

Chairman; Mrs Carol Martin; Dr Kim Hames; Dr Graham Jacobs; Mr David Templeman; Mr Peter Abetz; Mrs Michelle Roberts; Mr Albert Jacob

Rottnest Island Authority —

Ms L.L. Baker, Chairman.

Dr K.D. Hames, Minister for Tourism.

Mr P. Amaranti, Chief Executive Officer.

Mr O. Beerli, Chief Financial Officer.

The CHAIRMAN: This estimates committee will be reported by Hansard staff. The daily proof *Hansard* will be published at 9.00 am tomorrow.

Members may raise questions about matters relating to the operations and budget of the off-budget authority. Off-budget authority officers are recognised as ministerial advisers.

It is the intention of the Chair to ensure that as many questions as possible are asked and answered and that both questions and answers are short and to the point.

The minister may agree to provide supplementary information to the committee rather than asking that the question be put on notice for the next sitting week. I ask the minister to clearly indicate what supplementary information he agrees to provide and I will then allocate a reference number. If supplementary information is to be provided, I seek the minister's cooperation in ensuring that it is delivered to the committee clerk by Friday, 10 June 2011, so that members may read it before the report and third reading stages. If the supplementary information cannot be provided within that time, written advice is required of the day by which the information will be made available. Details in relation to supplementary information have been provided to both members and advisers and, accordingly, I ask the minister to cooperate with those requirements. I caution members that if a minister asks that a matter be put on notice, it is up to the member to lodge the question on notice with the Clerk's office. Only supplementary information that the minister agrees to provide will be sought by Friday, 10 June 2011.

[Witnesses introduced.]

The CHAIRMAN: Member for Kimberley.

Mrs C.A. MARTIN: I refer to the item "visitor facilities" under the heading "Asset Investment Program" for 2011–12. Are any of those facilities being constructed on burial grounds?

Dr K.D. HAMES: No. My understanding is they are not; they are existing facilities that are not on burial grounds.

Mrs C.A. MARTIN: Is there a commemorative area with an interpretive centre, to explain where the burial sites are and that sort of thing?

Dr K.D. HAMES: I will hand over to the chief executive officer in a minute to answer that, but I want to talk about those burial sites. As the member knows, we were there last year for a commemoration and talked about those burial sites —

Mrs C.A. MARTIN: Yes, a lot of Kimberley people came down for it.

Dr K.D. HAMES: Yes, they did. As the member knows, there is a burial site for Aboriginal people from all over Western Australia. I think a lot more work has to be done, personally. That area is degraded. A report was done and recommendations were made —

Mrs C.A. MARTIN: But they were not followed up.

Dr K.D. HAMES: — in 2005 or 2006, somewhere around then, for a significant spend on upgrading that area and having more recognition. That has not occurred. It is not in this budget either, but it is something that I strongly believe we need to do.

Mrs C.A. MARTIN: It is one of the reasons I want to put it on the record.

Dr K.D. HAMES: I want to put on the record that I agree that something needs to be done. I will be looking to future budgets to try to achieve that. I will ask the chief executive officer to add any further comments.

Mr P. Amaranti: In terms of a commemorative area, we do have large interpretive information signage in place, clearly outlining what has occurred, where the burial site is, and also talking about some of the future things we would like to do. That is already in place, and has been for some years.

Mrs C.A. MARTIN: Are there any plans to do any of those ceremonies that we suggested, regularly?

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Mr P. Amaranti: There is nothing set in motion at the moment. We are certainly dealing with those issues as per section 18 and the recommendations in section 18. We will continue to do that. On request for any ceremonial activity that is required we support and provide facilities for that to take place.

Mrs C.A. MARTIN: Is there a consultative committee made up of Nyoongah elders and people from the Kimberley Aboriginal Law and Cultural Centre?

Mr P. Amaranti: We do not at this stage. We advertised for a reference panel almost two months ago. We are waiting for a decision to be made on selected members of that panel. But that was advertised and we are waiting to complete it.

Dr G.G. JACOBS: The spreadsheet on page 166 of the *Budget Statements* seems to be configured on a common figure of \$3.7 million. My question relates to “New Works”. What will \$3.7 million be spent on under the 2011–12 program? In the out years, the figure is \$3.7 million for each. Is there some magic figure about \$3.7 million? What will \$3.7 million be spent on this year and what is it envisaged it will be spent on in the out years?

Dr K.D. HAMES: The figure of \$3.7 million is largely a traditional figure that has been going for some period. Remember that the total budget of the Rottnest Island Authority is significantly higher than that because funds are received through tourists using the island. The total budget is \$34 million for the Rottnest Island Authority. This is the amount appropriated from the central fund. The list of new works includes visitor facilities, restoration of the heritage cottages, accommodation equipment, accommodation and public barbecues, and campground design phase 1. That is one thing I am very keen to see happen. Currently, people camp on a fairly basic dirt area. I would like to see greening and proper camping facilities, including barbecues, for people who want to pitch a tent on the island. That is the first stage of that. The list continues—the Geordie Bay cafe fit-out; heritage accommodation refurbishment; and service building upgrade—a new housekeeping services building. Included in “utility and infrastructure assets” is the installation of closed-circuit televisions. There is some work required, relating to the death of the young boy, to make sure the island is absolutely safe. There will also be a waste water treatment plant upgrade, which is required, and a wash-down facility. These are all things that we have been told by the service provider are essential to meet the standards that are required to properly look after the island. There will also be some phase 2 power, and some repairs, and other items of that nature. There will also be some information technology improvements for the business systems strategy. Those things will come out of that \$3.7 million. Some other works will be done separately from that. Those works will be funded through the Rottnest Island Authority’s normal mechanisms, from its profits from tourism and the like.

[10.10 am]

Dr G.G. JACOBS: Just to keep us up to date with what is happening at Rottnest Island—I have not been there for a while—there was a plan to build some five-star accommodation at Rottnest Island. At what stage is that plan?

Dr K.D. HAMES: That was initiated by the former government, but it is strongly supported by the members of this government, me in particular. I believe we need to provide all the options. We need to provide for people who want to stay in tents, and at the same time we need to provide for people who prefer to stay in a hotel. A company had been appointed previously, but that did not eventuate. There was then a second round, and they appointed a company that is run by Marilynne Paspaley. Marilynne Paspaley owns a number of accommodation facilities in the Kimberley, including the Kimberley Grande and Pinctada Resort in Broome. I understand that there are some difficulties in obtaining capital funding through the banks for that project. The banks are very reluctant to lend the money that is required. The time for her to proceed was recently increased by the board, and she has been given a small extension until the end of June. Therefore, at the moment, it is a bit in limbo. She has the option of either coming up with the funds that she requires, or talking to other bidders to see whether she can find an alternative source of funding to ensure that the project proceeds. I have seen the design of that project. It looks very good, and it will be in balance with the environment. Some of the other proposals that were put involved time share. We are not keen on selling off parts of Rottnest Island, so we do not support the concept of time share. I think the previous government had the same view. As I have said, it is proving problematic in the financial situation that exists in Australia to get that project up and running. We do not know how successful that is likely to be. But we will do everything we can to support that project.

Mrs C.A. MARTIN: Was that because 20*20 Pty Ltd fell over as a partner with Marilynne? It was not her doing. She did a great job in tendering for it.

Dr K.D. HAMES: I have had conversations with her, and I will be having another meeting with her next week to talk about it.

Mrs C.A. MARTIN: She is brilliant.

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Dr K.D. HAMES: I also met her in Sydney at the Australian Tourism Exchange meeting. She is very keen, and she wants to do it. We want her to do it. The design is good. But she needs to get the funding from the banks to enable that project to proceed. At present, the banks are very reluctant, after the global financial crisis, to invest in anything, and that is creating some difficulties for her. I have linked her with some Chinese people who want to invest in this state. But it is up to her in the end. She has to find those funds.

Mr D.A. TEMPLEMAN: I refer to page 166, which is the only page in the budget papers for the Rottnest Island Authority. Actually, I am a bit disappointed about the presentation of this document, because it does not tell us a lot, frankly, apart from what the expenditure is. I want to ask a question that is related to the investment plan. What is the current trend in annual visitor numbers to Rottnest Island? Is the number up or down compared with that of previous years? Is Rottnest maintaining itself as an affordable holiday destination for Western Australian families, and what data is collected to provide evidence of that, or is it becoming a tired entity? I am interested in the trends. Rottnest has a long history. But if it is not delivering affordable holiday options for Western Australian families, I want to know what is being done about that.

Dr K.D. HAMES: That is a very good question, and I will hand over to the chief executive for the answer. But I want to explain why only the amount of \$3.7 million has been listed in the budget papers. The Rottnest Island Authority is a bit like Homeswest. It is at arm's length from government. I remember when the Homeswest component of Housing was not in the budget papers at all, and nor was the Water Corporation. The information in the budget papers relates only to the \$3.7 million of funding for the Rottnest Island Authority. But I accept that it is reasonable for Parliament to hear the answer to this question.

I point out also that there is an amount of money in the budget for the Rottnest Island Authority that is not listed on this page but is in another part of the budget. That was due to a decision made later in the budget process. I think it is in budget paper No 3. The Rottnest Island Authority has to pay about \$3.8 million a year for the management of the environment of Rottnest Island. That money has to come out of its earnings, and we do not think that is appropriate. We believe the state government should pay that money. Therefore, in recognition of that, we have made an additional allocation of \$1 million this financial year for that purpose. That will increase to \$2 million next financial year, and to \$3 million in each of the following two financial years. That will make a total of \$9 million, additional to what is shown on this page of the budget, for the state government to progressively take over the role of paying for environmental management. I have used that as an excuse to get that on the record. I now hand over to the chief executive officer to talk about numbers.

Mr P. Amaranti: The visitor numbers to Rottnest Island for this year are up by 15 per cent on last year—9 per cent year to date. In the month of April, we were up by 27 per cent on last year. The comment has been made that the accommodation at Rottnest Island is tired. The island has been undergoing a refurbishment program since 2004. We have set aside a \$1.5 million facility for the ongoing refurbishment of all the units. In terms of value for money, at page 40 of today's *The West Australian*, we have advertised accommodation at Rottnest Island, including ferry, Bayseeker bus pass and access to bikes, from \$474 a week for a family. I think that is affordable.

Mr D.A. TEMPLEMAN: But that is not for peak time, is it? That is for now?

Mr P. Amaranti: That was advertised today.

Mr D.A. TEMPLEMAN: What would that figure be, approximately, in peak time?

Mr P. Amaranti: In peak time, it is \$454 000 for a bungalow for a week.

Dr K.D. HAMES: You said \$454 000!

Mr P. Amaranti: Did I!

Mr D.A. TEMPLEMAN: That would be an exceptional bungalow! I am sure Prince William and Kate might even consider staying in a bungalow like that!

Mr P. Amaranti: We have extras! It is \$454 a week for a bungalow, and for a full house at Kingstown, it is around \$2 000 a week.

Mr D.A. TEMPLEMAN: Has there been an increasing interest in the ballot system, particularly for peak times, including holiday periods et cetera? Are you able to track, by postcode and other data that you collect, the sorts of people who are successful in the ballot? I am interested to know whether people from more affluent postcodes are having more success in the ballot than people from perhaps less affluent postcodes.

[10.20 am]

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Mr P. Amaranti: The number of applications we have received for the ballots is equivalent to that of previous years. About 5 000 people apply for 1 800 occupations. It is spread around about 400 postcodes, which I am able to provide.

Mr D.A. Templeman: Could I have that tabled?

Dr K.D. Hames: We are not allowed to table it. We will give it to the member.

Mr D.A. Templeman: I would really love to see that.

Mr P. Amaranti: That gives all the postcodes and the number of applicants per postcode. More people apply from certain areas but the spread is quite large. That information is available so members can see where they come from.

Mr D.A. Templeman: I thank the chief executive officer for his answer. Will the cost of the refurbishment be reflected in an increase in rental prices for those refurbished units?

Mr P. Amaranti: No. We made a decision some time ago that we would increase the accommodation rates when the refurbishment started back in 2004–05. Outside of that, we have kept the increase to only CPI.

Dr K.D. Hames: It is interesting to look through the postcodes because the good thing about this paper is that it shows how many applications were received and how many were allocated. Certainly, the more affluent areas of the state are the big appliers, so lots more people apply. For example, 114 people from Dalkeith applied and only 30 from Coogee applied. It would appear that on a percentage basis, about the same percentages, which is about one-third of the applicants, are successful from each bunch of applications. The more affluent people tend to go to Rottneest more often because so many more of them apply, but about one-third from all areas are successful—although one person from Wickham who applied was successful, so 100 per cent of people from Wickham got to go.

Mr P. Abetz: Under “Asset Investment Program” on page 166 of the *Budget Statements*, what will be the priority items for visitor facilities for the new financial year?

Dr K.D. Hames: I might hand over to the chief executive officer to answer that question.

Mr P. Amaranti: The priority will be the restoration of the heritage cottages, the furniture within the accommodation and the accommodation’s public toilets. We are creating some new hubs for public barbeques. We are redoing all the public barbeques but we are also creating some new hubs. The campground will be a big initiative. We are also looking at the fit-out of the Geordie Bay cafe. The private sector renovated the entire general store. We are going to upgrade the cafe and put it out to market. We will refurbish the last two bungalows. In 2006, we refurbished all the historical bungalows, which are 85 years old. We have two left, and they will be completed in this financial period.

Dr K.D. Hames: The additional funds that I spoke about earlier—the \$1 million, \$2 million, \$3 million and \$3 million—will give the authority the opportunity to look for additional works that can be completed. That was allocated to take over the money that is currently lost in paying for environmental management. It will give the authority an additional amount of money—\$9 million over four years—to spend on other things. The authority can look at what other things are of high priority. One example is the better use of waste water from the water treatment plant and re-using that waste water to reticulate the golf course. Further upgrading of the campground facilities is another example. The authority will make decisions on the best use of that money to enhance the experience of people going to Rottneest.

We need to remember that we are already chock-a-block during the peak period in summer; we could not fit any more people in if we tried. We need to try to encourage people to go to Rottneest outside those times. We need to make the facilities better and keep the low-cost fares. I know that a lot of people prefer that time of year because the kids are gone and the crowds have gone, so they can have a more relaxed and peaceful time. We want to ensure that people have a quality experience, and those additional funds will assist us to provide that.

Another key issue is power management. Western Power has been involved in looking at the management of that power service. We are keen on Horizon taking over the management of that matter. We are having discussions on how we might upgrade the standard of that infrastructure because some work needs to be done in that regard.

Mrs M.H. Roberts: I was listening to the figures that the minister gave on visitors and so forth. I would like some historic perspective. Could I have the figures on the number of visitors for each of the past four years? I am also interested in a breakdown of how many of those visitors are from overseas, interstate or local, and what proportion of the visitors are daytrippers and what proportion are accommodated on the island.

Dr K.D. Hames: I will ask the chief executive officer to answer.

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Mr P. Amaranti: I could provide data on visitors going back to 2001–02. I do not have the break-up of the day visitors with me, but I can certainly provide that. We have data on visitor numbers going back 15 to 20 years. I can provide that.

Mrs M.H. ROBERTS: I would be interested in the specific —

Dr K.D. HAMES: We will give the member this graph. It contains the details from each month in each colour going back to 2001–02. From looking at the early years of 2001, I can see that there has been a mild decline. There was more of a decline in the middle, which is around 2004–06, and then it built up again. The figures do vary from year to year. I pass that to the member.

Mrs M.H. ROBERTS: I have not had a chance to look at this but I am guessing from what Mr Amaranti said that it does not have a break-up of the daytrippers compared to the people who are accommodated and the percentages involved. I think Mr Amaranti indicated that he might be able to provide some supplementary information on that aspect.

Dr K.D. HAMES: We will agree to provide as supplementary information a breakdown for the past four years of day visitors and those using the accommodation on the island.

Mrs M.H. ROBERTS: The other part of my earlier question related to the origin of visitors, whether they are from overseas, interstate or local.

Dr K.D. HAMES: We can answer that. We do not need to provide that as supplementary information.

[*Supplementary Information No A22.*]

Dr K.D. HAMES: Mr Amaranti will provide the answer to the second component.

Mr P. Amaranti: In 2004–05 our international visitor numbers were one per cent. They have now increased to 12 per cent. Clearly, from an international perspective, which the authority does not market—it is basically word of mouth, and people are primarily coming through the ferry operators, which are operating on their inbounders—the level of international visitors is increasing.

Mrs M.H. ROBERTS: Maybe the minister knows the direction of this. Would that be because there are more backpackers coming as opposed to high-end tourists? Has there been some general shift in the tourism market that is attracting more people to Rottnest?

Mr P. Amaranti: Every quarter we do a survey as part of our requirement to determine our visitor types. A lot of those visitors are international students who are here studying. Primarily, there are not so many backpackers; they are just people who are travelling through Perth for a number of reasons. Rottnest has been suggested to them as a destination they should see.

Mr A.P. JACOB: That leads in quite nicely to my question relating to page 166 of the *Budget Statements*. We have \$3.7 million for new works that we already heard about. What is the government doing to attract daytrippers to the island?

[10.30 am]

Dr K.D. HAMES: A number of things that occur attract day tourism, one of which is obviously the Rottnest Channel Swim. That attracts a very large number of participants.

The CHAIRMAN: I am sorry to interrupt, minister, but we have run out of time.