



Rottnest Island Authority

# Annual Report 2009-2010

Governor's Residence 1858



Governor's Residence 152 years later on

## **Rottnest Island Authority Winner of 2010 Western Australian Heritage Award**

The award recognises the outstanding contribution the Rottnest Island Authority has made in the promotion and conservation of the State's rich cultural heritage located on Rottnest Island.



Rottnest Island Authority

**ANNUAL REPORT**

**2009-2010**

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Rottnest Island – driving sustainability



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Hon. Dr Elizabeth Constable MLA  
Minister for Tourism

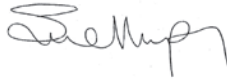
In accordance with section 61(1) of the *Financial Management Act 2006*, and in fulfilment of obligations imposed on the Authority by the *Rottnest Island Authority Act 1987*, we hereby submit for your information and presentation to Parliament the Annual Report of the Rottnest Island Authority for the year ended 30 June 2010.

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



Laurie O'Meara AM  
**CHAIRMAN**

20 September 2010



Sue Murphy  
**DEPUTY CHAIRMAN**

20 September 2010





# Highlights for 2009-2010

- ✓ **Winner** of the 2010 **WA HERITAGE AWARD** for outstanding contribution to heritage
- ✓ Rottnest Island **met** or **exceeded** the expectations of **95%** of its visitors
- ✓ Rottnest Island achieved a **positive cash flow** at a time of an industry-wide decline in tourism
- ✓ Rottnest Island Management Plan 2009-2014 commenced with a **\$14.5 million** budget
- ✓ **\$1.5 million** 'banked' for the 10 year accommodation refurbishment program
- ✓ Rottnest Island officially recognised by Tourism Western Australia as being in a state of '**rejuvenation**' in terms of development
- ✓ More than **\$3.5 million** was spent on **capital works** including:
  - Conservation of the former Governor's Residence heritage building
  - New Hotel Jetty, Thomson Bay
  - New marine vessel – Ranger One
- ✓ **485,000 litres** of diesel fuel was **saved** by the wind turbine generating 33% of the Island's energy worth an estimated \$591,000
- ✓ Registration with **EarthCheck** sustainability accreditation programme
- ✓ Aboriginal **cultural training** provided to **staff**

# Chairman's Review

On 1 July 2009  
the new Rottnest Island  
Management Plan  
2009-2014 was gazetted.

Laurie O'Meara AM  
**CHAIRMAN**





The Rottnest Island Management Plan 2009-2014 (RIMP) was the result of extensive consultation with the community and, as required by the *Rottnest Island Authority Act 1987*, directs the development and management of the Island for the next five years.

An important RIMP initiative is the review of the Act which has been in force for more than 23 years. This review will be about the structure and governance of the Authority's method of operation.

The serious downturn in visitation has been of concern. Particularly evident is the reduced number of day visitors and worryingly a dropping off of applicants for accommodation in traditionally busy times. This trend has affected a range of attractions in Perth and surrounds with the Rottnest decline of 16% being about average.

It is pleasing to note the emerging support from the community for the significant events such as the Rottnest Channel Swim and the Swim Thru Rottnest. The focus that these bring to the Island is fully appreciated and the Authority maintains a close cooperation and working relationship with the organisers.

The Anzac Day 2010 ceremony was lauded by many as the best we have held and I was heartened to be joined by a record crowd. It was gratifying to see many faces on vantage points as the rising sun slowly shed light on the crowd of around 500 which included many children.

The Wadjemup Cup now in its third year is an exciting component of our Reconciliation Action Plan. Scores of Aboriginal boys, from all parts of the State and beyond, show their extraordinary talent at this annual lightning football carnival jointly organised with the Clontarf Football Academy.

Another exciting event is the annual Open Day for the Rottnest Island Country Club. The Country Club now enjoys upgraded facilities on its golf days due to the building now being marketed as a Conference and Function Centre. Several corporate groups used the well-equipped facility and were most complimentary about it.

The Rottnest Island Business Community and the Authority are working closely in areas such as tourism accreditation, customer service and most importantly destination marketing. Ferry operator, Rottnest Express, has been particularly active in promoting Rottnest and supporting Island-based initiatives.

The Authority was greatly shocked and saddened by a tragic accident on the Island which resulted in the death of a child.

Valuable voluntary contributions add to the Rottnest experience for our many visitors. The Rottnest Volunteer Network Group provides a valuable forum for the integration and coordination of the various groups that provide voluntary services to Rottnest Island. It also gives the CEO an opportunity to keep the groups abreast of the Authority's activities and to express the Authority's gratitude for their efforts.

Regular meetings have been held with the Minister for Tourism, Hon. Dr Elizabeth Constable MLA, at which the CEO and I keep her aware of happenings on Rottnest and the state of Island finances. The Minister, who is a regular visitor to the Island, shows great interest in its progress and is very supportive of functions such as the Des Sullivan Medal presentation to Monsignor Sean O'Shea and the Annual Volunteers Breakfast.

On behalf of the Authority I wish to record our thanks to the CEO, Paolo Amaranti and his staff. Authority members Peter Dowding and Sharon Brown completed their terms of appointment in this year. Peter's sound knowledge of the 'inside' workings of government was invaluable and Sharon will be remembered for her diligent work as Chair of the Finance and Audit Committee.

Their positions have been filled by Denis Glennon, an experienced businessman, and most recently Suzie Hunt, a well credentialed architect with particular expertise with heritage buildings.

Financial sustainability remains the constant goal which the Authority seeks to achieve and we face the new financial year with continued resolve.

# Chief Executive Officer's Summary

Rottnest is a subject dear  
to the hearts of Western  
Australian families.

Paolo Amaranti  
**CHIEF EXECUTIVE OFFICER**





After four years of sustained increases in visitation and revenue the Rottnest Island Authority was impacted by events in the wider world such as the global financial crisis, a high Australian dollar and aggressive price-cutting making overseas holidays more attractive. This contributed to a decrease in visitor numbers which adversely affected the Authority's revenues.

Staff and volunteers have made excellent progress with the Rottnest Island Management Plan 2009-2014. Worth particular note is the development assessment process to local government standards. Development on Rottnest is a subject dear to the hearts of Western Australian families. Its proper and aligned implementation with the wishes of Western Australians is assured through the establishment of a robust development assessment process. The opportunity for public comment on any significant development is part of the process.

Workshops with experts and stakeholders included the Rottnest Island Values workshop and the Climate Adaptation and Sustainability workshop, the latter conducted in conjunction with the Curtin University Sustainability Policy Institute. These have gathered valuable input to form a basis for the development of a long-term vision for Rottnest Island.

The outstanding work done on the conservation of the former Governor's Residence, the heart of Hotel Rottnest, was recognised with a Heritage Council of WA Award in July 2009. The Authority again received recognition in June 2010 as the winner of the WA Heritage Award for outstanding contribution to heritage.

A survey of boating visitors was conducted to obtain their views about current and desired marine-based services. A beach anchoring system was installed in Thomson Bay to manage small craft staying overnight, address safety, antisocial behaviour and pedestrian beach access.

The reconstructed hotel jetty was opened by the Hon. Dr Elizabeth Constable MLA, Minister for Tourism in May. The jetty provides increased mooring and setting down capability and supports disability access.

A new and improved ranger vessel was launched at the same time. The new vessel, named after Rottnest personality Roland Smith, will be known as *Ranger One*.

The work of the Authority, particularly in the areas of visitor education and Island revegetation, has been enthusiastically supported and in many cases made possible by hundreds of volunteers.

I would like to make particular mention of the outstanding contribution made to the Rottnest Railway by major sponsors John Holland and WestNet Rail. Much has been provided in the form of labour and materials.

We are very grateful and, on behalf of the people of WA, thank these two major sponsors, as well as all the other sponsors and voluntary contributors who help us to maintain the Island's built and natural environments.

Once again, the efforts of my staff have been sustained and effective in making good progress towards our goals during a very challenging period. A flatter management structure, operational from 1 July 2009, has proven to be effective in attracting and retaining expertise across the wide range functions performed including commercial, heritage and environmental management.

I would like to thank the members of the Rottnest Island Business Community who continue to work effectively with the Authority in establishing Island-wide customer service standards and tourism accreditation.

In closing, I would like to also thank the Rottnest Island Authority for its guidance and involvement in the day-to-day workings of the Island. The challenges facing the tourism industry locally, nationally and internationally are many and varied. I am confident that with the support of the Authority, my excellent staff, committed volunteers and love of the people of Western Australia for their holiday island, we will be able to restore our financial position to the positive levels we had achieved prior to the 2009-2010 downturn.

# Agency Overview

The Authority is required to act in a commercial manner to fulfil its functions.

## Objectives

- Rottnest Island provides a wide range of recreational and holiday services to Island visitors that create a high degree of satisfaction.
- The Authority generates revenue from commercial activities to financially sustain the Authority's operating and asset replacement costs.
- Rottnest Island's natural environment and cultural heritage are conserved and enhanced as models of sustainability within Australia.
- The Authority acquires and manages its financial and other resources to become financially sustainable.



## Operational Structure

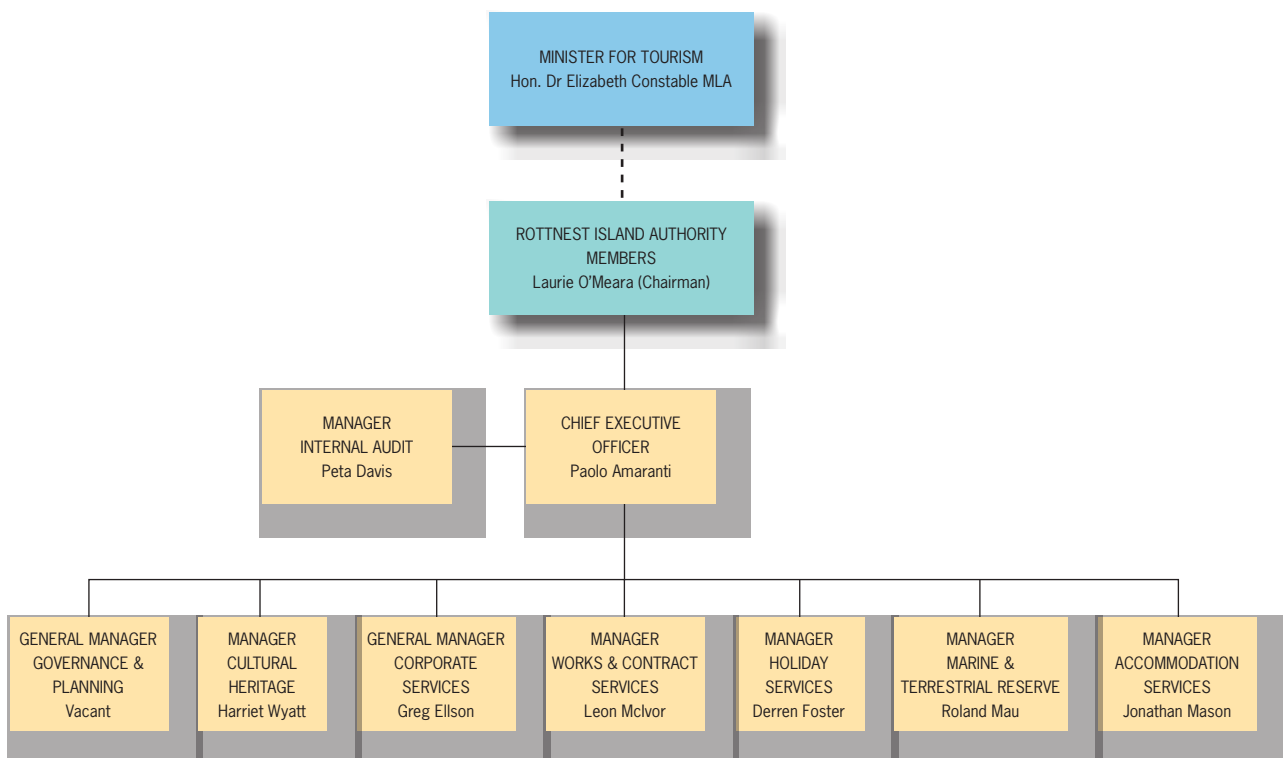
The Rottnest Island Authority was established under the terms of the *Rottnest Island Authority Act 1987* (the Act) and administers the *Rottnest Island Regulations 1988*. It is responsible to the Hon. Dr Elizabeth Constable MLA, Minister for Tourism and is governed by members appointed by the Governor.

The Authority is supported by an agency to fulfil its functions and implement its policies and strategies. The Chief Executive Officer oversees the agency comprising a core permanent staff of 111 full-time equivalents. Temporary staff are engaged to meet seasonal demand.

## Performance Management Framework

The Rottnest Island Authority's performance management framework reflects its functions as outlined in the Act and 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.

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. The Authority is thus required to act in a commercial manner to fulfil its functions. The Act however does not stipulate profit-maximisation or realisation of commercial rates of return as its objectives.







### 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.

### Shared Responsibilities with Other Agencies

The Authority does not share any key service-related responsibilities with other agencies. It works in partnership with other Government providers servicing Rottnest Island including the WA Police and the WA Department of Health.

### Rottnest Island Community

#### Business Community

The Rottnest Island Business Community (RIBC) was formed to promote the Island businesses and services. It promotes cooperation amongst members and with the Authority which is also a member. In the past year the RIBC has taken a key role in destination marketing of Rottnest Island and whole-of-Island customer service training.

RIBC supports many social activities as creating a sense of community is important to sustaining their businesses. 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.

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> <ul style="list-style-type: none"> <li>• Visitor satisfaction with the Rottnest Island experience.</li> <li>• Health of Rottnest Island's natural environment.</li> <li>• Health of Rottnest Island's cultural heritage.</li> </ul>	1. Recreational and holiday services.  2. Natural environment and cultural heritage management.
	<b>EFFICIENCY</b> <ul style="list-style-type: none"> <li>• Average cost of recreational and holiday services provided per visitor.</li> <li>• Average cost of natural environment and cultural heritage management per Reserve hectare.</li> </ul>	



## ✓ Aboriginal cultural training provided to staff

### Volunteer Groups

Volunteer groups working for the benefit of the Island and its visitors include the Rottnest Voluntary Guides Association, Winnit Club, the Rottnest Island Conservation Foundation, Scouts Australia, Rottnest Society, Conservation Volunteers Australia, school and corporate groups.

Volunteers participated in projects including seawall painting, fence installation, tree planting, weed removal, seed collection, rubbish cleanups and general maintenance. The Rottnest Voluntary Guides Association conducted guided tours, adding to the visitor experience on the Island.

### Emergency Services

Emergency response on the Island is coordinated through the Rottnest Island Local Emergency Management Committee (LEMC). During the year, members of the Rottnest Island Volunteer Fire and Rescue Service took part in specialised fire and emergency training.

A review of Emergency Arrangements resulted in the LEMC being granted Specified Public Authority Status under Section 35 of the *Emergency Management Act 2005*, the first such specification in Western Australia.

### Other Community Services

State Government services located on the Island include a police station, a nursing post and a primary school. The Water Police, Department of Fisheries and Department of Transport assist with compliance activities within the Island's marine area. The Authority provides a post delivery service on the Island, and a private barge operator provides freight transport.

### Aboriginal Reconciliation

Under its 2008-2011 Reconciliation Action Plan, and incorporation into the Rottnest Island Management Plan 2009-2014, the Authority 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.

An Aboriginal tourism business venture was supported during the year. However, the venture proved not to be commercially viable and both the Authority and operator agreed to discontinue the service.

The third annual Wadjemup Cup event in 2009 was successfully conducted in cooperation with Clontarf Academy. Aboriginal youth-based football (AFL style) teams from many parts of WA compete in the event.

Aboriginal and Torres Strait Islander veterans who have passed away representing Australia at war were specifically remembered at this year's Anzac Day ceremony on Rottnest Island.

Passengers on the Tourism WA Extraordinary Taxi Ride were given a traditional welcome from the Wadumbah Dance Group when they landed on Rottnest Island.

- ✓ Terms of reference were developed to establish a reference group to advise the Authority on Aboriginal matters.
- ✓ Two Aboriginal staff were employed by the Authority during the year.
- ✓ Aboriginal cultural training was provided to staff to increase understanding and support for Aboriginal peoples and their culture.
- ✓ Aboriginal consultants and works monitors have been engaged to ensure cultural values are conserved in all relevant projects on the Island.
- ✓ The Authority's Indigenous Programs Project Officer represented the Aboriginal perspective on the Authority's Environment and Cultural Heritage Advisory Committees.

# Agency Performance

Performance in relation to KPI targets was very positive.

## Financial Summary

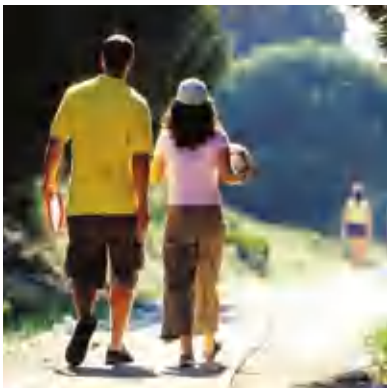
National and WA tourism declined significantly during the year. Rottnest Island visitor numbers for 2009-2010 were consistent with the trends experienced throughout the WA tourism industry with an overall decline of 14%. Rottnest Island experienced a decline of 16% compared to the previous year, mostly attributable to day visitors. This situation presented a significant challenge for the financial management of the Authority.

Demand for the Authority's accommodation units continues to far outstrip supply during the peak summer period with 5,092 applications received for the Summer Ballot 2009 for a total of 1,275 available units. The level of occupancy in the Authority's accommodation during peak season has remained consistent with recent years.

To meet the financial challenge, the Authority worked hard to turn around the 2008-2009 negative (\$3.8 million) cash flow to achieve a positive cash flow of \$152,000 for 2009-2010. Operating and capital expenditure were prudently managed in response to the declining operating revenues.

The Authority's 2009-2010 financial result shows an accounting loss of \$1.8 million. This result is considered to be commendable given the decline in visitation and that the Authority's finances were significantly impacted by the following events:

- Cash payment to the Australian Taxation Office (ATO) relating to a disputed Fuel Tax Rebate repayment (\$1.5 million cash flow impact), which is discussed on page 14;
- Reduced revenue streams from less Admission Fees, bike hires and tours income (\$1.4 million), which is directly related to the reduced number of visitors; and
- An asset write-down expense of \$344,000 as a result of amending the Authority's asset register to comply with its revised capitalisation policy.



**Rottnest Island achieved a positive cash flow at a time of an industry wide decline in tourism**



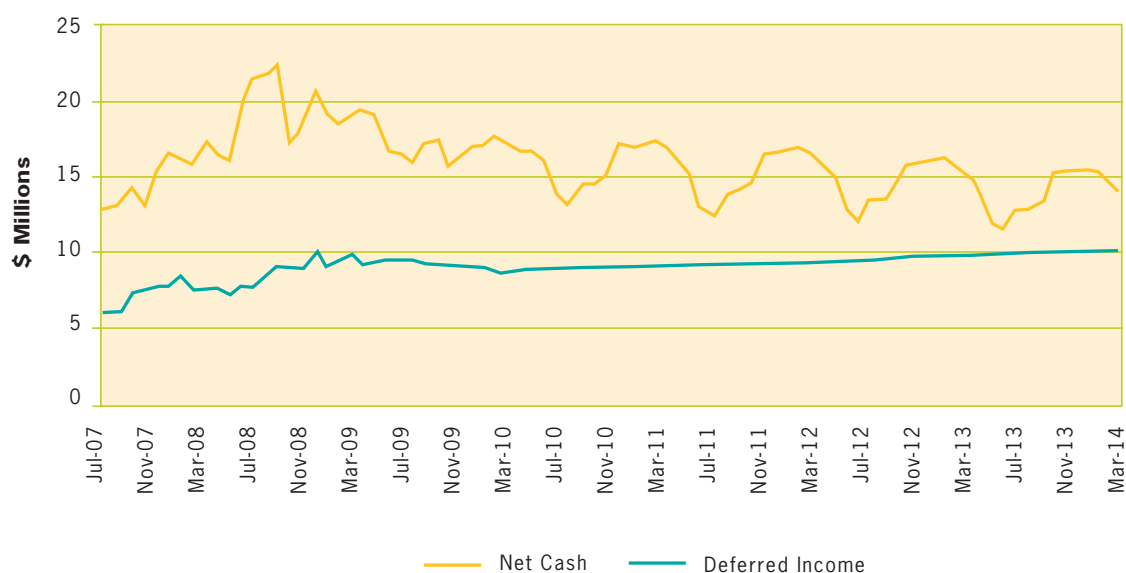


#### SUMMARY OF THE AUTHORITY'S FINANCIAL PERFORMANCE

INDICATOR AND TARGET	RESULT
• total cost of services - \$34,783,872	• \$33,674,824
• net cost of services - \$504,669	• \$(1,781,292) loss*
• net increase/(decrease) in cash held (decrease of \$300,741)	• \$152,518 increase *Loss includes a \$1.2m profit and loss impact from the fuel tax levy being disputed with the ATO

As a consequence of the five year Strategic Budget Framework, the Authority's projected cash position remains positive based on current and projected financial trends as demonstrated by the following Cash Flow chart.

#### DEFERRED INCOME VERSUS NET CASH





**Rottnest Island met or exceeded the expectations of 95% of its visitors**

After a tax audit conducted by the ATO, the Authority was advised that it was not considered to be the 'owner' of the fuel previously used for its operations. The ATO ruled that the Authority was not entitled to claim fuel tax credits for the period November 2003 to June 2009 and, therefore, required a payment of \$1.5 million from the Authority, which had an adverse impact on the Authority's financial performance. The Authority has challenged the ATO ruling and a determination is anticipated early in the 2010-2011 financial year.

The Authority is expected to become financially sustainable over the next four year period. It also remains committed to the Rottnest Island Management Plan and Strategic Development Plan which include – as key components of the Authority's long term strategy – the following accommodation refurbishment programs:

- A 10 year refurbishment program, which 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 Authority's accommodation inventory; and
- An annual planned minor accommodation upgrade and maintenance program valued at \$0.5 million.

During 2010-2011 the Authority will continue to examine revenue and expense trends along with its planned capital works program and will be making financial corrections when necessary.

### Key Performance Indicator Summary

Performance in relation to KPI targets was very positive during the year. The overall measure of visitor satisfaction was exceeded by 5%. It is also worth noting that the number of formal complaints lodged with the Authority decreased by 37% compared to the previous year. This was the result of a concerted effort to address accommodation cleaning issues and public facilities maintenance.

Performance in relation to natural environment management exceeded expectations. While some measures are concerned with management actions, they indicate a positive trend towards more effective environmental management on Rottnest Island.

The level of performance concerning cultural heritage management was very positive with targets for three out of five measures being exceeded. These results highlight the Authority's efforts during the year in protecting and conserving the Island's rich cultural heritage assets and values.

High level efficiency indicators are also reported for the second consecutive year enabling a comparison to be made and providing some indication of where resources are being applied on the Island.

The results are summarised in the table on the following page. Other indicators can be found in the Disclosures and Legal Compliance section of this report.



### Summary of Key Performance Indicator Results 2009-2010

PERFORMANCE INDICATOR AND MEASURES	TARGET	RESULT
<b>Visitor satisfaction</b>		
Rottneest Island experience met or exceeded expectations	90	<b>95</b>
<b>Health of the natural environment - various measures</b>		
Terrestrial Habitat	C	<b>B</b>
Inland Waters	B	<b>A</b>
Marine Habitat	B	<b>A</b>
Wildlife Management	B	<b>A</b>
<b>Health of the cultural environment - various measures</b>		
% of heritage listed places with 'statements of significance'	30-49%	<b>72%</b>
% of collection heritage items recorded on database compared to currently known number of items	50-69%	<b>72%</b>
% of developments that follow heritage legal requirements and conservation policies	70-89%	<b>89%</b>
% of State-registered places meeting condition targets	70-89%	<b>66%</b>
% of State-registered places with conservation plans less than 10 years old	50-69%	<b>45%</b>
<b>Efficiency</b>		
Average cost of recreational and holiday services provided per visitor	\$88	\$99
Average cost of natural environment and cultural heritage management per Reserve hectare	\$706	\$613

See page 69 for detailed information on the Key Performance Indicator results.





## Rottnest Island Management Plan 2009-2014 commenced with a \$14.5 million budget

### Rottnest Island Management Plan 2009–2014

The Rottnest Island Management Plan 2009-2014 (RIMP) was developed with input from the community, stakeholders and staff. 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 and maintaining the natural and built environment of the A-class Reserve.

The RIMP commenced operation in July 2009. The RIMP was allocated a total budget of \$14.5 million over the five year period with \$2.74 million allocated in this its first year of which \$2.48 million (91%) was used. This is a major achievement considering the financial challenges faced by the Authority during the year.

A summary of the progress made in relation to each initiative that commenced in 2009-2010 is provided below.

Initiative Reference and Title	Progress to 30 June 2010
<b>MANAGEMENT DIRECTIONS</b>	
1. Review the <i>Rottnest Island Authority Act 1987</i>	A subcommittee of the Authority was established to implement the review process. Various options for governing Rottnest Island are being explored.
2. Tourism and Recreation Strategy	An integrated approach to developing this and other strategies identified in the RIMP began with a series of staff and stakeholder workshops to identify Island values and pressures.
3. Twenty-year vision for Rottnest Island	The Rottnest Island Values Workshop (20 April) and Climate Adaptation and Sustainability for Rottnest Island Workshop (17 May) provided the first stakeholder input in the process of developing a long-term vision.
<b>SUSTAINABILITY</b>	
4. Sustainability accreditation	A Sustainability Framework was endorsed as a basis for progressing sustainability on the Island. The Authority enrolled for EarthCheck Certification, an internationally recognised sustainability accreditation scheme.
5. Sustainable visitor research	The project to determine sustainable visitor use of sites in the Rottnest Island Reserve (outside the Settlement Area) began in December 2008. Stage 2 (2009-10) involved site assessments, visitor surveys, stakeholder input, data analysis, and developing visitor and site management scenarios. The results will provide a basis for recreation planning and environmental management.
6. Development planning controls	Relevant policies, process and guidelines were developed and approved by the Minister for Tourism in May 2010, and subsequently made publically available. A Development Assessment Committee was established to assess and recommend on individual development applications. An independent function was established to coordinate the development assessment process according to standards found in local government.
7. Address external environmental and economic threats including climate change	An interactive workshop on Climate Adaptation and Sustainability for Rottnest Island, run by the Curtin University Sustainability Policy Institute, identified values, concerns and strategies as a basis for more detailed investigation. This information will enable the development of adaptation strategies to manage the impacts of climate change and other potentially adverse factors impacting the Island.
8. Aboriginal reconciliation	A staff-based Reconciliation Action Group is actively progressing the Reconciliation Action Plan. See section on Aboriginal Reconciliation in this Report for details.

Initiative Reference and Title	Progress to 30 June 2010
9. Maintain quality of RIA accommodation	An increased level of maintenance planning and more frequent scheduled checks of accommodation assets were implemented.
10. Provide a range of visitor accommodation	The Longreach Bay new accommodation development was progressed to the tender stage.
11. Upgrade Kingstown	A business review of the Kingstown Barracks was conducted to identify the most effective use of the facility. An upgrade is scheduled to commence in 2011-12.
12. Review visitor accommodation management options	A functional review of the Authority's own Accommodation Services business unit was conducted. However, no external options were investigated at this stage.
13. Expand recreational activities	Detailed design planning for the proposed Coastal Walk Trail on Rottnest Island was completed. Implementation is contingent upon additional external funding. Further recreation opportunities will be guided by the Tourism and Recreation Strategy (see Initiative 2).
15. Marine facilities – Boating Management Strategy	A survey of boating visitors was conducted to obtain their views about current and desired marine-based services. A beach anchoring system was installed in Thomson Bay to manage small craft staying overnight, address safety, antisocial behaviour and pedestrian beach access.
<b>UTILITIES, INFRASTRUCTURE &amp; ESSENTIAL SERVICES</b>	
16. Review responsibility for utilities, infrastructure and essential services	A long-term agreement to outsource the provision of utilities management and services to a recognised operator is under negotiation with the preferred proponent. The proposal includes a period of data and operational knowledge collection prior to negotiating the final agreement.
<b>NATURAL ENVIRONMENT</b>	
17. Terrestrial Management Strategy	The Values Workshop and Climate Adaptation and Sustainability Workshop provided input on values and pressures impacting the land-based area of the Reserve. This information will enable the development of management responses to environmental, social and cultural heritage values and risks.
18. Implement the Marine Management Strategy	An action plan addressing key objectives for the Marine Management Strategy was developed and implementation has commenced.
20. Rottnest Island Research Strategy	A Research Funding Program, including criteria, was developed to encourage more targeted research and to address reserve management priorities. The research station has been refurbished to provide more adequate facilities.
21. Cultural heritage conservation	Several projects implemented or progressed. Refer to pages 21-22 for information.
23. Improve customer service	All Island-based staff participated in customer service training with accommodation services staff receiving targeted training. Visitor satisfaction surveys are regularly conducted and acted upon. All relevant businesses have Tourism Accreditation.
24. Focus on safety and security	An agreement was reached between the Authority and the WA Police to ensure all safety and antisocial behaviours are addressed in the most effective manner possible. In particular, issues of respective responsibilities were clarified.
25. Support volunteers	Dedicated office and sleeping accommodation for volunteers was provided to support their work. Additional training and support materials were also provided during the year.

**Note: The following Initiatives are scheduled to commence in 2010-11 and therefore not reported above:**

- 14. Improve visitor facilities
- 19. Education and interpretation for environmental management
- 22. Education and interpretation product



## Recreational and Holiday Services

This service has the following corporate objectives:

- Rottnest Island provides a wide range of recreational and holiday services to Island visitors that create a high degree of satisfaction.
- The Authority generates revenue from commercial activities to financially sustain the Authority's operating and asset replacement costs.

During the year, over 356,000 people travelled to Rottnest Island by ferry and airline charter. Based on sample surveys, most visitors (64%) are from the Perth metro area, 16% are from interstate, 14% are international visitors, while the remaining 6% reside in country WA. In addition, at least 180,000 people visited the Island by private boat during the year. This number is based on the boats 'registered' to visit the Island. Many more visits by casual boating users are unable to be quantified.

People come to experience Rottnest for the day (65%) but many also stay in overnight accommodation on the Island (35%).

Visitors come to relax, enjoy Rottnest's unique flora and fauna and the abundant marine life in its clear waters. The Authority provides accommodation, recreational activities, tourism services and transport. Most services are directly provided by the Authority, while some are provided through private businesses and organisations.

There are 291 self-contained **Accommodation** units on Rottnest with most having ocean views. Guests can also choose from 22 heritage cottages and 16 bungalows. A 50 bed hostel and 164 dormitory beds in historic Kingstown Barracks cater for groups and the camping ground offers 18 tent sites.

- ✓ Prices discounted by up to 40% in the winter months to encourage visitors.
- ✓ Courtyard walls repainted at Bathurst and South Thomson.
- ✓ Security improved for accommodated guests through a dedicated security service.
- ✓ Accommodation ballot process monitored by independent auditors confirming that allocation was fair and equitable.

- ✓ Use of technology to update guests as they wait to access their accommodation.
- ✓ Major cleans for accommodation units programmed for the winter months.
- ✓ Preventative maintenance program introduced.
- ✓ Furniture and electrical equipment replaced.
- ✓ Heaters and sofas added to all bungalows.
- ✓ Washing lines installed at the Caroline Thomson Cabins.

**Central Reservations** handled 57,000 telephone enquiries, securing nearly 25,000 reservations. A total of 80,191 unit nights were sold which was a 5.5% decrease compared to the previous year, the fall mainly occurring in the winter off-peak months. The average length of stay was 4.2 nights, similar to last year's 4.3 nights.

The Rottnest Island **Bike Hire** service retails 1,000 bicycles plus tandems, adult tricycles, electric scooters (gophers), child trailers and beach wheelchairs. The service achieved the following during the year:





✓ **Rottnest Island officially recognised by Tourism Western Australia as being in a state of 'rejuvenation' in terms of development**

✓ Over 68,000 individual bike hires transacted.

✓ Building upgrades completed facilitating better processing of bicycles.

✓ Initiation of tender process to replace the adult bike fleet.

The **Tours and Transport** service provides a scheduled, low cost Bayseeker bus service to get around the Island. The free accommodation shuttle bus services Geordie Bay, Longreach, the Settlement, Kingstown and the Airport. Escorted tours include a full Island Discovery Tour experience, as well as historic walking tours to World War II guns and tunnels at Oliver Hill and a tour incorporating the Wadjemup Lighthouse. There were 96,215 people that booked some form of paid tour and transport service during the year, a decrease of 5.9% from last year.

The service also manages the Authority's 32-strong work fleet of vehicles including buses, electric buggies, a train, passenger and emergency vehicles.

✓ Major repairs to the rail tracks at Kingstown completed.

✓ Purchase of a new coach with wheelchair hoist.

An extensive promotional campaign of Rottnest's **conference** facilities included displays on Perth metropolitan buses, billboards, prospectus mail-outs, advertising and a targeted email campaign. On offer is a 100 seat venue at the Rottnest Island Country Club and Conference Centre and a 240 seat venue at the historic Picture Hall.

✓ **18 Events** facilitated, the major ones being Channel Swim, Swim Thru Rottnest, Wadjemup Cup Football Carnival, Rottnest Comedy Festival, Brookes Marathon, Leavers and Anzac Day.

✓ 75 private and corporate functions including weddings and Christmas celebrations.

✓ Major upgrade to conference facilities completed.

✓ Winter market redefined through innovative events.

✓ The Island established as a unique 'work, stay and play' conference destination.

A coordinated **Marketing** effort by the Authority and the Rottnest Island Business Community ensured a unified approach to promoting Rottnest Island as a destination and achieving brand recognition.

✓ 'Call to action' promotions and packages to boost off-peak visitation.

✓ Specific market segments targeted eg. corporate market to tie in with the improved conference facilities.

✓ Participating in trade and media visits organised by Tourism Western Australia – 219 industry representatives in 2009-2010.

✓ Online presence developed with 23,000 'Fans' on the Facebook page.

✓ 32,000 visitors to the [www.rottnestisland.com](http://www.rottnestisland.com) website every month.

#### Standard of tourism development

During the year, Tourism WA conducted a development assessment of the State's tourism destinations. Rottnest Island was included as a separate destination and received a very favourable assessment (see table below). In particular, the Island was assessed as being in a state of 'rejuvenation' in terms of its development life cycle.

AREA	LIFE CYCLE STAGE	ACCESS	ACCOMMODATION	ATTRACTIONS/ACTIVITIES	AMENITIES
Rottnest Island	Rejuvenation	High	Medium	Medium	Medium

Source: EXPERIENCE PERTH Tourism Development Priorities 2010-2015, March 2010



**More than \$3.5 million** was spent on **capital works** including:

- **Conservation of the former Governor's Residence heritage building**
- **New Hotel Jetty, Thomson Bay**
- **New marine vessel – Ranger One**

The Island's A-class Reserve boasts:

- 254 bird species.
- 19 reptile species including the threatened Rottnest Island Bobtail and Dugite.
- 64 hectares of threatened Rottnest Pine, Rottnest tea tree and woodland community.
- 9 species of seagrass.
- 25 species of tropical coral and the southernmost extent of coral communities.
- 135 tropical fish species.
- 225 temperate fish species.
- Northernmost colony of New Zealand fur seals.
- Three registered geoheritage sites of State significance.
- Six geoheritage sites of international significance.

## Natural Environment and Cultural Heritage Management

This service has the following objective:

- Rottnest Island's natural environment and cultural heritage are conserved and enhanced as models of sustainability within Australia.

Rottnest's **Marine and Terrestrial Reserve** comprises 1,859 hectares of land and 3,800 hectares of surrounding waters.

Staff manage biodiversity conservation, research and monitoring programs, environmental protection and ecological restoration including coastal dune management. They monitor water quality, tree maintenance, landscaping and woodland restoration, deal with groundwater management, pest species management, enforcement and education, and provide boating opportunities and facilities. Rangers' roles are now refocused on protection and management of flora and fauna, primarily through reducing impacts of visitors to Rottnest Island.

The year's highlights include:

- ✓ Coastal Walk Trail Concept progressed to the development plan stage including signage, facility guides and an interpretation strategy.
- ✓ Visitor capacity research project (outside Settlement Area) was completed which provided information for Island management.
- ✓ Coastal protection and rehabilitation works.
- ✓ Volunteer based Woodland Restoration Program planted another 26,350 trees and shrubs bringing the total plantings to over 242,000.
- ✓ Frog, osprey and reptile monitoring programs.
- ✓ Marine Management Strategy reviewed to evaluate current research, recommendations and implementation measures, and identified marine values and priorities for further research and monitoring initiatives.
- ✓ 35 university-based applications received to conduct research on the Island and 27 research permits issued for projects including:



## Winner of the 2010 WA HERITAGE AWARD for outstanding contribution to heritage



- detection of coral disease;
  - effect of plantations on groundwater recharge;
  - effectiveness of sanctuary zones in protecting foraging lobsters;
  - quantifying predation by Australian Ravens on native birds;
  - linking physical characteristics of intertidal rock platforms with their macroinvertebrate assemblages;
  - health of the Quokka population; and
  - reef fish survey to benchmark for scientific reference and future comparison of long-term monitoring.
- ✓ New ranger vessel came into service with improved capacity to respond to incidents within the reserve.
  - ✓ 5,265 children and adults participated in school holiday activities which are run in conjunction with Rottnest Voluntary Guides, RecFishWest, Fisheries WA and Birds Australia WA.
  - ✓ 126 school groups visited the Island and took part in educational activities designed in accordance with the Curriculum Framework.
  - ✓ 3 extensive Environmental Awareness Courses were completed for teachers, community leaders and visitors to increase understanding and awareness of the Island's natural and cultural environment.
  - ✓ 1,430 people volunteered a total of 27,822 hours to the protection and enhancement of Rottnest Island's natural and cultural values.
  - ✓ 17 beach anchoring pens were installed in Thomson Bay to improve boating safety and beach pedestrian access.
  - ✓ Hire mooring range capacity was increased to accommodate vessels up to 26 metres.
  - ✓ Significant repairs were carried out to the Green Island jetty following severe storm damage during winter.

**Cultural Heritage** management includes identification, protection, conservation, interpretation and participation.

The small team of cultural heritage staff implements processes, policies and programs to effect organisational change that provides a strategic and long lasting commitment to heritage conservation.

Cultural heritage programs include:

- Cultural heritage management and interpretation.
- Indigenous engagement and liaison.
- Collections management, including Oral Histories and museum curatorial services.

The year's highlights include:

- ✓ Winner in the 2009 and 2010 WA Heritage Awards for conservation of the Governor's Residence and for an outstanding contribution to conservation of the State's heritage, respectively.



## Registration with EarthCheck sustainability accreditation programme





✓ **\$1.5 million  
'banked' for the  
10 year accommodation  
refurbishment program**



- ✓ Completion of a planned maintenance program based on a comprehensive condition report undertaken in accordance with the Heritage Council's guidelines.
- ✓ Interpretation plan for the Coastal Defence Heritage of Rottnest Island compiled in association with the Rottnest Voluntary Guides Association (RVGA) and the National Trust of WA Defence Heritage Committee.
- ✓ Establishment of a more defined, open and transparent approvals process for all development and works to and around heritage places.
- ✓ Establishment of an electronic database for collections management.
- ✓ A well established Oral History program run with the assistance of trained RVGA volunteers, completing and transcribing over 40 interviews.
- ✓ Engagement with the Aboriginal community in the identification and interpretation of sites on the Island, including a whole of Island Aboriginal Heritage Survey 2009-10.
- ✓ Historic assessment of the Old Hay Store and Mill (museum building) and documentation of required conservation works.
- ✓ Better promotion of the values of heritage tourism including the joint Better Business Blitz workshop with Tourism WA and the Heritage Council of WA held in 2009.
- ✓ Maritime archaeology survey prior to the reconstruction of the Hotel Jetty.

## Infrastructure, Utilities and Services

### Building Standards

During the year a column from a chalet collapsed which resulted in the tragic death of a young boy visiting the Island. The Authority responded quickly and responsibly to the situation which included a variety of actions to address the standard of buildings, especially those built over 35 years ago.

- ✓ Engineering assessment including radar analysis of every (720) brick column on the Island.
- ✓ Obtained assurance about the structural integrity of all built structures based on a full structural engineering report.
- ✓ Expedited the implementation of a five-year structural maintenance program within 12 months.



**485,000 litres of diesel fuel was saved by the wind turbine generating 33% of the Island's energy worth an estimated \$591,000**

#### Facilities and Utilities Management

The Authority is responsible for managing the Island's provision of utility services and maintenance of all built infrastructure. Programmed Facility Management (PFM) is contracted to provide this service however other providers are involved for selected work 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.

#### Power

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

Total power generation during the year was 5.12 million kilowatts of which 1.72 million (33 percent) was generated by the Island's wind turbine and the balance supplied through diesel generation. The wind turbine saved 485,000 litres of diesel fuel, saving the Authority an estimated \$591,000.

#### Water Services

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

There were 164,000 kilolitres of potable water produced during the year. The desalination plant produced 79% 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.

#### 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 (eg. hot water systems and cooking facilities), as well as running a range of appliances, such as barbecues used by visitors and residents. Most commercial businesses operating on the Island also utilise LPG for their operations. During the year 393,000 litres of gas was used on the Island.

#### Waste Management

Approximately 1,058 tonnes of waste is generated on the Island each year. The Authority's waste management strategy has resulted in the reduced usage of the Island landfill site and the majority of waste streams being transported to the mainland. Waste suitable for recycling is separated prior to transportation and includes plastics, glass, paper, cardboard, oils, tyres, metals and biosolids.

# Significant Issues and Trends

## Financial Security

The Authority continues to work towards the objective of financial sustainability. However projects that require significant capital investment will be particularly difficult to implement given the Authority's limited reserves. Currently, the Authority is in the process of sourcing avenues to address major items such as roads, the upgrading of utilities infrastructure and additional staff residential housing.

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.

The Authority will also seek to establish an 'economic account' to measure the extent to which Rottnest Island contributes to the financial, social and environmental fabric of Western Australia.

## Visitor Trends

Rottnest Island experienced a decreased level of visitation (16%) for the first time in four years. This drop reflects the overall decline in WA's tourism market. The reasons for the decline in visitation are not proven, but are likely to be several including:

- 14% reduction in travel within WA for the 12-month period ending March 2010. Over 80% of Rottnest visitors are WA residents;
- Increasing competition from low-cost tourism providers overseas;

- Strength of the Australian dollar encouraging outbound tourism from WA;
- Adverse media publicity about Rottnest Island during the peak season;
- Increase in the price of travelling to Rottnest Island; and
- Latent effects from the global financial crisis impacting Australia.

The reduced level of visitation has adversely affected the Rottnest Island Authority in the following ways:

- Loss of expected revenue through less admission fees; and
- Loss of revenue through reduced sales of recreational activities provided by the Authority, mainly bike hire and tours.

Less visitation has also adversely affected the various private businesses operating on and servicing Rottnest Island to varying extents. The viability of the business community is essential to the operation of a vibrant recreational destination like Rottnest Island.

The major challenge for the Authority is to stop and reverse this trend. Various strategies are being pursued to achieve this objective. For example, more events are being encouraged on the Island, new markets are being targeted such as 'corporate meetings', and boating visitors were surveyed to ascertain their market potential.







## New Legislation

The *Rottnest Island Authority Act 1987* is undergoing review. The Authority believes that its functions, responsibilities and operating conditions need to reflect changing community expectations and pressures impacting the management of the Island. A few areas that need to be clarified include:

- The Authority's responsibility for all community infrastructure and utilities, yet its inability to recoup full costs to maintain the asset investment;
- The Authority's requirement to perform in a commercial manner, without the flexibility to act and perform accordingly; and
- Rottnest Island's disadvantage from having neither metropolitan nor regional status. For example, the Authority is not able to access various grant funding normally available to regions.

The Authority is exploring new ways of governing the Island that will enable it to achieve its sustainability objectives while being acceptable to the Western Australian community. The Island's stakeholders and community will be consulted before any legislation changes are proposed. This is a major undertaking, and engagement of the community will be paramount to success.

## Sustainability

Through the RIMP, the Authority has articulated its commitment to achieving sustainability in three main areas - financial, environmental and social. It has taken a strategic approach to protect and maintain the Island for future generations. A primary challenge is to translate sustainability principles into actions within the capacity of the Authority's resources. The creativity and leadership of staff and stakeholders will be crucial in this endeavour. Furthermore, it will require the support and participation of the Island's stakeholders, including the business community and visitors, as well as the State and Commonwealth Governments.

The RIMP contains a suite of interrelated initiatives that seek to achieve sustainability objectives over a five-year period. Enrolment in EarthCheck, an internationally recognised sustainability accreditation scheme, reflects genuine commitment to achieving progress on this issue.

## 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. For Rottnest Island, climate change is most likely to impact features that attract visitors and exacerbate existing management issues like coastal erosion and the success of revegetation programs. There may be impacts on the ecology, landscapes and iconic species eg. quokka health, crayfish, fish and migratory wading bird populations. In particular, climate change may adversely impact on marine facilities through changing water levels, storms and storm surges, and the terrestrial environment including the Island's heritage and other built structures, resulting in additional costs to protect and maintain such structures.

The Authority continues to research and consult experts and stakeholders to develop understanding of the potential impact of climate change, both on the Island environment and on its tourism business. Appropriate mitigation and adaptation responses will be assessed and factored into the management and operations of the Island.

# 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 2010**

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

The financial statements comprise the Statement of Financial Position as at 30 June 2010, and the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows 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 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. This document is available on the OAG website under "How We Audit".

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 2010**

**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 2010 and its financial performance and cash flows for the year ended on that date. They are in accordance with Australian Accounting Standards 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 2010.



COLIN MURPHY  
AUDITOR GENERAL  
20 September 2010



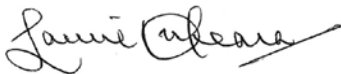
## CERTIFICATION OF FINANCIAL STATEMENTS

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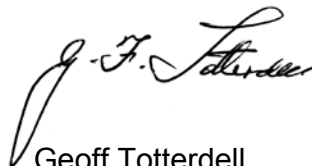
### FOR THE YEAR ENDED 30 JUNE 2010

The accompanying financial statements of the Rottnest 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 2010 and the financial position as at 30 June 2010.

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 2010



Geoff Totterdell  
**Member**  
17 September 2010



Othmar Beerli  
**Chief Finance Officer**  
17 September 2010

## ROTTNEST ISLAND AUTHORITY

### STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2010

	Note	2010 \$	2009 \$
<b>INCOME</b>			
<b>Revenue</b>			
Sales	6	119,914	490,512
Provision of services	7	28,468,850	25,323,151
Commonwealth grants and contributions	8	-	7,000
Interest revenue		733,960	1,009,469
Other revenue	9	293,685	250,425
<b>Gains</b>			
Gains on disposal of non-current assets	10	3,450	11,812
<b>Total Income</b>		<b>29,619,859</b>	<b>27,092,369</b>
<b>EXPENSES</b>			
Cost of sales	6	99,089	266,844
Employee benefits expense	11	9,466,158	8,480,175
Supplies and services	12	18,599,796	17,444,304
Depreciation and amortisation expense	13	4,499,947	4,740,413
Finance costs	14	179,541	170,043
Accommodation expenses	15	227,312	200,751
Other expenses	16	602,981	195,832
<b>Total Expenses</b>		<b>33,674,824</b>	<b>31,498,362</b>
<b>Profit/(Loss) before grants and subsidies from State Government</b>		<b>(4,054,965)</b>	<b>(4,405,993)</b>
Grants and subsidies from State Government	17	2,268,262	2,225,400
Services received free of charge	18	5,411	3,853,007
<b>Profit/(loss) for the period</b>		<b>(1,781,292)</b>	<b>1,672,414</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
Changes in asset revaluation surplus	28	39,148,562	(2,959,488)
<b>Total other comprehensive income</b>		<b>39,148,562</b>	<b>(2,959,488)</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>37,367,270</b>	<b>1,287,074</b>

Refer also to note 38 'Schedule of Income and Expenses by service'.

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

## ROTTNEST ISLAND AUTHORITY

### STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2010

	Note	2010 \$	2009 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	29	10,956,083	10,803,565
Inventories	19	256,488	486,346
Receivables	20	1,338,183	644,290
Other financial assets	29	3,000,000	-
<b>Total Current Assets</b>		<b>15,550,754</b>	<b>11,934,201</b>
<b>Non-Current Assets</b>			
Property, plant, equipment and vehicles	21	212,194,925	175,037,694
Infrastructure	22	28,067,502	27,810,382
Intangible assets	23	1,231,277	884,697
Other financial assets	29	3,000,000	6,000,000
<b>Total Non-Current Assets</b>		<b>244,493,704</b>	<b>209,732,773</b>
<b>TOTAL ASSETS</b>		<b>260,044,458</b>	<b>221,666,974</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables	25	4,918,261	3,887,310
Provisions	26	1,608,109	1,310,472
Other current liabilities	27	9,894,053	10,273,721
<b>Total Current Liabilities</b>		<b>16,420,423</b>	<b>15,471,503</b>
<b>Non-Current Liabilities</b>			
Provisions	26	679,959	758,791
Other non-current liabilities	27	1,373,459	1,233,333
<b>Total Non-Current Liabilities</b>		<b>2,053,418</b>	<b>1,992,124</b>
<b>Total Liabilities</b>		<b>18,473,841</b>	<b>17,463,627</b>
<b>NET ASSETS</b>		<b>241,570,617</b>	<b>204,203,347</b>
<b>EQUITY</b>			
Contributed equity	28	50,032,000	50,032,000
Reserves	28	187,839,210	148,690,648
Retained earnings	28	3,699,407	5,480,699
<b>TOTAL EQUITY</b>		<b>241,570,617</b>	<b>204,203,347</b>

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



# ROTTNEST ISLAND AUTHORITY

## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2010

	Note	Contributed equity	Reserves	Accum surplus/ (deficit)	Total Equity
<b>Balance at 1 July 2008</b>	28	42,409,000	151,650,136	3,808,285	197,867,421
<b>Restated Balance at 1 July 2008</b>		42,409,000	151,650,136	3,808,285	197,867,421
Total comprehensive income for the year		-	(2,959,488)	1,672,414	(1,287,074)
Capital contribution		7,623,000	-	-	7,623,000
<b>Balance at 30 June 2009</b>		<b>50,032,000</b>	<b>148,690,648</b>	<b>5,480,699</b>	<b>204,203,347</b>
<b>Balance at 1 July 2009</b>		50,032,000	148,690,648	5,480,699	204,203,347
Total comprehensive income for the year		-	39,148,562	(1,781,292)	37,367,270
<b>Balance at 30 June 2010</b>		<b>50,032,000</b>	<b>187,839,210</b>	<b>3,699,407</b>	<b>241,570,617</b>

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

## ROTTNEST ISLAND AUTHORITY

### STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2010

	Note	2010 \$	2009 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>			
Sale of goods and services		119,914	490,512
Provision of services		27,814,911	26,608,342
Commonwealth grants and contributions		-	7,000
Interest received		721,603	1,074,769
GST receipts on sales		2,838,778	2,802,675
GST receipts from taxation authority		-	1,123,513
Other receipts		151,493	213,439
<b>Payments</b>			
Cost of sales		130,769	(231,085)
Employee benefits		(9,214,730)	(8,611,787)
Supplies and services		(18,391,646)	(17,522,306)
Finance costs		(179,541)	(170,043)
GST payments on purchases		(1,839,638)	(3,143,307)
GST payments to taxation authority		(999,140)	(782,880)
Other payments		(229,509)	(160,016)
<b>Net cash provided by operating activities</b>	29	<b>923,264</b>	<b>1,698,826</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of non-current physical assets		3,450	11,812
Purchase of non-current physical assets		(3,042,458)	(10,645,885)
<b>Net cash used in investing activities</b>		<b>(3,039,008)</b>	<b>(10,634,073)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of borrowings		-	(4,690,567)
<b>Net cash (used in) financing activities</b>		<b>-</b>	<b>(4,690,567)</b>
<b>CASH FLOWS FROM STATE GOVERNMENT</b>			
Grants and subsidies		2,268,262	2,225,400
Equity contribution		-	7,623,000
<b>Net cash provided by State Government</b>		<b>2,268,262</b>	<b>9,848,400</b>
<b>Net (decrease) / increase in cash held</b>		<b>152,518</b>	<b>(3,777,415)</b>
Cash and cash equivalents at the beginning of the period		16,803,565	20,580,980
<b>Cash and cash equivalent assets at the end of the period</b>	29	<b>16,956,083</b>	<b>16,803,565</b>

The Statement of Cash Flows 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 2010

### 1 Australian Accounting Standards

#### General

The Rottneest Island Authority's ("the Authority") financial statements for the year ended 30 June 2010 have been prepared in accordance with Australian Accounting Standards. The term 'Australian Accounting Standards' refers to Standards and Interpretations issued by the Australian Accounting Standards Board (AASB).

The Rottneest Island Authority has adopted any applicable, new and revised Australian Accounting Standards from their operative dates.

#### Early adoption of standards

The Authority cannot early adopt an Australian Accounting Standard unless specifically permitted by TI 1101 *Application of Australian Accounting Standards and Other Pronouncements*. No Australian Accounting Standards that have been issued or amended but not operative have been early adopted by the Authority for the annual reporting period ended 30 June 2010.

### 2 Summary of significant accounting policies

#### (a) General Statement

The financial statements constitute general purpose financial statements that have been prepared in accordance with 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 Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board.

Where modification is required and has had 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 whole dollar.

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 Statement of Financial Position 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.

*Provision of services*

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

*Interest*

Revenue is recognised as the interest accrues.

*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.

Royalties for Regions funds are recognised as revenue at fair value in the period in which the Authority obtains control over the funds. The Authority obtains control of the funds at the time the funds are deposited into the Authority's bank account.

*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.

*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 and equipment 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 and equipment and infrastructure costing less than \$5,000 are immediately expensed direct to the Statement of Comprehensive Income (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 and equipment and infrastructure are initially recognised at cost.

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



*Subsequent measurement*

Subsequent to initial recognition as an asset, the revaluation model is used for the measurement of land, buildings and infrastructure, and the cost model for all other property, plant and equipment. Land, buildings and infrastructure are carried at fair value less accumulated depreciation (buildings and infrastructure only) and accumulated impairment losses. All other items of property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses.

Where market-based evidence is not available, the fair value of land and buildings is 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 benefits embodied in the asset, ie. the depreciated replacement cost. Where the fair value of buildings is determined on the depreciated replacement cost basis, the gross carrying amount and the accumulated depreciation are restated proportionately.

Independent valuations of land and buildings are provided annually by the Western Australian Land Information Authority (Valuation Services) and recognised annually to ensure that the carrying amount does not differ materially from the asset's fair value at the end of the reporting period.

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.

*De-recognition*

Upon disposal or de-recognition of an item of property, plant and equipment and infrastructure, any revaluation surplus relating to that asset is retained in the asset revaluation surplus.

*Depreciation*

All non-current assets having a limited useful life are systematically depreciated over their estimated useful lives in a manner that 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. Estimated useful lives for each class of depreciable asset are:

Buildings .....	20 to 40 years
Computers & Electronic Equipment .....	3 to 5 years
Furniture .....	3 to 5 years
Plant & Vehicles .....	3 to 7 years
Leasehold Improvements .....	10 to 15 years
Infrastructure .....	55 to 80 years
Infrastructure – Gas Filling Stations .....	1 to 3 years

Some heritage assets, including works of art, controlled by the Authority 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.

**(g) Intangible Assets*****Capitalisation/Expensing of assets***

Acquisitions for intangible assets costing \$5,000 or more and internally generated intangible assets costing \$50,000 or more are capitalised. The cost of utilising the assets is expensed (amortised) over their useful life. Costs incurred below these thresholds are immediately expensed directly to the Statement of Comprehensive Income.

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.

**(h) Impairment of Assets**

Property, plant, equipment and vehicles, infrastructure and intangible assets are tested for any indication of impairment at the end of each reporting period. 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.

Intangible assets with an indefinite useful life and intangible assets not yet available for use are tested for impairment at the end of each reporting period irrespective of whether there is any indication of impairment.

The recoverable amount of assets identified as surplus assets is the higher of fair value less costs to sell and the present value of future cash flows expected to be derived from the asset. Surplus assets carried at fair value have no risk of material impairment where fair value is determined by reference to market-based evidence. Where fair value is determined by reference to depreciated replacement cost, surplus assets are at risk of impairment and the recoverable amount is measured. Surplus assets at cost are tested for indications of impairment at the end of each reporting period.

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:

- Receivables;
- Term deposits; and
- Financial liabilities measured at amortised cost.

Financial instruments have been disaggregated into the following classes:

**Financial Assets**

- Cash and cash equivalents
- Receivables
- Other financial assets

**Financial Liabilities**

- Payables
- Finance lease liabilities

Initial recognition and measurement of financial instruments is at fair value which normally equates to the transaction cost or the face 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 Statement of Cash Flows, cash and cash equivalents (and restricted cash and cash equivalents) assets comprise 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 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 (i.e. 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. 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 34 'Financial instruments'.

**(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 Statement of Financial Position date. See note 26 'Provisions'.

**(i) Provisions – Employee Benefits***Annual Leave and Long Service Leave*

The liability for annual and long service leave expected to be settled within 12 months after the end of the reporting period is recognised and measured at the undiscounted amounts expected to be paid when the liabilities are settled. Annual and long service leave expected to be settled more than 12 months after the reporting period is measured at the present value of amounts expected to be paid when the liabilities are settled. Leave liabilities are in respect of services provided by employees up to the end of the reporting period.

When assessing expected future payments consideration is given to expected future wage and salary levels, including non-salary components such as employer superannuation contributions. In addition, the long service leave liability also considers the experience of employee departures and periods of service.

The expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

All annual leave and unconditional long service leave provisions are classified as current liabilities as the Authority does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

The liability for long service leave has been determined using a shorthand method. An actuarial assessment of long service leave undertaken by PricewaterhouseCoopers in 2010 determined that the liability measured using the shorthand method was not materially different from the liability measured using the present value of the expected future payments.

*Sick leave*

Liabilities for sick leave are recognised when it is probable that sick leave paid in the future will be greater than the entitlement that will accrue in the future.

Past history indicates that on average, sick leave taken each reporting period is less than the entitlement accrued. This is expected to continue in future periods. Accordingly, it is unlikely that existing accumulated entitlements will be used by employees and no liability for unused sick leave entitlements is recognised. As sick leave is non-vesting, an expense is recognised in the Statement of Comprehensive Income for this leave as it is taken.



### *Purchased Leave*

The provision for purchased leave relates to Public Service employees who have entered into an agreement to self-fund up to additional four weeks leave per calendar year. The provision recognises the value of salary set aside for employees and is measured at the nominal amounts expected to be paid when liabilities are settled. This liability is measured on the same basis as annual leave.

### *Time in Lieu*

The flexible working hours provisions of the Authority's enterprise bargaining agreement introduced the concept of annualised hours. At the end of the settlement period, when actual hours worked exceed the average aggregate ordinary hours, the employee will be paid for the excess hours, or the employee will take time in lieu at a mutually agreed time.

### *Superannuation*

The Government Employees Superannuation Board (GESB) administers the following superannuation schemes.

Employees may contribute to the Pension Scheme, a defined benefit pension scheme now closed to new members, or the Gold State Superannuation Scheme (GSS), a defined benefit lump sum scheme also closed to new members. Employees commencing employment prior to 16 April 2007 who are not members of either the Pension or the GSS Schemes became non-contributory members of the West State Superannuation Scheme (WSS). Employees commencing employment on or after 16 April 2007 became members of the GESB Super Scheme (GESBS). Both of these schemes are accumulation schemes. The Authority makes concurrent contributions to GESB on behalf of employees in compliance with the Commonwealth Government's *Superannuation Guarantee (Administration) Act 1992*. These contributions extinguish the liability for superannuation charges in respect of the WSS and GESBS Schemes.

The Pension Scheme and the pre-transfer benefit for employees who transferred to the GSS Scheme are defined benefit schemes. These benefits are wholly unfunded and the liabilities for future payments are provided at the end of the reporting period. The liabilities under these schemes have been calculated separately for each scheme annually by Mercers Human Resource Consulting using the projected unit credit method.

The expected future payments are discounted to present value using market yields at the Statement of Financial Position date on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

The GSS Scheme, the WSS Scheme, and the GESBS Scheme, where the current service superannuation charge is paid by the Authority to the GESB, are defined contribution schemes. The liabilities for current service superannuation charges under the GSS Scheme, the WSS Scheme, and the GESBS Scheme are extinguished by the concurrent payment of employer contributions to the GESB.

The Gold State Superannuation Scheme is a defined benefit scheme for the purposes of employees and whole of government reporting. However, from an agency perspective, apart from the transfer benefits, it is a defined contribution plan under AASB 119.

See also note 2(q) 'Superannuation Expense'.

## **(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 26 '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 Statement of Comprehensive Income.

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) Resources 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 'Summary of significant accounting policies'. 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 38 'Schedule of Income and Expenses by service.'

**(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, and
- The fair value of revenue 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 Statement of Financial Position 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;
- Actuarial assumptions used in determining superannuation liabilities; and
- 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 effective for annual reporting periods beginning on or after 1 July 2009 that impacted on the Authority.

AASB 101	<i>Presentation of Financial Statements</i> (September 2007). This Standard has been revised and introduces a number of terminology changes as well as changes to the structure of the Statement of Changes in Equity and the Statement of Comprehensive Income. It is now a requirement that owner changes in equity be presented separately from non-owner changes in equity. There is no financial impact resulting from the application of this revised standard.
AASB 2007-10	<i>Further Amendments to Australian Accounting Standards arising from AASB 101</i> . This standard changes the term 'general purpose financial report' to 'general purpose financial statements,' where appropriate in Australian Accounting Standards and the Framework to better align with IFRS terminology. There is no financial impact resulting from the application of this standard.
AASB 2008-13	<i>Amendments to Australian Accounting Standards arising from AASB Interpretation 17 – Distributions of Non-cash Assets to Owners [AASB 5 &amp; AASB 110]</i> . This standard amends AASB 5 Non-current Assets Held for Sale and Discontinued Operations in respect of the classification, presentation and measurement of non-current assets held for distribution to owners in their capacity as owners. This may impact on the presentation and classification of Crown land held by the Authority where the Crown land is to be sold by the Department of Regional Development and Lands (formerly Department for Planning and Infrastructure). The Authority does not expect any financial impact when the Standard is first applied prospectively.
AASB 2009-2	<i>Amendments to Australian Accounting Standards – Improving Disclosures about Financial Instruments AASB 4, AASB 7, AASB 1023 &amp; AASB 1038</i> . This Standard amends AASB 7 and will require enhanced disclosures about fair value measurements and liquidity risk with respect to financial instruments. There is no financial impact resulting from the application of this Standard.

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

The Authority cannot early adopt an Australian Accounting Standard 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 from their application date:

AASB 2009-11	<i>Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 &amp; 1038 and Interpretations 10 &amp; 12]</i> . The amendment to AASB 7 requires modification to the disclosure of categories of financial assets. The Authority does not expect any financial impact when the Standard is first applied. The disclosure of categories of financial assets in the notes will change.
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**6 Trading profit**

	<b>2010</b>	<b>2009</b>
	<b>\$</b>	<b>\$</b>
Sales	119,914	490,512
Cost of Sales:		
Opening Inventory	(24,046)	(96,218)
Purchases	(106,527)	(194,572)
	(130,573)	(290,790)
Closing Inventory	31,484	24,046
Cost of Goods Sold	(99,089)	(266,844)
<b>Trading profit</b>	<b>20,825</b>	<b>223,668</b>

**7 Provision of services**

	<b>2010</b>	<b>2009</b>
	<b>\$</b>	<b>\$</b>
Accommodation charges	14,795,804	13,209,097
Facilities and tours	3,751,963	3,508,233
Admission fees	4,882,702	4,400,947
Lease and licence income	3,132,952	2,675,273
Utility charges	1,292,521	1,031,913
Housing rentals	612,908	497,688
	<b>28,468,850</b>	<b>25,323,151</b>

**8 Commonwealth grants and contributions**

	<b>2010</b>	<b>2009</b>
	<b>\$</b>	<b>\$</b>
National Indigenous Cadetship Project	-	7,000

**9 Other revenues**

	<b>2010</b>	<b>2009</b>
	<b>\$</b>	<b>\$</b>
Insurance recoveries	82,911	41,368
Contribution to works	63,447	26,894
Miscellaneous	119,012	158,017
Donations	28,315	24,146
	<b>293,685</b>	<b>250,425</b>

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

	<b>2010</b>	<b>2009</b>
	<b>\$</b>	<b>\$</b>
<u>Cost of disposal of non-current assets</u>		
Plant, vehicles and furniture	-	-
<u>Proceeds from disposal of non-current assets</u>		
Plant, vehicles and furniture	3,450	11,812
<b>Net gain/(loss)</b>	<b>3,450</b>	<b>11,812</b>



**11 Employee benefits expense**

	<b>2010</b>	<b>2009</b>
	<b>\$</b>	<b>\$</b>
Wages and salaries	7,650,654	7,090,069
Superannuation - defined contribution plans	662,909	584,147
Superannuation - defined benefit plans (see note 27)	85,394	83,730
Long service leave <sup>(a)</sup>	296,297	208,678
Annual leave <sup>(a)</sup>	700,286	414,738
Other related expenses	70,618	98,813
	<u>9,466,158</u>	<u>8,480,175</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**

	<b>2010</b>	<b>2009</b>
	<b>\$</b>	<b>\$</b>
Contractors	14,539,526	13,193,216
Administration expense	907,585	701,267
Other staffing costs	1,112,302	1,032,690
Repairs and maintenance	1,105,599	1,296,514
Vehicle leasing	268,291	323,317
IT system development	45,618	54,532
Marketing expenses	381,944	484,643
Other supplies and services costs	238,931	358,125
	<u>18,599,796</u>	<u>17,444,304</u>

**13 Depreciation and amortisation expense**

	<b>2010</b>	<b>2009</b>
	<b>\$</b>	<b>\$</b>
<b>Depreciation</b>		
Buildings	1,977,804	1,797,472
Computers and electronic equipment	49,831	191,846
Furniture	384,351	430,689
Plant and vehicles	521,016	605,825
Leasehold improvements	9,099	4,574
Infrastructure	1,494,721	1,544,300
	<u>4,436,822</u>	<u>4,574,706</u>
<b>Amortisation</b>		
Intangible assets	63,125	165,707
	<u>63,125</u>	<u>165,707</u>
<b>Total depreciation and amortisation</b>	<u>4,499,947</u>	<u>4,740,413</u>

Comparative information has been amended to reflect prior period adjustments which resulted in increased depreciation to buildings (\$107,036) and decreased depreciation to furniture (\$856,288). Refer note 21 for further details.

**14 Finance costs**

	<b>2010</b>	<b>2009</b>
	<b>\$</b>	<b>\$</b>
Interest expense	441	363
Fees	179,100	169,680
	<u>179,541</u>	<u>170,043</u>

**15 Accommodation expenses**

	<b>2010</b>	<b>2009</b>
	<b>\$</b>	<b>\$</b>
Lease rentals	191,495	180,573
Other accommodation expenses	35,817	20,178
	<u>227,312</u>	<u>200,751</u>

**16 Other expenses**

	<b>2010</b>	<b>2009</b>
	<b>\$</b>	<b>\$</b>
Furniture, fittings and equipment replacement	192,060	160,195
Doubtful debts expense	31,053	27,518
Employment on-costs <sup>(a)</sup>	20,535	(16,992)
Research and development	14,961	18,930
Other – Write down of assets	344,372	6,181
	<u>602,981</u>	<u>195,832</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 26 '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>2010</b>	<b>2009</b>
	<b>\$</b>	<b>\$</b>
State Government Operating Grant	2,200,000	2,200,000
Office of Crime Prevention	54,000	15,000
Waste Management and Recycling	2,500	-
Aboriginal Economic Development	-	-
Other	11,762	10,400
	<u>2,268,262</u>	<u>2,225,400</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**

	<b>2010</b>	<b>2009</b>
	<b>\$</b>	<b>\$</b>
<b>Non-State Government</b>		
Garrett Hospitality Pty Ltd (i)	-	3,853,007
	-	3,853,007
<b>State Government</b>		
Department of Treasury and Finance	5,411	-
<b>Total services received free of charge</b>	<b>5,411</b>	<b>3,853,007</b>

(i)

In the 2008-2009 financial year the Authority has had an inflow of economic benefits from Garrett Hospitality amounting to \$3,853,007 for the financial year 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 2008-2009 financial result of the Authority.

**19 Inventories**

	<b>2010</b>	<b>2009</b>
	<b>\$</b>	<b>\$</b>
<b>Inventories held for resale</b>		
Visitor centre stock	25,138	15,085
Post office	-	4,878
Bike hire stock	6,346	4,083
	31,484	24,046
<b>Inventories not held for resale</b>		
Materials	-	251,729
Fuels	109,216	98,504
Bike hire stock	115,788	112,067
	225,004	462,300
	256,488	486,346

**20 Receivables**

	<b>2010</b>	<b>2009</b>
	<b>\$</b>	<b>\$</b>
Receivables	1,790,282	1,512,761
GST receivable	176,522	(63,641)
Interest receivable	45,174	32,817
Other receivables	212,682	70,490
Prepayments	37,156	25,216
Accrued Revenue	53,333	28,124
	<u>2,315,149</u>	<u>1,605,768</u>
Allowance for impairment of receivables	(976,966)	(961,477)
	<u>1,338,183</u>	<u>644,290</u>

Reconciliation of changes in the allowance for impairment of receivables:

Balance at the start of the year	961,477	933,977
Doubtful debts expense recognised in the Statement of Comprehensive Income	29,100	27,500
Amounts already provided for and written off as uncollectible	(13,611)	-
Balance at the end of the year	<u>976,966</u>	<u>961,477</u>

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

**21 Property, plant, equipment and vehicles**

	<b>2010</b>	<b>2009</b>
	<b>\$</b>	<b>\$</b>
Land		
At fair value <sup>(i)</sup>	126,700,000	108,103,800
Buildings		
At fair value <sup>(ii)</sup>	99,602,609	75,082,488
Accumulated depreciation	(16,096,200)	(11,821,974)
	<u>83,506,409</u>	<u>63,260,514</u>
Computers and electronic equipment		
At cost	1,180,964	1,152,822
Accumulated depreciation	(1,117,795)	(1,067,963)
	<u>63,169</u>	<u>84,859</u>



Furniture		
At cost	1,995,660	2,654,171
Accumulated depreciation	(1,380,869)	(1,530,727)
	614,791	1,123,444
Plant and vehicles		
At cost	3,547,461	3,184,775
Accumulated depreciation	(2,376,385)	(2,158,787)
	1,171,076	1,025,988
Leasehold improvements		
At cost	201,131	123,236
Accumulated depreciation	(110,617)	(101,519)
	90,514	21,717
Works of art		
At fair value <sup>(ii)</sup>	26,400	26,400
	26,400	26,400
Work in progress		
At cost	22,566	1,390,972
	22,566	1,390,972
	212,194,925	175,037,694

(i) Land and Buildings were re-valued as at 1 July 2009 by the Western Australian Land Information Authority (Valuation Services). The valuations were performed during the year ended 30 June 2010. 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.

2010	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	108,103,800	63,260,514	84,859	1,123,444	1,025,988	21,717	26,400	1,390,972	175,037,694
Additions	-	574,919	28,142	18,390	692,506	77,895	-	22,566	1,414,418
Transfers	(103,800)	1,200,218	-	(8,596)	(6,876)			(1,200,218)	(119,272)
Disposals	-	-	-	(134,097)	(19,527)	-	-	(190,753)	(344,377)
Revaluation increments	18,700,000	20,448,562	-	-		-	-	-	39,148,562
Depreciation expense	-	(1,977,804)	(49,831)	(384,350)	(521,016)	(9,099)	-	-	(2,942,100)
Carrying amount at end of year	126,700,000	83,506,409	63,170	614,791	1,171,075	90,514	26,400	22,566	212,194,925

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	1,450,472	164,443,583
Additions	-	12,837,969	110,557	458,976	208,848	-	7,000	-	13,623,350
Transfers	-	59,500	-	-	-	-	-	(59,500)	-
Disposals	-	-	-	-	-	-	-	-	-
Revaluation increments	(500,000)	501,167	-	-	-	-	-	-	1,167
Depreciation expense	-	(1,797,472)	(191,846)	(430,689)	(605,825)	(4,574)	-	-	(3,030,406)
Carrying amount at end of year	108,103,800	63,260,514	84,859	1,123,444	1,025,988	21,717	26,400	1,390,972	175,037,694

As a consequence of the Fixed Asset Register Review the Authority has identified and accounted for prior period adjustments in accordance with the requirements of AASB 108. Comparative information has been amended and disclosed appropriately. The prior period adjustments related to past North Thomson project works and resulted in increased depreciation to buildings (\$107,036) and a reduction of depreciation to furniture (\$856,288). In 2009 the value of buildings has been increased by \$4,281,442 and the value of furniture has been decreased by the respective amount to account for an incorrectly recorded furniture addition. Associated with this change the revaluation increment for buildings had to be reduced by \$4,174,407 to correct this error. Refer also to note 13.

**22 Infrastructure**

	<b>2010</b>	<b>2009</b>
	<b>\$</b>	<b>\$</b>
At fair value	46,798,216	45,042,512
Accumulated depreciation	(18,730,714)	(17,232,130)
	<u>28,067,502</u>	<u>27,810,382</u>
Reconciliation		
Carrying amount at start of year	27,810,382	31,557,736
Additions	1,632,564	757,601
Transfers	119,277	
Revaluation increments	-	(2,960,655)
Depreciation expense	(1,494,721)	(1,544,300)
Carrying amount at end of year	<u>28,067,502</u>	<u>27,810,382</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**

	<b>2010</b>	<b>2009</b>
	<b>\$</b>	<b>\$</b>
Right to receive the Rottnest Dome building	777,660	777,660
Computer software at cost	1,128,630	718,924
Accumulated amortisation	(675,013)	(611,887)
	<u>1,231,277</u>	<u>884,697</u>
Reconciliation		
Carrying amount at start of year	884,698	154,800
Additions	409,704	895,604
Disposals	-	-
Amortisation expense	(63,125)	(165,707)
Carrying amount at end of year	<u>1,231,277</u>	<u>884,697</u>

**24 Impairment of assets**

There were no indications of impairment to Property, Plant, Equipment and Vehicles, Infrastructure and Intangible assets at 30 June 2010.

The Authority held no goodwill or intangible assets with an indefinite useful life during the reporting period and, at the end of the reporting period, 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 2010 have either been classified as non-current assets held for sale or written off.

**25 Payables**

	<b>2010</b>	<b>2009</b>
	<b>\$</b>	<b>\$</b>
Trade payables	4,723,453	3,677,935
Accrued expenses	74,521	121,711
Accrued salaries	120,287	87,664
	<u>4,918,261</u>	<u>3,887,310</u>

**26 Provisions**

	<b>2010</b>	<b>2009</b>
	<b>\$</b>	<b>\$</b>
Current		
Employee benefits provision		
Annual leave <sup>(a)</sup>	863,893	743,645
Long service leave <sup>(b)</sup>	546,183	361,291
Time in lieu	30,345	74,425
Superannuation <sup>(d)</sup>	54,409	37,761
Leave purchase	6,929	3,804
	<u>1,501,759</u>	<u>1,220,926</u>
Other provisions		
Employment on-costs <sup>(c)</sup>	63,821	89,546
Long service leave on-cost provision	42,529	-
	<u>106,350</u>	<u>89,546</u>
	<u>1,608,109</u>	<u>1,310,472</u>
Non-current		
Employee benefits provision		
Long service leave <sup>(b)</sup>	304,120	362,925
Superannuation provision - long-term	352,159	368,864
	<u>656,279</u>	<u>731,789</u>
Other provisions		
Employment on-costs <sup>(c)</sup>	23,680	27,002
	<u>23,680</u>	<u>27,002</u>
	<u>679,959</u>	<u>758,791</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:

	<b>2010</b>	<b>2009</b>
	<b>\$</b>	<b>\$</b>
Within 12 months of Statement of Financial Position date	488,970	329,469
More than 12 months after Statement of Financial Position date	407,009	414,176
	<b>895,979</b>	<b>743,645</b>

(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 Statement of Financial Position date	314,557	325,756
More than 12 months after Statement of Financial Position date	627,269	398,459
	<b>941,826</b>	<b>724,215</b>

(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 Statement of Comprehensive Income are as follows:

	Pension Scheme		Pre-transfer benefit - Gold State Superannuation Scheme	
	2010	2009	2010	2009
	\$'000	\$'000	\$'000	\$'000
Current service cost	0	0	0	0
Interest cost (unwinding of the discount)	16	18	3	3
Net actuarial losses/(gains) recognised	5	34	2	8
Total, included in Employee benefits expense (see note 11) 'Employee benefits expense'	<b>21</b>	<b>52</b>	<b>5</b>	<b>11</b>

The amounts recognised in the Statement of Financial Position are as follows:

Present value of unfunded obligations	296	309	57	52
Liability in the Statement of Financial Position	<b>296</b>	<b>309</b>	<b>57</b>	<b>52</b>



Reconciliation of the unfunded liability recognised in the Statement of Financial Position is as follows:

	Pension Scheme		Pre-transfer benefit - Gold State Superannuation Scheme	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Liability at start of year	309	289	52	41
Current service cost	0	0		0
Interest cost (unwinding of the discount)	16	18	3	3
Net actuarial losses/(gains) recognised	5	34	2	8
Benefits paid	(34)	(32)	0	0
Liability at end of year	<b>296</b>	<b>309</b>	<b>55</b>	<b>52</b>

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	34	32	0	0
Benefits paid	(34)	(32)	0	0
Fair value of plan assets at end of year	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

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

	<b>2010</b>	<b>2009</b>	<b>2008</b>
Discount rate	5.48%	5.34%	6.64%
Future salary increases	4.50%	4.50%	4.50%

#### Historic summary

Pension scheme:

Present value of unfunded obligation	296	309	289
Fair value of plan assets	0	0	0
Deficit	<b>296</b>	<b>309</b>	<b>289</b>

Pre-transfer benefit - Gold State Superannuation Scheme:

Present value of unfunded obligation	57	52	41
Fair value of plan assets	0	0	0
Deficit	<b>57</b>	<b>52</b>	<b>41</b>

Experience adjustments arising on plan liabilities:

Pension Scheme	5	15	28
Pre-transfer Benefit - Gold State Superannuation Scheme	3	4	26

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).

Employer contributions of \$35,000 are expected to be paid to the Pension Scheme for the year ending 30 June 2011.

Employer contributions of nil are expected to be paid to the Gold State Superannuation Scheme for the year ending 30 June 2011.

Movements in other provisions

	2010 \$	2009 \$
<u>Employment on-cost provision</u>		
Carrying amount at start of year	116,549	129,308
Additional provisions recognised	160,065	49,426
Payments / other sacrifices of economic benefits	36,327	(62,185)
Carrying amount at end of year	312,941	116,549

**27 Other liabilities**

	2010 \$	2009 \$
<b>Current liabilities</b>		
Refundable deposits and bonds	8,953,034	9,391,914
Leases in advance	100,000	100,000
Deferred Income	699,894	738,777
Unclaimed money	57,505	57,507
General provisions	16,547	(14,480)
Financial leases	67,073	-
	9,894,053	10,273,718
<b>Non-current liabilities</b>		
Leases in advance	1,133,333	1,233,333
Financial leases	240,126	-
	1,373,459	1,233,333

**28 Equity****Contributed Equity**

Balance at the start of the period

Contributions by owners:

Capital contribution <sup>(a)</sup>**Balance at end of the period**

<b>2010</b>	<b>2009</b>
<b>\$</b>	<b>\$</b>
50,032,000	42,409,000
-	7,623,000
50,032,000	50,032,000

(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:**

Balance at the start of the period

Net revaluation increments:

Land

Buildings

Infrastructure

**Balance at end of the period**

148,690,648	151,650,136
18,700,000	(500,000)
20,448,562	501,167
-	(2,960,655)
187,839,210	148,690,648

The value of buildings increments has been reduced as a result of the cleaning of the fixed asset register which occurred in 2009-2010 year. Refer to Note 21 for further details.

**Retained Earnings**

Balance at the start of the period

Result for the period

**Balance at end of the period**

5,480,699	3,808,285
(1,781,292)	1,672,414
3,699,407	5,480,699

**29 Notes to the Cash Flow Statement**

	<b>2010</b>	<b>2009</b>
	<b>\$</b>	<b>\$</b>
<hr/>		
<u>Reconciliation of cash</u>		
Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:		
Cash and cash equivalents	10,956,083	10,803,565
Other financial assets (current and non-current)	6,000,000	6,000,000
	<hr/> 16,956,083	<hr/> 16,803,565
 <u>Reconciliation of profit to net cash flows provided by operating activities</u>		
Profit / (loss) for the period	(1,781,292)	1,672,414
Non cash items:		
Depreciation and amortisation expense	4,499,947	4,740,413
Net loss / (gain) on sale of property, plant and equipment	(3,450)	(11,812)
Doubtful debts expense	22,988	27,500
Grants and subsidies from State Government	(2,268,262)	(2,225,400)
Services received free of charge	-	(3,853,007)
Other expenses – write down of assets	344,372	
(Increase) / decrease in assets:		
Current receivables	(482,829)	150,426
Current inventories	229,858	35,759
Non-current assets	-	(777,660)
Increase / (decrease) in liabilities:		
Current payables	929,327	(499,612)
Current provisions	297,637	(345,412)
Other liabilities	(446,737)	2,407,619
Non-current provisions	(78,832)	178,799
Non-current liabilities	(100,000)	(100,000)
Net GST payments	-	
Change in GST receivables / payables	(240,163)	298,799
Net cash provided by operating activities	<hr/> 923,264	<hr/> 1,698,826

**30 Commitments**

	<b>2010</b>	<b>2009</b>
	<b>\$</b>	<b>\$</b>

**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	679,234	927,669
	<u>679,234</u>	<u>927,669</u>

The capital commitments include amounts for:

Buildings	384,000	384,000
Infrastructure	178,818	273,669
Plant and vehicles	-	270,000
Software development	116,416	-
	<u>679,234</u>	<u>927,669</u>

	<b>2010</b>	<b>2009</b>
	<b>\$</b>	<b>\$</b>

**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	219,963	418,156
Later than 1 year and not later than 5 years	51,201	398,587
	<u>271,164</u>	<u>816,743</u>

Representing		
Non-cancellable operating leases	<u>271,164</u>	<u>816,743</u>

Office accommodation is sublet from the Government Property Office and rent is payable monthly in advance. The lease runs for one year, with an option of a further year. The rental is subject to review on predetermined dates, based on CPI adjustment.

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



	2010 \$	2009 \$
<b>Finance lease commitments</b>		
Minimum lease payment commitments in relation to finance leases are payable as follows:		
Within 1 year	83,956	-
Later than 1 year and not later than 5 years	266,012	-
Minimum finance lease payments	349,968	-
Less future finance charges	(42,769)	-
Present value of finance lease liabilities	307,199	-
The present value of finance leases payable is as follows:		
Within 1 year	67,073	-
Later than 1 year and not later than 5 years	240,126	-
Present value of finance lease liabilities	307,199	-
Included in the financial statements as:		
Current ( <i>note 27 Other Liabilities</i> )	67,073	-
Non-current ( <i>note 27 Other Liabilities</i> )	240,126	-
	307,199	-

The Authority has the option to purchase leased assets at their agreed fair value on expiry of the lease. These leasing arrangements do not have escalation clauses, other than in the event of payment default. There are no restrictions imposed by these leasing arrangements on other financing transactions. Certain finance leases have a contingent rental obligation, however these are not material when compared to the total lease payments made.

### 31 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 has been undertaken, the Authority is currently awaiting the result of the audit and may have a liability in respect of investigation or remediation expenses.

In previous financial years 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.

### 32 Events occurring after the end of the reporting period

There are no events that occurred after Statement of Financial Position date which would materially affect the financial statements.

### 33 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.

	2010 \$	2009 \$	Variance \$	Variance %
Sales	119,914	490,512	(370,598)	-76%
Provision of service	28,468,850	25,323,151	3,145,699	12%
Interest revenue	733,960	1,009,469	(275,509)	-27%
Cost of sales	99,090	266,844	(167,754)	63%
Employee benefits expense	9,466,158	8,480,175	(985,983)	-12%
Supplies and services	18,599,796	17,444,304	(1,155,492)	-7%
Other expenses	602,981	195,832	(407,149)	-208%
Services received free of charge	5,411	3,853,007	(3,847,596)	-100%

#### **Sales**

The decrease in sales is due to the closure of the Gift Shop on 30 June 2009.

#### **Provision of service**

Revenue received increased from the 2008-2009 year due to increases in both regulated and unregulated fees and charges.

#### **Interest revenue**

The variance is due to lower average interest rates in 2009-2010 than in 2008-2009

#### **Cost of sales**

The decrease in cost of sales is due to the closure of the Gift Shop on 30 June 2009.

#### **Employee benefits expense**

The increase is due to both the wage increase (approximately 4%) and the increased number of personnel being employed as Government Employees (as oppose to contract staff).

#### **Supplies and services**

After a tax audit conducted by the ATO, the Authority was advised that it was not considered to be the 'owner' of the fuel previously used for its operations and, therefore, was not entitled to claim fuel tax credits made for the period November 2003 to June 30 2009. A payment to the Australian Tax Office (ATO) of \$1.5 million was required which is accounted for as 'Contractors' in Supplies and Services. This payment had a significant adverse impact on the Authority's financial performance. An objection has been lodged with the ATO disputing the validity of the Authority's liability for the tax and a determination is anticipated early in the 2010-2011 financial year.

#### **Other expenses**

The increase is due to the write down of assets associated with the cleaning of the fixed asset register to comply with the Authority's capitalisation policy.

### 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 2010 \$	Estimate 2010 \$	Variance \$	Variance %
Sales	119,914	462,713	(342,799)	-74%
Interest revenue	733,960	608,652	125,308	21%
Other revenue	293,685	590,044	(296,359)	-50%
Cost of sales	99,090	216,845	(117,755)	-54%
Supplies and services	18,599,796	19,330,000	730,204	4%
Other expenses	602,981	329,000	(273,981)	-83%
Services received free of charge	5,411	627,000	(621,589)	-100%

#### **Sales**

The decrease in sales is due to the closure of the Gift Shop on 30 June 2009. Whilst some sales were generated from the Museum Shop it only traded from late September 2009 to April 2010 and was a significantly smaller retail outlet than the Gift Shop.

#### **Interest revenue**

Actual cash balances were higher than estimated due to the later timing of some capital expenditure projects.

#### **Other revenue**

New activities have been slower to develop than estimated, for example the development of conference facilities on the Island, resulting in a lower revenue stream.

#### **Cost of sales**

The decrease in cost of sales is due to the closure of the Gift Shop on 30 June 2009.

#### **Supplies and services**

After a tax audit conducted by the ATO, the Authority was advised that it was not considered to be the 'owner' of the fuel previously used for its operations and, therefore, was not entitled to claim fuel tax credits made for the period November 2003 to June 30 2009. A payment to the ATO of \$1.5 million was required which is accounted for as 'Contractors' in Supplies and Services. This payment had a significant adverse impact on the Authority's financial performance. An objection has been lodged with the ATO disputing the validity of the Authority's liability for the tax and a determination is anticipated early in the 2010-2011 financial year.

#### **Other expenses**

The other expenses incurred in 2009-2010 include the write down of assets associated with the cleaning of the fixed asset register to comply with the Authority's capitalisation policy. These write downs were not included in the estimate for the 2009-2010 year.

#### **Services received free of charge**

In line with the 2008-2009 annual accounts the Authority has not accounted for services provided free of charge by volunteer groups.

## 34 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 Statement of Financial Position 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 34(c) 'Financial Instrument Disclosures'.

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 Statement of Financial Position 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. Other than as detailed in the interest rate sensitivity analysis table at note 34(d), the Authority has limited exposure to interest rate risk because it has no borrowings as at 30 June 2010.

### (b) Categories of Financial Instruments

The carrying amounts of each of the following categories of financial assets and financial liabilities at the Statement of Financial Position date are as follows:

	2010 (\$'000)	2009 (\$'000)
<b>Financial Assets</b>		
Cash and cash equivalents	10,956	10,804
Loans and receivables	1,162	708
Held-to-maturity investments	6,000	6,000
<b>Financial Liabilities</b>		
WATC loan		-
Financial liabilities measured at amortised cost	5,225	3,887

### (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 Statement of Financial Position 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	Variable Interest rate	Non- Interest Bearing	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)
<b>Financial Assets</b>												
<b>2010</b>												
Cash and cash equivalents	4.75%	10,956	10,272	684					-	-	-	-
Restricted cash and cash equivalents									-	-	-	-
Receivables <sup>(a)</sup>		1,162	-	1,162	1,109	51	2		-	-	-	-
Loans and advances									-	-	-	-
Other financial assets	4.93%	6,000	-	-	-	3000	3,000		-	-	-	-
		18,118	10,272	1,846	1,109	3,051	3,002		-	-	-	-
<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	-	-	-	-

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



**(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 Statement of Financial Position date on the surplus for the period and equity for a 100 basis point in interest rates. It is assumed that the change in interest rates is held constant throughout the reporting period.

	Carrying Amount	- 100 basis points Profit	Equity	+100 basis points Profit	Equity
	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)
<b>2010</b>					
<b>Financial Assets</b>					
Cash and cash equivalents	10,956	(110)	(110)	110	110
Other financial assets	7,162	(72)	(72)	72	72
<b>Financial Liabilities</b>					
Bank overdraft	-	-	-	-	-
Finance lease liabilities	307	(3)	(3)	3	3
Total Increase/(Decrease)		(185)	(185)	185	185
	Carrying Amount	(1.0%) change Profit	Equity	1.0% change Profit	Equity
	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)
<b>2009</b>					
<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

**(e) Fair values**

All financial assets and liabilities recognised in the Statement of Financial Position, 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.

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

	<b>2010</b>	<b>2009</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:	<u>60,604</u>	<u>57,604</u>

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>2010</b>	<b>2009</b>
	<b>\$</b>	<b>\$</b>
<u>Remuneration of Senior Officers</u>		
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:		
\$		
40,001 - 50,000	1	-
50,001 - 60,000	1	-
60,001 - 70,000	1	-
100,001 - 110,000	1	-
110,001 - 120,000	2	-
120,001 - 130,000	-	3
130,001 - 140,000	2	-
150,001 - 160,000	-	1
170,001 - 180,000	1	1
The total remuneration of senior officers is:	<u>939,521</u>	<u>715,361</u>

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.

The Authority adopted a flatter management structure which came into effect on 1 July 2009. As a consequence of this structural change, the number of reportable positions has increased; however, the average remuneration for the majority of the positions has decreased and therefore, is not comparable with the corresponding amount in the prior year.

**36 Remuneration of auditor**

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

	<b>2010</b>	<b>2009</b>
	<b>\$</b>	<b>\$</b>
Auditing the accounts, financial statements and performance indicators	79,400	76,000

**37 Supplementary information****Write-offs approved by the Board**

	<b>2010</b>	<b>2009</b>
	<b>\$</b>	<b>\$</b>
Amounts already provided for and written off as uncollectible	13,611	-
Bad debts	-	8,315



**38 Schedule of income and expenses by service**

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.

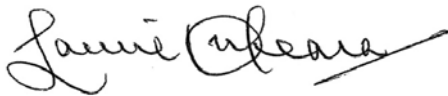
The Authority operates within one geographical segment (the Western Australian public sector).

	<b>Services to Visitors</b>		<b>Conservation of Environment</b>		<b>Total</b>	
	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>INCOME</b>						
<b>Revenue</b>						
Sales	119,914	490,512	-	-	119,914	490,512
Provision of services	28,449,113	25,276,114	19,737	47,037	28,468,850	25,323,151
Commonwealth grants and contributions	-	-	-	7,000	-	7,000
Interest revenue	733,960	994,861	-	14,608	733,960	1,009,469
Other revenue	200,602	213,185	93,083	37,240	293,685	250,425
<b>Gains</b>						
Gains on disposal of non-current assets	3,450	10,493	-	1,319	3,450	11,812
<b>Total Income</b>	<b>29,507,039</b>	<b>26,985,165</b>	<b>112,820</b>	<b>107,204</b>	<b>29,619,859</b>	<b>27,092,369</b>
<b>EXPENSES</b>						
Cost of sales	99,088	266,844	1	-	99,089	266,844
Employee benefits expense	7,865,587	7,028,105	1,600,571	1,452,069	9,466,158	8,480,174
Supplies and services	17,405,872	16,191,138	1,193,924	1,253,166	18,599,796	17,744,304
Depreciation and amortisation expense	4,092,701	4,211,017	407,246	529,396	4,499,947	4,740,413
Finance costs	163,207	151,062	16,234	18,981	179,541	170,043
Accommodation expenses	205,995	176,506	21,316	24,245	227,311	200,751
Other expenses	373,950	166,393	229,031	29,439	602,981	195,832
<b>Total Expenses</b>	<b>30,206,499</b>	<b>28,191,066</b>	<b>3,468,325</b>	<b>3,307,295</b>	<b>33,674,824</b>	<b>31,498,361</b>
Profit/(loss) before grants and subsidies from State Government	(699,460)	(1,205,902)	(3,355,505)	(3,200,091)	(4,054,966)	(4,405,993)
Grants and subsidies from State Government	2,055,399	1,969,310	212,863	256,090	2,268,262	2,225,400
Services received free of charge	5,411	3,853,007	-	-	5,411	3,853,007
<b>Profit / (loss) for the period</b>	<b>1,361,350</b>	<b>4,616,415</b>	<b>(3,142,642)</b>	<b>(2,944,001)</b>	<b>(1,781,292)</b>	<b>1,672,414</b>

## Certification of Key Performance Indicators

### For the year ended 30 June 2010

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 2010.



Laurie O'Meara AM  
**Chairman**  
17 September 2010



Geoff Totterdell  
**Member**  
17 September 2010



Othmar Beerli  
**Chief Finance Officer**  
17 September 2010

## KEY PERFORMANCE INDICATORS

### Desired Outcome

*Rottnest Island visitors enjoy recreational and holiday experiences in healthy natural and cultural environments.*

The Authority's 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 Authority'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. The relationship between the Authority's KPIs, outcome and services is outlined in the table 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.

KEY PERFORMANCE INDICATORS	SERVICES PROVIDED TO THE COMMUNITY
<b>EFFECTIVENESS</b> <ul style="list-style-type: none"> <li>• Visitor satisfaction with the Rottnest Island experience</li> <li>• Health of Island's natural environment</li> <li>• Health of Island's cultural heritage</li> </ul>	1. Recreational and holiday services
<b>EFFICIENCY</b> <ul style="list-style-type: none"> <li>• Average cost of recreational and holiday services provided per visitor</li> <li>• Average cost of natural environment and cultural heritage management per Reserve hectare</li> </ul>	2. Natural environment and cultural heritage management

The Authority regularly reviews and amends its indicators to reflect changes in a variety of factors impacting the Island. These could be visitor and community priorities for Rottnest Island or changes in technology that enable more sophisticated measures to be implemented.

It should be noted that the Authority also has a suite of operational and commercial indicators that are used to manage and improve its performance. As well as comparing results to an annual target, comparisons to previous year's results are included where available to provide a trend in performance.

### 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 1,709 completed questionnaires providing a confidence level of 95% with an error rate of +/- 2.37%.

This indicator summarises a range of aspects addressed in the survey. Respondents are asked to rate Rottnest Island based on their satisfaction or perception of:

- Recreational and holiday services and facilities;
- General services and facilities such as public toilets and seating;
- Accommodation facilities and services;
- Natural environment and cultural heritage; and
- Safety and cleanliness of the Island.

Respondents are asked to provide an overall rating of their experience compared to their expectations of their visit to Rottnest Island.

Visitor Rating	2009-10	2008-09
Met or exceeded expected target	90%	-
Met or exceeded expectations	<b>95%</b>	96%
Below expectations	<b>5%</b>	4%

Similar to last year, this measure received a very positive result indicating that visitor perceptions of their experience in visiting the Island were positive compared to their overall expectations.

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

This indicator uses a suite of measures regarding the management of the natural environment of Rottnest Island, such as flora and fauna and environmental risk factors. 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 on the area being monitored. The results are calculated by the Authority's own staff who are qualified in environmental management.

The indicator comprises four aspects of the environment, each with selected measures as described below:

Measure	Explanatory Notes
<b>Terrestrial Habitat</b>	
Number of trees planted	This indicator is aimed at measuring the rate of restoring the Island's woodland environment following extensive clearing of native woodlands over 100 years of early settlement. The number of trees planted each year provides an indicator of management effort and progress towards the Authority's woodland restoration goal.
Number of hectares of weed control	Weeds adversely affect the environment of Rottnest Island and, therefore, they need to be constantly controlled. This indicator provides a measure of the level of management action to reduce weeds using area as an indicator.
<b>Inland Waters</b>	
Number of moaning frog sites	The abundance and distribution of frogs over time is an important indicator of the health of aquatic ecosystems as frogs are very sensitive to changes in their environment, such as habitat modification, pollution, disease, predation and climate change.

Measure	Explanatory Notes
<b>Marine Habitat</b>	
Number of pollution events	<p>A pollution event is defined as a breach in Department of Health one-off trigger levels for the presence of <i>Enterococci</i> bacteria in the water column at popular swimming locations. The following environmental factors are also known to have an influence in bacteria levels at popular bays:</p> <ol style="list-style-type: none"> <li>1. oceanographic variability can influence results ie. washing up of sea wrack into a popular swimming bay;</li> <li>2. rainfall events can wash animal faecal content into bays causing spikes in bacteria concentrations;</li> <li>3. presence of birds defecating in popular swimming bays.</li> </ol>
<b>Wildlife Management</b>	
Percentage of active osprey nests	Ospreys are an important fauna species and are noted as being particularly sensitive to human disturbance, especially during breeding/incubation periods, which on Rottnest Island occurs from June to December.
Number of red-capped robin at key sites	Bird counts are conducted by volunteers (Birds Australia) at the identified survey sites that are representative of both remnant vegetation and re-vegetated plots. A higher number of these birds is a positive indicator of the natural environment.
Number of new pests discovered	Rottnest Island has several terrestrial pests due to past habitation and use. Some pest species have been removed from the island (eg. cats). Some pest species are well established and eradication is not a practical option (eg. pheasants, mice and rats). The management approach for the Island is to limit the establishment of any new pests.

A graded range is used to rate these four aspects of the natural environment, where an 'A' rating denotes an ideal state of condition, pressure, or management action. Ratings of B, C, D and F denote lesser states of these factors (see first table below).

A suitable annual target grading was identified for each of the four aspects. The targets were based on several factors including the state of the current environment, risk factors and the Authority's limited resources to implement conservation actions. The target grading for each aspect is calculated by averaging the graded measures comprising each aspect.

Because of the unique nature of Rottnest Island, it is not possible to compare results to 'industry' averages or a 'peer' destination. And because environmental conditions and pressures change from year to year, it is also not appropriate to compare to previous years' results.

#### Grading Legend:

Grade	Description
A	Good condition, pressure or management action
B	Satisfactory condition, pressure or management action
C	Acceptable condition, pressure or management action
D	Unsatisfactory condition, pressure or management action
F	Serious concern for condition, pressure or management action

#### The results for the 2009-2010 year are:

Indicator Category	*Target	Actual
Terrestrial Habitat	C	B
Inland Waters	B	A
Marine Habitat	B	A
Wildlife Management	B	A

\* The Authority's targets are approved by its governing body in relation to its functions under the *Rottnest Island Authority Act 1987*, including the conditions imposed on the Authority by the Act. For example, the Authority is only required to maintain and protect the natural environment to the extent to which its resources allow (s.11(2)(c)).



### Terrestrial Habitat

Staff and volunteers worked on in-fill planting which involved planting amongst existing stands of woodland to enhance connectivity. Broad acre planting in areas devoid of trees was also carried out. The target number of trees were planted this year and what contributed to the actual target rating was the significant amount of weeds removed. The non-native species dealt with include oleander trees, arum lilies, sea spurge, stinkwort, cottonbush and castor oil plants.

### Inland Waters

The higher number of sites that recorded moaning frog activity reflects intensive survey effort in 2009-2010. A standardised frog monitoring program was established in May 2010.

### Marine Habitat

The Authority has a robust data set of 10 years that suggests temporal microbial concentrations within the Island's recreational water bodies are in good condition and are assessed with a high level of confidence. Management actions include education and compliance of the boating community and visitors.

### Wildlife Management

The high number of osprey nests recorded could be attributed to the increase in survey effort. Education of visitors, particularly in situ when they are sighted interfering with the nests, is ongoing.

Survey efforts for red-capped robins have been variable over the years however the monitoring program was standardised this year. A formal agreement was made between Birds Australia WA and the Authority to determine future surveys. It was agreed by both parties that a survey was necessary every two years during the breeding season in October based on the robins' life history traits. No new terrestrial pest species were recorded.

## 3. Health of Rottnest Island's Cultural Heritage

This indicator comprises three aspects which are monitored by selected measures to indicate the state of Rottnest Island's cultural heritage. The results for the measures are reported as a percentage of the 'ideal state'. The measures are calculated by Authority staff who are qualified in cultural heritage management.

The results for the measures of Rottnest Island's cultural heritage:

Aspect	Measure	2009-10 Result %	2008-09 Results %	*2009-10 Target %
Identification	% of heritage listed places with statements of significance	72	72	30 - 49
	% of collection heritage items recorded on database compared to currently known number of items	72	25	50 - 69
Protection	% of developments that follow heritage legal requirements and conservation policies	89	54	70 - 89
Conservation	% of State-registered places meeting condition targets	66	69	70 - 89
	% of State-registered places with conservation plans less than 10 years old	45	43	50 - 69

\* The Authority's targets are approved by its governing body in relation to its functions under the *Rottnest Island Authority Act 1987*, including the conditions imposed on the Authority by the Act. For example, the Authority is only required to maintain and protect the man-made resources to the extent to which its resources allow (s.11(2)(c)).

There are 142 places on the Authority's Heritage Asset Register, of which 61 are heritage-listed with the Heritage Council of WA. The Authority's Heritage Asset Register also lists 16 Aboriginal sites registered with the Department of Indigenous Affairs under the *Aboriginal Heritage Act (1972)*.

### Identification

102 places have statements of significance. Emphasis will be placed on obtaining statements of significance for all heritage assets on Rottnest Island.

The target of collection items recorded has been exceeded which reflects the importance and valuable contribution the recently appointed curator and related volunteer assistance is making to the overall health of the cultural environment.

### Protection

The Rottnest Island Management Plan 2009-2014 introduced a robust development control process as a priority to protect and conserve the natural, cultural and social values of Rottnest Island. This process has already shown an improvement in heritage consultations increasing this performance measure to 89%.

Of the seven major developments on Rottnest Island over the 2009-2010 period, four met all the development control requirements to protect heritage places, and three met development control requirements after retrospective approval and completion of outstanding conditions.

### Conservation

Of the 61 State-registered places assessed 26 buildings were assessed to be in good condition which is an increase of four from the previous year, reflecting the success of the funded repair and maintenance program introduced in 2009-2010 (RIMP Initiative 21). The condition of the structures reduced marginally, indicating the need to focus on the repair and maintenance of these places in 2010-2011.

A conservation plan is a document which sets out what is significant in a place and, consequently, what policies are appropriate to enable that significance to be retained in its future use and development. 34 of 75 State-registered places have conservation plans that were undertaken within the last 10 years. This calculation gives a measure of 45%.

## Efficiency Indicators

### Service One: Recreational and Holiday Services

This indicator reflects 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. The number of people arriving by private vessels cannot 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 all holiday and recreation related services to visitors by the number for visitors for the year.

Title	2009-10 Result	2008-09 Result**	Target*
Average cost of recreational and holiday services provided per visitor	\$99	\$78	\$88

\*Target based on annual budget allocated to this service.

\*\*Results for this comparative year have been amended in accordance with a correction to the financial statements for the year.

The reduced number of visitors compared to the previous year, as well as expected visitor numbers caused an increase in the average cost per visitor. This reduction in visitors resulted in diminishing economies of scale concerning visitor related infrastructure and services.

## 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 by dividing the total cost of managing the natural environment and cultural heritage by the Rottnest Island Reserve's total area of 5,659 hectares. The Reserve refers to the land and waters defined in Part 1 of the *Rottnest Island Authority Act 1987*.

Title	2009-10 Result	2008-09 Result**	Target*
Average cost of natural environment and cultural heritage management per Reserve hectare	\$613	\$707	\$706

\*Target based on annual budget allocated to this service.

\*\*Results for this comparative year have been amended in accordance with a correction to the financial statements for the year.

A reduced level of expenditure for managing the natural and cultural heritage environment caused the average cost per hectare to be less than expected, as well as less than the previous year.

## OTHER FINANCIAL DISCLOSURES

### Pricing Policies

Pricing for 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. Pricing policies are set to achieve this objective.

### Fees and Charges

The prevailing regulated fees and charges for services provided by the Authority during the year were published in the Western Australian Government Gazette on 3 July 2009. Several fees and charges were increased, consistent with the Authority's strategic objectives.

### Capital Investment

Internally funded capital investment was \$3.5 million. Projects included the completion on the former Governor's Residence, building of the Hotel Jetty, new Ranger marine vessel, and several modest projects to upgrade Island infrastructure.

Government funded (Taskforce) investment in 2009-2010 was \$400,000 with the balance held for heritage works and the upgrade of Oliver Hill / Battery Observation Post to be invested in 2010-2011 and/or 2011-2012.

### Human Resources

A new enterprise agreement was negotiated with the Australian Services Union for Coach Captains which came into force on 1 January 2010. This agreement entitled 'Rottnest Island Authority (Coach Captains) Enterprise Agreement 2009' is valid for three years and brought wage increases for the Coach Captains into line with those granted to the majority of the rest of Authority employees by the Public Service General Agreement 2008.

An Employee Benefits Package was introduced for the first time for all permanent and long term fixed term employees, providing some modest benefits to staff. A comprehensive employee opinion survey was conducted which identified several areas that need improvement concerning staff work satisfaction, and it also provides benchmarks against which the Authority will be able to measure progress in employee satisfaction from year to year.

### Number of Employees

Year ending:	2010	2009
Permanent Full-time	80	72
Permanent Part-time	5	6
Fixed Term Full-time	34	20
Fixed Term Part-time	0	25
Casual Full-time	0	0
Casual Part-time	18	32
Total	137	155
FTE equivalents	111	105

## GOVERNANCE DISCLOSURES

### Members of the Rottnest Island Authority

The Authority's governing body is appointed by the Governor on the nomination of 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. He 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.

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 to 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. At the 2009 Qantas Australian Tourism Awards, Mr O'Meara received the "Outstanding Contribution by an Individual (National)" award for his outstanding achievements in the Australian Tourism Accreditation Program.

#### Deputy Chairman

**Sue Murphy** was appointed as a member of the Authority in August 2004 and appointed as Deputy Chairman in October 2006. Ms Murphy completed a Bachelor of Engineering (Honours) and has worked as an engineer in the private sector for 25 years. She is currently Chief Executive Officer of the Water Corporation of Western Australia.

**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 and 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. Ms Brown completed her term with the Authority in March 2010.

**Karen Jacobs** was appointed in November 2006. Ms Jacobs focuses on developing and encouraging Aboriginal peoples' involvement in enterprise and business opportunities. She is currently Director and Company Secretary of Noongar Property Holdings Pty Ltd, Board Director for Aboriginal Hostel Limited, Commissioner on the Conservation Commission of WA, Chairperson of the Rottnest Island Environmental Advisory Committee and 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 AM MP's National Long Term Tourism Strategy Steering Committee. She is a former Board Director of Tourism Australia.

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.

**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 completed his term with the Authority in July 2009.

**Geoff Totterdell** was appointed to 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 and was admitted to partnership in 1986, retiring in December 2006. He has consulted and advised in business recovery services.

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, the Murray River and the Peel Estuary.

**Denis Glennon AO** was appointed to the Authority in August 2009. Mr Glennon has over 30 years of commercial and industrial experience at senior management and Board levels in the fields of sustainability, technology development and assessment, environmental management, and the delivery of environmental engineering projects across Australia and internationally. Mr Glennon has provided policy advice to local, state and national governments, served as Chair of Environment Business Australia for three years and is the longest serving member (12 years) of the Western Australian Environmental Protection Authority. In 2000 he was appointed an Officer in the General Division of the Order of Australia for *"service to environmental protection through the management, control and treatment of industrial and hazardous wastes"*. Being a mooring lessee for over twenty five years he has an intimate knowledge of Rottnest's marine environment.

**Suzanne Hunt** was appointed to the Authority in May 2010. Ms Hunt is an architect with over 20 years experience in Western Australia and overseas. She is principal of a small architectural and interior design practice, and has worked in both the private and public sectors in management and advisory capacities. Ms Hunt's architectural experience in metropolitan and regional Western Australia, as well as the UK, incorporates the philosophies of contemporary design with a heritage context.

Member	Appointed	Number of applicable meetings for 2009-10	Meetings attended
Laurie O'Meara AM	June 2000	9	9
Sue Murphy	August 2004	9	7
Sharon Brown	April 2006	6	3
Karen Jacobs	November 2006	9	8
Peter Dowding SC	August 2007	nil	nil
Geoff Totterdell	March 2009	9	9
Denis Glennon AO	August 2009	9	9
Suzie Hunt	May 2010	2	2
Note: Mr Dowding's term ended in July 2009 – a meeting was not held in July.			

### 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 2009-2010 was \$24,112.

### Finance and Audit Committee

This Committee was 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, one of whom acts as Chairman, the Chief Executive Officer, the General Manager Corporate Services and the Chief Financial Officer. The Authority Chairman also participates as a member of the Committee. The Committee met on 11 occasions during the year.

### Act Review Committee

The Act Review Committee was established during the year to review the Act and propose changes to legislation based on financial, social and environmental sustainability whilst having regard for the 20-year vision for Rottnest Island. The Committee comprises three Authority members, one of whom acts as Chairman, the Chief Executive Officer, the General Manager Corporate Services and the Manager Planning and Governance.

### Other Committees

The following advisory committees supported the work of the Authority in an advisory capacity during the year:

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

## OTHER LEGAL REQUIREMENTS

### Advertising

<b>Advertising Agencies</b>	Nil		
<b>Market Research</b>	\$44,264	Savant Surveys & Strategies	\$29,164
		Murdoch Link	\$15,100
<b>Polling</b>	Nil		
<b>Direct Mail</b>	Nil		
<b>Media Advertising</b>	\$40,406	Optimum Media Decisions	\$22,935
		Media Decisions	\$ 1,017
		Adcorp	\$16,650



### **Disability Access and Inclusion Plan Outcomes**

The Authority continued providing access-friendly services for people with disabilities in line with the six outcomes of its Disability Access and Inclusion Plan 2007-2012.

#### ***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 events and information about Rottnest Island are developed with consideration for people with special needs. The Authority continued its commitment to the Companion Card program for Island tours, transport and bike hire.

#### ***People with disabilities have the same opportunities as other people to access the buildings and other facilities of the Rottnest Island Authority***

The Authority's Sustainable Development Guideline requires consideration of disability access for all proposals. Access-friendly accommodation is available for those requiring this facility as are motorised wheelchairs, tandem bikes and a bus with wheelchair lift / coach with wheelchair hoist.

#### ***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***

The Authority supports the *You're Welcome WA* access initiative. People can find information about disabled access on Rottnest Island at the [You're Welcome](#) link on the Authority website. Alternative format information is provided via [virtual tours](#) of accommodation units and [free audio podcasts](#) about the Island and its history. The website complies with the *State Government Access Guidelines for Information, Services and Facilities*.

#### ***People with disabilities receive the same level and quality of service from the staff of the Rottnest Island Authority as other people***

Providing a friendly and welcoming service is one of the Authority's values and operating principles. Regular staff training ensures that customers receive the same level and quality of service.

#### ***People with disabilities have the same opportunities as other people to make complaints to the Rottnest Island Authority***

The Authority actively encourages people to provide feedback and offers a variety of means for this: telephone, post, email and fax or by completing the 'Contact us' form on the 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.***

Public consultation is advertised in the media and on the Authority website. Feedback can be provided in electronic or written format.

### **Compliance with Public Sector Standards and Ethical Codes**

In 2009-2010 one complaint was 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 Authority focused its attention on implementing a higher standard of recruitment performance by familiarising and educating managers and supervisors about the Public Sector Standard in Recruitment, Selection and Appointment.

### **Recordkeeping Plan**

The Authority's Recordkeeping Plan was approved by the State Records Commission (SRC) in December 2005. A review of the Plan is currently underway to include provisions for implementing the SRC's new Standard 8 for managing digital records.

Within the Authority, recordkeeping compliance is achieved by:

- Regularly auditing the use of the TRIM Context recordkeeping system to ensure its effectiveness and efficiency in meeting compliance and operational requirements;
- Ensuring the Authority Induction Program provides new employees with information regarding their record keeping roles and responsibilities;
- Ensuring all new staff successfully complete an online Recordkeeping Awareness course;
- Providing all employees with TRIM Records Management training;
- Regularly providing employees with information on contemporary recordkeeping practices; and
- Providing ongoing assistance to TRIM users.

### **Substantive Equality**

The Authority is committed to the elimination of systemic racial discrimination from all its policies, practices and services.

### **Occupational Safety, Health and Injury Management**

In accordance with the Western Australian 1984 Occupational Safety & Health (OSH) Act, the Authority is committed to providing and maintaining a safe and healthy environment for its visitors, staff, volunteers and contractors. This commitment is evident in the Authority's Occupational Safety & Health Policy which is communicated to all staff and volunteers at Induction and is available on the intranet.

Contractors are required to comply with the Authority's Safety Management Requirements as set out in the Authority's OSH Policy and Contractors' Safety Management Procedure. Smaller contracts require contractors to sign a declaration of understanding and acceptance of the Authority's safety requirements before work is commenced. Larger contracts incorporate safety management criteria in the tender assessment process which is incorporated within the scope of the contracts. Ongoing management of contractor safety is conducted via regular contractor meetings, safety inspections and the contractor performance assessment process. The Authority provides guidance to staff in relation to compliance with safety legislation, adherence to Codes of Practice and Australian Standards through advice from the OSH Coordinator and the OSH Committee.

The Authority is also committed to implementing a supportive injury management system that meets the legislative requirements outlined in the *Workers Compensation and Injury Management Act 1981*. The Authority aims to support injured workers rehabilitation and assist workers return back to work (where possible) in a safe manner. The Authority has an Injury Management Policy that is communicated to staff at Induction and via the intranet. The Authority aims to ensure early intervention in injury management via accurate medical assessment, management of the injury and effective rehabilitation planning.

The Authority is committed to consulting with staff in relation to OSH matters and enabling all staff to contribute to decisions that may affect their safety and health at work. The major forum for this is the OSH Committee which comprises OSH Representatives from each department area. OSH Representatives regularly meet with staff and management from their departments, and refer OSH issues to the OSH Committee.

The Authority's OSH Representatives are supported by the OSH Coordinator and either undertook accredited OSH Representatives training in 2009-2010 or are scheduled to undertake it in the second half of 2010. The OSH Representatives investigate hazards and report incidents to the OSH Committee that meets once a month. OSH Representatives are also involved in the resolution of OSH issues and routine safety monitoring of workplaces.

The OSH Committee's Terms of Reference has been made available to OSH and Management Representatives.

The Authority's OSH Management System is regularly monitored. Annual internal audits of the OSH Management System are conducted. In 2009-2010 the Authority recorded a decrease in the number of lost time injuries/diseases in the workplace, from four to two on the previous year. The Authority was able to meet four out of the five targets set out by the 2007/12: Code of Practice: Occupational Safety & Health in the Western Australian Public Sector, as outlined below:

Indicator	Target	2009-10 Result
Number of fatalities	0	Achieved - 0
Lost Time Injury/Disease (LTI/D) Incident Rate	0 or 5-10% reduction on previous year	Achieved - 8.69%
Lost Time Injury Severity Rate	0 or 10% reduction on previous year	Achieved - 0%
Percentage of injured workers returned to work within 28 weeks	Report percentage	100%
Percentage of managers trained in OSH and Injury Management responsibilities	Greater than or equal to 50%	Not achieved. 10% of managers have undertaken training

Occupational Safety and Health Initiatives for 2009-2010 included:

- Implementation of the Safety Management Plan which outlines its Key Safety Objective of attaining a Zero Harm Status. This plan also outlines the Authority's Management Responsibilities, Key Performance Indicators and Strategies in relation to Safety Management.
- Appointment of a dedicated OSH Coordinator position to facilitate the implementation of the Safety Management Plan and provide a consultancy on the ongoing assessment and improvement of the Authority's Safety Management System.
- An Organisational Review of Risk and Hazard Management Practices. From this review, Departmental Risk Registers and correlating Risk Controls and Corrective Actions were developed.
- Creation of a working party to develop safe operating procedures in relation to the at-risk work activities and conditions identified in the Organisational Review.
- Follow up Information Sessions and Toolbox Meetings to communicate the requirements in relation to the Risk/Hazard Management and the Safety Management System.
- Implementation of Injury Management Procedures and Return to Work Plans.
- An Organisational Review of First Aid Provision and Emergency & Evacuation Preparedness. Follow up training in these areas has been provided.
- Ergonomic Assessments have been conducted on all workstations.
- Review of Asbestos Management Policy and Procedures, and development of an Asbestos Management Plan.
- Implementation of Workplace Inspections procedures.
- Review of OSH Committee and nomination of new members.
- The conducting of a Chemical Audit and production of Material Safety Data Sheets.
- Continuation of the Employee Assistance Program providing free counselling sessions to staff.

### Financial Estimates 2010-2011

As required under Treasurer's Instruction 953 the following are the annual estimates for the Rottneest Island Authority for the 2010–2011 financial year.

	<b>2010/11 BUDGET</b>
	<b>\$'000s</b>
<b>INCOME</b>	
<b><i>Revenue</i></b>	
Sales	112
Provision of service	31,555
Commonwealth grants and contributions	37
Interest revenue	677
Other revenues	307
<b><i>Gains</i></b>	
Gains on disposal of non-current assets	6
<b>Total Income</b>	<b>32,695</b>
<b>EXPENSES</b>	
Cost of sales	55
Employee benefits expense	10,477
Supplies and services	18,648
Depreciation and amortisation	4,501
Finance costs	174
Accommodation	239
Loss on disposal of non-current assets	0
Other expenses	731
<b>Total Expenses</b>	<b>34,825</b>
Loss before grants and subsidies from State Government	(2,130)
Grants and subsidies from State Government	2,200
Services received free of charge	0
<b>Profit / (Loss) for the period</b>	<b>70</b>

## APPENDIX

### 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  
 Rottnest Island Conservation Foundation  
 Charter Boat Owners & Operators  
 Association of Western Australia  
 Conservation Volunteers  
 Fremantle Volunteer Sea Rescue Group  
 National Trust of Australia (WA)  
 Rottnest Conservation Foundation  
 Rottnest Society  
 Rottnest Voluntary Guides Association  
 Scouting Association of Western Australia  
 Volunteer Fisheries Liaison Officers  
 Winnit Club

#### Research and Advisory Groups

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CSIRO Science Education Centre  
 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  
 Forum Advocating Cultural and Ecotourism  
 Interpretation Australia  
 John Holland

Rottnest Fire and Emergency Services  
 Rottnest Island Business Community  
 South West Aboriginal Land & Sea Council

#### Government Agencies

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City of Cockburn  
 Department of Defence  
 Department of Environment and Conservation  
 Department of Fisheries  
 Department of Health  
 Department of Indigenous Affairs  
 Department of the Premier and Cabinet  
 Department of Transport  
 Department of Treasury and Finance  
 Department of Water  
 Fire and Emergency Services Authority of Western Australia  
 Heritage Council of Western Australia  
 Lotterywest  
 Main Roads WA  
 Perth Region Natural Resource Management  
 Perth Zoo  
 Public Sector Commission  
 Public Transport Authority  
 RiskCover  
 Office of Energy  
 Tourism Western Australia  
 Western Australia Police  
 Western Australian Museum  
 Westnet Rail