

**STANDING COMMITTEE ON  
ESTIMATES AND FINANCIAL OPERATIONS**

***BUDGET STATEMENTS***

**TRANSCRIPT OF EVIDENCE  
TAKEN AT PERTH  
MONDAY, 7 SEPTEMBER 2009**

**SESSION TWO**

**Members**

**Hon Giz Watson (Chair)  
Hon Philip Gardiner (Deputy Chair)  
Hon Liz Behjat  
Hon Ken Travers  
Hon Ljiljanna Ravlich**

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**Hearing commenced at 11.58 am****AMARANTI, MR PAOLO****Chief Executive Officer, Rottnest Island Authority,  
E Shed, Victoria Quay,  
Fremantle 6160, sworn and examined:****O'MEARA, MR LAURENCE****Chairman, Rottnest Island Authority,  
E Shed, Victoria Quay,  
Fremantle 6160, sworn and examined:****BEERLI, MR OTHMAR****Chief Financial Officer, Rottnest Island Authority,  
E Shed, Victoria Quay,  
Fremantle 6160, sworn and examined:**

**The CHAIR:** Welcome and on behalf of the committee, thank you for attending this morning's meeting. Before we begin, I am required to administer an oath or an affirmation.

[Witnesses took the oath or affirmation.]

**The CHAIR:** You will have signed a document entitled "Information for Witnesses". Have you read and understood that document?

**The Witnesses:** Yes.

**The CHAIR:** These proceedings are being recorded by Hansard. A transcript of your evidence will be provided to you. To assist the committee and Hansard, please quote the full title of any document you may refer to during today's hearing. Please be aware of the microphones and try to talk directly into them. I remind you that your transcript will become a matter for the public record. If for some reason you wish to make a confidential statement during today's proceedings, you should request that the evidence be taken in closed session. If the committee grants your request, any public and media in attendance will be excluded from the hearing. Please note that until such time as the transcript of your public evidence is finalised, it should not be made public. I advise you that premature publication or disclosure of the uncorrected transcript may constitute a contempt of Parliament and may mean that the material published or disclosed is not subject to parliamentary privilege. Government agencies and departments have an important role and duty in assisting Parliament to scrutinise the budget papers on behalf of the people of Western Australia, and the committee values your assistance. Members, it would assist Hansard if you could please quote any pages, items or programs with reference to budget papers prior to your questions.

**Hon LYNN MacLAREN:** I refer to page 403 of budget paper No 2, volume 2, which I think is the only page that the Rottnest Island Authority appears on. There is an item for the holiday and tourism facilities of \$3.7 million over the next four forward years. Can you explain how this will be spent?

**Mr Amaranti:** The majority of that \$3.7 million is going to be new works. The first one in 2009-10 of course will be the Hotel Rottnest refurbishment, which is ongoing. Primarily that will be for the Governor's Residence, which is still not completed. The external part of the Governor's Residence is now completed but now we will start on the new five phases, which are internal, and the tender for that is out at the moment for those. The Parker Point toilets, which of course have been taking

some time but we had to get it right in terms of the environment, will start to be implemented in the next four to five weeks. Following on from that will be the replacement of the ranger vessel, which is primarily upgrading our vessel that we have had for over five years, and that will be delivered to the authority in February 2010. The next one, which is also part of the tender that has just closed, is the upgrade of the hotel jetty. It is referred to as the hotel jetty because it is in front of the hotel, but of course it does not belong to the hotel. The other one of course is the revegetation of the old Dome site where we moved back the old Dome and that new site will now be landscaped and that is commencing today.

[12 noon]

**Hon LYNN MacLAREN:** Does that amount include the annual allocation in the Rottnest Island management plan of \$2 million to maintain the quality of accommodation?

**Mr Amaranti:** No, that is a separate issue; that is part of the operational budget. The \$2 million will be part of a five-year program. We will be putting money aside, and at the end of every five years we will begin major refurbishment of all the accommodation, which we have now completed. There is no unit on Rottnest Island that has not been refurbished for visitors. That \$2 million is a rolling budget that for the first time will allow us to upgrade every five years. Every year, within what is known as our facilities management area, we will apply \$500 000 for minor upgrades to units throughout the year.

**Hon LYNN MacLAREN:** I notice from your annual report that visitor numbers are going up, which is very good for the business community on Rottnest Island. How is the impact of increased visitor numbers on the natural environment being monitored or measured?

**Mr Amaranti:** We are keeping a close eye on it. The visitor numbers have increased from a very low base. The visitor numbers in 2003-04 had actually gone backwards, and as a result of investment in the island numbers have now increased. In the past two years we have had more visitors; they are coming back to the island because the product is better. We have begun some capacity research that has not yet been completed. We are looking at what impact increased visitor numbers will have in the terrestrial area outside of the settlements, especially on the 20 bays and 63 beaches. We are trying to monitor those very closely. At this stage we are not seeing a lot of damage in those areas. There are some areas that we have to keep an eye on, particularly the smaller bays, such as Little Salmon Bay. That is the first point at which the Bayseeker bus stops, and everybody wants to go for a swim, but it is a very small bay. We are monitoring that, and over the next 12 months we may look at moving the Bayseeker stop to big Salmon Bay, so that if people really want to go to Little Salmon Bay they will have to walk back to it. We are maintaining all the other activities on the island, such as reforestation and monitoring the bays. The marine sanctuaries are monitored on a regular basis. All those things are being looked after, and we have not seen a large impact.

**Hon LYNN MacLAREN:** I am interested in a bit more detail about how you are monitoring the environment. I understand that a sustainable tourism research project is currently underway.

**Mr Amaranti:** Yes.

**Hon LYNN MacLAREN:** Is that measuring the impact of tourists on the physical environment?

**Mr Amaranti:** It has not been completed, but it has identified issues that the public perceives should be looked at and monitored. We have an environmental team that keeps a close eye on this, and will be using this sustainable development research to identify areas in the future that will need to be attended to. Many people are asking for things in the surveys such as shade, water and more toilets. Those questions need to be addressed in the scheme of what is sustainable, but also what is economically possible. We will use all this research to identify what we will do in the future.

**Hon LYNN MacLAREN:** When are you expecting that research to be completed?

**Mr Amaranti:** The first part will be completed within the next four to five weeks. We have a draft, and I am reading through it at the moment, but we are waiting for some detail. Within the next four to five weeks, it should be completed.

**Hon LJILJANNA RAVLICH:** I refer to the island's 2007-08 annual report. I understand that you had a positive financial result for that year.

**Mr Amaranti:** We did, yes.

**Hon LJILJANNA RAVLICH:** How much?

**Mr Beerli:** It was \$517 000.

**Hon LJILJANNA RAVLICH:** That comes after a number of years of losses?

**Mr Amaranti:** Absolutely. In the five years I have been there, that was the first profit.

**Hon LJILJANNA RAVLICH:** Nevertheless, it was a profit. Are you expecting that 2008-09 will also show a positive financial result?

**Mr Amaranti:** We have not finished the audit yet. We are in the middle of that at the moment—in fact it is still being done today—but hopefully we are looking for a positive result.

**Hon LJILJANNA RAVLICH:** In view of that, I want to go back to the budget and take you to what was sold to the Western Australian public as a new discounted fee for families. I will have a look at some of those fee increases. The cost of a family extended stay for two adults and two children went up by more than 50 per cent. An extended stay for a family with four children went up by 83.7 per cent. A day visit for an extra child rose by 400 per cent. An extended stay for an extra child went up by 550 per cent. The admission cost for an extended stay went up 39.5 per cent. Annual boating admission fees all went up, on average, by 40 per cent. Annual fishing or diving charter operators' went up by an average of 40 per cent also. Can you explain to me why there were such substantial price hikes associated with getting to and being on the island, when you actually showed a profit in the 2007-08 financial year?

[12.10 pm]

**Mr Amaranti:** Primarily because the profit is a paper profit. Even though the island has done a great deal in the past five years, the reality is that our cash flows are still negative and we want to ensure that over the next five years, which is the next part of this process, the island develops itself into a sustainable level. That means that costs and our cash flow must be able to be paid for. As you are probably aware, the infrastructure that Rottnest Island has is enormous in terms of what we have to achieve. The increases that have occurred this year have clearly been based on our next five-year attempt to ensure that Rottnest Island is no longer seeking handouts in government funding. Yes, admission fees have increased and you made the point that the fees for a child have increased 400 per cent, but the child was paying \$1. The purpose of all that is to try to ensure that at the end of five years—the RIMP identifies that as well as our strategic development plan—we will be sustainable. This is the first time that Rottnest Island has not just focused on sustainability to have cash in the bank. When I first arrived on Rottnest Island, we could not even pay our salaries. These are the things that have now been put in place. These sorts of things are meant to ensure that at the end of five years, we will be sustainable.

**Hon LJILJANNA RAVLICH:** Was this a decision of the board or was this an instruction from the audit committee or anybody else?

**Mr Amaranti:** This was a decision of the board—the authority. We looked at many models. The model of splitting the admission fees was one where we thought, as with lots of other locations, we should have one price no matter who came to the island. The reality is that daytrippers do not contribute to, but use, the facilities. They come and go on the same day, whereas a short-stay visitor absolutely uses all the facilities—water, power, sewerage, roads and all the other infrastructure that is built around them. For the first time we altered the price for day visitors and for short-stay

visitors. That is pretty important. We have capped it for five years. The CPI is the only increase that will occur on those admission fees over the next five years.

**Hon LJILJANNA RAVLICH:** It will be a CPI increase. That is not much comfort. I understand that the act is explicit up-front in that this island was primarily for local holidays and recreation. The price hikes associated with this increase will mean that this becomes cost prohibitive to the vast majority of Western Australian families. How do you respond to that?

**Mr O'Meara:** You asked whether the authority made the direction on this. It did. The basis of that direction was that we had just come through a task force where the government had put in \$32 million to overcome the problem of the island not being properly sustainable in the past. Having used that \$32 million of taxpayers' money, the authority was very strongly of the mind that we had to get it to a user-pays exercise. We set this five-year program with a rolling refurbishment fund in it to make sure that in five years' time, we did not have another call for a task force and another injection of government money.

**Hon LJILJANNA RAVLICH:** Mr O'Meara, can I just put to you that because Rottneest Island is becoming so expensive and is cost prohibitive, many people are choosing to take their money out of this state and putting it into places such as Bali and other parts of Asia and South-East Asia because it simply costs too much to go to Rottneest? When you have 300, 400 and 500 per cent increases and say that the community should take some comfort because it is only going to be increased by CPI over the next five years, I do not think people find it acceptable.

**Mr O'Meara:** We have just closed our ballot period and we got five times the number of people seeking to go there as we can accommodate. We still have some room to move. That does not mean to say that we can price anybody out. We have a range of accommodation from the camping ground through to the proposed new hotel to look after everybody.

**Hon LJILJANNA RAVLICH:** You do not look after everybody. There would be very few people from the East Metropolitan Region, for example, who live in places such as Armadale, Midland, Bayswater and so on who could afford to visit Rottneest. That is a fact.

**Hon LIZ BEHJAT:** You raised the issue of the ballot system. I wanted to ask you some questions about that system, which may allay some of my colleague's fears. You say that there has been a five-fold increase in the number of —

**Mr Amaranti:** Yes; 5 000 applied for the ballot this year against 1 200 positions.

**Hon LIZ BEHJAT:** Do you have information available—I am happy for you to take it on notice if you do not have it with you today—on the areas where those people are applying from, as in suburb location? Also, out of those applications received, of the number of people who have been given an opportunity to take up an offer of accommodation during those ballot periods, are they first-time offers or people visiting the island again? Anecdotally, I hear people ask why Mr and Mrs Jones get the same cottage at Bathurst for the same period every year and yet they say they go into the ballot system. Other people say they put in an application every year and all they seem to get is nothing or a Caroline Thomson cabin, which may not be the most acceptable form of accommodation on the island for some people. Do you have that information that you can provide to the committee?

**Mr Amaranti:** Yes, we could.

*[Supplementary Information No B1.]*

**Hon LIZ BEHJAT:** I go back to Hon Lynn MacLaren's first question about the expenditure in the forward years of \$3.7 million each year. Do you then fit the programs to the money that is allocated? You said that is what you are doing at the moment and that just happens to be equivalent to \$3.7 million and you then have to think what you can do next year for the next \$3.7 million. Do you have a system of prioritising how you spend your \$3.7 million?

**Mr Amaranti:** We deliver it back to the authority. We will start working on the capital works program for 2010-11 prior to Christmas. It will be prepared and go to the authority for decision making on the priorities for the following year. We have commitments within the RIMP which are defined commitments, so we have to address those first. As you are probably aware, the RIMP is costed as well, at the rear of the document. Those things will be taken into account. We also take into account the needs of the island in terms of infrastructure, whether it be power, water or sewerage. We have already identified the needs with respect to the refurbishment program. We certainly look at that and then we come back to the authority. Ultimately, the authority—we do not have a board as the act does not include the word “board”—makes the final determination based on a recommendation from ourselves.

**Hon LIZ BEHJAT:** Is the hotel that was planned for the island still going ahead; and, if so, what stage is it at?

**Mr Amaranti:** We are still working with LandCorp on that. It has not gone back out to tender again. We are working very closely at determining the way the request proposal will go out. We are hoping that it goes out within the next two to three months.

**Hon LIZ BEHJAT:** What is the time frame? When can I book my room in the second hotel?

**Mr Amaranti:** It will take a number of months for that to be realised.

I wish to make a comment on the ballot. The ballot is run independent of the authority. An external firm runs the ballot randomly through a computer process. I wanted to put that on record.

[12.20 pm]

**Hon LIZ BEHJAT:** I am sure that you have heard the anecdotal evidence that I have talked about as well.

**Mr Amaranti:** Absolutely.

**Hon LYNN MacLAREN:** Further to what Hon Ljiljanna Ravlich was asking regarding the sustainability of funding, I am interested in the cost side of that. As I understand it, the authority has the task of managing nationally significant heritage buildings; maintaining the natural environment, terrestrial and marine, of an A-class reserve; providing all the utilities, which is normally done by an appropriate state agency; as well as maintaining the accommodation stock and providing visitor services. At the same time you are expected to maintain the island—rightfully so—as an affordable holiday destination. This is, as I understand it, from an income that is based largely on admission fees, accommodation rentals and business lease rentals. To what extent do you believe that the management of the built and the natural environment on Rottneest is feasible to be financially self-sustainable?

**Mr Amaranti:** We have deliberately established a new model—the five-year plan and our strategic development plans. We have costed these into our whole fees and charges process. That is why we have increased fees. The intention of that was that we have to pay for those these things. We have costed that into the process, and that is what has been done.

**Hon LYNN MacLAREN:** What steps, if any, have been taken to seek assistance from other government departments based on the understanding that these publicly owned assets cannot be funded entirely from the income streams that are available to the authority?

**Mr Amaranti:** We have had a number of discussions in the past, and we certainly have had a long dialogue with Treasury and others to determine that. At the end of the day, we have been unsuccessful in that. From that perspective, we clearly have costed it in to ensure that they are maintained because it is our responsibility under the act to maintain them. Therefore, by going through that process, we believe that we have ensured that that will happen.

**Hon LYNN MacLAREN:** Getting back to the annual report that we were referring to on page 15, it reported that the Rottneest Island Authority’s commercial segment—the provision of services to

visitors—recorded a profit of \$2.5 million, while the conservation of the natural and cultural environment segment recorded a loss of \$2 million. The consolidated position of these two segments results in a \$500 000 profit. How much is allocated in the Rottnest Island Authority's budget for the protection of natural and cultural heritage? How can I figure this out from the papers? Where can that figure be found?

**Mr Amaranti:** I am happy to make available our operational papers for 2009-10. We have allocated \$4.2 million in 2009-10. I will make sure that that figure is correct. It is around about that rate. It is \$4 million in 2009-10. I can certainly make that available to you. I have the breakdown of each of the business units. I can certainly provide that detail out of session.

*[Supplementary Information No B2.]*

**Hon LYNN MacLAREN:** Finally, is any spending on the protection of the natural environment and cultural heritage allocated in any other area of the state budget, such as the Department of Environment and Conservation or the Office of Climate Change or any —

**Mr Amaranti:** No.

**Hon LJILJANNA RAVLICH:** I want to get some information on the annual fishing fees that have also increased by around 40 per cent. Are these annual fishing fees over and above the fishing fee that somebody may well have paid for under the fishing fee increases, as outlined in the recent budget?

**Mr Amaranti:** I am not sure if what you are referring to is a fishing fee.

**Hon LJILJANNA RAVLICH:** The annual fishing or diving charter operator fees —

**Mr Amaranti:** That is paid for by the operators who are operating in our waters as a concession to operate and to bring visitors to our island. We do not charge anyone a fee to fish.

**Hon LJILJANNA RAVLICH:** If they have an existing fishing licence, it carries through. I just take you to the five-year management plan. I understand that there is some consideration of Rottnest Island becoming a government trading enterprise.

**Mr Amaranti:** I do not think it is a government trading enterprise in the definition of a government trading enterprise. The management plan talked about providing flexibility to operate within a commercial environment at times, which Rottnest does do. That certainly will become part of the discussion when we go through the re-examination of the act, which is over 20 years old. That was a discussion from the RIMP as to the flexibility of it. There are things within the act right now that direct us to do things in certain ways. Section 34 of the act tells us that we have to have enough money to pay our bills. At times in the past that would have been next to impossible. That is the sort of thing that a GTE—if someone can define that for me because, even through our CFO we do not have a definition of a GTE. We are treated as an organisation that is totally self-sustained. That is how Treasury treats us and that is how we are treated. At times, even though we are self-sustaining, we are also required to make decisions based on the requirement of a normal government agency.

**Hon LJILJANNA RAVLICH:** Would your preference be to become a government trading enterprise?

**Mr Amaranti:** There are some aspects of the act, as CEO, that worry me. Those things would be addressed in a review of the act. We have a lot of flexibility to do the things we need to do, but there are things in the act that are too old. It is over 20 years old and needs to be looked at.

**Mr O'Meara:** The authority is very committed to this idea of having a look at the act and using that opportunity to look at all the alternative ways that Rottnest might be administered. Obviously, to redo the act would be a fairly major exercise and would take some time. We do not want to just grab one idea and follow it; we want to put it on a clean sheet of paper and have a good look at it.

**Hon LJILJANNA RAVLICH:** It seems to me that the act currently defines Rottnest as being for local holidaymakers et cetera and the board is about cost recovery, sustainability et cetera and it wants to build lots and lots of accommodation and create a business enterprise, if you like, on the island. It is almost like there is some inconsistency in the current objectives. I am sure that there are many people in the community who would seek clarity about the future of the island. Will it remain as a local destination for local families to holiday or will it become a part of an infrastructure, if you like, that will attract foreign visitors and five-star hotel accommodation?

**Mr O'Meara:** You have sort of quoted a public perception. From the position of the authority, there is nothing that we are doing or would intend to do that would change Rottnest from what it is today. If there are, as you say, ideas for extending the accommodation, that really is a relationship to the high demand of the local population and others to visit the island, but that would never be done to the detriment of the island. Any talk of increased accommodation is always related back to the settlement area. The terrestrial reserve is sacrosanct as far as we are concerned. The additional things you are talking of are very small in comparison to what is there. We have something of the order of 3 500 beds on the island. A new hotel would add 300, there might be another 100 in the area adjacent to Hotel Rottnest and then there is the camping area. Those numbers are very small. In terms of the commerciality, I do not see that there is any major change in our thoughts at all in that regard. We are not trying to commercialise the island and we are very, very strongly of the mind that we have to protect what is there, which is what people come for.

[12.30 pm]

**Hon LJILJANNA RAVLICH:** You would be aware that there are some concerns about the draft Rottnest Island management plan, particularly that it has pre-empted a review of the act, and that perhaps the review of the act may well have signalled the way forward, but in light of the fact that the draft management has been accepted and gazetted, as I understand —

**Mr Amaranti:** Yes it has.

**Hon LJILJANNA RAVLICH:** — you are pretty much locked into a future direction prior to a review of the act. I am wondering why you did it like that, or under whose direction was it done in that order.

**Mr Amaranti:** We need a RIMP every five years; that is part of the act in itself. I think the things that we have embedded, which have come out of the new RIMP, safeguard the issues that everybody was concerned about. As a result of the input from a large group of stakeholders over 12 months, the specific issues of concern with respect to development will require public comment. That is embedded in there, and that was clearly a change to the original draft. We believe strongly that the RIMP, as it is now, can deliver on all of that, and at the same time ensure that everybody has a say in what happens over the next five years.

**Hon LYNN MacLAREN:** I have a follow-up question to that one. I am wondering if we could have details of the consultation that took place for the new management plan.

**Mr Amaranti:** Yes, we can provide that. We actually have broken it down into pretty detailed commentary and we are happy to make that available.

[*Supplementary Information No B3.*]

**Hon LIZ BEHJAT:** Referring to page 403 of the budget papers—and not a lot of information about the Rottnest Island Authority appears there—is your marketing and advertising program handled by the Western Australian Tourism Commission, and you do not have anything that you handle separately? Is that right?

**Hon KEN TRAVERS:** The authority pinched all their best people!

**Mr Amaranti:** No, we have our own marketing unit. We work very closely with the business operators as well. Tourism Western Australia is involved in the generic marketing of the whole of



the state, and of course we piggyback off that. You have probably seen Ricey Beach on a lot of advertisements; no-one may know it is Ricey Beach, but it is Ricey Beach on Rottneest. We have our own marketing—you probably saw our own marketing at the weekend—which was Bali, \$340, not likely, Rottneest Island can offer you that for winter. Those are the things we do ourselves. We do our own marketing internally, and we also work very closely with the business operators on destination marketing, as clearly a large investment in Rottneest will come from that sector.

**Hon LIZ BEHJAT:** Does destination marketing include marketing to other states and other countries?

**Mr Amaranti:** No, destination marketing intrastate, primarily the regions as well as national regions, absolutely. The majority of our national marketing is done by others, not by the authority. The authority does not market internationally.

**Hon LIZ BEHJAT:** That is what I was asking about. You really are purely marketing the island to the local intrastate and interstate tourism market?

**Mr Amaranti:** Our bread and butter is the families of Western Australia.

**Hon LYNN MacLAREN:** I am looking at page 2 of your annual report, which relates to a development site for a 120-room hotel on Mt Herschel. Page 2 states —

The first Landbank initiative to achieve its objectives, the site has attracted a healthy level of interest from potential developers and is expected to contribute to the Island's financial sustainability.

Are you able to give us an update on that proposal?

**Mr Amaranti:** That proposal died about six months ago.

**Hon LYNN MacLAREN:** It is totally dead?

**Mr Amaranti:** That has completed; there will be no further negotiations with that consortium. We are now working with LandCorp to go back into the marketplace for a new proponent.

**Hon LYNN MacLAREN:** I would like to ask you further questions about the ecotourism that Liz was discussing. Is the state government providing any grant funding to the Rottneest Island Authority in 2009-10? Previously, there had been a \$2.2 million grant.

**Mr Amaranti:** Yes, we still receive that grant from Treasury.

**Hon LYNN MacLAREN:** What is that funding for?

**Mr Amaranti:** It goes into our operational budgets.

**Hon LYNN MacLAREN:** In the Western Australian Tourism Commission budget, one of the significant issues impacting that agency is to further build Western Australia's competitive advantage on high-yield and differentiated products, such as Indigenous and ecotourism. Has Rottneest Island been chosen as a location for Indigenous and ecotourism products?

**Mr Amaranti:** It certainly has. We have spent the last four to five years working with Indigenous groups. Our first issue was to bring Indigenous groups back to the island. That has been achieved, and we launched our reconciliation plan earlier in the year, which we believe has been highly successful. We certainly have had buyback by Indigenous groups, and, more importantly, we are also working very closely with Indigenous groups, particularly the Nannup family. We are now running our own Indigenous tour on the island, and we will carry that through next year, and we are looking at some other initiatives, working closely, and we have just employed a full-time cultural heritage Indigenous person to work for Rottneest Island. The authority is strongly committed to it, and it will do a great deal to show respect to the 480 graves on the island. If the spirits of rain were of any consequence, we were soaking wet at the end of the reconciliation day because it poured. We think we got a big tick from that.

**Mr O'Meara:** It was the only day in March that it rained.

**Hon LYNN MacLAREN:** Is it possible to get the details of that consultation?

**Mr Amaranti:** I think we have some handouts here for the wrap up, but I will make them available.

**Hon LYNN MacLAREN:** In addition to Indigenous tourism, can you detail the regulations in place relating to ecotourism?

**Mr Amaranti:** In terms of the regulations, I will have to provide the details to you. In terms of some of the areas we are looking at, we are looking at soft ecotourism activities. We are now running an ecotourism venture around the bays of the island, with Rottneest Express. It is very low key and very controlled, to the point that they are GPS tracked as to where they can go, but we are looking at more developments in that ecotourism sector, particularly some of the Indigenous linkages with it. We are trying to make it all one seamless product.

**The CHAIR:** Did you require some supplementary information?

**Hon LYNN MacLAREN:** Yes. I was looking for the details of the consultation to identify the Indigenous tourism opportunities.

**Mr Amaranti:** I think I have just handed that information over.

**The CHAIR:** Is that all contained in the "*Rottneest Island Reconciliation Action plan 2008-2011*"?

**Mr Amaranti:** Yes, it is.

**The CHAIR:** I assume that is a public document?

**Mr Amaranti:** It is, yes.

**The CHAIR:** It looks like it is.

**Hon LYNN MacLAREN:** But then we were talking about ecotourism and how you define what is ecotourism.

**Mr Amaranti:** I will need to provide more details.

[*Supplementary Information No B4.*]

**Hon LYNN MacLAREN:** Finally, what resources within the commission will be allocated to oversee ecotourism and Indigenous tourism products, and how are you going to, again, look at the impacts of these on the natural environment so that we do not damage the long-term sustainability of these important resources?

**Mr Amaranti:** Operationally, we have allocated funds. In terms of the Indigenous funds, this year we have allocated \$100 000 to monitor the impact and the process of that. I need to specifically break the \$4 million budget out for you to tell what exactly has been spent on that.

**Hon LYNN MacLAREN:** Thank you.

[*Supplementary Information No B5.*]

**Hon LJILJANNA RAVLICH:** You mentioned cash flows and costs earlier on. Is it possible for us to get a copy of your cash flows and costs for the past three years?

**Mr Amaranti:** Yes, we can provide that.

[*Supplementary Information No B6.*]

**Hon LJILJANNA RAVLICH:** Have you done any research on the impact of number of people visiting the island recently?

**Mr Amaranti:** We are doing the capacity visitor study, which is not completed yet. When that is completed, we will be more than happy to make it available, but it is still in draft form. It is in two stages; this is the first stage, and then the second stage will be to continue it into the summer

coming forward as we go through. But certainly we are doing that right now. It is the first time we have done a visitor capacity survey.

[12.40 pm]

**Hon LJILJANNA RAVLICH:** When did the first stage start?

**Mr Amaranti:** Just prior to Christmas 2008.

**Hon LJILJANNA RAVLICH:** When do you expect the second stage to be completed?

**Mr Amaranti:** This stage will be completed within four to five weeks. We will then look at that and start the second stage, hopefully toward Christmas.

**Hon LJILJANNA RAVLICH:** I refer to page 111 of the Rottnest Island management plan, which refers to a summary of cost initiatives by year and category. I note that part 7—the last chart on the bottom of that page—refers to utilities, infrastructure and essential services, but contains nothing from 2009-10 through to 2013-14. Is there a reason for that?

**Mr Amaranti:** That is ongoing. We have a tender in the marketplace that closes in November. It is a public tender—you may not have seen it—but we are hoping to outsource the utilities: power, water and sewerage, to the private sector.

**Hon LJILJANNA RAVLICH:** You have to pay them so there would be an allocation?

**Mr Amaranti:** They are in the operational budget. This relates to additional initiatives. There are no new initiatives in that area, but our operational budget contains a large amount to maintain those on an ongoing basis.

**Hon LJILJANNA RAVLICH:** Can the committee get a copy of your operational budget, because all we have is a one-pager here?

**Mr Amaranti:** Absolutely; we can make that available.

**Mr Beerli:** Is that just for the 2009-10 year or forward?

**Hon LJILJANNA RAVLICH:** Yes, for 2008-09 and 2009-10, if you have both.

**Hon KEN TRAVERS:** Can we have them for the full four years of the forward estimates?

**Mr Amaranti:** We have certainly prepared a five-year forward estimate, though not for our operational budgets because we could not put an operation budget forward for 2010-11, but we can make some of the estimates available.

**The CHAIR:** It sounds like we would want the full suite there.

**Mr Amaranti:** Yes, that is fine.

[*Supplementary Information No B7.*]

**Hon KEN TRAVERS:** My first question follows on from an earlier session this morning. I note there is a Rottnest Island Facebook. I was interested to know how you maintain a copy and keep control of that under the State Records Act 2000?

**Mr Amaranti:** I will have to take the question on notice. I am not directly involved in Facebook.

**Hon LJILJANNA RAVLICH:** Did you know that Rottnest Island had one?

**Mr Amaranti:** Yes, I did; and we have about 5 000 fans.

**Hon KEN TRAVERS:** It is 10 000 actually. Sorry, my apologies, it is 13 104 as we speak.

**Mr Amaranti:** Certainly we have a large number of fans. It is maintained within our marketing and coordination group. I would assume—I do not have a direct answer, so I will take it on notice—it is being managed through our records system and I can come back and advise the committee on that.

[*Supplementary Information No B8.*]

**Hon KEN TRAVERS:** I note that in July there were some issues about racist discussion or inappropriate language occurring. How does the authority manage issues with those sorts of modern technologies, and what are the workload implications in trying to manage something that is linked to the authority but has racist or inappropriate language?

**Mr Amaranti:** It does not appear to have had a large impact on the workload of the individual who is looking after this. One person looks after our web content, as well as Facebook, and also Twitter, which members can access. Primarily, the person has not advised me of any concerns. If there are any major issues, such as race issues, they are addressed primarily by the manager, who has delegation to take it up immediately and to see what we can do. Some of this relates, of course, to general comments, which we cannot do anything about.

**Hon KEN TRAVERS:** What about copyright issues? It is my understanding that once something is put on Facebook, copyright is lost. Has the authority examined the implications of those decisions and the ownership of images, and other matters, in which they would expect to maintain copyright?

**Mr Amaranti:** A lot of our photographs, which we have in our public library, are available to the public. People can come into our gallery and utilise those shots. I will have to come back to the committee on whether we have examined the copyright issue. I do not know.

*[Supplementary Information No B9.]*

**Hon KEN TRAVERS:** I believe one of your boat operators is having financial difficulties at the moment. What implications does that have, both in the short-term and long-term for the island?

**Mr Amaranti:** Clearly the situation of the Corrosion group, which owns Oceanic Cruises, from our perspective, is unfortunate, but we believe the issue with the wrecks will sustain Rottnest Island. Oceanic had less than 20 per cent of the passenger services market. Clearly it is still in receivership and it is still being negotiated. We were advised as early as last Friday that they may still continue to operate scheduled services once the new buyer comes on board. In fact, we received from the receivers the schedules from 1 October through to end of May. From our perspective, we are assuming that the boat will go back in the water on 1 October.

**Hon KEN TRAVERS:** Do you still have the cottages that were variously referred to as the manager's cottage and the board cottage that are kept out of the ballot system to be available to people to access?

**Mr Amaranti:** We do not provide any accommodation for the board or outside of that scenario. If there are cottages kept offline, it is for service reasons. We have emergency backups, which is normal. We have 310 villas and at any given time we may have up to 10 offline, depending on whether it is the peak period, or the purpose of moving people around if there is a problem with a unit. There is no board cottage any more.

**Hon KEN TRAVERS:** There is no provision for anyone to have access and no-one has sought access to a cottage outside the normal application process?

**Mr Amaranti:** No.

**Hon LYNN MacLAREN:** Wind power now generates 40 per cent of the island's power requirements and I understand from your annual report it saves 1 100 tons of greenhouse gas emissions each year. The CEO's summary mentions that Rottnest is progressing towards a carbon neutral status. Could you tell me a bit more about this goal? Have you set targets and how are going to achieve those, and when?

**Mr Amaranti:** We have not set targets. At the moment, we are in the middle of looking at a 20-year vision for Rottnest Island. We are not going to bite off more than we can chew. We believe that Rottnest should be the model for sustainability. We believe strongly that wind power has been a great bonus. There have been times that diesel has been at a high price—as you know, they do not work independently of each other—and wind and solar power generation is an area that we are

looking at. We have already reduced our vehicular fleet by 10 per cent. At the moment we are talking to the facilities manager to look at converting that to gas. The four new tour buses that are coming on board at the end of the year will be gas-powered rather than diesel-powered. Long-term we are looking at that aspect of Rottnest Island, because that is our competitive advantage in the long term.

**Hon LYNN MacLAREN:** In addition to the renewable energy options are you also looking at offsets for tree planting?

**Mr Amaranti:** We are trying to get a definition of what is a suitable tree. We cannot plant any type of tree on Rottnest, and we still have not got a definitive answer about whether melaleucas are suitable or will receive credits. We would love to do that, and have had some discussions about that possibility, but we do not know the melaleuca, or the tree that we primarily plant, the Rottnest Island pine, is a suitable tree to receive those credits. My environmental manager is looking at that for me.

**Mr O'Meara:** It is worth putting on record what our tree planting program has been and is.

**Mr Amaranti:** It has been very intensive. We have an extraordinary process, and over the life of the program around 500 000 trees have been planted. That continues to be done all year long with primarily melaleucas and Rottnest Island pines, but a lot more can be done.

[12.50 pm]

**Hon LYNN MacLAREN:** You mentioned tree planting. That is one of the key jobs that volunteers do for the island, as well as public area maintenance, the railway, and marine advice. Have you quantified the economic value of the conservation work and all the volunteer work that is being contributed to Rottnest Island?

**Mr Amaranti:** I think it is identified in the rent plan, but we need to look at the business plan to understand the value of what volunteers put forward and what they do, and also to ensure that what they are doing is going to be a positive in respect to the island overall within our rent strategy. So certainly there is a value—and we put that in our annual report every year—for our volunteers, and that value is based on the hours that they are contributing to the island.

**Hon LYNN MacLAREN:** Are you aware of any other A-class reserve that relies so heavily on volunteer efforts to do the majority of the hands-on conservation and restoration work?

**Mr Amaranti:** No, I am not aware of any.

**Hon LJILJANNA RAVLICH:** I want to get back to the price hike. Can you tell me how much the fee increases will generate on an annual basis?

**Mr Amaranti:** The increase?

**Hon LJILJANNA RAVLICH:** Yes, as announced in the budget.

**Mr Amaranti:** Around \$2.3 million annually.

**Hon LJILJANNA RAVLICH:** I want to take you to the “Rottnest Island Management Plan 2009-2014” and the proposed funding for care of the natural environment and the marine-terrestrial environment. From a question that I asked in the Parliament it looks as though the funding for this will be fairly consistent over the forward estimates. In 2009-10 there is a spend of \$4 million; and in 2010-11 it is \$4.3 million, in 2011-12 it is \$4.5 million, in 2012-13 it is \$4.7 million, and in 2013-14 it is \$4.8 million. In view of the spike in visitor numbers, when are we expecting those increases?

**Mr Amaranti:** Increases in admission fees?

**Hon LJILJANNA RAVLICH:** No—in the number of people. What is the annual growth in the number of people who visit Rottnest Island? I assume that there will be an upward trend in the number of visitations.

**Mr Amaranti:** From 2007-08 to 2009-10 we have had an increase of around 54 000 visitors. That had dipped down in previous years. We are now almost back to what used to come to Rottnest 10 or 15 years ago. I can make available the stats right through for the visitor numbers.

**The CHAIR:** That would be useful.

**Hon LJILJANNA RAVLICH:** Can you also make available to me—you would probably know it off the top of your head—what the figure will be from 2009-10 to 2013-14?

**Mr Amaranti:** In visitor numbers?

**Hon LJILJANNA RAVLICH:** Yes. What are you anticipating? What are your projections for the increase in visitor numbers over that period?

**Mr Amaranti:** I cannot give you the exact answer, but I think it would be a slower increase in terms of the rapid spike we have had over the past two years.

**Hon LJILJANNA RAVLICH:** If we take the figure that you have given us of a 54 000 increase, the point that I would make is why is there not a commensurate increase in the amount that will be expended on care for the natural environment and the marine terrestrial environment? That figure is pretty static, while at the same time the visitation numbers are trending upwards. It would seem to me that there should be some sort of corresponding spend in preserving what people come to Rottnest to see and experience.

**Mr Amaranti:** Part of it, of course, is that we do not want to be doing too much to the natural environment and the terrestrial environment once it is stabilised if there are issues, because we are not going to be doing a great deal in those areas. Particularly in the terrestrial areas—the outer settlement zones—we need to just maintain and protect what we have. We need to ensure that the beaches do not fall apart. At some point in time, at an early stage, that will be rectified. That figure of \$4 million also looks at non-beach type access areas. We talk about cultural heritage. That is all part of that process. We also have some rent money that has been set aside to look at that as well. But at the end of the day, we believe we will stabilise some of the issues on the island in respect to environmental areas, particularly the outer bays and some of the blow-outs on our beaches.

**Hon LJILJANNA RAVLICH:** What are the risks to the island at the moment?

**Mr Amaranti:** The main risk for us, of course, is ensuring that we do not have a large use of some of the beaches. Some of the beaches, particularly Little Salmon, need to be protected. We need to ensure that we monitor that closely. We have a snorkelling-dive site at Little Salmon. You are probably aware of that. That has been extremely successful. But of course with success comes people to that little area. That is one of the risks. Beach blow-outs are also part of it, particularly at Parker Point. We have addressed that already. We have stabilised that. If you are on a boat or you travel there, you will see that we have already undertaken some major stabilisation of those areas. Outside of that, certainly climate change and rising sea levels will always be an issue for an island such as Rottnest.

**Hon LJILJANNA RAVLICH:** What are you noticing?

**Mr Amaranti:** Very little at the moment, but fingers crossed. Certainly there is nothing in terms of concern for the public, but those are things that over a 20-year period we will need to manage very closely. We are also looking at different types of waste management with—how do I say it?—toilets. The new toilets at Parker Point will be very innovative, and that will enable us to ensure that there is no seepage or leaching into the ocean. For the first time, that will be the model for all our replacements toilets.

**Mr Beerli:** And a very expensive one, too!

**Hon KEN TRAVERS:** Innovative toilets are always expensive!

**The CHAIR:** We will just make some photocopies of that document, if that is okay. Is that a public document?

**Mr Amaranti:** It is. It is our monthly report on visitor numbers.

**Hon LYNN MacLAREN:** I have one question following on from the queries by Hon Ljiljana Ravlich about the future costings based on the impact of visitors. I was a bit concerned to hear about the expected environmental changes. Does the Rottnest Island Authority have a mitigation plan for any climate change impacts? It is not just rising sea levels but also severe storms. I know that Rottnest is a limestone island. It would be interesting to see what impacts you have identified and how you are budgeting to cope with them.

**Mr Amaranti:** We have identified now that we need to take a more serious approach to climate change, so over the next five years we will certainly be looking at, and researching, the impacts on Rottnest Island from climate change. That has become a major part of the platform in this document.

**Hon LYNN MacLAREN:** That is great.

**Mr Amaranti:** Has everyone received a copy of the management plan? I can certainly make one available if members wish.

**Hon LYNN MacLAREN:** I would like to have a proper copy. I did get one off the website, but it is always nice to have a book!

**Hon KEN TRAVERS:** We made the agencies put it on their website to save paper!

**Hon LYNN MacLAREN:** Yes, but I like a bit of colour—and I will share it!

**Hon KEN TRAVERS:** In the past there was an issue with asbestos on the island. Has all the asbestos now been removed or are you still in the process of removing that?

**Mr Amaranti:** We have removed all the asbestos roofs; they are all gone. Of course some of our fibro villas are still asbestos, but they are totally safe. The asbestos roofs on all the units have all been removed.

**Hon KEN TRAVERS:** Do you have a program for removing any of the other asbestos or are you now comfortable that it is safe?

**Mr Amaranti:** No. We monitor it every year, and we very comfortable. That was one of your initiatives, I think!

**Hon KEN TRAVERS:** I am checking to make sure it has been done!

**Mr Amaranti:** It has all been done.

**The CHAIR:** Where was it removed to, just as a matter of interest?

**Mr Amaranti:** It was all taken off the island and packaged up. I presume it was taken to an appropriate site that had approval for it.

**The CHAIR:** Thank you very much for your attendance today. I appreciate your assistance.

**Hearing concluded at 12.59 pm**