	2. Natural environment and cultural heritage management.





## Agency Performance



### Financial Summary

The Rottnest Island Authority (RIA or the Authority) has applied significant effort in addressing the financial sustainability of Rottnest Island over the last four years, which has seen the net loss reduced from \$4.9 million in 2004-05, \$3.2 million in 2005-06 and \$0.9 million in 2006-07, into a \$0.5 million profit in 2007-08. The 2008-09 result shows a continuation of this trend with an accounting profit of \$923,000, largely attributed to the accounting recognition of the Lessees' improvements made to the Hotel

Rottnest. However, after considering the accounting effects of the Hotel Rottnest improvements valued at \$3.8m, a net loss of \$2.9 million has resulted, which largely consists of Public Service General Agreement salaries increases and increased depreciation charges.

During the financial year the Authority's cash position decreased by \$3.8m due to expenditure on non-commercial operations. This expenditure included:

- Natural environmental and cultural heritage management – \$3.0m
- Additional restoration expenditure on the Governor's Residence – \$0.8m

To continue the RIA's progress towards financial sustainability by achieving positive cash flows, the Authority has undertaken a significant assessment and reprioritising of strategies and budgetary allocations as approved by Government. As a consequence, the Authority determined that there would be no CPI increases to the 2009-10 expenditure budgets and

a further requirement to reduce expenditure budgets by 3 per cent. In real terms, this represents a 7.9 per cent reduction in the RIA's expenditure budgets for 2009-10. Furthermore, revenue targets were increased by 5 per cent<sup>1</sup> above expected CPI increases.

A Functional Review has also been undertaken and has resulted in a new organisational structure that will be implemented during the 2009/10 Financial Year. The new flatter structure has resulted in a saving of \$224,132.

Based on the Strategic Budget Framework developed during 2008-09 the RIA is expected to be financially sustainable over the five-year period of the Rottnest Island Management Plan (RIMP) and Strategic Development Plan (SDP). The framework is expected to deliver over the five year period:

- Zero draw on the Authority's cash reserves;
- A financial provision for major accommodation refurbishments of \$1.5 million per annum and an annual planned maintenance program valued at \$0.5 million;

The Strategic Budget Framework is also expected to deliver the following profit/loss and net cash flow positions:

	2009-10 \$'000	2010-11 \$'000	2011-12 \$'000	2012-13 \$'000	2013-14 \$'000
Revenue	35 285	36 877	38 353	39 694	40 884
Expenditure	34 780	36 815	37 776	38 847	40 001
<b>Profit/(Loss)</b>	<b>505</b>	<b>62</b>	<b>577</b>	<b>847</b>	<b>883</b>
Plus depreciation (non-cash item)	4 606	4 743	4 885	5 032	5 183
<b>Cash Increase from Operations</b>	<b>5 109</b>	<b>4 805</b>	<b>5 462</b>	<b>5 879</b>	<b>6 066</b>
Less general capital	(3 700)	(3 700)	(3 700)	(3 700)	\$3 700)
Less specific capital Initiatives	(210)	(400)	(100)		
Less Accommodation Redevelopment Reserve	(1 500)	(1 500)	(1 500)	(1 500)	(1 500)
<b>Net Cash Inflow/(draw)</b>	<b>(301)</b>	<b>(795)</b>	<b>162</b>	<b>679</b>	<b>866</b>

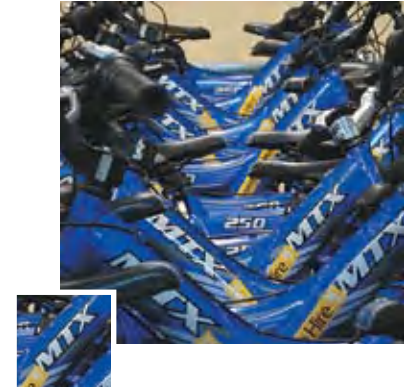
<sup>1</sup> Excluding additional revenue from the recently increased Admission Fees.

*A Functional Review has been undertaken resulting in a new organisational structure.*

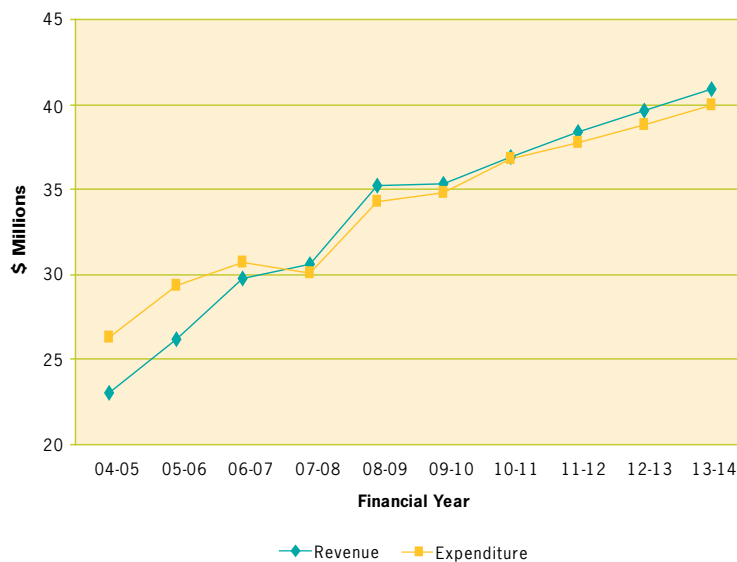


- Fully funded RIMP and SDP Initiatives;
- Natural environmental and cultural heritage management funded at historic levels; and
- Internally funded Capital Expenditure program of \$3.7 million p.a.

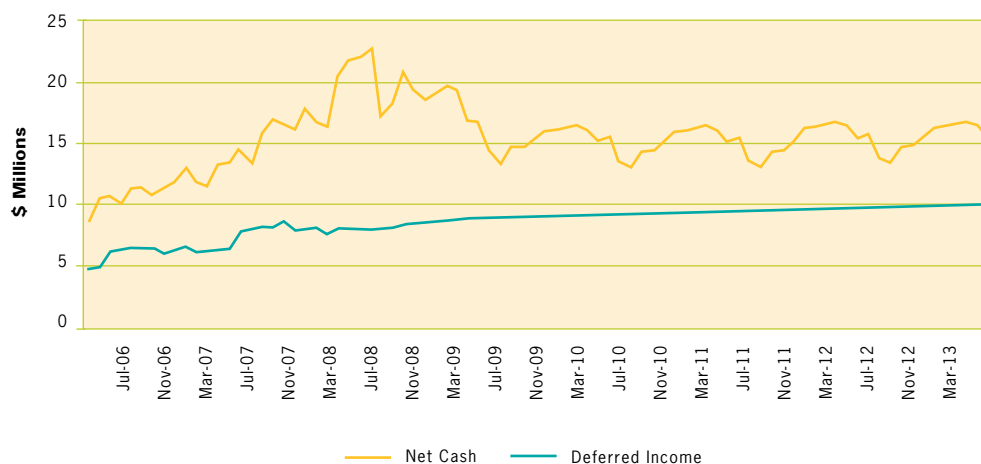
The Strategic Budget Framework assumes the RIA is successful with the current Expression of Interest for outsourcing provision of the Island's utilities. Should this private investment not eventuate, the Authority will require an alternative funding source for the upfront infrastructure compliance requirements. The Authority has significantly challenged itself to address its financial issues.

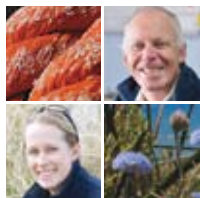


**Actual and forecasted financial performance**



**Deferred income versus net cash**





The recently approved Rottnest Island Management Plan 2009-14 (RIMP) is focused on financial, environmental and social sustainability initiatives. For the first time, the RIMP identifies the expected cost and funding source for each initiative to provide confidence that they are achievable. Striking a balance between increasing revenue, maintaining accessibility and investing in the Island's natural and built assets has been and will continue to be a considerable challenge and a focus for the Authority.

A key strategy within the recently approved RIMP is the inclusion of refurbishment funding for accommodation units to ensure sustainability and to eliminate the need for Government bail-out funding for accommodation refurbishments, as has been past practice. The 10 year refurbishment program is based on a financial provision for major refurbishments of \$1.5 million per annum, to provide the estimated \$15 million required for major refurbishments of the RIA's accommodation inventory. An annual planned maintenance program valued at \$0.5 million is also a key focus of the Authority's refurbishment strategy. This strategy is a key component to ensure the commercial activities provided by the Authority are financially self-sustainable, viable and based on a user pays basis.

## Key Performance Indicator Summary

Overall, the Rottnest Island Authority performed very well against its targets in relation to its key performance indicators. The results are summarised in the table below. The suite of indicators has been revised this year to measure the Authority's achievements at an 'outcomes' level. The Authority also measures a suite of more operational indicators to gauge its performance (some of these are provided after the table below).

Satisfaction with the services provided on Rottnest Island by the Authority remained high, as demonstrated by the indicators in the table below. Visitor satisfaction with RIA accommodation, even

though a 3 per cent improvement on last year's results, still requires work to meet the target set. Revised indicators regarding the state of the natural and cultural environment are reported for the first time. While no previous comparisons are available, comparison to planned achievements are reported. High level efficiency indicators are also reported for the first time and these provide a baseline to measure the Authority's efficiency at an outcomes level in the future.

More detailed information regarding the agency's indicators including targets, trends and results for 2008-09 can be found in the Disclosures and Legal Compliance section of this report.

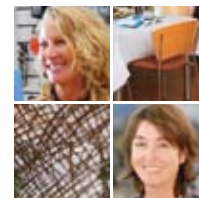
### Summary of Key Performance Indicators Results

Performance Indicator	2008-09 Target	2008-09 Actual
Rottnest Island experience met or exceeded expectations	90%	96%
Visitor satisfaction with recreational facilities and services	85%	85%
Visitor satisfaction with Rottnest Island Authority accommodation	85%	75%
Overall visitor satisfaction with recreational and holiday services and facilities	85%	86%
Health of the natural environment	C	C
Health of the cultural environment	C	C
Average cost of recreational and holiday services provided per visitor	NA*	\$80
Average cost of natural environment and cultural heritage management per Reserve hectare	NA*	\$599

\* NA denotes that a target was not set, as the 2008-09 results will be used to identify a baseline for future performance comparisons and target setting.



## Visitor satisfaction with Island facilities and services remained high.



In addition to these key performance indicators, some other relevant indicators of performance are summarised below. Again, these results demonstrate strong performance which is a significant achievement in the context of an economic downturn.

- The number of visitors to Rottnest Island increased by nearly two per cent on the previous year setting a new record for visitation.
  - The number of 'unit nights of accommodation sold' increased by 1.6 per cent on the previous year.
  - Visitors' perceptions of 'value for money' when visiting Rottnest Island was measured for the first time and recorded a positive rating of 76 per cent.
  - There were 92 per cent of visitors that believed Rottnest Island was a safe place to holiday.
  - An additional 33,000 native trees were planted to help restore the Island's natural environment.
- Improve revenue from accommodation services by vigorously competing for business across shoulder and off-peak periods;
  - Increase the variety of recreational services and activities to improve the visitor experience on the Island;
  - Improve the marketing and provision of information to improve access and experience of the Island's facilities and features.

### Service Area 1 – Recreational and Holiday Services

Visitors come to Rottnest Island to experience a holiday, for recreation or just to relax. The Rottnest Island Authority is required to provide a variety of services for visitors including accommodation, recreational activities, tourism services, transport and other support services found in a typical tourism destination. Some services are directly provided by the RIA, while some are provided through private businesses and organisations. The performance of the Authority's direct service delivery is discussed below.

The main strategies applied in recreational and holiday services were to:

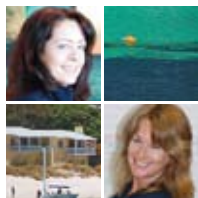
### Visitors

Rottnest Island hosts various types of visitors. Of the 361,000 visitors which arrived by ferry, over one-third stayed overnight in RIA accommodation. The remainder used privately managed accommodation or experienced a day trip to the Island. The total number arriving by ferry represents an increase of two per cent over the previous year, and the highest annual result in the last 10 years. This reflects a continuing positive trend (see graph below). In addition, the Island receives many visitors by private boat or charter service. The Authority is unable to confirm the exact numbers of these types of visitors, as boating visitors are not required to advise passenger numbers when visiting. Aerial surveys conducted over the peak season indicated that vessel based visitation numbers may be over 200,000 per annum. Furthermore, another 53,000 people accessed the Island for commercial and work purposes, which also contributes to economic activity on the Island.

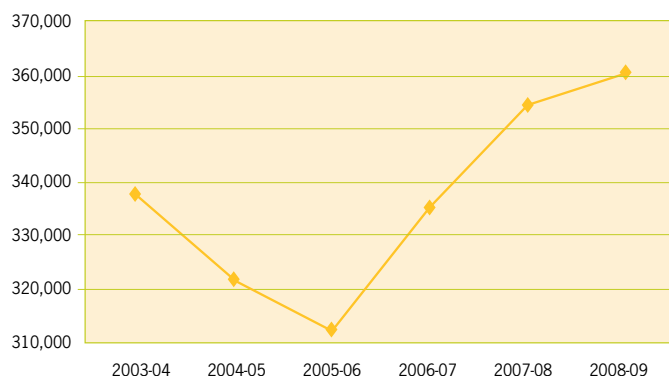
The profile of visitors to the Island is also changing. For example, the changing demographic evident in the general population is reflected in the demographics of the visitor population.

The Authority continued to develop and refine its accommodation and recreational activities to help meet this growing and changing demand from visitors to the Island. These actions are contained in the discussion below.

Visitor satisfaction with the Authority's Island facilities and services remained high and these results are provided at the Key Performance indicator section of this report.



**Visitor Numbers by Ferry**



### Accommodation

The RIA continued to provide easily accessible and value for money accommodation on the Island while using a graded pricing structure offering substantial discounts to those wishing to stay midweek or outside the peak summer season.

A variety of accommodation is provided to meet the different needs of the Island's visitors. There is a total of 299 accommodation units on the Island. In addition, the Authority operates the Kingstown Barracks complex that comprises a 50 bed hostel and 17 dormitories, as well as a camping ground with 18 tent sites within the Settlement Area.

There were 26,955 reservations made for the Island's accommodation (all forms) with an average stay of 3.62 nights. The number of reservations has increased by 1.3 per cent compared with the previous financial year, while the average length of stay has also shown a slight increase. These reservations resulted in 84,800 unit nights being sold, which is an indicator of the Authority's commercial

performance. The Authority's accommodation is mostly sold by 'unit night' regardless of the number of people staying in a unit. The improving performance of the Authority is demonstrated in the graph below.

Total revenue for accommodation services increased to \$13 million compared with the previous year's result of \$11.7 million representing an increase of 11 per cent.

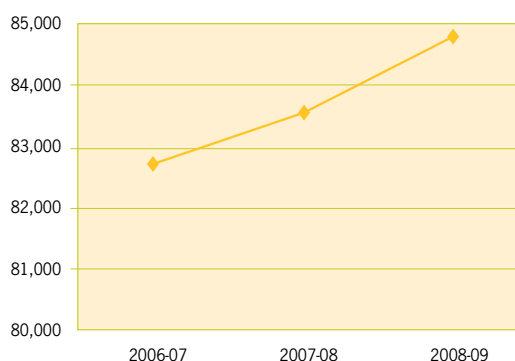
### Accommodation Improvements

In 2004, a five-year program of refurbishment to RIA accommodation commenced. In 2008, the last stage of the refurbishment plan focused on upgrading 28 units located at Central Thomson, the two units within the historic lighthouse keeper's cottage adjacent to the Lighthouse at Bathurst, the eight Governor's Circle heritage units and the Sergeants Mess at Kingstown Barracks.

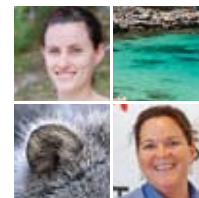
The 28 Caroline Thomson cabins in the Thomson Bay area were equipped with new beds, mattresses and cooking facilities and were partially repainted.

At Kingstown Barracks, the Rottnest Island Hostel received new bunk beds and mattresses. Furnishings and heating in the communal lounge area were upgraded. Carpets were removed from all dormitories at Kingstown Barracks and also from the Governor's Circle units, with the

**Unit Nights Sold Per Year**  
(Served and Unserved Units)



*In 2008, the last stage of the current refurbishment plan focused on upgrading 28 units.*



original floorboards being restored by sanding and polishing.

This significant refurbishment program has resulted in all Rottnest Island accommodation now offering the same internal equipment, facilities and level of appointment within the designated category of accommodation.

#### *Accommodation Bookings*

Processing accommodation bookings continued through the RIA's Central Reservations based in Fremantle. The Authority website currently offers an on-line accommodation availability checker, a payment gateway and the opportunity to submit on-line applications for unit accommodation through the ballot process applied during some school holiday periods.

Ballots for Rottnest Island accommodation are held regularly to cover the summer school holidays after Boxing Day, Easter school holidays and the School Leavers week in November. Demand continues to far exceed supply and specific criteria are applied with checks being maintained to ensure that the system remains fair to all.

Rigorous testing was carried out on the forthcoming on-line accommodation booking system. It is intended that this service will be introduced in the 2009-10 financial year.

#### *Visitor Services*

The Rottnest Island Visitor Centre has been awarded accreditation administered by the Tourism Council Western Australia. Visitors to the Centre are able to obtain information and advice, and the Centre acts as a point of sale for bus, train and boat tours operating on the Island. A seasonally operated ticket booth is located at the Settlement's main bus stop.

The information available from the Visitor Centre is supplemented by the work of volunteer groups who assist visitors with general and interpretive tours and information.

#### *Getting Around*

One of the features that makes Rottnest Island unique and attractive to visitors is that the Island is free of private vehicles, but the sights and amenities remain accessible to people of all abilities. While on the Island, visitors can hire a bike, take a bus tour, ride on the historic railway or join one of the volunteer-led walking tours.

#### *Bicycle Hire*

Rottnest Island Bike Hire had a profitable year in which it provided hire bikes and equipment to over 87,500 visitors. A range of customers hire bikes and equipment including families, day visitors, community and tour groups, groups from schools and the corporate sector.

One of the most sought after accessories was child trailers. Cargo trailers, baby seats, surfboard racks and tag-a-longs for children are among the other equipment available for hire. The gophers and adult trikes have been popular with customers who require mobility assistance. Tandems are high demand items as they allow a unique cycling experience.

New inventory included tandems, adult trikes and children's multi-gear bikes. Our courtesy break down vehicle has continued to provide assistance to all Island cyclists in need.

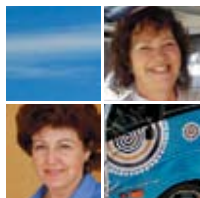
#### *Tours and Transport*

This service provides a free shuttle service between the major centres within the Settlement Area, and provides fee based coach, train and location tours.

In October 2008 the Tours and Transport service achieved Tourism Council Western Australia accreditation, demonstrating the RIA's commitment to customer service for Island visitors. The service was also a finalist in the Western Australian Tourism Awards for 2008.

The Wadjemup Bus Tour was introduced in early 2009 and gives visitors the opportunity to gain insight into the history, traditions and dreaming stories that make the Island a place of deep spiritual significance for Aboriginal people. This initiative was part of the Authority's commitment to Aboriginal reconciliation as outlined in its Reconciliation Action Plan.





The Rotttnest Voluntary Guides host tours to the Wadjemup Lighthouse and the tours are proving to be popular and successful.

### Events and Functions

The Island's event calendar comprises a wide variety of events and functions ranging from large sporting events, such as the annual Rotttnest Channel Swim, to small private functions such as weddings and corporate days.

Many events are designed to increase the number of visitors to the Island and improve off season accommodation uptake which results in direct revenue to the RIA through admission fees and accommodation. Island businesses also benefit from additional revenue generated by increased activity. Private and corporate functions are gaining importance with the restructuring of the venue pricing schedule and the refurbishment of the Rotttnest Island Country Club and Conference Centre.

The second annual Wadjemup Cup was held on Rotttnest Island in November 2008. Around 90 boys competed from the Clontarf Aboriginal Football Academies located in communities including Alice Springs, Anzac Hill and Yirara in the Northern Territory, Gilmore Academy in Kwinana, Yule Brook Academy in Perth and the MidWest Academy in Geraldton. Boys from Alice Springs took the cup home once again.

### Marine Facilities

The RIA offers a variety of marine services and facilities for the benefit of commercial and recreational boat users accessing the Rotttnest Island Reserve. These include 863 licensed mooring sites, 98 marine rental facilities and one courtesy mooring located on Kingston Reef.

The Authority has identified a number of suitable dive sites within the Reserve. Two sites at Crystal Palace and Roe Reef have been evaluated for potential installation of moorings. Environmental impact assessments have been conducted. Input from recreational and commercial users regarding each site's suitability and possible restriction is in progress and will be assessed before proceeding with final selection and planning for development of the dive sites.

### Marketing and Public Affairs

A closer working relationship with the Rotttnest Island Business Community (RIBC) has led to an innovative decision to rationalise resources and effort by combining RIA and RIBC marketing activities in the coming financial year. The aim is to introduce an integrated and coordinated approach to marketing Rotttnest Island as an iconic holiday destination.

Utilising the themes of Tourism WA's 'Holiday at Home' campaign, the RIA launched its own product promotions which aimed to sell mid-week accommodation, Island tours and bike hire to the local market in the traditionally low occupancy winter months of June, July and August. The campaign has been very successful, selling 842 nights of accommodation, over 1,000 tours and over 1,000 bikes.

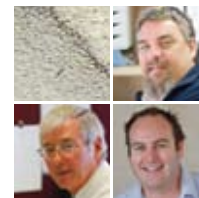


The Authority has generated significant interest among members of the tourism industry through its Familiarisation Program targeted to relevant media and trade partners involved in selling Rotttnest Island as a holiday destination. Since January, 170 familiarisations have been facilitated by the Authority including many that were conducted in partnership with Tourism Western Australia and Experience Perth. Other groups included interstate, intrastate and international travel agents and journalists.

The Authority's Public Affairs function has coordinated media activity during the year, achieving positive media exposure including the re-opening following refurbishment of the Hotel Rotttnest; the opening of Australia's newest and largest Dome Café; the launch of the Rotttnest Island Reconciliation Action Plan and the development of a new five-year Rotttnest Island Management Plan.

Four issues of the Rotttnest Islander have been published and 20,000 of each issue were distributed during the year. Online presence has been maintained through the Rotttnest Island Authority's website and through social networks such as Facebook and Twitter.

*The RIA launched its own product promotions which aimed to sell mid-week accommodation, Island tours and bike hire to the local market in the traditionally low occupancy winter months.*



### Facilities and Utilities Management

The RIA is responsible for managing the Island's provision of utility services and maintenance of all built infrastructures. The Authority has contracted Programmed Facility Management (PFM) previously known as the Tungsten Group; to provide this service. However, other providers are involved for selected items or may be engaged for specific improvements. PFM was specifically engaged to deliver maintenance of the Island's buildings and equipment, operation of utilities, waste management and general transport services including luggage delivery and general support services.

### Power

All power requirements for the Island are generated locally using a combination of diesel generators and a wind turbine. The RIA generates, distributes and retails power under licence from the Economic Regulation Authority.

Total power generation during the year was 4.7 million kilowatts of which 1.7 million (36 percent) was generated via the Island's wind turbine, and the balance supplied through diesel generation. The wind turbine avoided the use of 480,000 litres of diesel fuel, saving the Authority an estimated \$532,000.



### Water Services

The Authority provides potable water and waste water services on the Island under licence from the Economic Regulation Authority.

There were 146,000 kilolitres of potable water produced during the year. The desalination plant produced 75 per cent of this amount and the remainder was sourced from groundwater bores. Potable water is stored in a series of tanks connected to the water distribution network. In January 2009, work commenced on reinstating an additional water tank (capacity of 5,000 kilolitres), and this work was completed in July 2009.

### Liquid Petroleum Gas

A mix of reticulated and bottled Liquid Petroleum Gas (LPG) is used to provide gas on the Island including the Authority's accommodation facilities (e.g. hot water systems and cooking facilities), as well as operate a range of appliances used by visitors and residents such as barbecues. Most commercial businesses operating on the Island also utilise LPG for their operations. During the year 383,000 litres of gas was used on the Island.

### Waste Management

Approximately 670 tonnes of waste is generated on the Island each year. The Authority's waste management strategy resulted in the closure of the Island landfill site and all waste streams being transported to the mainland. Waste suitable for recycling is separated prior to transportation and includes plastics, glass, paper, cardboard, oils, tyres, batteries, metals and biosolids.

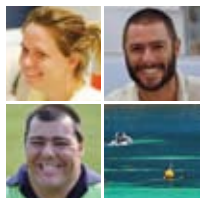
The closure of the Southern Metropolitan Regional Council Resource Recovery Centre due to fire damage (June 2009) will have an impact on the future level of recycling that can be achieved. The Authority and its facilities manager are currently investigating the availability of alternative recycling plants in the short-term, as well as long-term waste management options.

To promote recycling and reduce the use of plastics; 20,000 calico shopping bags were provided to 'key holders' checking into Island accommodation. This project was partially funded through a grant from the Keep Australia Beautiful Council in partnership with the Rottnest Conservation Foundation.

## Service Area 2 – Natural Environment and Cultural Heritage Management

Rottnest Island is an A-Class Reserve comprising the Island's land mass, known as the terrestrial environment and surrounding waters, known as the marine environment. In addition to natural values, these areas also encompass cultural heritage assets and values that require ongoing identification, protection and conservation. While a distinction is made between the Island's natural and cultural environments, in reality they are intrinsically linked.

The protection of the natural and cultural environment is imperative to ensure the Island's long term sustainability and sense of place for the visitor. Essentially, it is the reason that most visitors come to the Island.



Specific management programs include the conservation and protection of groundwater, landforms, vegetation, fauna, and marine habitats. Park service programs include visitor risk management and safety, terrestrial and marine facilities management, education and compliance. Extension programs focus on raising awareness and appreciation of the natural environment by facilitating scientific research, volunteer coordination, visitor education and interpretation. These are key strategies to provide visitors to the Island with a strong sense of place.

The current status of key performance indicators for both the natural and cultural environments indicate a stable situation, but one that needs to improve. It is envisaged that as the Rottnest Island Authority becomes more financially sustainable, additional resources will be devoted to this important area of the Authority's responsibility.

### Terrestrial Environment

Management of natural systems across the terrestrial and marine components of the Rottnest Island Reserve continued to be a primary focus for the Authority during the year. Key management areas included contaminated sites, environmental restoration, pest birds, research and marine management.

### Woodland Restoration Program

During 2008-09, volunteers assisted with the planting of some 33,320 native trees, bringing the total number of trees planted since the beginning of the program to 216,570. The aim of the Woodland Restoration Program is to return the Island's woodland habitat to a state similar to that found by the first settlers. The program involves assistance from school and volunteer groups in collecting seeds, planting and fencing; while seed propagation is done by inmates from Bunbury Prison.

Future tree planting activity is constrained by the amount of suitable land available. Investigations are being undertaken to identify areas within the water recharge zone which can be planted.

### Fauna Management

The RIA has developed and commenced implementation of a Pest Bird Management Plan. Birds considered to be pest species include Silver Gulls, Australian Ravens, the Common (Ring-Necked) Pheasant, Galahs, Peafowl and Rainbow Lorikeets. Mechanisms being implemented include public education, working with Island businesses and population control.

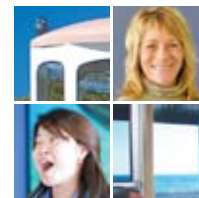
A number of fauna monitoring programs were undertaken during 2008-09. These include:

- Reptile monitoring - occurring six times over the spring and summer months.
- Amphibian monitoring - occurs once to twice a week during the winter months.
- Bird monitoring - The Rottnest Island Authority conducted a survey in conjunction with Birds Australia over the summer and winter months. Bird counts cover a range of habitats so both bush and wading birds are included.

**Woodland Restoration Program**  
Cumulative number of trees planted since 2003



## Stage two works of the coastal rehabilitation plan at Parker Point and Philip Point were successfully completed.



Osprey monitoring is a new program that is being undertaken to establish Island nest locations and their activity. The aim is to establish relative breeding success, nest usage and to identify the occurrence of any disturbances (natural and/or anthropogenic) that may lead to nest abandonment.

Reptile, amphibian and bird monitoring programs have now been running for over five years and provide valuable and robust population information which will aid effective fauna management.

### Coastal Management

Stage two works of the coastal rehabilitation plan at Parker Point and Philip Point were successfully completed and a further two projects at South Thomson and Parakeet Bay commenced.

Eroded areas at Parakeet Bay and South Thomson were targeted this year, as dune erosion poses a significant threat to infrastructure at these locations. Erosion in these areas can be attributed to a combination of water runoff, storm events and visitor impacts.

The RIA, in partnership with the Rottnest Island Conservation Foundation, was successful in receiving funding from Lotterywest to undertake Site Development Planning (stage two) of the Coastal Walk Trail. Stage two will commence in 2010 and will include site development designs for each node of the trail, trail interpretation, and staging strategies and facility style guides.

### Contaminated Sites Management

Thomson Bay Hydrocarbon Plume - the RIA continues to work with consultants, auditors and the Department of Environment and Conservation (DEC) to achieve best practice methods for site remediation.

Forbes Hill Landfill Facility - the Forbes Hill landfill facility has not received landfill waste since 2006. However, the nutrient plume emanating from the site is monitored on a seasonal basis by the Authority in conjunction with contaminated sites consultants. A report summarising the results is submitted to the DEC annually.

### Marine Environment

Development of strategies for the protection and management of the unique marine communities while supporting recreational use can be complex. With the marine component of the Rottnest Island Reserve covering 3,800 hectares, the Authority employs specialist staff to monitor and deliver key projects across this area. Ongoing research and consultation with key stakeholder groups provide the Authority with best management practices to ensure the sustainable use of this resource.



### Marine Management Strategy

The Rottnest Island Marine Management Strategy 2007 (MMS) formed part of the Rottnest Island Management Plan 2003-08. In line with the development of the Rottnest Island Management Plan 2009-14, the Authority has undertaken a review of the MMS limited to the measurable outcomes and research program. The MMS will be reviewed at five-year intervals in conjunction with the RIMP 2009-14 to monitor progress against the strategy's objectives and outcomes.

This year has seen the implementation of the Reef Fish Baseline Survey (conducted in conjunction with the University of Western Australia) which is aimed at:

- Complimenting and enhancing existing datasets to create a benchmark for scientific reference and future comparisons;
- Detecting spatial and temporal patterns within fish assemblage structure with regard to diversity, length frequency, abundance and biomass;
- Better understanding reef ecosystems for improved future management purposes; and
- Providing information underpinning recommendations for the development of a long term reef fish monitoring plan.

A Lyngbya monitoring program was also established targeting high visitor usage bays in order to better predict, understand and manage the presence of this alga and any associated blooms. A *Lyngbya Response Strategy* is under development in conjunction with this monitoring program.





### *Recreational Moorings Environmental Assessment*

An environmental assessment at two popular dive sites within the marine reserve has been completed to determine if anchor damage was occurring, as well as to assess the benthic flora and faunal communities existing both at the dive site and within the surrounding anchorages. The physical characteristics of the dive sites and anchorages were also assessed. The information will be used to assess the feasibility of trialling a recreational dive site mooring system at the two sites, as part of a larger system to avoid damage to fragile benthic communities occurring from dive vessels anchoring at the sites.

### *Bacterial Water Quality Management*

In conjunction with the Department of Health, the RIA continued to monitor bacterial concentrations in popular swimming bays, and heavily used mooring and boating areas. As the National Health and Medical Research Council's trigger levels were not breached during 2008-09 and ANZECC levels exceeded only on three occasions during the same period, bacterial levels generally, were considered to be very low.



### *Cultural Environment*

Because of its location, much of the cultural heritage of Rotttnest Island is intact and presented in ways that provides contemplation for visitors and a unique tourism experience found nowhere else in Western Australia.

The RIA is assisted in its heritage and conservation projects by advice from the Cultural Heritage Advisory Committee and other key stakeholders.

The Authority has undertaken a program of works and activities during the year that reflect the Authority's stewardship role. Key achievements are outlined below.

#### *Conservation of the Former Governor's Residence*

The Governor's residence forms part of the current Hotel Rotttnest. Improvements were made to make the building structurally sound, weatherproof, and aesthetically pleasing. The completion of this work has reinstated this significant building and enhanced the conservation, presentation and interpretation of the former Governor's Residence. Rather than blurring into the general hotel complex, the Residence is now a major feature of the hotel and the Island. In addition, the former Residence has been complemented by the inclusion of more sympathetic and appropriate new structures and services funded by the building's lessee. The response by the lessee's patrons and Island visitors to the improvement has been very positive.

### *Battery Observation Post*

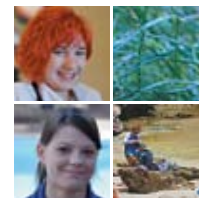
The building operated as part of the nationally significant 9.2 inch gun emplacement at Oliver Hill that provided information to the plotting rooms. It was also the fire command post for the Fremantle Fortress of gun emplacements, in operation to defend the port of Fremantle. The building is intact but suffered from water ingress and concrete deterioration. The cost of full restoration was prohibitive; therefore the Authority has undertaken to manage the building as a standing ruin. Stabilising works have been completed which included internal propping, roof replacement and concrete benching to direct water flow away from the structure. Historic fittings and elements have been conserved wherever possible.

### *New Dome Café*

After a period of planning and negotiation, the Dome Café opened at its new location during 2008. The redevelopment of the Dome Café was an important project for the Authority for many reasons, it:

- reinforced the guidelines and principles aspired to by the Authority in relation to the design and construction of new buildings and amenities, particularly those located within heritage precincts;
- demonstrated the need to foster positive relationships with stakeholders;
- captured an element of interpretation, in that the new café has been constructed on the site of the former Rotttnest Island Tearooms;

*During the year 103 school groups visited the Island and took part in the educational activities offered by the Authority.*



- resulted in an improved and reinvigorated visitor facility; and
- resulted in a positive outcome for the Island's natural heritage (rejuvenation of the fore dunes).

The success of this project, and the positive stakeholder and community response, is testament to the Authority's commitment to conserving the natural and cultural heritage environment.

### **Education and Interpretation**

The RIA provided education learning experiences and interpretation activities for visitors to the Island through interactive activities and materials such as fact sheets, resource packs, publications, school holiday programs and informative signage. During the four school holiday periods, 652 adults and 3,027 children participated in these activities. Partnerships with RecFishWest, and Birds Australia and the Rottnest Voluntary Guides Association contributed to the successful delivery of these programs.

### **Delivery to Schools**

During the year 103 school groups visited the Island and took part in the educational activities offered by the Authority. The Environmental Education Program (EEP) has been developed in accordance with the Curriculum Framework and is aimed at students of all levels and abilities. The EEP offers a range of dynamic activities that encourage active student involvement and experiential learning. Students are able to investigate the Island's remarkable environment, including its history and culture, terrestrial and marine life, and flora; to gain understanding of the imperatives for conservation and management.

### **Corporate and Group Day Tours and Events**

Over the year, the Education and Interpretation team delivered varied programs to six corporate groups that included Boddington Goldmine, World Presidents Organisation, Environmental Health Australia, Wesfarmers and Captain Cook Cruises.

Four Environmental Awareness Courses were delivered during 2008-09. This course is designed for teachers, community leaders, and visitors who wish to increase their understanding and awareness of the Island's natural and cultural environment. This two-day professional development opportunity focuses on providing participants with environmental education ideas and activities they can use with groups.

### **Interpretation**

Several terrestrial environment, marine and heritage interpretive programs were implemented during the year including the Heritage Street Signs Interpretation Project, and 'A Birds Eye View of Rottnest Island'. Other programs such as, 'Dive into Diversity', Prisoner of War Plaque and the 'Reconciliation Action Plan Launch Display' were delivered.

A new permanent exhibition for the Salt Store was developed and implemented. The exhibition titled 'Salt of the Earth' showcases the historic salt works which once operated on the Island and celebrates original use of this important heritage building.

### **Ranger Services**

The Rottnest Island Authority's Rangers contribute to the Island's protection of the Island's natural and social environment. The focus is to seek voluntary compliance from visitors and businesses operating on the Island. However, enforcement actions are applied when voluntary compliance can not be obtained. Rangers also assist with the protection and management of the Island's flora and fauna.

### **Island Security and Safety**

To ensure Rottnest Island will continue to be regarded as a safe and relaxing family holiday destination, Rangers work in partnership with the Western Australian Police. Monitoring and control of anti-social behaviour within the Island Reserve is a high priority. Strategies are continuously being developed to address issues of intoxicated people engaging in noisy and offensive behaviour.



*For the first time in the RIA's history, the RIMP's major initiatives were costed and sources of funding were identified.*

Rangers assisted with the management of the major events on the Island including Leavers' Week, New Year's Eve, the Channel Swim and Rottnest Swim Thru. Rangers take the role of interdepartmental liaison managing up to 30 security staff, and work in partnership with the WA Police, the Department for Planning and Infrastructure (DPI), and the Office of Crime Prevention to ensure a safe and secure event for all attendees.

Rangers were involved in eight missing person searches, 26 vessel rescues and 31 patient transfers (11 were considered critical).

#### Environmental Management

More than 350 wildlife calls were actioned of which 220 responses concerned quokkas, 49 for dugite relocations, 7 for fur seals and 48 for small birds and one whale stranding. Rangers, Water Police and the DPI worked together to increase the presence of marine patrols within the Island's waters. Close collaboration between the Island's rangers, the Department of Environment and Conservation, and Australian Customs resulted in two arrests on alleged smuggling charges.

Completion of training as Honorary Fisheries Officers and Honorary Marine Safety Officers has assisted the rangers to enforce the existing Marine Sanctuary Zones and deliver visitor safety and education to marine users of the Rottnest Island's waters.

#### Enforcement of Regulations

Rangers issued a total of 2,143 notices for breaches of the Rottnest Island Regulations during 2008-09. Of this number, only 324 notices resulted in actual infringements as ranger staff focused primarily on education and promoting voluntary compliance.

Overall, there was an 11 per cent decrease in the total number of infringements issued, however there was an increase in the number of notices related to vessels. This was partly a consequence of a firmer approach being shown to repeat offenders using moorings without permission, as the Shared Mooring System has now been in place for some time.



Breach Type Notice	Number
Section 30 notices	150
Regulation 8 notices	45
Infringements	324
Vessel notices	1,624
<b>Total</b>	<b>2,143</b>

# Rottnest Island Management Plan 2009-14



The Rottnest Island Management Plan 2009-14 (RIMP) was developed during the year with an unprecedented level of consultation which included input from the community, stakeholders and Rottnest Island Authority (RIA or the Authority) staff. The process included canvassing issues and opportunities during preparation of a draft RIMP and two months consultation on that draft to ensure the final RIMP reflected the majority view of stakeholders and the community.

The Authority incurred significant costs to develop the RIMP, a document that is not required by most State Government agencies. The consultation stage and finalisation of the document was overseen by a probity auditor.

The theme of the RIMP is sustainability – environmental, social and financial. The RIMP seeks to maintain the balance between the functions set

out in the *Rottnest Island Authority Act 1987* – providing holiday and recreation facilities for visitors and protecting the natural and built environment of the A-class reserve.

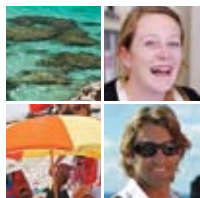
For the first time in the RIA's history, the RIMP's major initiatives were costed and sources of funding were identified. A summary is provided below.

Ref <sup>1</sup>	Strategy	5-year Investment <sup>2</sup> \$'000	Funding source
1	Review the Rottnest Island Authority Act 1987	\$180	RIA Budget
2	Tourism and Recreation Strategy	\$160	RIA Budget
3	Twenty-year vision for Rottnest Island	\$0	RIA Budget
4	Sustainability accreditation	\$175	RIA Budget
5	Sustainable visitor research	\$50	RIA Budget
6	Development planning controls	\$190	RIA Budget
7	Address external environmental and economic threats (including climate change)	\$175	RIA Budget
8	Aboriginal reconciliation and economic development	\$450	RIA Budget and external funding
9	Maintain quality of RIA visitor accommodation	\$10,000	RIA Budget
10	Provide a range of visitor accommodation	\$0	RIA Budget (cost recovery) and external funding
11	Upgrade Kingstown	\$0	External funding
12	Review visitor accommodation management options	\$0	RIA Budget
13	Expand recreational activities	\$0	RIA Budget (cost recovery) and external funding
14	Improve visitor facilities	\$410	RIA Budget
15	Marine facilities – Boating Management Strategy	\$220	RIA Budget
16	Review responsibility for utilities, major infrastructure and essential services	\$0	RIA Budget
17	Terrestrial Management Strategy	\$220	RIA Budget
18	Implement Marine Management Strategy	\$150	RIA Budget
19	Education and interpretation for environmental management	\$150	RIA Budget
20	Rottnest Island Research Strategy	\$200	RIA Budget
21	Cultural heritage conservation	\$1,105	RIA Budget
22	Education and interpretation products	\$340	RIA Budget
23	Improve customer service	\$0	RIA Budget
24	Focus on safety and security	\$150	RIA Budget and external funding
25	Support volunteers	\$150	RIA Budget
		<b>\$14,475</b>	

<sup>1</sup> Reference numbers correspond with the Rottnest Island Management Plan initiatives.

<sup>2</sup> A \$0 amount denotes costs will be within current resourcing levels, so no additional funding is required from the RIA's finances. However external funding will be required where indicated.





## Sustainability

Sustainability has become the Rottnest Island Authority's (RIA or the Authority) major management theme. The Authority seeks to achieve financial, environmental and social sustainability for the Island and for the Rottnest Island Authority as an organisation. This theme is reflected in the Rottnest Island Management Plan 2009-14 (RIMP). The first two years of the RIMP will focus on laying the foundations for achieving long-term sustainability across all areas. Future annual reports will address this theme as the Authority makes further progress towards this objective.

Sustainability is a management objective that applies to all of the RIA's services and support operations. It also requires the cooperation and participation of its suppliers and stakeholders, and therefore can not be achieved by the Authority acting alone.

During 2008-09 the Authority implemented strategies to progress sustainability within its operations and to promote sustainability among its Island stakeholders, and these are summarised below. The challenge for the Authority was to implement sustainable practices across the three major areas while demands from the respective areas competed for the Authority's limited resources. Some of the items outlined below are elaborated on in the Operations Report of Service Area One and Two respectively.

### Environmental

- Commenced implementation of sustainable visitor capacity research, concerning the Islands most popular natural and cultural heritage locations. The first stage of this longitudinal study has been completed.

- Maintain the Authority's sustainable development guidelines and approval process to ensure all new developments, restorations and improvements contribute to the Island's environmental and social sustainability.
- Thousands of trees are planted during each winter as part of the Woodland Restoration Program.
- Continued use of the Island's wind turbine to generate power (between 30 to 40 percent of total power depending on the wind characteristics) avoiding the use of fossil fuels to generate power.
- Continued to desalinate more than 75 per cent of the Island's water needs to reduce the need to draw upon groundwater bores and ensure water availability for Island fauna.
- Implement strategies to minimise and recycle waste from various sources on the Island.
- Continued effective management of the Island's contaminated sites.
- Enabled several private research projects to be conducted on the Island concerning various environmental aspects.
- Continued application of guidelines that promote sustainability in the Authority's procurement practices.

### Social

- Partnered with Aboriginal Western Australians to continue to grow understanding of Rottnest Island's cultural heritage and significance to all Western Australians.
- Commenced implementation of the Reconciliation Action Plan specific to Rottnest Island and the Rottnest Island Authority as an organisation.
- Encouraged an Aboriginal owned and operated business to commence operations on the Island; the first to do so for many years.

- Encouraged cultural groups with connections to the Island's heritage, to research and celebrate their relationships with the Island.
- Continued to provide Rottnest Island Authority staff with opportunities to undertake volunteer work on the Island including tree planting and honorary ranger roles.
- Maintained staff access to a work day for volunteering to relevant community organisations or projects.
- Communicated sustainability messages to the Island's visitors and guests through publications, campaigns and education.

### Economic

The RIA continues to face challenges regarding the funding of its total operations, especially with regard to its non-commercial functions (environmental and cultural heritage management) and infrastructure developments.

During the year the Authority:

- Implemented strategies to improve the agency's financial performance by seeking price increases for fees and charges, implementing productivity improvements and increasing visitor numbers during shoulder and off-peak seasons.
- Sought ways to provide a platform to underpin development of a successful economic environment for the Island's commercial operators through a forum known as the Rottnest Island Business Community (RIBC), and through direct 'partnering' activities with the Authority's suppliers and service providers.

# Involving The Community



The Rottnest Island Authority (RIA or the Authority) engages the community to help with its management of the Island. Opportunities for community involvement include but are not limited to:

- The business community that provides services on and to Rottnest Island;
- Volunteer groups including school children;
- Advisory committees;
- Researchers;
- Customer service; and
- Emergency services

The Authority also partners with members of these groups and others, such as government agencies to provide a variety of essential and community services.

## Business Community

The business and services community is an integral part of Rottnest Island and creating a sense of community is important to sustaining the businesses on the Island. The business community has formed an incorporated association, the Rottnest Island Business Community (RIBC), to promote the Island businesses including those providing services to the Island, and to promote cooperation amongst its members and with the Authority. To help promote and achieve common goals, the Authority along with its main contractors are members of the RIBC.

The business community also supports many social activities such as cricket matches and golf tournaments. Larger businesses host dances and other social gatherings. Employees and their family members are encouraged to join in volunteering activities such as tree planting and

emergency services training. The RIBC has a strong voice through regular general meetings.

## Volunteer Groups

Rottnest Island is fortunate to have a number of volunteer groups working for the benefit of the Island and its guests. These include the Rottnest Voluntary Guides Association, Winnit Club, the Rottnest Island Conservation Foundation, Scouts Australia, Rottnest Society, Honorary Bay Rangers, Conservation Volunteers Australia, school groups, corporate groups and several others.

Throughout the year, these groups undertook a variety of projects including historical research, ongoing painting of the seawall, installing kilometres of fencing, tree planting, weed removal, seed collection, rubbish cleanups and general maintenance. The Rottnest Voluntary Guides Association conducts a range of guided tours, adding to the visitor experience on the Island.

Volunteer activities during the 2008-09 year resulted in approximately 1,160 volunteers giving 27,500 hours of their time to benefit the natural and cultural environment of the Island. Major accomplishments during the year included the successful launch of lighthouse tours, construction of new stairs at Fays Bay and erection of fencing at Pinky's Beach. This program assisted the continuation of the major dune rehabilitation project at Parker Point and the planting of many thousands of trees as part of the Woodland Restoration Program.

Throughout the year, the RIA provided support and resources to the volunteer groups to help support their contribution to Rottnest Island. An officer of the Authority coordinates and supports the work of these groups.

## Advisory Committees

A large number of community members and business owners are honorary members of advisory committees which provide advice to and support the work of the RIA. The Authority values the partnerships developed with these groups and the commitment of the members and will continue to support and work with the advisory committees to draw on their broad and considerable expertise.

During the year the following committees were active:

- Rottnest Island Marine Issues Advisory Committee
- Rottnest Island Environmental Advisory Committee
- Rottnest Island Cultural Heritage Advisory Committee
- Rottnest Island Railway Advisory Committee
- Rottnest Island Tourism Advisory Committee (commenced May 2009)

## Researchers

Scientific research is a vital tool which provides information to the RIA to assist with management of the Island's marine and terrestrial habitats, vegetation, fauna and cultural heritage. During the 2008-09 year, thirty-six applications to conduct research on the Island were received from local universities, national research organisations such as the CSIRO and the Australian Institute of Marine Science (AIMS).



Approximately two-thirds of applications received were for projects that involve undertaking field work in the Marine Reserve, while the remainder of projects addressed aspects of the terrestrial and inland aquatic environments, sustainability and cultural heritage.

Examples of projects that commenced in the course of last year include long-term marine macro-invertebrate monitoring (Curtin University); and the influence of Western Rock Lobster density and foraging behaviour on shallow water communities (Edith Cowan University).

The Authority and the University of Western Australia have entered into a Memorandum of Understanding (MOU) that sets out arrangements which will enable joint research activities to be undertaken within the marine and terrestrial reserve. This MOU will also facilitate joint supervision of students, academic meetings, and the shared use of resources.

## Customer Service Culture

The Authority aims to preserve the well-known and established cultural and social values of Rottnest Island while meeting the changing expectations of its visitors. The Authority is particularly cognisant of the need to address any trends towards anti-social behaviour on the Island which would negatively impact on visitors' holiday experience.

The operation of Rottnest Island as a safe and enjoyable holiday destination is paramount to the success of the Island. The Island's enviable reputation is based on all ages being able to relax in a safe and secure environment.

It was recognised this year that it is necessary to underpin this unique holiday experience with a comprehensive and more consistent approach to ensure that excellent customer service is provided by all businesses and service organisations operating on the Island. During the year, the concept of "Team Rottnest" was developed so that all parties will actively work towards this objective. The Authority has supported the RIBC in developing a customer service focused induction program which is being delivered to all staff.

The Authority identified a suite of operational management strategies and changes to legislation to help avoid and reduce the potential for anti-social behaviour occurring on the Island. For example, the level of contracted security was increased for public events. The legislative strategies will be pursued in 2009-10.

## Emergency Services

Visitor safety and safeguarding the Island environment is critical. Rottnest Island is visited by over 500,000 people annually; the Island's community needs to be prepared to deal with complex incidents and emergencies. Emergency response on the Island is coordinated through the Rottnest Island Local Emergency Management Committee (LEMC), which is responsible for the development and review of all Island emergency arrangements and facilitates multi-agency training and exercises.

The Rottnest Island Volunteer Fire and Rescue Service is a private brigade that is also designated as a State Emergency Service Brigade and is staffed by volunteers. During the year, members of the brigade took part in specialised training that included State Emergency Service (SES) Cliff Rescue, FESA Breathing Apparatus Training, SES Storm Damage Training, FESA Ground Controller Training as well as training in the Australian Inter-service Incident Management System (AIIIMS).

Over the last year, major emergency management initiatives included the development of a Local Recovery Plan and a Local Welfare Plan. A three-year contract to provide personnel protective equipment for the Volunteer Fire and Rescue Service was finalised. An application was submitted to the State Emergency Management Committee for Specified Public Authority Status under Section 35 of the Emergency Management Act 2005.

## Other Community Services

Other Government services are located on the Island including a police station, a Health Department nursing post and Department of Education primary school. Water Police and Department of Planning and Infrastructure assist with compliance activities within the Island's marine area.

The Authority provides a post delivery service on the Island, and the Island is serviced by a private barge operator in respect of freight transport.

# Aboriginal Reconciliation And Economic Opportunities



The Wadjemup Cup Football Carnival was a larger event this year with teams of Aboriginal boys travelling to the Island from Western Australia and the Northern Territory. Leila Ward, an esteemed Aboriginal Elder and whale singer, led the pre-game ceremony which was attended by Noongar and other elders, RIA members and staff and the Minister for Tourism, the Hon. Dr Elizabeth Constable MLA.



This year has seen a maturing of the relationship between the Aboriginal Community and the Rottnest Island Authority (RIA or the Authority) with the release and launch of the Rottnest Island Reconciliation Action Plan (RAP) 2008-11 and the incorporation of the Plan's objectives encompassed in the Rottnest Island Management Plan 2009-14 (RIMP). Outcomes expressed in both of the documents, together with actions, demonstrate willingness on behalf of the Aboriginal Community across Western Australia and the Rottnest Island Authority to meaningfully engage with a vision for a reconciled future for the Island. The RAP and the RIMP provide excellent opportunities for further Indigenous interaction and business development.

The launch of the first Aboriginal Community endorsed Indigenous Interpretive Coach tour on the Island provides an opportunity for visitors to participate in interactive experiences with Elder Noel Nannup of Wadjemup Tours. The partnership between the Authority and Indigenous Tours WA provides a cultural interpretive window to the stories of the Dreamtime that are specific to the Island.

Throughout the many development projects in progress across the Island, Aboriginal consultants and monitors have been engaged to ensure cultural values are conserved. In addition to known places that have been documented, the Authority has commissioned a whole of Island Aboriginal Heritage Survey to identify new sites and significant cultural values. To assist in this important area of heritage management, the Rottnest Island Authority has employed an Aboriginal cadet to support the work of external consultants.

The coming year is exciting for the whole Community and will see the fruition of many of the Indigenous projects that have been in development over the last five years. To assist in the development and implementation of these programs the Authority has recently employed an Indigenous project officer, Mr Reg Yarran.

The RIA recognises the pre and post-settlement cultural significance of Rottnest Island for Aboriginal people and therefore its position of responsibility to ensure that the Island is appropriately managed. The RIA is committed to promoting awareness, education and action both internally (among its staff, contractors, volunteers and business partners) and with Island visitors to help build relationships, develop respect and create opportunities for Aboriginal people.

Reconciliation with Aboriginal peoples and their relationship to Rottnest Island is regarded by the Authority as crucial for the social sustainability of the Island.





## Significant Issues Impacting The Agency

### Financial Security

The Rottnest Island Authority (RIA or the Authority) continues to work towards the objective of financial sustainability to reduce reliance on Government funding packages. Strategies have been identified and approved by the Government to address its negative cash flows. However, any project that requires significant capital investment will be particularly difficult to implement given the Authority's limited reserves. Areas such as the upgrading of utilities infrastructure and staff accommodation can not be provided within the agency's financial resources and will depend on some form of external funding such as borrowings or a public-private partnership. All options are being considered to address this challenge.

The Authority will continue to pursue a range of options to achieve long-term financial sustainability while protecting and enhancing the Island's unique environment and values.

### Changing Visitor Trends

In contrast to the current overall downturn in tourism currently experienced within Western Australia, the RIA is predicting that it will continue to benefit from positive trends in visitor numbers for a fourth consecutive year. The positive trend may be attributed to the response of visitors to better marketing of the Island and the improved facilities and services offered by the Authority and private service providers. It is expected that the changing demographics of the local population will have an impact on the type of facilities desired by local visitors.



The number of recreational vessels has been increasing in Perth which is having a growing impact on the Island's marine areas. The profile of these vessels is also changing with many larger vessels entering the Island's waters.

While the Authority has anticipated these shifts, further research is required to gauge these dynamic changes to ensure that the needs and safety of visitors are adequately met. At the same time, the capacity of the Island to absorb new and various visitor facilities and services must be determined and monitored to ensure that the unique environment and amenity of the Island is not compromised. This research commenced during 2008-09 and will continue over several years.

The Authority has largely focused effort towards meeting the needs of local visitors, however interstate and international visitor numbers to the Island are increasing. Changes in visitor profile may enable the Authority and business community to provide services on more a financially viable basis. Therefore, tourism trends are an important consideration for the Rottnest Island Authority. For example,

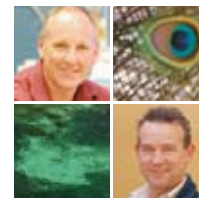
changes in airline travel pricing, security and changing sensitivities of travellers towards the effect of people on the environment all have an impact on visitation to the State and therefore, Rottnest Island. The Authority will need to closely monitor these trends and accordingly adapt its marketing and product offerings to meet market needs.

### Climate Change Impacts

Western Australia's Climate Change Action Statement (2007) emphasises that there is no bigger threat to Western Australia's environment, economy and unique lifestyle than climate change. Tourism Australia has identified climate change as the top challenge facing the Australian tourism industry in the next 10 years. This issue emerged as a priority during the development of the RIMP. The Authority needs to develop understanding of the potential impact of climate change both on the Island environment and on its tourism business. Research needs, as well as appropriate mitigation and adaptation responses have to be assessed and factored into operating the Island.

For Rottnest Island, climate change is most likely to impact features that attract visitors and exacerbate existing management issues including coastal erosion, cliff collapses, fire control and the success of revegetation programs. There may be impacts on the ecology, landscapes and iconic species; for example quokka health, crayfish, fish and migratory wading bird populations.

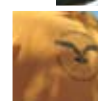
*The Authority will continue to pursue a range of options to achieve long-term financial sustainability while protecting and enhancing the Island's unique environment and values.*



In particular climate change may adversely impact on:

- The Marine Reserve (habitats, communities, coral reefs, fish distribution, recreational fishing);
- Marine facilities (including access to jetties and moorings) through changing water levels, storms and storm surges;
- The terrestrial environment, including coastal erosion, fire frequency and impacts on wetland water levels, weeds, pests, vegetation and fauna; and
- The Island's heritage and other built structures resulting in additional costs to protect and maintain such structures.

The RIA believes that the functions, responsibilities and operating conditions of the Authority need to reflect changes including community expectations for the management of the Island. There are many areas that need to be clarified. For example the 'regional' status of the Island is not clear and therefore, it is disadvantaged from having neither metropolitan nor country regional status. The Authority is increasingly required to perform in a commercial manner and therefore needs additional flexibility to act and perform accordingly. The Authority will need to devote significant attention to revising the Act and supporting Regulations during the next two years.



## New Legislation

The RIMP has identified an overdue need to review and revise the *Rottnest Island Authority Act 1987* (the Act) on behalf of the Minister for Tourism. While the Act has been reviewed since its proclamation, any proposed changes and amendment bills have lapsed. The Act itself includes a requirement for revision after five years.

# Disclosures And Legal Compliance



## Auditor General

### **INDEPENDENT AUDIT OPINION**

**To the Parliament of Western Australia**

#### **ROTTNEST ISLAND AUTHORITY FINANCIAL STATEMENTS AND KEY PERFORMANCE INDICATORS FOR THE YEAR ENDED 30 JUNE 2009**

I have audited the accounts, financial statements, controls and key performance indicators of the Rottnest Island Authority.

The financial statements comprise the Balance Sheet as at 30 June 2009, and the Income Statement, Statement of Changes in Equity and Cash Flow Statement for the year then ended, a summary of significant accounting policies and other explanatory Notes.

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

#### **Board's Responsibility for the Financial Statements and Key Performance Indicators**

The Board is responsible for keeping proper accounts, and the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Treasurer's Instructions, and the key performance indicators. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements and key performance indicators that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; making accounting estimates that are reasonable in the circumstances; and complying with the Financial Management Act 2006 and other relevant written law.

#### **Summary of my Role**

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the financial statements, controls and key performance indicators based on my audit. This was done by testing selected samples of the audit evidence. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion. Further information on my audit approach is provided in my audit practice statement. Refer [www.audit.wa.gov.au/pubs/AuditPracStatement\\_Feb09.pdf](http://www.audit.wa.gov.au/pubs/AuditPracStatement_Feb09.pdf).

An audit does not guarantee that every amount and disclosure in the financial statements and key performance indicators 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 and key performance indicators.

## **Rottnest Island Authority**

### **Financial Statements and Key Performance Indicators for the year ended 30 June 2009**

#### **Audit Opinion**

In my opinion,

- (i) the financial statements are based on proper accounts and present fairly the financial position of the Rottnest Island Authority at 30 June 2009 and its financial performance and cash flows for the year ended on that date. They are in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Treasurer's Instructions;
- (ii) the controls exercised by the Authority provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions; and
- (iii) the key performance indicators of the Authority are relevant and appropriate to help users assess the Authority's performance and fairly represent the indicated performance for the year ended 30 June 2009.



COLIN MURPHY  
AUDITOR GENERAL  
17 September 2009



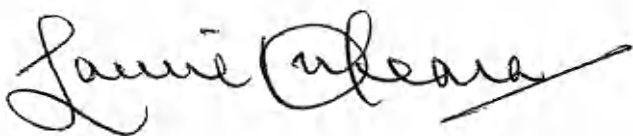
## CERTIFICATION OF FINANCIAL STATEMENTS

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### FOR THE YEAR ENDED 30 JUNE 2009

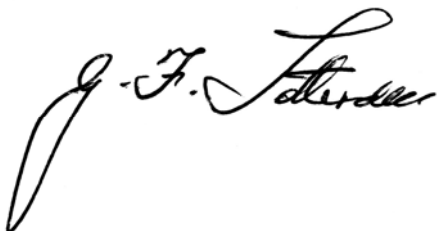
The accompanying financial statements of the Rottneest Island Authority have been prepared in compliance with the provisions of the Financial Management Act 2006 from proper accounts and records to present fairly the financial transactions for the financial year ending 30 June 2009 and the financial position as at 30 June 2009.

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



Laurie O'Meara AM  
**Chairman**

17 September 2009



Geoff Totterdell  
**Member**

17 September 2009



Othmar Beerli  
**Chief Finance Officer**

17 September 2009

# ROTTNEST ISLAND AUTHORITY

## INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE 2009

	Note	2008/2009 \$	2007/2008 \$
<b>INCOME</b>			
<b>Revenue</b>			
Sales	6	490,512	1,140,541
Provision of services	7	25,323,151	24,617,527
Commonwealth grants and contributions	8	7,000	14,000
Interest revenue		1,009,469	1,070,564
Other revenues	9	250,425	426,558
<b>Gains</b>			
Gains on disposal of non-current assets	10	11,812	-
<b>Total Income</b>		<b>27,092,369</b>	<b>27,269,190</b>
<b>EXPENSES</b>			
Cost of sales	6	266,844	586,949
Employee benefits expense	11	8,480,175	7,492,603
Supplies and services	12	17,444,304	16,736,843
Depreciation and amortisation expense	13	5,489,665	4,390,251
Finance costs	14	170,043	305,954
Accommodation expenses	15	200,751	186,815
Loss on disposal of non-current assets	10	-	60,130
Other expenses	16	195,832	281,283
<b>Total Expenses</b>		<b>32,247,614</b>	<b>30,040,828</b>
<b>(Loss) before grants and subsidies</b>		<b>(5,155,245)</b>	<b>(2,771,638)</b>
Grants and subsidies from State Government	17	2,225,400	2,275,318
Services received free of charge	18	3,853,007	1,013,923
<b>Profit for the period</b>		<b>923,162</b>	<b>517,603</b>

The Income Statement should be read in conjunction with the accompanying notes.

# ROTTNEST ISLAND AUTHORITY

## BALANCE SHEET

AS AT 30 JUNE 2009

	Note	2008/2009 \$	2007/2008 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	30	10,803,565	20,580,980
Inventories	19	486,346	522,105
Receivables	20	644,290	1,086,557
<b>Total Current Assets</b>		<b>11,934,201</b>	<b>22,189,642</b>
<b>Non-Current Assets</b>			
Property, plant, equipment and vehicles	21	178,462,848	164,443,583
Infrastructure	22	27,810,382	31,557,736
Intangible assets	23	884,697	154,800
Held-to-maturity Investments	30	6,000,000	-
<b>Total Non-Current Assets</b>		<b>213,157,927</b>	<b>196,156,119</b>
<b>TOTAL ASSETS</b>		<b>225,092,128</b>	<b>218,345,761</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables	25	3,887,310	4,402,946
Borrowings	26	-	4,690,567
Provisions	27	1,310,472	1,655,884
Other liabilities	28	10,273,718	7,815,618
<b>Total Current Liabilities</b>		<b>15,471,500</b>	<b>18,565,015</b>
<b>Non-Current Liabilities</b>			
Borrowings	26	-	-
Provisions	27	758,791	579,992
Other liabilities	28	1,233,333	1,333,333
<b>Total Non-Current liabilities</b>		<b>1,992,124</b>	<b>1,913,325</b>
<b>Total Liabilities</b>		<b>17,463,624</b>	<b>20,478,340</b>
<b>NET ASSETS</b>		<b>207,628,504</b>	<b>197,867,421</b>
<b>EQUITY</b>			
Contributed equity	29	50,032,000	42,409,000
Reserves	29	152,865,057	151,650,136
Retained earnings	29	4,731,447	3,808,285
<b>TOTAL EQUITY</b>		<b>207,628,504</b>	<b>197,867,421</b>

The Balance Sheet should be read in conjunction with the accompanying notes.

# ROTTNEST ISLAND AUTHORITY

## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2009

	Note	2008/2009 \$	2007/2008 \$
<b>Balance of equity at start of period</b>		197,867,421	169,477,726
<b>CONTRIBUTED EQUITY</b>	29		
Balance at start of period		42,409,000	36,753,000
Capital contribution		7,623,000	5,656,000
Balance at end of the period		50,032,000	42,409,000
<b>RESERVES</b>	29		
<b>Asset Revaluation Reserve</b>			
Balance at start of period		151,650,136	129,434,044
Gains/(losses) from asset revaluation		1,214,921	22,216,092
Balance at end of the period		152,865,057	151,650,136
<b>RETAINED EARNINGS</b>	29		
Balance at start of period		3,808,285	3,290,682
Profit/(loss) for the period		923,162	517,603
Balance at end of the period		4,731,447	3,808,285
<b>Balance of equity at end of period</b>		<b>207,628,504</b>	<b>197,867,421</b>
<i>Total income and expense for the period</i>		2,138,083	22,733,695

The Statement of Changes in Equity should be read in conjunction with the accompanying notes.



# ROTTNEST ISLAND AUTHORITY

## CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2009

	Note	2008/2009 \$	2007/2008 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>			
Sale of goods and services		490,512	1,140,541
Provision of services		26,608,342	26,925,183
Commonwealth grants and contributions		7,000	14,000
Interest received		1,074,769	1,015,558
GST receipts on sales		2,802,675	2,940,853
GST receipts from taxation authority		1,123,513	899,881
Other receipts		213,439	393,054
<b>Payments</b>			
Cost of Sales		(231,085)	(811,899)
Employee benefits		(8,611,787)	(7,406,900)
Supplies and services		(17,522,306)	(14,720,550)
Finance costs		(170,043)	(369,256)
GST payments on purchases		(3,143,307)	(2,085,970)
GST payments to taxation authority		(782,880)	(1,754,765)
Other payments		(160,016)	(248,283)
<b>Net cash provided by operating activities</b>	30	<b>1,698,826</b>	<b>5,931,448</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of non-current physical assets		11,812	91,222
Purchase of non-current physical assets		(10,645,885)	(4,913,427)
<b>Net cash (used in) investing activities</b>		<b>(10,634,073)</b>	<b>(4,822,205)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of Borrowings		(4,690,567)	-
<b>Net cash (used in) financing activities</b>		<b>(4,690,567)</b>	<b>-</b>
<b>CASH FLOWS FROM STATE GOVERNMENT</b>			
Grants and subsidies		2,225,400	2,275,318
Equity contribution		7,623,000	5,656,000
<b>Net cash provided by State Government</b>		<b>9,848,400</b>	<b>7,931,318</b>
<b>Net increase in cash held</b>		<b>(3,777,415)</b>	<b>9,040,561</b>
Cash and cash equivalents at the beginning of the period		20,580,980	11,540,419
<b>Cash and cash equivalents at the end of the period</b>	30	<b>16,803,565</b>	<b>20,580,980</b>

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

# ROTTNEST ISLAND AUTHORITY

## NOTES TO THE FINANCIAL STATEMENTS

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FOR THE YEAR ENDED 30 JUNE 2009

### 1 Australian equivalents to International Financial Reporting Standards

#### General

The Rottneest Island Authority's ("the Authority") financial statements for the year ended 30 June 2009 have been prepared in accordance with Australian equivalents to International Financial Reporting Standards (AIFRS), which comprise a Framework for the Preparation and Presentation of Financial Statements (the Framework) and Australian Accounting Standards (including the Australian Accounting Interpretations).

In preparing these financial statements the Authority has adopted, where relevant to its operations, new and revised Standards and Interpretations from their operative dates as issued by the AASB and formerly the Urgent Issues Group (UIG).

#### Early adoption of standards

The Authority cannot early adopt an Australian Accounting Standard or Interpretation unless specifically permitted by TI 1101 'Application of Australian Accounting Standards and Other Pronouncements'. No Standards and Interpretations that have been issued or amended but are not yet effective have been early adopted by the Authority for the annual reporting period ended 30 June 2009.

### 2 Summary of significant accounting policies

#### (a) General Statement

*The financial statements constitute a general purpose financial report which has been prepared in accordance with the Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board 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 Management Act and the Treasurer's Instructions are legislative provisions governing the preparation of financial statements and take precedence over the Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board.*

*Where modification is required and has a material or significant financial effect upon the reported results, details of that modification and the resulting financial effect are disclosed in the notes to the financial statements.*

#### (b) Basis of Preparation

The financial statements have been prepared on the accrual basis of accounting using the historical cost convention, modified by the revaluation of land, buildings, infrastructure and works of art which have been measured at fair value.

The accounting policies adopted in the preparation of the financial statements have been consistently applied throughout all periods presented unless otherwise stated.

The financial report is presented in Australian dollars and all values are rounded to the nearest dollar except for some disclosures in note 27(d) 'Defined Benefit Superannuation Plans' and note 35 'Financial Instruments' where values are rounded to the nearest thousand dollars (\$'000).

The judgements that have been made in the process of applying the Authority's accounting policies that have the most significant effect on the amounts recognised in the financial statements are included at note 3 'Judgements made by management in applying accounting policies'.

The key assumptions made concerning the future, and other key sources of estimation uncertainty at the balance sheet date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are included at note 4 'Key sources of estimation uncertainty'.

**(c) Reporting Entity**

The reporting entity comprises the Rottnest Island Authority.

**(d) Income**

*Revenue Recognition*

Revenue is measured at the fair value of consideration received or receivable. Revenue is recognised for the major business activities as follows:

*Sale of goods*

Revenue is recognised from the sale of goods and disposal of other assets when the significant risks and rewards of ownership control transfer to the purchaser and can be measured reliably.

*Rendering of services*

Revenue is recognised on delivery of the service to the customer or by reference to the stage of completion of the transaction.

*Grants, donations, gifts and other non-reciprocal contributions*

Revenue is recognised at fair value when the Authority obtains control over the assets comprising the contributions, usually when cash is received.

Other non-reciprocal contributions that are not contributions by owners 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.

Where contributions recognised as revenues during the reporting period were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were undischarged as at the balance sheet date, the nature of, and amounts pertaining to those undischarged conditions are disclosed in the notes.

*Rental income*

Rental income is accounted for on a straight line basis over the lease term. Rental income is recognised as income in the periods in which it is earned.

*Interest*

Revenue is recognised as the interest accrues.

**Gains**

Gains may be realised or unrealised and are usually recognised on a net basis. These include gains arising on the disposal of non-current assets and some revaluations of non-current assets.

**(e) Borrowing Costs**

Borrowing costs are expensed in the period they are incurred.

**(f) Property, plant, equipment and vehicles and Infrastructure**

*Capitalisation/Expensing of assets*

Items of property, plant, equipment and vehicles and infrastructure costing \$5,000 or more are recognised as assets and the cost of utilising assets is expensed (depreciated) over their useful lives. Items of property, plant, equipment and vehicles and infrastructure costing less than \$5,000 are expensed direct to the Income Statement (other than where they form part of a group of similar items which are significant in total).

*Initial recognition and measurement*

All items of property, plant, equipment and vehicles and infrastructure are initially recognised at cost.

For items of property, plant, equipment and vehicles and infrastructure acquired at no cost or for nominal cost, cost is their fair value at the date of acquisition.

### *Subsequent measurement*

After recognition as an asset, the Authority uses the revaluation model for the measurement of land, buildings, works of art and infrastructure and the cost model for all other property, plant, equipment and vehicles. Land, buildings and infrastructure are carried at their fair value less accumulated depreciation and accumulated impairment losses. Works of art are carried at their fair value. All other items of property, plant, equipment and vehicles are carried at cost less accumulated depreciation and accumulated impairment losses.

Where market evidence is not available, the fair value of land and buildings has been determined on the basis of existing use. This normally applies where buildings are specialised or where land use is restricted. Fair value for existing use assets is determined by reference to the cost of replacing the remaining future economic benefit embodied in the asset, i.e. the written down current replacement cost. Where the fair value of buildings is dependent on using the depreciated replacement cost, the gross carrying amount and the accumulated depreciation are restated proportionately.

Independent valuations of land and buildings are provided annually by Valuation Services (Land Information Authority of WA) and recognised with sufficient regularity to ensure that the carrying amount does not differ materially from the asset's fair value at the balance sheet date.

Fair value of infrastructure has been determined by reference to the written down current replacement cost (existing use basis) as the assets are specialised and no market evidence of value is available. Land under infrastructure is included in land reported under property, plant, equipment and vehicles. Independent valuations are obtained every 3 to 5 years.

When infrastructure is revalued, the accumulated depreciation is restated proportionately with the change in the gross carrying amount of the asset so that the carrying amount of the asset after revaluation equals its revalued amount.

The most significant assumptions in estimating fair value are made in assessing whether to apply the existing use basis to assets and in determining estimated useful life. Professional judgement by the valuer is required where evidence does not provide a clear distinction between market type assets and existing use assets. Refer to note 21 'Property, plant, equipment and vehicles' and note 22 'Infrastructure' for further information on revaluations.

### *Derecognition*

Upon disposal or derecognition of an item of property, plant, equipment and vehicles and infrastructure, any revaluation reserve relating to that asset is retained in the asset revaluation reserve.

### *Depreciation*

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.

Land is not depreciated. Depreciation on other assets is calculated using the straight line method, using rates which are reviewed annually. Depreciation rates used are as follows:

Buildings .....	20 to 40 years
Computers & Electronic Equipment.....	3 to 5 years
Furniture.....	3 to 5 years
Plant & Vehicles.....	3 to 5 years
Leasehold Improvements.....	10 to 15 years
Infrastructure .....	55 to 80 years
Infrastructure - Gas .....	1 to 3 years

Works of art controlled by the Authority are classified as heritage assets which are anticipated to have very long and indefinite useful lives. Their service potential has not, in any material sense, been consumed during the reporting period and so no depreciation has been recognised.

Similarly, the Oliver Hill Battery, which forms part of the property, plant, equipment and vehicles class, has an indefinite useful life, and therefore, no depreciation has been applied to this asset.



## **(g) Intangible Assets**

### *Capitalisation/Expensing of assets*

Acquisitions for intangible assets costing over \$5,000 are capitalised. The cost of utilising the assets is expensed (amortised) over their useful life. Costs incurred of less than \$5,000 are immediately expensed directly to the Income Statement.

All acquired and internally developed intangible assets are initially measured at cost. For assets acquired at no cost or for nominal cost, cost is their fair value at date of acquisition.

The cost model is applied for subsequent measurement requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses.

Amortisation for intangible assets with finite useful lives is calculated for the period of the expected benefit (estimated useful life) on the straight line basis using rates which are reviewed annually. All intangible assets controlled by the Authority have a finite useful life and zero residual value. Amortisation rates used are as follows:

Software ..... 3 to 5 years

### *Computer software*

Software that is an integral part of the related hardware is treated as property, plant, equipment and vehicles. Software that is not an integral part of the related hardware is treated as an intangible asset. Software costing less than \$5,000 is expensed in the year of acquisition.

### *Right to Acquire Rottnest Dome*

The right to acquire Rottnest Dome is not amortised and is subject to an asset impairment test.

## **(h) Impairment of Assets**

*Property, plant, equipment and vehicles, infrastructure and intangible assets are tested for any indication of impairment at each balance sheet date. Where there is an indication of impairment, the recoverable amount is estimated. Where the recoverable amount is less than the carrying amount, the asset is considered impaired and is written down to the recoverable amount and an impairment loss is recognised. As the Authority is a not-for-profit entity, unless an asset has been identified as a surplus asset, the recoverable amount is the higher of an asset's fair value less costs to sell and depreciated replacement cost.*

*The risk of impairment is generally limited to circumstances where an asset's depreciation is materially understated, where the replacement cost is falling or where there is a significant change in useful life. Each relevant class of assets is reviewed annually to verify that the accumulated depreciation/amortisation reflects the level of consumption or expiration of the assets future economic benefits and to evaluate any impairment risk from falling replacement costs.*

See note 24 'Impairment of assets' for the outcome of impairment reviews and testing.

See note 2(m) 'Receivables' and note 20 'Receivables' for impairment of receivables.

## **(i) Leases**

The Authority has entered into a number of operating lease agreements for the hotel, buildings, motor vehicles, office and other equipment. Lease payments are expensed on a straight line basis over the lease term as this represents the pattern of benefits derived from the leased assets.

## **(j) Financial Instruments**

In addition to cash, the Authority has three categories of financial instrument:

- Loans and receivables;
- Held-to-maturity investments (commercial bills) and term deposits; and
- Financial Liabilities measured at amortised cost.

These have been disaggregated into the following classes:

**Financial Assets**

- Cash and cash equivalents
- Receivables
- Amounts receivable for services
- Term deposits

**Financial Liabilities**

- Payables
- WATC borrowings
- Refundable deposits and bonds

Initial recognition and measurement is at fair value. The transaction cost or face value is the equivalent to the fair value. Subsequent measurement is at amortised cost using the effective interest method.

The fair value of short term receivables and payables is the transaction cost or the face value because there is no interest rate applicable and subsequent measurement is not required as the effect of discounting is not material.

**(k) Cash and Cash Equivalents**

For the purpose of the Cash Flow Statement, cash and cash equivalents includes restricted cash and cash equivalents. These include cash on hand and short-term deposits with original maturities of three months or less that are readily convertible to a known amount of cash and which are subject to insignificant risk of changes in value.

**(l) Inventories**

Inventories are valued at the lower of cost and net realisable value. Costs are assigned by the weighted average cost method.

Inventories not held for resale are valued at cost unless they are no longer required, in which case they are valued at net realisable value.

**(m) Receivables**

Receivables are recognised and carried at original invoice amount less an allowance for any uncollectible amounts (impairment). The collectability of receivables is reviewed on an ongoing basis and any receivables identified as uncollectible are written off against the allowance account. The allowance for uncollectible amounts (doubtful debts) is raised when there is objective evidence that the Authority will not be able to collect its debts. The carrying amount is equivalent to fair value as it is due for settlement within 30 days. See note 2(j) 'Financial Instruments' and note 20 'Receivables'.

**(n) Payables**

Payables are recognised when the Authority becomes obliged to make future payments as a result of a purchase of assets or services at the amounts payable. The carrying amount is equivalent to fair value, as they are generally settled within 30 days. See note 2(j) 'Financial Instruments' and note 25 'Payables'.

**(o) Borrowings**

Loans from the Western Australian Treasury Corporation are recognised at cost, being the fair value of the net proceeds received. Subsequent measurement is at amortised cost using the effective interest rate method. See note 2(j) 'Financial Instruments' and note 26 'Borrowings'.

**(p) Provisions**

*Provisions are liabilities of uncertain timing and amount and are recognised where there is a present legal or constructive obligation as a result of a past event and when the outflow of resources embodying economic benefits is probable and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each balance sheet date. See note 27 'Provisions'.*

**(ii) Provisions – Other**

**Employment On-Costs**

*Employment on-costs, including workers' compensation insurance and payroll tax, are not employee benefits and are recognised separately as liabilities and expenses when the employment to which they relate has occurred. Employment on-costs are not included as part of the Authority's 'Employee benefits expense' and the related liability is included in Employment on-costs provision. See note 16 'Other expenses' and note 27 'Provisions'.*

**(q) Superannuation Expense**

*The superannuation expense of the defined benefit plans is made up of the following elements:*

- *Current service cost;*
- *Interest cost (unwinding of the discount);*
- *Actuarial gains and losses; and*
- *Past service cost*

*Actuarial gains and losses of the defined benefit plans are recognised immediately as income or expense in the Income Statement.*

*The superannuation expense of the defined contribution plans is recognised as and when the contributions fall due.*

*See also note 2(p)(i) 'Provisions – Employee Benefits' under the heading Superannuation.*

**(r) Accrued Salaries**

*Accrued salaries (refer note 25 'Payables') represent the amount due to staff but unpaid at the end of the financial year, as the end of the last pay period for that financial year does not coincide with the end of the financial year. Accrued salaries are settled within a few days of the financial year end. The Authority considers the carrying amount of accrued salaries to be equivalent to the net fair value.*

**(s) Services Received Free of Charge or for Nominal Cost**

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

**(t) Segment Information**

Segment information is prepared in conformity with the accounting policies of the entity as disclosed in note 2. Segment revenues and expenses are allocated on the basis of direct attribution and reasonable estimates of usage.

Segment information has been disclosed by service. See note 39 'Segment information'.

**(u) Contributed Equity**

Interpretation 1038 'Contributions by Owners Made to Wholly-Owned Public Sector Entities' requires transfers in the nature of equity contributions to 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 by Treasurer's Instruction 955 'Contributions by Owners made to Wholly Owned Public Sector Entities' and have been credited directly to Contributed Equity.

**(v) Comparative Figures**

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

**3 Judgements made by management in applying accounting policies**

*The judgements that have been made in the process of applying accounting policies that have had a significant effect on the amounts recognised in the financial statements include:*

- *The market value of lease rentals received in determining the value of assets received free of charge.*

#### 4 Key sources of estimation uncertainty

*The key estimates and assumptions made concerning the future, and other key sources of estimation uncertainty at the balance sheet date include:*

- Discount rates used in estimating provisions.
- Estimating useful life and recoverable amount of key assets.
- Long service leave – retention rates and discount rates; and
- Actuarial assumptions used in determining superannuation liabilities.
- The fair value of assets received free of charge.

*These assumptions do not have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.*

#### 5 Disclosure of changes in accounting policy and estimates

##### **Initial application of an Australian Accounting Standard**

The Authority has applied the following Australian Accounting Standards and Australian Accounting Interpretations effective for annual reporting periods beginning on or after 1 July 2008 that impacted on the Authority:

Review of AAS 27 “Financial Reporting by Local Government”, 29 “Financial Reporting by Government Departments and 31 “Financial Reporting by Governments”. The AASB has made the following pronouncements from its short term review of AAS 27, AAS 29 and AAS 31:

AASB 1004 ‘Contributions’

AASB 1050 ‘Administered items’

AASB 1051 ‘Land Under Roads’

AASB 1052 ‘Disaggregated Disclosures’

AASB 2007-9 ‘Amendments to Australian Accounting Standards arising from review of AASs 27, 29 and 31 [AASB 3, AASB 5, AASB 8, AASB 101, AASB 114, AASB 116, AASB 127 & AASB 137]

Interpretation 1038 ‘Contributions by Owners made to Wholly-owned Public Sector entities’

The existing requirements in AAS 27, AAS 29 and AAS 31 have been transferred to the above new and revised topic-based Standards and Interpretation. These requirements remain substantively unchanged. AASB 1050, AASB 1051 and AASB 1052 do not apply to Statutory Authorities. The other Standards and Interpretation make some modifications to disclosures and provide additional guidance (*for example, Australian Guidance to AASB 116 ‘Property, Plant and Equipment’ in relation to heritage and cultural assets has been introduced*), otherwise, there is no financial impact.

##### **Future impact of Australian Accounting Standards not yet operative**

The Authority cannot early adopt an Australian Accounting Standard or Australian Accounting Interpretation unless specifically permitted by TI 1101 ‘Application of Australian Accounting Standards and Other Pronouncements’. Consequently, the Authority has not applied the following Australian Accounting Standards and Australian Accounting Interpretations that have been issued but are not yet effective. Where applicable, the Authority plans to apply these Standards and interpretations from their application date:

- AASB 101 ‘Presentation of Financial Statements’ (September 2007). This Standard has been revised and will change the structure of the financial statements. These changes will require that owner changes in equity are presented separately from non-owner changes in equity. The Authority does not expect any financial impact when the Standard is first applied.



- AASB 2009-2 'Amendments to Australian Accounting Standards – Improving Disclosures about Financial Instruments [AASB 4, AASB 7, AASB 1023 and AASB 1038]'. This Standard amends AASB 7 and will require enhanced disclosures about fair value measurements and liquidity risk with respect to financial instruments. The Authority does not expect any financial impact when the Standard is first applied.
- AASB 2009-6 'Amendments to Australian Accounting Standards' – This standard is applicable to annual reporting periods beginning on or after 1 January 2009 that end on or after 30 June 2009. These amendments have no major impact on the requirements of the amended pronouncements.
- AASB 2209-7 'Amendments to Australian Accounting Standards' [AASB 5, 7, 107, 112, 136 & 139 and Interpretation 17] – This Standard is applicable to annual reporting periods beginning on or after 1 July 2009. These amendments have no major impact on the requirements of the amended pronouncements.

## 6 Trading profit

	2008/2009 \$	2007/2008 \$
Sales	490,512	1,140,541
Cost of Sales:		
Opening Inventory	(522,105)	(253,341)
Purchases	(231,085)	(855,713)
	(753,190)	(1,109,054)
Closing Inventory	486,346	522,105
Cost of Goods Sold	(266,844)	(586,949)
	223,668	553,592

## 7 Provision of services

	2008/2009 \$	2007/2008 \$
Accommodation charges	13,209,097	12,108,204
Facilities and tours	3,508,233	4,415,974
Admission fees	4,400,947	4,087,297
Lease and licence income	2,675,273	2,417,788
Utility charges	1,031,913	1,051,082
Housing rentals	497,688	534,198
Commissions	-	2,984
	25,323,151	24,617,527

## 8 Commonwealth grants and contributions

	2008/2009 \$	2007/2008 \$
National Indigenous Cadetship Project	7,000	14,000

## 9 Other revenues

	2008/2009 \$	2007/2008 \$
Insurance recoveries	41,368	233,430
Contribution to works	26,894	60,547
Miscellaneous	158,017	132,112
Donations	24,146	469
	250,425	426,558

**10 Net gain / (loss) on disposal of non-current assets**

	2008/2009 \$	2007/2008 \$
<u>Cost of disposal of non-current assets</u>		
Plant, vehicles and furniture	-	(151,352)
<u>Proceeds from disposal of non-current assets</u>		
Plant, vehicles and furniture	11,812	91,222
	<u>11,812</u>	<u>(60,130)</u>

**11 Employee benefits expense**

	2008/2009 \$	2007/2008 \$
Wages and salaries	7,090,069	6,053,943
Superannuation - defined contribution plans	584,147	495,941
Superannuation - defined benefit plans (see note 27)	83,730	107,135
Long service leave <sup>(a)</sup>	208,678	102,188
Annual leave <sup>(a)</sup>	414,738	664,909
Other related expenses	98,813	68,488
	<u>8,480,175</u>	<u>7,492,603</u>

(a) Includes a superannuation contribution component

Employment on-costs such as workers' compensation and payroll tax are included at note 16 'Other Expenses'. The employment on-costs liability is included at note 27 'Provisions'.

**12 Supplies and services**

	2008/2009 \$	2007/2008 \$
Contractors	13,193,216	12,030,927
Volunteer services	-	612,874
Administration expense	701,267	1,057,161
Other Staffing Costs	1,032,690	1,011,772
Repairs and maintenance	1,296,514	998,919
Vehicle leasing	323,317	317,406
IT system development	54,532	55,484
Marketing expenses	484,643	368,259
Other supplies & services costs	358,125	284,042
	<u>17,444,304</u>	<u>16,736,843</u>

In accordance with Treasurer's Instruction 1102, para 11, and AASB 1104 (Contributions), the Authority has not accounted for services provided free of charge by volunteer groups in 2009 as it has formed the opinion that whilst they add to the visitor's experience, they are not necessarily those which the Authority would have purchased if they had not been donated. (Refer note 18).

**13 Depreciation and amortisation expense**

	2008/2009 \$	2007/2008 \$
<b>Depreciation</b>		
Buildings	1,690,436	1,603,715
Computers and electronic equipment	191,846	318,094
Furniture	1,286,977	332,043

Plant and vehicles	605,824	460,338
Leasehold improvements	4,575	4,574
Infrastructure	1,544,300	1,515,223
	<u>5,323,958</u>	<u>4,233,987</u>

#### **Amortisation**

Intangible assets	165,707	156,264
	<u>165,707</u>	<u>156,264</u>

#### **Total depreciation and amortisation**

<b>5,489,665</b>	<b>4,390,251</b>
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#### **14 Finance costs**

	<b>2008/2009</b>	<b>2007/2008</b>
	<b>\$</b>	<b>\$</b>
Interest expense	363	296,547
Fees	169,680	9,407
	<u>170,043</u>	<u>305,954</u>

#### **15 Accommodation expenses**

	<b>2008/2009</b>	<b>2007/2008</b>
	<b>\$</b>	<b>\$</b>
Lease rentals	180,573	166,823
Other accommodation expenses	20,178	19,993
	<u>200,751</u>	<u>186,815</u>

#### **16 Other expenses**

	<b>2008/2009</b>	<b>2007/2008</b>
	<b>\$</b>	<b>\$</b>
Furniture, fittings and equipment replacement	160,195	125,382
Doubtful debts expense	27,518	33,000
Employment on-costs <sup>(a)</sup>	(16,992)	9,386
Research and development	18,930	113,315
Other	6,181	200
	<u>195,832</u>	<u>281,283</u>

(a) Includes workers' compensation and payroll tax employment on-costs. The on-costs liability associated with the recognition of annual and long service leave liability is included at note 27 'Provisions'. Superannuation contributions accrued as part of the provision for leave are employee benefits and are not included in employment on-costs.

#### **17 Grants and subsidies from State Government**

	<b>2008/2009</b>	<b>2007/2008</b>
	<b>\$</b>	<b>\$</b>
State Government Operating Grant	2,200,000	2,208,000
Office of Crime Prevention	15,000	15,000
Aboriginal Economic Development	-	45,455
Other	10,400	6,863
	<u>2,225,400</u>	<u>2,275,318</u>

**State Government Operating Grant**

The State Government Operating Grant represents the contribution made under the Department of Treasury and Finance - Administered Transactions - Grants, Subsidies and Transfer Payments, Item 35 - Rottnest Island Authority.

**18 Services received free of charge**

	2008/2009 \$	2007/2008 \$
<b>Non-State Government</b>		
Volunteer Groups (i)	-	612,874
Garrett Hospitality Pty Ltd (ii)	3,853,007	312,216
	3,853,007	925,090
<b>State Government</b>		
Health Department	-	35,000
Crown Solicitor's Office	-	10,018
Westnet Rail	-	23,475
Public Transport Authority	-	20,340
	-	88,833
<b>Total services received free of charge</b>	<b>3,853,007</b>	<b>1,013,923</b>

- (i) In accordance with Treasurer's Instruction 1102, para 11, and AASB 1104 (Contributions), the Authority has not accounted for services provided free of charge by volunteer groups in 2009 as it has formed the opinion that whilst they add to the visitor's experience, they are not necessarily those which the Authority would have purchased if they had not been donated. (Refer note 12).
- (ii) The Authority has had an inflow of economic benefits from Garrett Hospitality amounting to \$3,853,007 for the financial year (prior year \$312,216) relating to their part of building works undertaken during the year including the upgrade, improvement, renovation and refurbishment of the Rottnest Island Hotel. The Authority considers this revenue as a material item which has significantly impacted on the 2008/09 financial result of the Authority.

**19 Inventories**

	2008/2009 \$	2007/2008 \$
<b>Inventories held for resale</b>		
Visitors centre stock	15,085	89,758
Post office	4,878	3,377
Bike hire stock	4,083	3,183
	24,046	96,318
<b>Inventories not held for resale</b>		
Materials	251,729	146,547
Fuels	98,504	218,672
Bike hire stock	112,067	60,568
	462,300	425,787
	486,346	522,105



## 20 Receivables

	2008/2009 \$	2007/2008 \$
Receivables	1,577,642	2,006,014
Accrued Revenue	28,125	14,520
	<u>1,605,767</u>	<u>2,020,534</u>
Allowance for impairment of receivables	(961,477)	(933,977)
	<u><b>644,290</b></u>	<u><b>1,086,557</b></u>

Reconciliation of changes in the allowance for impairment of receivables:

Balance at the start of the year	933,977	905,310
Doubtful debts expense recognised in the income statement	27,500	33,000
Amounts written off during the year	-	(4,333)
Balance at the end of the year	<u>961,477</u>	<u>933,977</u>

The Authority does not hold any collateral as security or other credit enhancements relating to receivables.

## 21 Property, plant, equipment and vehicles

	2008/2009 \$	2007/2008 \$
Land		
At fair value <sup>(i)</sup>	108,103,800	108,603,800
Buildings		
At fair value <sup>(i)</sup>	74,975,452	60,922,092
Accumulated depreciation	(11,714,938)	(9,262,741)
	<u>63,260,514</u>	<u>51,659,350</u>
Computers and electronic equipment		
At cost	1,152,822	1,042,265
Accumulated depreciation	(1,067,963)	(876,117)
	<u>84,859</u>	<u>166,148</u>
Furniture		
At cost	6,935,613	2,195,195
Accumulated depreciation	(2,387,015)	(1,100,038)
	<u>4,548,598</u>	<u>1,095,157</u>
Plant and Vehicles		
At cost	3,184,774	2,977,924
Accumulated depreciation	(2,158,786)	(1,554,520)
	<u>1,025,988</u>	<u>1,422,965</u>

Leasehold Improvements		
At cost	123,236	123,236
Accumulated depreciation	(101,519)	(96,944)
	21,717	26,292
Works of art		
At fair value <sup>(iii)</sup>	26,400	19,400
Work in progress		
At cost	1,390,972	1,450,472
	178,462,848	164,443,583

(i) Land and Buildings were re-valued as at 30 June 2009 by the Western Australian Land Information Authority (Valuation Services). The valuations were performed during the year ended 30 June 2009. The fair value of all land and buildings has been determined by applying the non market value and depreciated replacement cost method. Refer note 2(f) 'Property, plant, equipment and vehicles and Infrastructure'.

(ii) The Rottnest Island artworks were independently valued by Stafford Studios of Fine Art in June 2009. The valuation was performed on a replacement value basis.

## Reconciliations

Reconciliations of the carrying amounts of property, plant, equipment and vehicles at the beginning and end of the reporting period are set out below.

2008/2009	Land	Buildings	Computers and electronic equipment	Furniture	Plant and vehicles	Leasehold improvements	Works of art	Work in progress	Total
	\$	\$	\$	\$	\$	\$		\$	\$
Carrying amount at start of year	108,603,800	51,659,350	166,148	1,095,157	1,422,965	26,292	19,400	1,450,471	164,443,583
Additions	-	8,556,525	110,557	4,740,418	208,847	-	7,000	-	13,623,349
Transfers	-	59,499	-	-	-	-	-	(59,499)	-
Disposals	-	-	-	-	-	-	-	-	-
Revaluation increments	(500,000)	4,675,576	-	-	-	-	-	-	4,175,576
Depreciation expense	-	(1,690,436)	(191,846)	(1,286,977)	(605,824)	(4,575)	-	-	(3,779,658)
Carrying amount at end of year	108,103,800	63,260,514	84,859	4,548,598	1,025,988	21,717	26,400	1,390,972	178,462,848

2007/2008	Land	Buildings	Computers and electronic equipment	Furniture	Plant and vehicles	Leasehold improvements	Works of art	Work in progress	Total
	\$	\$	\$	\$	\$	\$		\$	\$
Carrying amount at start of year	90,700,000	46,025,166	506,543	1,084,280	1,046,335	30,666	19,400	496,054	139,908,634
Additions	-	2,798,829	-	407,686	897,687	-	-	1,086,205	5,190,407
Transfers	-	126,788	-	-	5,000	-	-	(131,766)	-
Disposals	-	-	(22,301)	(64,767)	(64,284)	-	-	-	(151,352)
Revaluation increments	17,903,800	4,312,292	-	-	-	-	-	-	22,216,092
Depreciation expense	-	(1,603,715)	(318,094)	(332,043)	(461,773)	(4,574)	-	-	(2,720,196)
Carrying amount at end of year	108,603,800	51,659,350	166,148	1,095,157	1,422,965	26,292	19,400	1,450,471	164,443,583

## 22 Infrastructure

	2008/2009 \$	2007/2008 \$
At fair value	45,042,512	47,534,360
Accumulated Depreciation	(17,232,130)	(15,976,539)
	<u>27,810,382</u>	<u>31,557,821</u>
Reconciliation		
Carrying amount at start of year	31,557,736	33,072,959
Additions	757,601	-
Revaluation increments	(2,960,655)	-
Depreciation expense	(1,544,300)	(1,515,223)
Carrying amount at end of year	<u>27,810,382</u>	<u>31,557,736</u>

The latest revaluation on infrastructure was performed in accordance with an independent valuation by Australian Valuation Partners Pty Ltd. The effective date of the valuation was 30 June 2009. Fair value was determined on the basis of depreciated replacement cost.

## 23 Intangible assets

	2008/2009 \$	2007/2008 \$
Right to Receive the Rottnest Dome Building	777,660	-
Computer software at cost	718,924	600,980
Accumulated amortisation	(611,887)	(446,180)
	<u>884,697</u>	<u>154,800</u>
Reconciliation		
Carrying amount at start of year	154,800	274,393
Additions	895,604	36,671
Disposals	-	(58,073)
Amortisation expense	(165,707)	(98,191)
Carrying amount at end of year	<u>884,697</u>	<u>154,800</u>

## 24 Impairment of assets

There were no indications of impairment to Property, plant, equipment and vehicles, Infrastructure and Intangible assets at 30 June 2009 or 2008.

The Authority held no intangible assets with an indefinite useful life during the reporting period and at balance sheet date, other than the right to receive the Rottnest Dome building, there were no intangible assets not yet available for use.

All surplus assets at 30 June 2009 and 2008 have either been classified as non-current assets held for sale or written off.

**25 Payables**

	2008/2009 \$	2007/2008 \$
Trade payables	3,677,935	4,139,255
Accrued expenses	121,711	212,451
Accrued salaries	87,664	51,240
	<u>3,887,310</u>	<u>4,402,946</u>

**26 Borrowings**

	2008/2009 \$	2007/2008 \$
Current	-	4,690,567
Western Australian Treasury Corporation Loan	-	<u>4,690,567</u>

**27 Provisions**

	2008/2009 \$	2007/2008 \$
Current		
Employee benefits provision		
Annual leave <sup>(a)</sup>	743,645	920,132
Long service leave <sup>(b)</sup>	361,291	486,163
Time in lieu	74,425	57,100
Superannuation <sup>(d)</sup>	37,761	80,340
Leave purchase	3,804	2,694
	<u>1,220,926</u>	<u>1,546,428</u>
Other provisions		
Employment on-costs <sup>(c)</sup>	89,546	109,457
	<u>89,546</u>	<u>109,457</u>
	<u>1,310,472</u>	<u>1,655,884</u>

## Non-current

Employee benefits provision		
Long service leave <sup>(b)</sup>	362,925	263,267
Superannuation <sup>(d)</sup>	368,864	296,874
	<u>731,789</u>	<u>560,141</u>

## Other provisions

Employment on-costs <sup>(c)</sup>	27,002	19,851
	<u>27,002</u>	<u>19,851</u>
	<u>758,791</u>	<u>579,992</u>

(a) Annual leave liabilities have been classified as current where there is no unconditional right to defer settlement for at least 12 months after reporting date. Assessments indicate that actual settlement of the liabilities will occur as follows:

Within 12 months of balance sheet date	329,469	375,446
More than 12 months after balance sheet date	414,176	544,685
	<u>743,645</u>	<u>920,132</u>

(b) Long service leave liabilities have been classified as current where there is no unconditional right to defer settlement for at least 12 months after reporting date. Assessments indicate that actual settlement of the liabilities will occur as follows:

Within 12 months of balance sheet date	325,756	353,425
More than 12 months after balance sheet date	398,459	396,004
	<u>724,215</u>	<u>749,429</u>

(c) The settlement of annual, long service and time in lieu liabilities gives rise to the payment of employment on-costs including workers' compensation and payroll tax. The provision is measured at the present value of expected future payments. The associated expense, apart from the unwinding of the discount (finance cost), is included at note 16 'Other Expenses'.

(d) Defined benefit superannuation plans

The amounts recognised in the income statement are as follows:

	Pension Scheme		Pre-transfer benefit - Gold State Superannuation Scheme	
	2008/09 \$'000	2007/08 \$'000	2008/09 \$'000	2007/08 \$'000
Current service cost	0	0	0	0
Interest cost (unwinding of the discount)	18	17	3	1
Net actuarial losses/(gains) recognised	34	18	8	24
Total, included in Employee benefits expense (see note 11)	<u>52</u>	<u>35</u>	<u>11</u>	<u>25</u>

The amounts recognised in the balance sheet are as follows:

Present value of unfunded obligations	309	289	52	41
Liability in the balance sheet	<u>309</u>	<u>289</u>	<u>52</u>	<u>41</u>

Reconciliation of the unfunded liability recognised in the balance sheet is as follows:

Liability at start of year	289	296	41	16
Current service cost	0	0	0	0
Interest cost (unwinding of the discount)	18	17	3	1
Net actuarial losses/(gains) recognised	34	18	8	24
Benefits paid	(32)	(42)	0	0
Liability at end of year	<u>309</u>	<u>289</u>	<u>52</u>	<u>41</u>



Reconciliation of the fair value of plan assets is as follows:

Fair value of plan assets at start of year	0	0	0	0
Employer contributions	32	42	0	0
Benefits paid	(32)	(42)	0	0
Fair value of plan assets at end of year	0	0	0	0

The principal actuarial assumptions used (expressed as weighted averages) were as follows:

	2008/09	2007/08	2006/07
Discount rate	5.34%	6.64%	6.06%
Future salary increases	4.50%	4.50%	4.50%

#### Historic summary

Pension Scheme:

Present value of unfunded obligation	309	289	296
Fair value of plan assets	0	0	0
Deficit	309	289	296

Pre-transfer Benefit - Gold State Superannuation Scheme:

Present value of unfunded obligation	52	41	16
Fair value of plan assets	0	0	0
Deficit	52	41	16

Experience adjustments arising on plan liabilities:

Pension Scheme:	15	28	20
Pre-transfer Benefit - Gold State Superannuation Scheme:	4	26	(11)

#### Employer funding arrangements for the defined benefit plans

(a) The amounts recorded for the Gold State Superannuation Scheme relate to the scheme as a whole (ie: the pre-transfer benefit component plus the concurrently funded benefit component).

The funding policy adopted by the Government in respect of the defined benefit plans is directed at ensuring that benefits accruing to members and beneficiaries are fully funded at the time the benefits become payable. As such, the Schemes' actuary has considered long term trends in such factors as scheme membership, salary growth and average market value of the schemes' assets when advising the Government on employer and employee contribution rates. The employer funding arrangements for the defined benefit plans under the Superannuation and Family Benefits Act 1938 (Pension Scheme) and the Government Employees Superannuation Act 1987 (Gold State Superannuation Scheme) are summarised as follows:

Pension Scheme:

The Pension Scheme is a unit based scheme. The level of pension payable is determined by the number of units purchased, the length of service and the final salary of the member. The employer liability is funded only on the emergence of a member's pension benefit entitlement and is recouped by the Government Employees Superannuation Board fortnightly following the payment of each pension.

Employer contributions of \$34,000 are expected to be paid to the Pension Scheme for the year ending 30 June 2010.

Gold State Superannuation Scheme:

The Gold State Superannuation Scheme is a lump sum scheme. The Authority is required under the State Superannuation Regulations 2001 to make concurrent employer contributions direct to the Scheme in respect of contributory members who are the Authority's employees.

The employer contribution rate for 2008-09 for contributory members was 12% (2007-08: 12%) of a member's salary, based on a 5% member contribution. The employer contribution rate is proportionately less or more where members elect a contribution rate of 3%, 4%, 6% or 7% of salary.

In respect of those members who transferred their membership from the Pension Scheme, the employer liability in relation to service or period of employment constituted as service for the purposes of the Superannuation and Family Benefits Act 1938, is calculated at a rate of 12 % of final average salary for each year of such service, based upon a 5% member's average contribution rate to the scheme (this rate is proportionately less where a member's average contribution rate is less than 5%). This employer liability becomes payable on the payment of the benefit to the member.

Employer contributions of nil are expected to be paid to the Gold State Superannuation Scheme for the year ending 30 June 2010.

#### Movements in Other Provisions

	2008/2009 \$	2007/2008 \$
<u>Employment on-cost provision</u>		
Carrying amount at start of period	129,308	105,126
Additional provisions recognised	49,426	72,636
Payments / other sacrifices of economic benefits	(62,185)	(48,454)
Carrying amount at end of period	116,549	129,308

#### **28 Other liabilities**

##### **Current liabilities**

	2008/2009 \$	2007/2008 \$
Refundable deposits and bonds	9,391,914	7,716,032
Leases in advance	100,000	100,000
Deferred Income	738,777	-
Unclaimed money	57,507	58,932
Fringe benefits tax	(14,480)	(59,346)
	<b>10,273,718</b>	<b>7,815,618</b>

##### **Non-current liabilities**

	2008/2009 \$	2007/2008 \$
Leases in advance	1,233,333	1,333,333
	<b>1,233,333</b>	<b>1,333,333</b>

#### **29 Equity**

##### **Contributed Equity**

	2008/2009 \$	2007/2008 \$
Balance at the start of the period	42,409,000	36,753,000
Contributions by owners:		
Capital contribution <sup>(a)</sup>	7,623,000	5,656,000
<b>Balance at end of the period</b>	<b>50,032,000</b>	<b>42,409,000</b>

(a) Capital contributions have been designated as contributions by owners in accordance with AASB Interpretation 1038 'Contributions by Owners Made to Wholly-Owned Public Sector Entities.'

##### **Reserves**

##### **Asset Revaluation Reserve:**

	2008/2009 \$	2007/2008 \$
Balance at the start of the period	151,650,136	129,434,044
Net revaluation increments:		

Land	(500,000)	17,903,800
Buildings	4,675,576	4,312,292
Infrastructure	(2,960,655)	-
<b>Balance at end of the period</b>	<b>152,865,057</b>	<b>151,650,136</b>

#### **Retained Earnings**

Balance at the start of the period	3,808,285	3,290,682
Result for the period	923,162	517,603
<b>Balance at end of the period</b>	<b>4,731,447</b>	<b>3,808,285</b>

### **30 Notes to the Cash Flow Statement**

	<b>2008/2009</b>	<b>2007/2008</b>
	<b>\$</b>	<b>\$</b>
<u>Reconciliation of Cash</u>		
Cash at the end of the financial year as shown in the Cash Flow Statement is reconciled to the related items in the Balance Sheet as follows:		
Cash and cash equivalents	10,803,565	20,580,980
Non-current cash and cash equivalents	6,000,000	-
	<b>16,803,565</b>	<b>20,580,980</b>
<u>Reconciliation of profit to net cash flows provided by operating activities</u>		
Profit for the period	923,162	517,603
Non cash items:		
Depreciation and amortisation expense	5,489,665	4,390,251
Net loss / (gain) on sale of property, plant and equipment	(11,812)	60,130
Doubtful debts expense	27,500	33,000
Services received free of charge (Rottnest Island Hotel improvements)	(3,853,007)	(356,031)
Grants and subsidies from State Government	(2,225,400)	(2,275,318)
(Increase) / decrease in assets:		
Receivables	150,426	(223,467)
Inventories	35,759	(224,950)
Non-current assets	(777,660)	-
Increase / (decrease) in liabilities:		
Current Payables	(499,612)	1,173,312
Current Provisions	(345,412)	282,258
Other liabilities	2,407,619	1,542,988
Non-current provisions	178,799	(107,209)
Non-current liabilities	(100,000)	1,333,333
Net GST payments	298,799	(1)
Change in GST receivables / payables	-	(214,450)
<b>Net cash provided by operating activities</b>	<b>1,698,826</b>	<b>5,931,448</b>

### 31 Commitments

	2008/2009 \$	2007/2008 \$
Capital expenditure commitments		
Capital expenditure commitments, being contracted capital expenditure additional to the amounts reported in the financial statements, are payable as follows:		
Within 1 year	927,669	5,804,054
	927,669	5,804,054
The capital commitments include amounts for:		
Buildings	384,000	4,304,054
Infrastructure	273,669	-
Plant and Vehicles	270,000	-
Rottnest Island Hotel ('Quokka Arms')	-	1,500,000
	927,669	5,804,054
	2008/2009 \$	2007/2008 \$
Lease commitments		
Commitments in relation to leases contracted for at the balance sheet date but not recognised as liabilities are payable as follows:		
Within 1 year	418,156	401,108
Later than 1 year and not later than 5 years	398,587	194,786
	816,743	595,894
Representing		
Non-cancellable operating leases	816,743	595,894

Office accommodation is sublet from the Government Property Office and rent is payable monthly in advance. An option to renew the lease for two years, with an option of a further year, has been taken up. The rental is subject to review on predetermined dates, based on CPI adjustment.

Office equipment is leased over four year terms with charges payable either quarterly or monthly in advance. Options exist to continue leasing beyond the expiry date or to purchase at residual value.

### 32 Contingent liabilities

In addition to the assets and liabilities included in the financial statements, the Authority has the following contingent liabilities:

## Contingent Liabilities

### Treatment of Contaminated Sites

Under the Contaminated Sites Act 2003, the Authority is required to report known and suspected contaminated sites to the Department of Environment and Conservation (DEC). In accordance with the Act, DEC classifies these sites on the basis of the risk to human health, the environment and environmental values. Where sites are classified as contaminated – remediation required or possibly contaminated – investigation required, the Authority may have a liability in respect of investigation or remediation expenses.

In the 2007/2008 Financial Year the Authority reported four contaminated sites to DEC. These have yet to be classified although the Authority continues to work with DEC in respect to the management of these sites. Prior to final determination of the classification process, it is not practicable to estimate the potential financial effect or to identify the uncertainties relating to the amount or timing of any outflows.

### **33 Events occurring after the balance sheet date**

There are no events that occurred after balance sheet date which would materially affect the financial statements.

### **34 Explanatory Statement**

#### **Significant variances between actual and prior year actual - revenue and expenditure**

Details and reasons for significant variations between actual results with the corresponding items of the prior year are detailed below. Significant variations are considered to be those greater than 10% and \$100,000.

	2008/2009	2007/2008	Variance	Variance
	\$	\$	\$	%
Sales	490,512	1,140,541	(650,029)	-57%
Other revenues	250,425	426,558	(176,133)	-41%
Cost of sales	266,844	586,949	(320,105)	-54%
Employee benefits expenses	8,480,175	7,492,603	987,572	13%
Depreciation and Amortisation				
Expense	5,489,665	4,390,162	1,099,503	25%
Finance Costs	170,043	305,954	(135,911)	-44%
Services received free of charge (Rottnest Island Hotel improvements)	3,853,007	1,013,923	2,839,084	280%

#### ***Sales***

The Authority leased the Rottnest Island Hotel ('Quokka Arms') in November 2007 to Garrett Hospitality Pty Ltd and no longer receives the benefit of sales. The RIA operated the Hotel until November 2007.

#### ***Other revenues***

The decrease is due to the classification of insurance claims, which in 2008-2009 offsets the expense item.

#### ***Cost of Sales***

The variance is primarily due to the leasing of the Rottnest Island Hotel ('Hotel Rottnest') to Garrett Hospitality Pty Ltd consequently reducing sales and cost of sales.



**Employee benefits expense**

The increase is due to both the wage increase (approximately 4.5%) and the increased number of being appointed as full time employees in RIA businesses as opposed to seasonal workers on fixed term contracts or agency staff in support roles.

**Depreciation and Amortisation Expense**

The depreciation has increased due to a number of projects being completed in 2008/2009 (consequently there were a significant number of transfers from work in progress to finished works/buildings) as well as the revaluation performed by Landgate.

**Finance Costs**

Due to the early payout of the WATC loan in July 2008 less interest was incurred in the 2008/09 Financial Year. Bank charges in 2008/09 (\$169k) have only increased by approximately 7.7% in this financial year.

**Services received free of charge**

The increase is primarily a result of the expenditure associated with improving Hotel Rottneest by Garrett Hospitality P/L on the basis of the Development Works Agreement.

**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% and \$100,000.

	Actual 2008/2009 \$	Estimate 2008/2009 \$	Variance \$	Variance %
Depreciation and amortisation expense	5,489,665	4,747,000	742,665	16%
Other Expenses	195,832	413,809	(217,977)	-53%

**Depreciation and Amortisation Expense**

Similar to the actual-actual variance, the depreciation has increased due to a number of projects being completed in 2008/2009 (consequently there was a significant number of transfers from work in progress to finished works/buildings) as well as the revaluation performed by Landgate, which were greater than was originally anticipated.

**Other expenses**

The variance is primarily due to the classification of the expenditure on the Railway Sleeper program replacement in 2008-2009. At the time of budgeting it was assumed that the estimates incorporate a greater level of operational expenditure. The expenditure was subsequently capitalised which favourably impacted on the current year results.

**35 Financial Instruments****a) Financial Risk Management Objectives and Policies**

Financial instruments held by the Authority are cash and cash equivalents, loans, receivables and payables. The Authority has limited exposure to financial risks. The Authority's overall risk management program focuses on managing the risks identified below.

**Credit risk**

Credit risk arises when there is the possibility of the Authority's receivables defaulting on their contractual obligations resulting in financial loss to the Authority.

The maximum exposure to credit risk at balance sheet date in relation to each class of recognised financial assets is the gross carrying amount of those assets inclusive of any allowance for impairment as shown in the table at note 35(c).

The Authority only trades with recognised, creditworthy third parties. The Authority has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. In addition, receivable balances are monitored on an ongoing basis with the result that the Authority's exposure to bad debts is minimal. At balance sheet date, there were no significant concentrations of credit risk.

Allowance for impairment of financial assets is calculated based on objective evidence such as observable data indicating changes in client credit ratings. For financial assets that are either past due or impaired, refer to note 20 Receivables.

#### *Liquidity risk*

The Authority is exposed to liquidity risk through its trading in the normal course of business. Liquidity risk arises when the Authority is unable to meet its financial obligations as they fall due.

The Authority's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, loans and finance leases. The Authority has appropriate procedures to manage cash flows by monitoring forecast cash flows to ensure that sufficient funds are available to meet its commitments.

#### *Market risk*

The Authority does not trade in foreign currency and is not materially exposed to other price risks. The Authority's exposure to market risk for changes in interest rates relates primarily to cash and cash equivalents and its long term debt obligations. The Authority's borrowings are all obtained through the Western Australian Treasury Corporation (WATC) and are at fixed rates with varying maturities. The risk is managed by WATC through portfolio diversification and variation in maturity dates. Other than as detailed in the interest rate sensitivity analysis table at note 35(d), the Authority has limited exposure to interest rate risk because it has no borrowings as at 30 June 2009.

### **(b) Categories of Financial Instruments**

The carrying amounts of each of the following categories of financial assets and financial liabilities at the balance sheet date are as follows:

	<b>2008/2009</b>	<b>2007/2008</b>
	<b>(\$'000)</b>	<b>(\$'000)</b>
<b>Financial Assets</b>		
Cash & Cash Equivalents	10,804	20,581
Loans and Receivables	708	1,087
Held-to-maturity investments	6,000	-
<b>Financial Liabilities</b>		
WATC loan	-	4,690
Financial Liabilities measured at amortised cost	3,887	4,403

### **(c) Financial Instrument Disclosures**

#### *Credit Risk and Interest Rate Risk Exposures*

The following Table discloses the Authority's maximum exposure to credit risk, interest rate exposures and the ageing analysis of financial assets. The Authority's maximum exposure to credit risk at the balance sheet date is the carrying amount of the financial assets shown below. The table discloses the ageing analysis of financial assets that are past due but not impaired and impaired financial assets. The table is based on information provided to senior management of the Authority. The Authority does not hold any collateral as security or other credit enhancements relating to the financial assets it holds.

The Authority does not hold any financial assets that had to have their terms renegotiated that would have otherwise resulted in them being past due or impaired.

## Interest rates exposures and ageing analysis of financial assets

	Weighted Average Effective Interest rate %	<u>Interest rate exposure</u>		<u>Past due but not impaired</u>								Impaired financial assets
		Carrying Amount (\$'000)	Variable Interest rate (\$'000)	Non- Interest Bearing (\$'000)	Up to 3 months (\$'000)	3 – 12 months (\$'000)	1 – 2 Years (\$'000)	2 – 3 Years (\$'000)	3 – 4 Years (\$'000)	4 – 5 years (\$'000)	Over 5 years (\$'000)	
<b>Financial Assets</b>												
<b>2009</b>												
Cash and cash equivalents	3.25%	10,804	10,608	196	-	-	-	-	-	-	-	-
Restricted cash and cash equivalents		-	-	-	-	-	-	-	-	-	-	-
Receivables <sup>(a)</sup>		708	-	708	649	59	-	-	-	-	-	-
Loans and advances		-	-	-	-	-	-	-	-	-	-	-
Other financial assets	4.93%	6,000	-	-	-	-	3,000	3,000	-	-	-	-
		17,512	10,608	904	649	59	3,000	3,000	-	-	-	-
<b>2008</b>												
Cash and cash equivalents	7.20%	20,581	17,847	2,734	-	-	-	-	-	-	-	-
Restricted cash and cash equivalents		-	-	-	-	-	-	-	-	-	-	-
Receivables <sup>(a)</sup>		1,087	-	1,018	69	1,018	-	-	-	-	-	-
Loans and advances		-	-	-	-	-	-	-	-	-	-	-
Other financial assets		-	-	-	-	-	-	-	-	-	-	-
		21,668	17,847	3,752	69	1,018	-	-	-	-	-	-

(a) the amount of receivables excludes the GST recoverable from the ATO (statutory receivable)

		<u>Interest rate exposure</u>		<u>Maturity dates</u>									
	Weighted Average Effective Interest rate	Carrying Amount	Variable Interest rate	Non-Interest Bearing	Adjustment for discounting	Total nominal amount	Up to 3 months	3 – 12 months	1 - 2 Years	2 - 3 Years	3 - 4 Years	4 - 5 years	Over 5 years
	%	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)
<b>Financial Liabilities</b>													
<b>2009</b>													
Payables		3,887	-	3,887	-	-	-	-	-	-	-	-	-
Bank overdraft		-	-	-	-	-	-	-	-	-	-	-	-
WATC/Bank overdraft		-	-	-	-	-	-	-	-	-	-	-	-
Finance lease liabilities		-	-	-	-	-	-	-	-	-	-	-	-
Amounts due to the Treasurer		-	-	-	-	-	-	-	-	-	-	-	-
		3,887	-	3,887	-	-	-	-	-	-	-	-	-
<b>2008</b>													
Payables		4,403	-	4,403	-	-	-	-	-	-	-	-	-
Bank overdraft		-	-	-	-	-	-	-	-	-	-	-	-
WATC/Bank overdraft		4,690	-	-	-	-	4,690	-	-	-	-	-	-
Finance lease liabilities		-	-	-	-	-	-	-	-	-	-	-	-
Amounts due to the Treasurer		-	-	-	-	-	-	-	-	-	-	-	-
		9,093	-	4,403	-	-	4,690	-	-	-	-	-	-

**(d) Interest rate sensitivity analysis**

The following table represents a summary of interest rate sensitivity of the Authority's financial assets and liabilities at the balance sheet date on the surplus for the period and equity for a 1% change in interest rates. It is assumed that the change in interest rates is held constant throughout the reporting period.

	Carrying Amount	(1.0%) change Profit	Equity	1.0% change Profit	Equity
<b>30 June 2009</b>	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)
<b>Financial Assets</b>					
Cash and cash equivalents	10,804	(108)	(108)	108	108
Other financial assets	6,708	(67)	(67)	67	67
Total Increase/(Decrease)		(174)	(174)	174	174
	Carrying Amount	(1.0%) change Profit	Equity	1.0% change Profit	Equity
<b>30 June 2008</b>	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)
<b>Financial Assets</b>					
Cash and cash equivalents	20,581	(206)	(206)	206	206
Other financial assets	1,087	(11)	(11)	11	11
Total Increase/(Decrease)		(217)	(217)	217	217

**(e) Fair values**

All financial assets and liabilities recognised in the balance sheet, whether they are carried at cost or fair value, are recognised at amounts that represent a reasonable approximation of fair value unless otherwise stated in the applicable notes.

**36 Remuneration of members of the accountable authority and senior officers**

	<b>2008/2009</b>	<b>2007/2008</b>
	<b>\$</b>	<b>\$</b>
<u>Remuneration of Members of the accountable authority</u>		
The number of members of the accountable authority, whose total of fees, salaries, superannuation, non monetary benefits and other benefits for the financial year, fall within the following bands are:		
\$		
0 - 10,000	5	5
20,001 - 30,000	1	1
The total remuneration of members of the Accountable Authority is:	57,604	41,783

The total remuneration includes the superannuation expense incurred by the Authority in respect of members of the Accountable Authority.

No members of the Accountable Authority are members of the State Government Pension Scheme.

<b>2008/2009</b>	<b>2007/2008</b>
<b>\$</b>	<b>\$</b>



	2008/2009 \$	2007/2008 \$
<b>Remuneration of Senior Officers</b>		
The number of senior officers, other than senior officers reported as members of the accountable authority, whose total of fees, salaries, superannuation, non monetary benefits and other benefits for the financial year, fall within the following bands are:		
\$		
70,001 - 80,000	-	1
80,001 - 90,000	-	-
110,001 - 120,000	-	1
120,001 - 130,000	3	-
130,001 - 140,000	-	1
150,001 - 160,000	1	2
160,001 - 170,000	-	-
170,001 - 180,000	1	1
The total remuneration of senior officers is:	715,361	808,139

The superannuation included here represents the superannuation expense incurred by the Authority in respect of senior officers other than senior officers reported as members of the accountable authority.

No senior officers are members of the Pension Scheme.

### 37 Remuneration of auditor

Remuneration payable to the Auditor General for the financial year is as follows:

	2008/2009 \$	2007/2008 \$
Auditing the accounts, financial statements and performance indicators	76,000	72,000

### 38 Supplementary information

#### Write-offs approved by the Board

	2008/2009 \$	2007/2008 \$
Bad Debts	8,315	4,333

## 39 Segment (Service) Information

Segment information has been disclosed by service. The two services of the Authority are:

#### Service 1: Provision of Services to Visitors

This service relates to the provision and operation of affordable recreational and holiday facilities with particular regard for the needs of persons usually resident in the State, and who wish to visit or stay on the Island as a family group.

#### Service 2: Conservation of the Natural and Built Environment

This service relates to the maintenance and protection of the Island's natural and built environment.

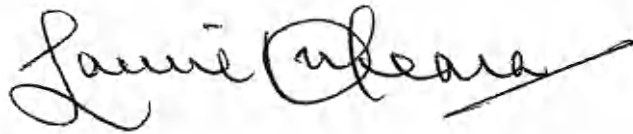
The Authority operates within one geographical segment (the Western Australian public sector).

	Services to Visitors		Conservation of Environment		Consolidated	
	2008/2009	2007/2008	2008/2009	2007/2008	2008/2009	2007/2008
	\$	\$	\$	\$	\$	\$
<b>INCOME</b>						
<b>Revenue</b>						
Sales	490,512	1,140,541	-	-	490,512	1,140,541
Provision of services	25,276,114	24,552,193	47,037	65,334	25,323,151	24,617,527
Commonwealth grants and contributions	-	-	7,000	14,000	7,000	14,000
Interest revenue	994,861	1,070,564	14,608	-	1,009,469	1,070,564
Other revenues	213,185	395,055	37,240	31,503	250,425	426,558
<b>Gains</b>						
Gains on disposal of non-current assets	10,493	-	1,319	-	11,812	-
<b>Total Income</b>	<b>26,985,165</b>	<b>27,158,354</b>	<b>107,204</b>	<b>110,836</b>	<b>27,092,369</b>	<b>27,269,190</b>
<b>EXPENSES</b>						
Cost of sales	266,844	586,567	(0)	382	266,844	586,949
Employee benefits expense	7,028,105	6,496,389	1,452,069	996,214	8,480,175	7,492,603
Supplies and services	16,191,138	15,178,430	1,253,166	1,558,413	17,444,304	16,736,843
Depreciation and amortisation expense	4,873,081	4,039,031	616,584	351,220	5,489,665	4,390,251
Finance costs	151,062	305,954	18,981	-	170,043	305,954
Accommodation expenses	176,506	172,221	24,245	14,594	200,751	186,815
Loss on disposal of non-current assets	-	60,130	-	-	-	60,130
Other expenses	166,393	271,884	29,439	9,399	195,832	281,283
<b>Total Expenses</b>	<b>28,853,130</b>	<b>27,110,605</b>	<b>3,394,484</b>	<b>2,930,223</b>	<b>32,247,614</b>	<b>30,040,828</b>
<b>Profit/(loss) before grants and subsidies from State Government</b>	<b>(1,867,965)</b>	<b>47,749</b>	<b>(3,287,280)</b>	<b>(2,819,386)</b>	<b>(5,155,245)</b>	<b>(2,771,638)</b>
Grants and subsidies from State Government	1,969,310	2,080,818	256,090	194,500	2,225,400	2,275,318
Services received free of charge	3,853,007	375,837	-	638,086	3,853,007	1,013,923
<b>Profit / (loss) for the period</b>	<b>3,954,352</b>	<b>2,504,404</b>	<b>(3,031,190)</b>	<b>(1,986,801)</b>	<b>923,162</b>	<b>517,603</b>

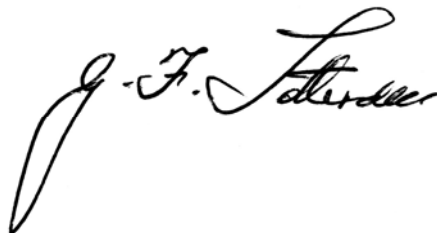
## Certification of Key Performance Indicators

**For the year ended 30 June 2009**

We hereby certify that the performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Rottnest Island Authority's performance and fairly represent the performance of the Rottnest Island Authority for the financial year ended 30 June 2009.



Laurie O'Meara  
Chairman



Geoff Totterdell  
Member



Othmar Beerli  
**Chief Financial Officer**

17 September 2008

## Key Performance Indicators

The Rottnest Island Authority's (RIA or Authority) key performance indicators (KPIs) provide a guide to its performance regarding its stated outcome. State public sector policy requires effectiveness and efficiency indicators to demonstrate this performance. By their nature, these indicators are very high level and attempt to encompass all the RIA's operations and costs. For example, the efficiency indicators are required to include all relevant costs including corporate overheads for each of the two services respectively. The relationship between the Authority's KPIs and outcome and services is outlined in the diagram below.

### Government Goal: Social and Environmental Responsibility

Ensuring that economic activity is managed in a socially and environmentally responsible manner for the long-term benefit of the State.

ROTTNEST ISLAND AUTHORITY'S DESIRED OUTCOME	KEY PERFORMANCE INDICATORS	SERVICES PROVIDED TO THE COMMUNITY
Rottnest Island visitors enjoy recreational and holiday experiences in healthy natural and cultural environments.	<b>EFFECTIVENESS</b> Visitor Satisfaction with the Rottnest Island experience. Health of Rottnest Island's Natural Environment. Health of Rottnest Island's Cultural Heritage.	1. Recreational and holiday services  2. Natural environment and cultural heritage management
	<b>EFFICIENCY</b> Average cost of recreational and holiday services provided per visitor. Average cost of natural environment and cultural heritage management per Reserve hectare	

Several indicators are being reported for the first time, and therefore no previous comparative data is available. The Authority regularly reviews and amends its indicators to reflect changes in a variety of factors impacting the Island such as visitor and community priorities for Rottnest Island, as well as technology that enables more sophisticated measures to be implemented.

It should be noted that the RIA also has a suite of operational and commercial indicators that are used to manage and improve its performance. Some of these are reported in the Report on Operations section of this Report.

## Effectiveness Indicators

### 1. Visitor satisfaction with the Rottnest Island experience

An independent research company is engaged to survey the Island's visitors. Visitors are selected at random and requested to complete questionnaires. There were 1411 completed questionnaires providing a confidence level of 95% with an error rate of +/- 2.6%.

Visitors are asked to rate the following key areas of their visit to Rottnest Island:

- Overall rating of your visit to Rottnest Island
- Satisfaction with the general facilities and services
- Satisfaction with the accommodation
- Overall satisfaction with the recreational and holiday services and facilities

- c) Satisfaction with the accommodation
- d) Overall satisfaction with the recreational and holiday services and facilities

As well as comparing results to a target, comparisons to previous year's results are included (where available) to indicate trends in performance. Comments on performance are provided after each measure.

**a) Overall rating of your visit to Rottnest Island**

Visitor Rating	2008-09
Target level of expectations met	90%
<b>Met or exceeded expectations</b>	<b>96%</b>
<b>Below expectations</b>	<b>4%</b>

A very positive result was achieved regarding this measure. While some aspects were not rated as highly as demonstrated in the following measures, visitors overall perception of their experience was positive compared to their expectations. As this is a new indicator, no previous year's results are available for comparison purposes.

**b) Overall Satisfaction with the general facilities and services (For example, pathways, seating)**

Visitor Rating	2008-09	2007-08	2006-07	2005-06
Satisfied Target	85%			
<b>Satisfied</b>	<b>85%</b>	<b>83%</b>	<b>87%</b>	<b>84%</b>
Neither	7%	11%	9%	11%
Dissatisfied	8%	6%	4%	5%

Visitor satisfaction with general public facilities and services has slightly improved on last year with a similar slight increase in dissatisfaction. Therefore no overall change in satisfaction seems to have resulted.

**c) Overall satisfaction with Rottnest Island Authority accommodation**

Visitor Rating	2008-09	2007-08	2006-07	2005-06
Satisfied Target	85%			
<b>Satisfied</b>	<b>75%</b>	<b>72%</b>	<b>71%</b>	<b>66%</b>
Neither	10%	19%	15%	21%
Dissatisfied	15%	9%	14%	14%

Satisfaction with accommodation increased to a minor extent which is notable. However, dissatisfaction increased from 6% to 15%, and this is mostly attributable to the dissatisfaction with the cleanliness of accommodation.

**d) Overall satisfaction with the recreational and holiday services and facilities**

Customer Rating	2008-09	2007-08	2006-07	2005-06
Satisfied Target	85%			
<b>Satisfied</b>	<b>86%</b>	<b>73%</b>	<b>79%</b>	<b>81%</b>
Neither	8%	21%	15%	14%
Dissatisfied	6%	6%	6%	5%



The significant improvement in overall satisfaction with recreational services and facilities on Rottnest Island reflects the RIA's focus on providing improved accommodation, greater variety of recreational activities and a more desirable mix of retail service providers on the Island.

## 2. Health of Rottnest Island's Natural Environment

This indicator uses a suite of measures regarding the management of flora and fauna, as well as environmental risk factors to gauge current performance against an 'ideal state' or conservation action. This indicator is based on Environment Australia guidelines that describe three types of measures: pressure, condition and management. Environmental; health standards and actions are contingent to the area being monitored. The measures are calculated by the RIA's own staff, who are qualified in environmental management.

The indicator is comprised of several aspects which are monitored by selected measures. This is demonstrated below:

### Terrestrial Habitat

- trees planted
- hectares of weed control
- hectares of unstable dunes\*
- revegetation planted\*

### Inland Waters

- moaning frog surveyed
- salt in groundwater and wetlands\*

### Marine Habitat

- pollution events
- change in rock lobster abundance\*
- hectares of healthy sea grass at key sites\*

### Wildlife Management

- breeding success of osprey nests
- red-capped robin counted at key sites
- native fauna mammals
- discovery of new pests

Note: \*Results for these measures were not available this year due to technical difficulties and prohibitive measurement costs.

A graded range is used to rate these aspects of the natural environment, where an 'A' rating denotes an ideal state or management action. Ratings of B, C, and D denote lesser states or management actions (see ratings table below). A suitable target was set for the year given the current state of environment, risk factors and the RIA's limited resources to implement conservation actions. The majority of these measures were monitored, and at least one measure was monitored for each of the four aspects. The ratings are then 'averaged' to provide an overall rating of the health of the natural environment, based on the same ratings table below.

Rating	Standards of the aspect of the environment
A	Excellent state
B	Good state
C	Satisfactory state
D	Below satisfactory state
F	Failure of this aspect of the environment

The overall health of the environment was rated as a 'C' compared to the target of 'C'. The C rating (satisfactory state) reflects the challenges faced by the Authority in managing the natural environment according to its capabilities. While a rating of A is being pursued, a suitable target was set for the year given the known current state of the environment and risk factors, as well as the RIA's limited resources to implement desirable management actions. The Authority has committed itself to measuring those environmental aspects that are not well known at present. The lowest performing areas are discussed below.

### Marine Habitat

There were a higher number than expected 'pollution events'. There were several times during the year when bacteria sampling in shallow marine waters exceeded standards (Australian and New Zealand Environment Conservation Councils (ANZECC) Australian and New Zealand Guidelines for Fresh and Marine Water Quality (2000). Factors contributing to pollution events of this nature may be attributed to high numbers of seagulls and other birds defecating at the sample sites, rainfall washing quokka faeces through drainage networks and flow paths and boats releasing sullage into the marine environment.

### Wildlife Management

The number of red-capped robins at selected sites was less than expected, and this resulted in the measure's result being below target. This species, along with similar bird species have suffered significant decline on the Swan Coastal Plain. Of which Rottnest Island is a part. The causes are being investigated.

This indicator will be reviewed due to cost and technical challenges experienced in its implementation, and therefore, is likely to be amended next year. For example the Authority did not have the technology in place to measure hectares of healthy sea grass at key sites.

## **1. Health of Rottnest Island's Cultural Heritage**

The indicator is comprised of three aspects which are monitored by selected measures to indicate the state of Rottnest Island's cultural heritage. This is demonstrated in the table below. The results for the measures are able to be reported as the proportion (%) of the 'ideal state' for each item being measured. The measures are calculated by the RIA's own staff, who are qualified in cultural heritage management.

### **The results for the various measures of Rottnest Island's cultural heritage**

Aspect	Measure	Results %
<b>Identification</b>	% of heritage listed places with statements of significance	72
	% of collection heritage items recorded on database compared to currently known number of items	25
<b>Protection</b>	% of developments that follow heritage legal requirements and conservation policies	54
<b>Conservation</b>	% of State-registered places meeting condition targets	69
	% of State-registered places with conservation plans less than 10 years old	43

A graded range is used to rate each measure, where an 'A' rating denotes an ideal state or management action. Ratings of B, C, and D denote lesser states or management actions (see table below). A suitable target was set for the year given the current state of the Island's heritage assets, risk factors and the RIA's limited resources to implement conservation actions. The ratings scale is described below:

Rating	Standards of the aspect of the environment
A	Excellent state
B	Good state
C	Satisfactory state
D	Below satisfactory state
F	Failure of this aspect of the environment

An overall rating of 'C' compared to a target of 'C' was achieved. The C rating (satisfactory state) was only just achieved reflecting the major challenges faced by the Authority to manage its cultural heritage assets according to its capabilities. While a rating of A is being pursued, a suitable target was set for the year given the current state of the heritage assets, risk factors and the RIA's limited resources to implement desirable management actions. The lowest performing areas are discussed below.

### Identification

A database of 'collection items' identifies the cultural heritage items held by the Authority. It also enables access to all collection items through location indicators. There were 251 out of an estimated available 1,000 items recorded on the database in the first year resulting in low rating. The Authority expects to record approximately 300 items per year with help of volunteer assistance.

### Protection

Of the five major developments on Rottnest Island during the year, only one 'received' was considered to have fully complied, with all development control requirements to protect identified heritage places. The remainder partially complied or failed to comply. The Rottnest Island Management Plan 2009-14 identifies an initiative to develop a more robust development planning process as a priority to protect and conserve the natural, cultural and social values of Rottnest Island.

### Conservation

There are 142 places on the RIA Heritage Asset Register, 61 of these are heritage-listed with the Heritage Council of WA. There are also 16 Aboriginal sites registered with the Department of Indigenous Affairs under the Aboriginal Heritage Act (1972). None of the Aboriginal registered sites have statements of significance and none have conservation plans.

No registered place was assessed and only two buildings and one structure were assessed with a low rating. All three places are expected to undergo considerable conservation repair work in 2009-10, and therefore a higher assessment level is expected next year.

All conservation plans are reviewed and updated every 5-10 years. There are 61 state-registered places, not including registered Aboriginal places and 28 of these have conservation plans that were undertaken 10 years or more ago. An addendum to the Former Governors Residence (Hotel) Conservation Plan was completed in 2009 following the Stage 1 conservation works.

## **Efficiency Indicators**

### **Service One: Recreational and Holiday Services**

This indicator relates to the cost of providing Rottnest Island's recreational and holiday services on a per visitor basis. 'Visitors' is determined from the number of people arriving by commercial ferry services only (361,000 people arrived by ferry during the year). The number of people arriving by private vessels can not be reliably calculated at present, so they are not included. The indicator is intended to track the level of resources used to service Rottnest Island visitors.

The indicator is calculated by dividing the total annual cost of providing holiday and recreation services to visitors by the total number for visitors for the year. This is a new indicator and there are no reliable previous years' data available. The result is rounded to the nearest dollar.

Title	2008-09
Average cost of recreational and holiday services provided per visitor	\$80

## Service Two: Natural Environment and Cultural Heritage Management

This indicator concerns the cost of managing Rottnest Island's natural environment and cultural heritage. Its purpose is to track the level of resources used to manage the natural environment and cultural heritage.

The indicator is calculated dividing the total cost of managing the natural environment and cultural heritage by the Rottnest Island Reserve's total area of 5,669 hectares. The Reserve refers to the land and waters defined in Part 1 of the *Rottnest Island Authority Act 1987*. This is a new indicator and there are no reliable previous years' data available. The result is rounded to the nearest dollar.

Title	2008-09
Average cost of natural environment and cultural heritage management per Reserve hectare	\$599

## Other Financial Disclosures

### Pricing Policies

Pricing for the Rottnest Island Authority's (RIA or the Authority) commercial services is based on recovering direct and indirect operating costs in order to achieve a rate of return that enables the Authority to provide funding for its non-commercial services such as environmental and cultural heritage management. In addition, the Authority must create a surplus in order to upkeep its business infrastructure and to ensure that all its utilities are maintained.

The Authority's pricing policy for the various fees and charges is outlined below:

### *Island admission fees*

The new structure will help offset the costs of infrastructure, facilities and services, and protecting the environment and cultural heritage of the Island.

### *Accommodation*

The Authority will move towards generating a commercial rate of return on turnover related to accommodation services. The objective is to recover all costs of accommodation services and asset replacement costs over the long term, i.e. 10 year period.

### *Recreation including tours and transport*

Like accommodation, the Authority will move towards generating a commercial rate of return on turnover similar to accommodation services. The objective is to recover all costs associated with recreation services and asset replacement costs over the long term, i.e. 10 year period.

### *Leasing*

The Authority manages a variety of commercial and residential leases on the Island. Both commercial and residential leases vary significantly between leases, including lease fees, concessions, percentage of gross revenues and capital contributions. Unless specifically approved by the Minister, no future commercial lease can exceed a term of 20 years, as stipulated in the *Rottnest Island Authority Act 1987*.

### *Utility services*

At present tariff charges are applied to commercially leased premises and residents. The remainder of the cost is allocated to the accommodation facilities. Together, these charges are below full cost recovery. Full cost recovery includes all direct costs and a proportion of infrastructure and management costs, as well as corporate overheads.

### Capital Investment

The Authority's capital investment program is described at the section of this report titled Rottnest Island Taskforce. In addition, the following information is disclosed regarding Authority and relevant capital investment on the Island.

The RIA's Capital Investment is made up of the following:

- Internally Funded: the amount invested in 2008/09 was \$ 4.7m. Projects included the Hotel Rottnest refurbishment, Country Club upgrade and Governor's Circle accommodation upgrade.
- Government Funded (Taskforce): the investment made from funds provided under the 2004 Taskforce is described at the section of their report titled Rottnest Island Taskforce. The amount invested in 2008-09 was \$ 4.8m with a remaining \$ 2.9m (predominantly for heritage works) to be invested in 2009-10 and beyond completing the recommendations in the Report.
- Private Investment: In the 2008-09 year the Authority has not signed any other significant leases and development agreements with private developers and operators.

## Employee Numbers

Number of Employees as at 30 June 2009						
Full-time			Part-time			Total
Permanent	Fixed Term	Casual	Permanent	Fixed Term	Casual	
72	20	0	6	25	32	155

Total employee numbers equate to the equivalent of 105 full time employees calculated over the full year.

## Financial Estimates 2009-2010

As required under Treasurer's Instruction 953 the following are the annual estimates for the Rottnest Island Authority for the 2009-10 financial year.

	2009/10 Budget \$ '000s
<b>INCOME</b>	
<b>Revenue</b>	
Sales	463
Provision of service	30,782
Commonwealth grants and contributions	0
Interest revenue	609
Other revenues	590
<b>Gains</b>	
Gains on disposal of non-current assets	0
<b>Total Income</b>	<b>32,443</b>
<b>EXPENSES</b>	
Cost of sales	217
Employee benefits expense	9,906
Supplies and services	18,703
Depreciation and amortisation	4,605
Finance costs	171
Accommodation	222
Loss on disposal of non-current assets	0
Other expenses	329
<b>Total Expenses</b>	<b>34,153</b>
Loss before grants and subsidies from State Government	(1,710)
Grants and subsidies from State Government	2,215
Services received free of charge	0
<b>Profit / (Loss) for the period</b>	<b>505</b>



## Governance Disclosures

### Authority Members

The Board of the Rottnest Island Authority (RIA or the Authority) is appointed by the Minister for Tourism for terms not exceeding three years and members may be re-appointed. Members are selected according to their experience relevant to the Authority's operations. Profiles of the members of the Board of the Authority together with details of meeting attendance are set out below:

#### Chairman

**Laurie O'Meara AM** was appointed as a member of the Authority in June 2000 and took over the Chair in April 2004. Mr O'Meara is a past president of the Tourism Council Western Australia and champion of the Tourism Accreditation Program. Mr O'Meara is a driving force in this area and was the inaugural President of the Australian Tourism Accreditation Association. From 2002 until 2008 Mr O'Meara was the Deputy Chair of Tourism Western Australia, the State organisation charged with marketing the State both nationally and internationally. He is also a member of the Perth International Arts Festival Board.

Mr O'Meara's extensive experience includes operation of the Emerald Hotel in Perth for the last twenty years. Mr O'Meara was awarded a Centenary Medal in the year 2000 and in 2006 was the winner of the prestigious Sir David Brand Medal for services in Tourism. In the 2007 Queen's Birthday Honours list he was honoured as a member of the Order of Australia (AM) for his services to tourism accreditation, tourism, heritage and the arts. In the 2009 Qantas Australian Tourism Awards, Mr O'Meara was awarded the "Outstanding Contribution by an Individual (National)" award for his outstanding achievements in the Australian Tourism Accreditation Program.

#### Deputy Chair

**Sue Murphy** was appointed as a member of the Authority in August 2004, and appointed as Deputy Chair in October 2006. Ms Murphy completed a Bachelor of Engineering (Honours) and has worked as an engineer in the private sector for a number of years. She is currently Chief Executive Officer of the Water Corporation. Ms Murphy was awarded the national Telstra Business Women of the Year in 2000; the private sector category.

#### Member

**Sharon Brown** was appointed as a member of the Authority in April 2006. Ms Brown has worked in the information, communication and technology industry for over 30 years. Ms Brown was awarded Telstra Business Woman of the Year, Western Australia in 1999. She sits on a number of boards and has been a regular visitor to Rottnest Island over the last 20 years.

#### Member

**Rob McDonald** was appointed as a member of the Authority in November 2006 and resigned from membership in November 2008. Mr McDonald has a Bachelor of Business Degree and has worked across various fields including Finance, Human Resources, Policy Development and Information Technology. In previous senior roles he was the Chief Executive Officer at the State Supply Commission, a Director in the Department of Treasury and Finance and most recently was the Executive Director, Western Australia Police responsible for Human Resources, Finance, Assets, IT and the Police Academy. Mr McDonald resigned from his appointment in November 2008.

#### Member

**Karen Jacobs** was appointed to the Authority in November 2006. Ms Jacobs focuses on developing and encouraging Aboriginal peoples' involvement in enterprise and business opportunities. She has an extensive background in education and training, particularly in the marketing and promotion of new apprenticeships and employment strategies for Aboriginal people. Ms Jacobs has first-hand

experience in developing sustainable tourism opportunities and has strong interest and experience in environmental and conservation projects.

Ms Jacobs is a former Board Director of Tourism Australia. She is currently Director and Company Secretary of Noongar Property Holdings Pty Ltd (an Aboriginal owned property investment group that assists Indigenous commercial initiatives in the Perth and South West regions of Australia), Board Director for Aboriginal Hostel Limited, Commissioner on the Conservation Commission of WA, Chairperson of the Rottnest Island Environmental Advisory Committee and Rottnest Island Cultural and Heritage Advisory Committee, Chairperson of the Kaitajin Mia Mia Aboriginal Foundation (Bush University) and a Member of the Federal Minister for Tourism, the Hon. Martin Ferguson's National Long Term Tourism Committee.

Ms Jacobs professional qualifications include a Postgraduate Certificate in Policy Studies from Murdoch University and a Trade Certificate in Horticulture. She was awarded a Shire of Swan Achievement Award in 1994 and the National Aboriginal & Islander Day of Celebration (NAIDOC) Award for Outstanding Contribution to the Noongar Community in 2002.

### **Member**

**Peter Dowding** SC was appointed to the Authority in August 2007. Mr Dowding was born in Melbourne, Victoria in 1943 and educated in Perth from 1957 at Hale School and the University of Western Australia. He was admitted as a legal practitioner in 1966 and has practised as a Barrister and Solicitor being appointed Senior Council in 2005. From 1980 to 1990 he was a member of State Parliament and a Minister of the Crown holding a variety of Portfolios until 1988 when he became Premier of the State of Western Australia until 1990. He is engaged in the community through a number of organisations and is past Chair of the Friends of the Festival. He provides ongoing support and advice to an Indigenous community in the Pilbara.

Mr Dowding is a passionate supporter of Rottnest Island and strongly attached to an old wooden crayboat which provides a platform for his ongoing love of the Island.

### **Member**

**Geoff Totterdell** was appointed as member of the Authority in March 2009. Mr Totterdell graduated from the University of Western Australia with a Bachelor of Commerce and is a fellow of CPA Australia. He commenced his career in Canberra with the Auditor General's Office and the Department of Treasury, joined Price Waterhouse in Perth in 1983, was admitted to partnership in 1986 and retired from the firm in December 2006. He has specialised in business recovery services, with his principal areas of consulting and advisory activity being business appraisals, investigating accountant reports, reconstructions and turnaround management, and performance monitoring of corporate groups across a wide and diverse range of industry groups.

Significant appointments have included Chairman of the Rottnest Conservation Foundation, Chairman of the Swan River Trust, Chairman of Dairy Western Australia and Vice President of the WA division of CPA Australia. His knowledge covers a diverse number of industries including mining, technology, retailing, building construction, manufacture, agriculture, fishing and finance. He has been involved in competitive sailing and is regularly involved in boating activities in coastal waters including Rottnest Island, Murray River and the Peel Estuary.

Member	Appointed	Number of applicable meetings for 2008-09	Meetings attended
Laurie O'Meara AM	June 2000	9	8
Sue Murphy	August 2004	9	6
Sharon Brown	April 2006	9	6
Rob McDonald	November 2006	3	0
Karen Jacobs	November 2006	9	8
Peter Dowding SC	August 2007	9	8
Geoff Totterdell	March 2009	3	2

Notes:

1. Mr McDonald resigned from the Board of the Authority on 14 November 2008; Geoff Totterdell was appointed 10 March 2009.
2. Figures include extraordinary meetings of the Board of the Authority.

### Directors Liability Insurance

An insurance premium has been taken out to indemnify Authority members against any liability incurred under sections 13 or 14 of the *Statutory Corporations (Liability of Directors) Act 1996*. The amount of the premium paid for 2008-09 was \$36,408.

## **Other Legal Requirements**

### Advertising

Expenditure in advertising, market research and media advertising totalled \$123,650 and was incurred in the following areas:

Advertising Agencies	Nil		
Market Research	\$30,624	Savant Surveys & Strategies	\$12,936
		Synovate Research Reinvented	\$17,688
Polling	Nil		
Direct Mail	Nil		
Media Advertising	\$93,026	Adcorp Australia	\$26,212
		Market Force Productions	\$33,664
		Media Decision	\$33,150

### Disability Access and Inclusion Plan Outcomes

In 2008-09, the RIA continued improving services for people with disabilities in line with the stated outcomes of the Disability Access and Inclusion Plan 2007-12.

Achievements against each of the six outcomes that the Rottnest Island Authority is working towards were as follows:

- *People with disabilities have the same opportunities as other people to access the services of, and any events organised by the Rottnest Island Authority.*  
All information about Rottnest Island intended for the general public, is designed and developed with due consideration for people with special needs. The Authority continued its commitment to the Companion Card program for Island tours and transport.
- *People with disabilities have the same opportunities as other people to access the buildings and other facilities of the Rottnest Island Authority.*  
Refurbishment of North Thomson accommodation was carried out and two units have been designed to be wheelchair accessible. Improvements were made to the Sergeant's Mess at Kingstown that incorporated better access for people with disabilities. Provision has been made within the RIA's accommodation booking system to ensure that people with disabilities are able to access relevant information and appropriate accommodation.

- *People with disabilities receive information from the Rottnest Island Authority in a format that will enable them to access the information as readily as other people.*  
Virtual tours of accommodation were made available on the Rottnest Island Authority's website.
- *People with disabilities receive the same level and quality of service from the staff of the Rottnest Island Authority as other people.*  
Provision of a friendly and welcoming customer service is one of the Rottnest Island Authority's core values. The emphasis on customer service at all levels of the organisation contributes in a way that ensures all customers receive the same level and quality of service from RIA staff. The Authority has continued its support of and participation in the 'You're Welcome' access initiative developed by the Disability Services Commission to facilitate access to community life and amenities for people of all ages and abilities.
- *People with disabilities have the same opportunities as other people to make complaints to the Rottnest Island Authority.*  
The RIA actively encourages people to provide feedback and offers a variety of means for people to communicate with the Authority; by telephone, mail, email or fax or alternatively by completing the 'Contact us' form available on the Rottnest Island Authority's website. All formal complaints are registered and followed-up appropriately in order to achieve resolution.
- *People with disabilities have the same opportunities as other people to participate in any public consultation by the Rottnest Island Authority.*  
Throughout the year, public consultation has been enabled through public media and the Rottnest Island Authority's website. Feedback can be provided in electronic or written format.

Further detail regarding the six outcomes can be found within the Disability Access and Inclusion Plan available on the RIA's website [www.rottnestisland.com.au](http://www.rottnestisland.com.au)

#### Public Sector Standards and Ethical Codes

In 2008-2009 no complaints were received in relation to non-compliance with the ethical codes. One claim received for breach of the Public Sector Recruitment Standard was withdrawn following successful mediation.

The Rottnest Island Authority focused its attention on implementing a higher standard of recruitment performance by familiarising and educating managers and supervisors relating to the Public Sector Standard in Recruitment, Selection and Appointment.

#### Record Keeping Plan

The Rottnest Island Authority's Record Keeping Plan was approved by the State Records Commission in December 2005 and is due for review in December 2010. An interim review of the Plan is being undertaken to include and implement the State Records Commission new Standard 8 that relates to requirements for managing Digital Records.

Within the Rottnest Island Authority, record keeping compliance is achieved by:

- Providing new employees with information regarding their record keeping role and responsibilities as part of the Rottnest Island Authority's Induction Program.
- Ensuring that new staff successfully complete an online Record Keeping Awareness course.
- Producing recordkeeping brochures for reference purposes.
- Providing training in the use of the TRIM Records Management System (TRIM) to individuals in group sessions.
- Providing ongoing assistance to TRIM users.
- Conducting periodic audits of records created by TRIM users to establish the quality and level of use of the TRIM system.

# Government Policy Requirements

## Corruption Prevention

To improve corporate governance the Authority has reviewed its organisational structure, the Delegation Manual and the Code of Conduct. The Authority has also commenced a review of all policies and procedures to identify misconduct and corruption risks. An audit of the complaint handling process has also been undertaken.

During 2008-09, the Authority developed and implemented Workplace Issues and Grievance Resolution Guidelines, and a new Conflict of Interest Policy and Conflict of Interest Guidelines. These have been communicated to employees through the intranet.

The *Public Interest Disclosure Act 2003* (the Act) enables people to make disclosures about wrongdoing within the State public sector, local government and public universities without fear of reprisal.

The Act aims to ensure openness and accountability in government by encouraging people to make disclosures and protecting them when they do.

Details on public interest disclosure are accessible on the Rottnest Island Authority's website and intranet. Information about public interest disclosure is also included in the Induction Manual which is provided to all employees. There were no reported cases in 2008-09.

## Occupational Safety and Health

A new Safety Committee was formed in December 2008 and a consultancy specialising in occupational safety and health was appointed in May 2009 to assist the Rottnest Island Authority to create an agency wide Safety Management Plan. The main thrust of the plan is the management of occupational safety and health risk associated with facilities contracts and contract management in general.

Annual performance for 2008-09:

Number of Fatalities	Number of Severe	Number of Lost Time	Lost Time	Injury
Claims	Injury/ Diseases	Severity Rate		
0	0	1	0	

## Other Key Legislation Impacting on Rottnest Island Authority Activities

### Western Australian State Legislation

*Aboriginal Heritage Act 1972*  
*Aboriginal Heritage Regulations 1974*  
*Auditor General Act 2006*  
*Conservation and Land Management Act 1984*  
*Contaminated Sites Act 2003*  
*Disability Services Act 1993*  
*Electricity Industry Act 2004*  
*Energy Operators (Powers) Act 1979*  
*Environmental Protection Act 1986*  
*Equal Opportunity Act 1984*  
*Financial Management Act 2006*  
*Fines Penalties and Infringement Notices Enforcement Act 1994*  
*Fish Resources Management Act 1994*  
*Freedom of Information Act 1992*  
*Government Employees Housing Act 1964*  
*Health (Rottnest Island) By-laws 1989*  
*Heritage of Western Australia Act 1990*  
*Industrial Relations Act 1979*  
*Jetties Act 1926*  
*Liquor Licensing Act 1988*  
*Marine and Harbours Act 1981*  
*Maritime Archaeology Act 1973*  
*Minimum Conditions of Employment Act 1993*

*Navigable Waters Regulations 1958*  
*Occupational Safety and Health Act 1984*  
*Occupiers' Liability Act 1985*  
*Public Interest Disclosure Act 2003*  
*Public Sector Management Act 1994*  
*Salaries and Allowances Act 1975*  
*Soil and Land Conservation Act 1945*  
*State Records Act 2000*  
*State Supply Commission Act 1991*  
*State Superannuation Act 2000*  
*Statutory Corporations (Liability of Directors) Act 1996*  
*Volunteers (Protection from Liability) Act 2002*  
*Water Services Licensing Act 1995*  
*Western Australian Marine Act 1982*  
*Western Australian Tourism Commission Act 1983*  
*Wildlife Conservation Act 1950*

### Commonwealth Legislation

*Australian Heritage Commission Act 1975*  
*Disability Discrimination Act 1992*  
*Environmental Protection and Biodiversity Conservation Act 1999*  
*Historic Shipwrecks Act 1976*  
*Lighthouses Act 1911*  
*Privacy Act 1988*



## ACKNOWLEDGEMENTS

The Authority acknowledges the support and assistance received during the year from the following organisations:

### Conservation and Community Groups

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Aboriginal Elders and Aboriginal Community  
Birds Australia  
Boating Industry Association  
Charter Boat Owners & Operators Association of Western Australia  
Conservation Volunteers  
Honorary Bay Hosts  
Honorary Rangers  
National Trust of Australia (WA)  
Rottnest Conservation Foundation  
Rottnest Offshore Boardriders Club  
Rottnest Society  
Rottnest Voluntary Guides Association  
Scouting Association of Western Australia  
Volunteer Fisheries Liaison Officers  
Winnit Club  
Yachting Western Australia  
Boating Western Australia

### Research and Advisory Groups

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Rottnest Island Cultural Heritage Advisory Committee  
Rottnest Island Environmental Advisory Committee  
Rottnest Island Marine Issues Advisory Committee  
Rottnest Island Railway Advisory Committee  
Rottnest Island Tourism Advisory Committee  
Edith Cowan University  
Murdoch University  
Notre Dame University  
University of Western Australia

### Professional and Business Groups

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Australian Association for Environmental Education  
Fremantle Chamber of Commerce  
Fremantle Volunteer Sea Rescue  
Forum Advocating Cultural and Ecotourism  
Rottnest Fire and Emergency Services  
RecFishWest  
Rottnest Island Business Community

### State Government

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Central TAFE  
Department for Planning and Infrastructure  
Department of Agriculture and Food  
Department of Consumer and Employment Protection  
Department of Environment and Conservation  
Department of Fisheries  
Department of Health  
Department of Indigenous Affairs  
Department of Premier and Cabinet  
Department of Transport  
Department of Treasury and Finance  
Fire and Emergency Services Authority of Western Australia  
Heritage Council of Western Australia  
Landgate  
Lotterywest  
Main Roads WA  
Marine Parks and Reserves Authority  
Parliamentary Counsel's Office  
Perth Transport Authority  
Perth Zoo  
RiskCover  
State Solicitor's Office  
Sustainable Energy Development Office  
Tourism Western Australia  
Water Corporation  
Western Australia Police  
Western Australian Museum  
Western Australian Planning Commission

### Federal Government

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CSIRO Science Education Centre