

ROTTNEST IS

Annual Report 2018-19





Rottnest Island Authority

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The Rottnest Island Authority acknowledges and respects the Whadjuk people as the traditional custodians of Wadjemup (Rottnest Island).

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Statement of Compliance FOR YEAR ENDED 30 JUNE 2019

To the Hon Paul Papalia CSC MLA,
Minister for Tourism

In accordance with section 63 of the *Financial Management Act 2006* I hereby submit for your information and presentation to Parliament the Annual Report of the Agency for the reporting period ended 30 June 2019.

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

The financial statements comply with Australian Accounting Standards – Reduced Disclosure Requirements issued by the Australian Accounting Standards Board.



John Langoulant
Chairman
Rottnest Island Authority
13 September 2019



Hamish Beck
Deputy Chairman
Rottnest Island Authority
13 September 2019



Overview of the Agency

Chairman's Overview



2018-19 was a year of significant progress and achievement for Rottnest Island.

Early in the year a major accident occurred at the Army Jetty in which three of our visitors were injured. We very much regret this incident and the suffering and distress which it caused. The Army Jetty incident resulted in a complete review of asset maintenance across the Island and, as I note later, significant new investment will be undertaken to strengthen key assets.

This year saw the completion of the first private development on the Island for more than 30 years, the opening of Discovery - Rottnest Island at Pinky Beach in March. This development is consistent with RIA's desire to see new investment in accommodation options on Rottnest.

Another major private investment is underway, the \$24 million redevelopment of the Hotel Rottnest, which will also include new accommodation options. The Minister for Tourism, Hon Paul Papalia CSC MLA, turned the first sod to mark the beginning of construction on 19 June 2019.

These developments are recognition of the growing significance of Rottnest as a key tourist destination for the State, which now attracts significant numbers of international and domestic Australian visitors. The attraction of Rottnest is reflected in the continuing strong growth in visitors to the Island both for extended stays and day visits. For another year we have broken records, with overall visitor numbers growing by more than seven percent, following last year's growth of 14 percent. While most visitors to the Island arrive by ferry, visits by private boats are also significant.

With increasing demand, RIA remains committed to improving visitor experience. It has driven change in various ways including a suite of new recreational activities which started this past summer, and which will continue to expand in the future.

Turning to new investment, RIA welcomed two important announcements in April. The State Government will invest \$16.2 million in key infrastructure projects, principally to upgrade the Island's main jetties. This work has commenced, beginning with designs for rebuilding the Fuel Jetty and upgrading the existing plans for the Main Jetty. RIA will also develop a new breakwater and barge landing site near the former Army Jetty over the next few years.

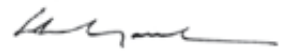
Coinciding with the announcement of marine infrastructure funding by the State, the Federal Government announced funding of \$17.2 million to the Island under the National Tourism Icons program. This funding will see several improvements in visitor amenity and attractions developed across the Island.

The past 12 months has been a time of significant planning for RIA as we have developed the *Rottnest Island Management Plan 2020-2024 (RIMP)*. This is a most important plan as it represents the blueprint for the Island's future development over the next five years. Given its importance there will be a period of consultation before it commences in 2020. In developing this RIMP, RIA has had as major objectives the development of the Island as a leading destination for Western Australians and other visitors, while also preserving its environmental and heritage values.

Looking ahead with the new RIMP, government and private investment and other developments, Rottnest is well positioned as it moves into the new financial year. Strong leadership is required as we develop the Island and implement these initiatives and I am pleased that Michelle Reynolds has been formally appointed as the Executive Director so she can continue the good work she has been undertaking over recent years.

My sincere thanks to all RIA staff and volunteers who continue to demonstrate their outstanding commitment to Rottnest Island. Your efforts are very much appreciated.

I would also like to acknowledge Minister Papalia for his ongoing support. My Board colleagues make a significant contribution through their service and in a very busy year that contribution is highly valued. I note especially two Directors, Robert McDonald and Suzanne Hunt, who completed their terms in 2018-19. Both served RIA over a long period for which I extend sincere thanks.



John Langoulant AO
Chairman
Rottnest Island Authority

Executive Director's Report



Writing this report each year is one of my most enjoyable tasks as it provides me with the opportunity to reflect on what we have achieved over the past 12 months. As I started the process this year, the theme of recognition started to emerge.

The Perth Airport Western Australia Tourism Awards in November 2018 shone a light on our work when we were awarded a bronze medallion in the Ecotourism category. This was an extremely pleasing result for us and acknowledgement of our work in this area.

Just four months later, we had the opportunity to celebrate again. This time we received the RAC Green Business Excellence Award at the AIM WA Pinnacle Awards. This award recognised our efforts towards sustainable tourism practices and the numerous initiatives we have undertaken to support our green credentials.

It is worth mentioning here that two of our major sustainability initiatives – the Rottnest Island Water and Renewable Energy Nexus project and the Wastewater Treatment Plant - together are not only making savings, but also reducing the use of fossil fuels on the Island and enhancing our reputation as an ecotourism destination.

On the subject of the environment and sustainability, I am proud to say we are striving to eliminate plastic waste on the Island. With our Last Straw campaign, we banned plastic straws, effective from 1 May 2019. This has seen Rottnest Island become the first major tourism destination in Western Australia to become plastic straw free.

Beyond the official accolades, Rottnest Island has also been recognised by film makers, celebrities and other influential guests. In January one of the biggest reality television shows in China – Viva La Romance – filmed on Rottnest and at other local destinations. Then in late April, Minister Papalia announced that episodes of the top-rating television series MasterChef Australia would be filmed at locations throughout Western Australia including Rottnest. High profile visitors like Hollywood star Chris Hemsworth and champion surfer Kelly Slater have also provided excellent opportunities for us to show off our national icon.

April provided another occasion to show off the Island as part of the Australian Tourism Exchange 2019, the nation's largest annual travel and tourism business-to-business event, which was held in Perth. Apart from showcasing Rottnest at the event, there were pre and post-event familiarisation visits to the Island.

This year also saw some significant events on the Island. One of these was the Wadjemup Cup in November. A Clontarf Foundation initiative, we now partner with them each year to present this event on the Island. The Wadjemup Cup brings together students from across the State for a weekend of team building, football and to learn more about the cultural history of Wadjemup.

Another notable event took place on 24 November when we hosted a major new event, Seafood Saturday. The thousands of visitors who made the trip had the opportunity to enjoy seafood-themed events, gourmet food and wine, and beach activities. We hope that this will become an annual event.

Our visitor numbers to the Island keep increasing and none of this is by chance. It is through the hard work and commitment of RIA staff that we have seen this amazing achievement over the last couple of years. Thank you for being part of the journey.

I would also like to acknowledge the RIA Board for their continued support and our wonderful volunteers who just keep on giving to our beautiful Island.

A handwritten signature in black ink, appearing to read 'Michelle Reynolds'.

Michelle Reynolds
Executive Director
Rottnest Island Authority



Snapshot of 2018-19

[Source: RIA admission data]

Visitors to the Island



785,001

[Source: RIA admission data]

Day visitors to the Island



FERRY ONLY

10%

467,314



[Source: Rottnest Island visitor survey 2018-19]

1st time visitors

44%

[Source: RIA booking data]

Bikes hired

132,158

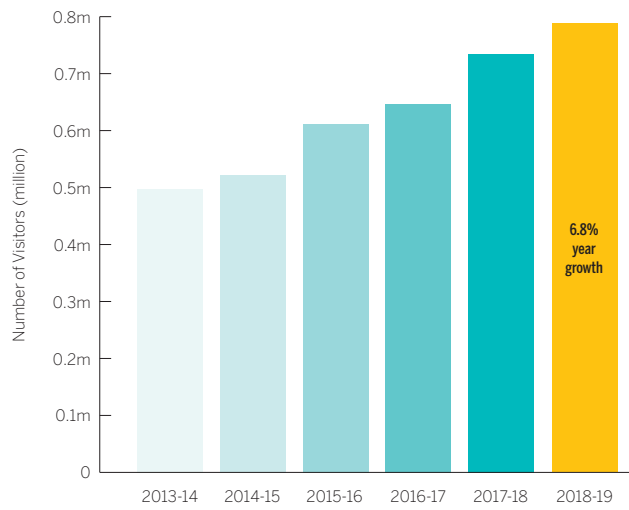


[Source: RIA booking data]

Check-ins made for RIA accommodation
25,643

Total visitation 2013-2019*

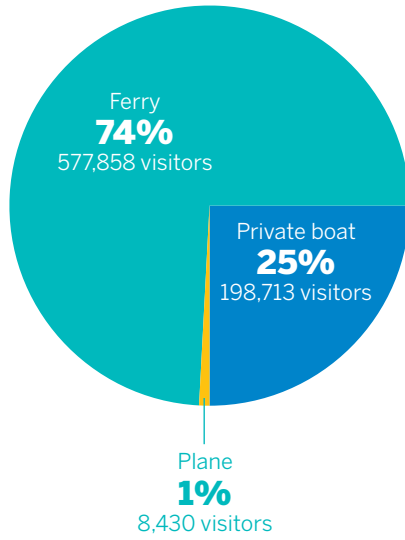
[Source: RIA admission data]



*Excludes trips made by RIA staff or volunteers

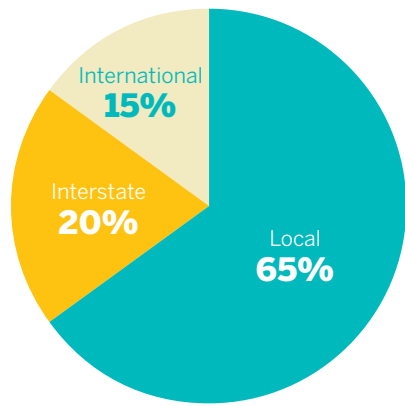
How visitors get to the Island

[Source: RIA admission data]



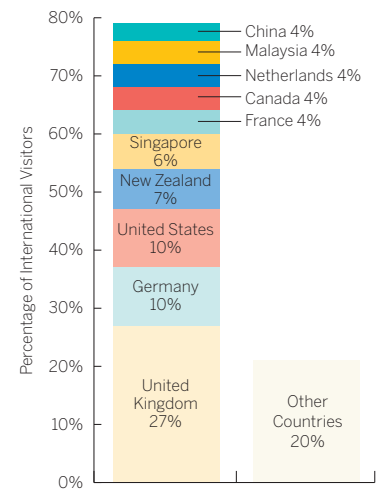
Where visitors come from

[Source: Rottnest Island visitor survey 2018-19]



Visitation: Top ten countries for 2018-19

[Source: Rottnest Island visitor survey 2018-19]





About Rottnest Island

Situated in the Indian Ocean, Rottnest Island is 18 kilometres west of the port city of Fremantle and includes 3800 hectares of marine reserve with five sanctuary zones. The Island is 11 kilometres long and 4.5 kilometres across at its widest point. It has 63 sheltered beaches and 20 bays. The total land area is approximately 1900 hectares.

The Island is abundant in flora and fauna, including 10-12,000 quokkas, hundreds of bird species and 64 hectares of native woodland communities.

One of the most popular recreation and holiday destinations in Western Australia, Rottnest Island is valued for its scenic natural environment and the sanctuary it provides for people seeking to relax and enjoy nature-based activities. The Island attracts nearly 800,000 visitors per year.

The Island has cultural and spiritual significance for Aboriginal communities across the State. The traditional custodians of the Island are the Whadjuk Noongar people. The name of Rottnest in the Noongar language is Wadjemup, which means 'place of spirits'. The name 'Wadjemup' is commonly used in signage and interpretive material on the Island and in connection with events and publications. There are 17 registered sites with Aboriginal cultural and heritage significance recorded on the Island.

Rottnest Island also has three State sites and six international sites of geoheritage significance, as well as almost 120 built heritage places with military, colonial, maritime and cultural heritage significance.

The Island is a Class-A Reserve as defined in the *Land Administration Act 1997*. A-Class reservation is used to protect areas of the State with the highest conservation or community value. The approval of Parliament is required to amend the reserve's purpose or area, or to cancel the reservation.



About Rottnest Island Authority

The Rottnest Island Authority (RIA) operates major holiday and recreation facilities in accordance with the *Rottnest Island Authority Act 1987* (the Act). The control and management of the Island is vested in RIA for the purpose of enabling it to:

- provide and operate recreational and holiday facilities on the Island;
- protect the flora and fauna of the Island; and
- maintain and protect the natural environment and the man-made resources of the Island and, to the extent that RIA's resources allow, repair its natural environment.

VISION

Rottnest Island is a visitor destination of national significance for its recreational, environmental and cultural heritage values.

MISSION

The RIA mission is to increase the number and diversity of visitors by providing products, services and experiences that reflect, sustain and preserve the Island's unique location, environment and cultural heritage.

VALUES

- **Integrity** – unconditional respect for people, culture and place
- **Teamwork** – dedication to collaboration and sharing
- **Accountability** – personal responsibility
- **Quality** – commitment to continuous improvement





Responsible Minister	The Minister responsible for RIA is Hon Paul Papalia CSC MLA, Minister for Tourism.
Administration	The Act provides for the appointment of a Chief Executive Officer (CEO) and other staff. Following the incorporation of RIA into the Department of Biodiversity, Conservation and Attractions (DBCA) in 2017, the Director General of DBCA is the designated CEO. The management of RIA and the Island on a day-to-day basis is the responsibility of the Executive Director.
Enabling legislation	<p>RIA is constituted under the <i>Rottnest Island Authority Act 1987</i>.</p> <p>In managing the Island in accordance with this Act, RIA also has regard to the following key legislation:</p> <ul style="list-style-type: none">• <i>Financial Management Act 2006</i>• <i>Public Sector Management Act 1994</i>• <i>State Supply Commission Act 1991</i>• <i>Aboriginal Heritage Act 1972</i>• <i>Conservation and Land Management Act 1984</i>• <i>Health (Rottnest Island) By-Laws 1989</i>• <i>Jetties Act 1926</i>• <i>Biodiversity Conservation Act 2016</i>• <i>South West Native Title Settlement Act 2016</i>

BOARD

RIA has a Board, consisting of a Chairman and five other members appointed by the Governor on the advice of the Minister for Tourism. Appointment criteria for individual members are specified in the Act, with reference to:

- conservation of the environment;
- preservation of buildings of historic value;
- commerce; and
- use of the Island for recreational purposes.



Chairman **John Langoulant AO**

John Langoulant has extensive executive experience in the private and public sectors including as the Western Australian Under Treasurer, Chief Executive

Officer with Australian Capital Equity, the Chamber of Commerce and Industry of Western Australia, and the Oakajee Port and Rail project. Mr Langoulant is Board Chairman at the Government Employees Superannuation Board, the Northern Territory's Power and Water Corporation, Westpac Banking Group WA, Pawsey Supercomputer Centre, and the Dampier to Bunbury Gas Pipeline. He has recently been appointed Chair of Infrastructure WA. Mr Langoulant is also a Director of the National Disability Insurance Agency, Amana Living and the Multinet Board and holds chair positions with CEDA WA, and The Lester (formerly ARTrinsic).



Deputy Chairman **Hamish Beck**

Hamish Beck was appointed Member and Deputy Chairman in March 2016. He is Principal/Managing Director of Beck Advisory,

a development advisory and asset management business. His involvement with the property industry spans over 25 years with substantial experience in tourism development, commercial development and the management of commercial buildings. Mr Beck is also Chairperson of the Swan River Trust, Deputy Chairman of the Historic Heart of Perth, Member of the Western Australian Maritime Museum Advisory Committee, and Member of the Central Perth Planning Committee.



Member **Hannah Fitzhardinge**

Hannah Fitzhardinge was appointed in October 2017. Ms Fitzhardinge is a director and senior consultant with leadership development

consultancy Integral Development. Her background is in corporate public affairs, government approvals and strategic communication. Ms Fitzhardinge was elected as a Councillor of the City of Fremantle in 2016, then again in 2017 for a further four-year term. Joining the Rottneest Island Authority Board in October 2017, she also previously served on the boards of the Beehive Montessori School and Artrage. Her family has a long connection with

Rottneest, and she cares deeply about equality, environmental responsibility and sustainable development.



Member **Marina Hogan**

Marina Hogan was appointed in January 2017. Through her long association with both Scoop Publishing and Scoop Digital, Dr Hogan has

extensive experience in marketing services, both print and digital, particularly in the areas of travel and lifestyle, events and the arts. She teaches part-time in the School of Humanities at the University of Western Australia. Dr Hogan is deputy chair of the Foundation for the Western Australian Museum and chairs its Remuneration and Nominations Committee. In June 2018 she was appointed to the Australian Multicultural Advisory Council. Until July 2018 Dr Hogan sat on the board of North Metropolitan TAFE where she was a member of the Governance Committee and the Nominations Committee and, until early 2017, she chaired the board of Subiaco Primary School.



Member
Suzanne Hunt
*(term expired on
 30 June 2019)*

Suzanne Hunt was appointed in May 2010. She is principal of multi-award-winning architecture, interior and heritage practice Suzanne Hunt Architect and has over 34 years' experience in the construction industry in Australia and the United Kingdom. Ms Hunt is a registered Architect with the ABWA, a Fellow of the Australian Institute of Architects (FRAIA), a member of the RIBA, DIA and ACA. She is Chair of the Curtin Architecture Advisory Board and the Peter Hunt Travel Prize, sits as Deputy Community Representative on the Legal Profession Complaints Committee and is Immediate Past President of the Australian Institute of Architects WA Chapter.



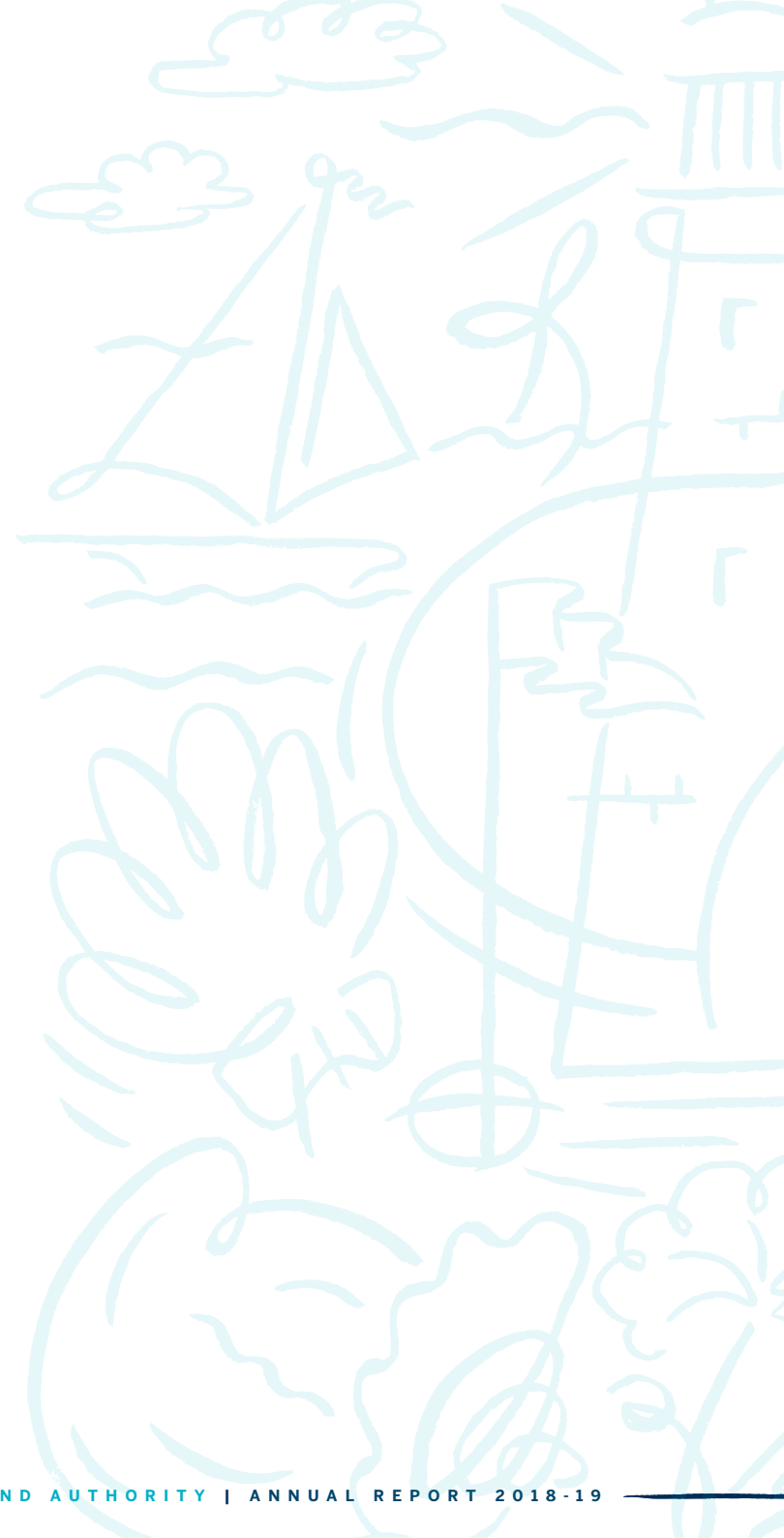
Member
Robert McDonald
(resigned May 2019)

Rob McDonald was appointed in 2011. Mr McDonald spent 32 years working in a variety of roles across the State public sector, including more than 20 years in senior executive positions. His previous positions include Executive Director Western Australia Police; Chief Executive Officer, State Supply Commission; Director, State Treasury; and Director of Finance, Western Australia Police. Mr McDonald is a CPA and MAICD. He is the Chair of the Board of the South Metropolitan Health Service, provides consultancy services in the areas of public sector management and was Chairman of the Rottnest Island Authority Finance, Risk and Audit Committee.

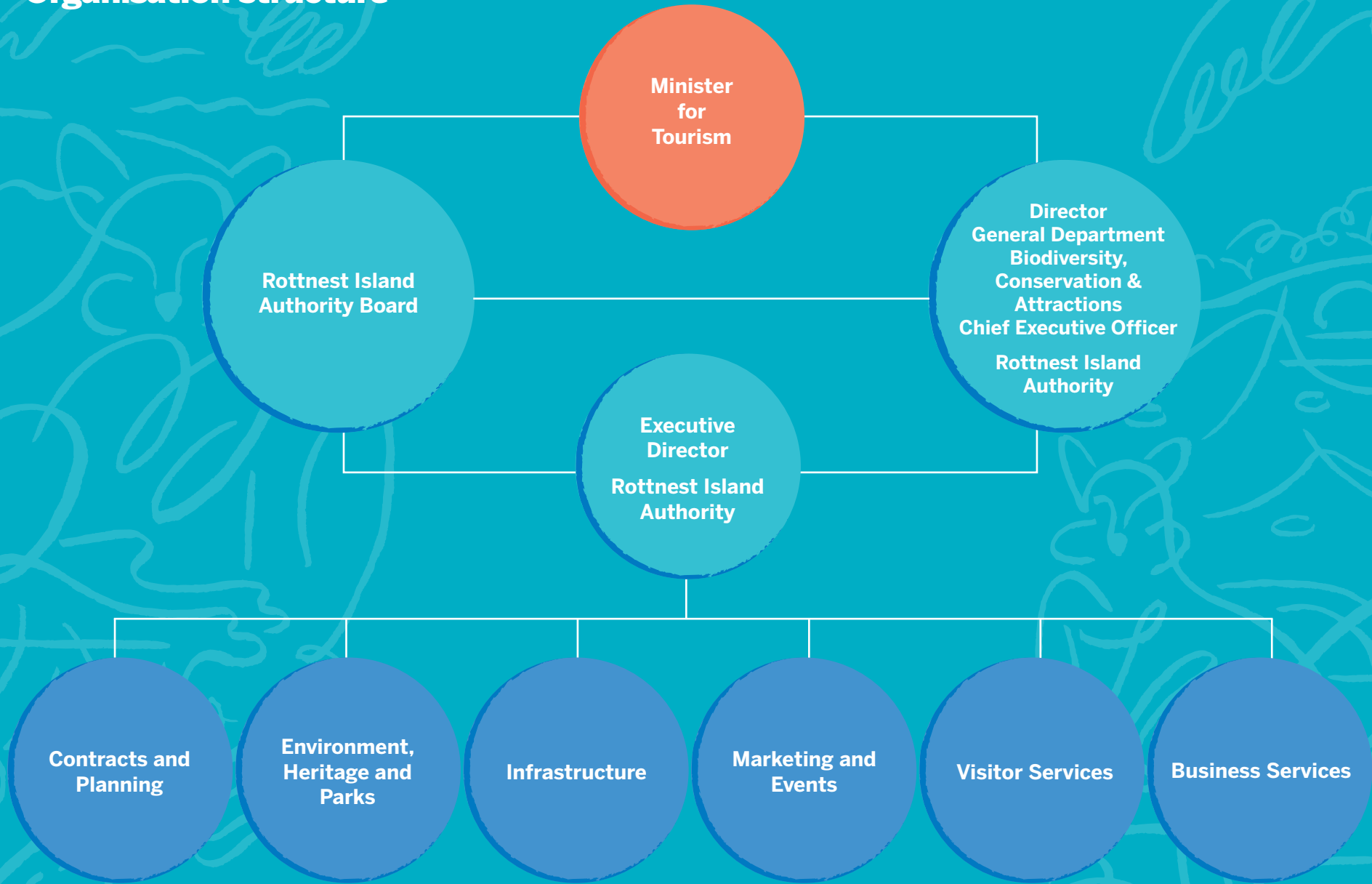
WADJEMUP ABORIGINAL REFERENCE GROUP (WARG)

Consisting of Aboriginal community members, including Whadjuk traditional custodians and RIA representatives, the WARG provides cultural guidance to RIA on the Wadjemup Aboriginal Burial Ground and the future uses of the Island's former Aboriginal Prison, the Quod.

Members: Walter McGuire, Brendan Moore, Pamela Thorley, Lindsay Dean, Barbara Bynder, Patrick Churnside and Michelle Reynolds (ex officio).



Organisation structure





CORPORATE EXECUTIVE AND OPERATIONAL AREAS

The Department of Biodiversity, Conservation and Attractions (DBCA) is led by Director General Mark Webb PSM. Mr Webb is also the Chief Executive Officer of the Rottnest Island Authority, Botanic Gardens and Parks Authority, and Zoological Parks Authority. The management of RIA and the Island on a day-to-day basis is the responsibility of the Executive Director, Michelle Reynolds.

RIA delivers services through the following operational areas:

- **Visitor Services** leads RIA's commercial operations across Rottnest Island including accommodation, the Visitor Centre, Pedal and Flipper and rental moorings.
- **Environment, Heritage and Parks** is responsible for developing and delivering strategies to protect, conserve and enhance the natural and cultural values of the Island.
- **Marketing and Events** aims to stimulate diversified visitation demand, and increase visitor expenditure on the Island, by communicating the depth and diversity of experiences available to visitors.
- **Contracts and Planning** is responsible for managing RIA contracts and the commercial and residential leases of buildings and recreational businesses on the Island. The Directorate also manages development applications and associated processes.

- **Infrastructure** is responsible for Rottnest Island's utilities, major and minor projects within the capital works program, assets and infrastructure.
- **Business Services** provides services that ensure RIA has the required personnel and expertise available, as well as financial, technological and physical resources to manage operations and services on Rottnest Island.

The RIA Corporate Executive is the organisation's senior management team.

Michelle Reynolds Executive Director

Michelle has been Chief Executive Officer and is now Executive Director of RIA since being seconded to the organisation in January 2017. In her time at the Authority, Michelle has seen unprecedented growth in visitor numbers and presided over extensive governance improvements, new developments and recreational offerings on the Island. She has also worked to enhance the environmental and heritage values of the Island, including Aboriginal cultural heritage. Michelle has a Bachelor of Arts and a Master of Business Administration.

Brooke Gregory Director, Marketing and Events

Brooke has more than 20 years' experience in the travel and tourism sector and specialises in consumer, partnership and trade marketing. With a background in destination marketing, product development, retail travel and operations management, Brooke has been a long-time

ambassador of Rottnest Island in her past roles at Boat Torque Cruises and Tourism Western Australia. She has been a Forum Advocating Cultural and Eco-Tourism (FACET) committee member and a Western Australia Tourism Awards judge. Brooke joined RIA in February 2019 from Curtin University where she was the International Marketing Manager.

Vince Ianni
Director, Business Services
Chief Finance Officer

Vince has responsibility for Finance, ICT, Human Resources and Information Services. He has over 25 years' experience in senior financial management and Chief Finance Officer roles within the health and telecommunications sectors. Vince has held senior management positions with both WA Health and Telstra and has extensive experience in capital finance, systems development, financial management and reporting. Vince has a Bachelor of Commerce degree and is a Certified Practising Accountant.

Shane Kearney
A/Director Environment, Heritage
and Parks

Shane has worked in the public sector for 15 years in local and State government. He has been in senior management for the past 11 years and has strong capability and experience in environment and conservation management, regulatory compliance, corporate sustainability and public sector business management. He has worked for RIA since 2008.

Holly Knight
Director Environment, Heritage and Parks
(May/ June 2019)

Holly is an environmental engineer with 20 years' experience in a mix of energy, water and climate change work, including 10 years in the UK. Her previous roles include sustainable design on the London 2012 Olympic Park and strategic planning for Murdoch University. Holly has worked with the Department of Biodiversity, Conservation and Attractions in a variety of technical and managerial roles.

Claire Piper
Director, Contracts and Planning

Claire is qualified as a lawyer and has over 14 years post-qualification experience in the public and private sectors, specialising in property law, primarily commercial. She previously held a senior position at South Wales Fire and Rescue Service in the United Kingdom, managing the legal and insurance team. Since arriving in Australia in 2015, Claire has been Associate at Corrs Chambers Westgarth where she was responsible for the commercial property portfolio of a major bank. Claire has broad experience which encompasses both legal and general management capabilities.

Italo Pisedda
Director, Infrastructure

Italo is a civil engineer with experience in capital works programming, project development and delivery, and engineering and design management across buildings, open space, logistics infrastructure, maritime structures, water, electricity, road and civil works. Prior to joining RIA in November 2018, he was the Development Manager for the capital works program at MMA Offshore Limited's Supply Base in Dampier (WA) and the Capital Programs Manager for the Inner West Council (NSW).

Deborah Taylor
Director, Visitor Services

Deborah has a career in hospitality spanning more than 20 years. She has worked in key hospitality roles including resorts in Western Australia, as General Manager at hotels in Melbourne and Sydney and several years in a specialist training role with Stamford Hotels and Resorts focusing on the implementation of a new property management system across the group. Her most recent position was as Director of Learning for Quest Apartment Hotels in Melbourne. Deborah has a Master of Business Administration from the Curtin Graduate School of Business.



Strategic direction

RIA's operations are guided by a management plan, which is required by the *Rottnest Island Authority Act 1987* and produced at five yearly intervals.

The Rottnest Island Management Plan 2014–2019 (RIMP 2014-19) has the following strategic policy objectives:

- improved visitor experiences;
- conservation and improved access to cultural heritage;
- protection of the unique environment;
- professional relationships with stakeholders; and
- financial sustainability.

During 2018-19 a new management plan, RIMP 2020-24, was developed. It is intended that the RIMP 2020-24 will come into effect on 1 January 2020.

The four strategic focus areas of the draft RIMP 2020-24 are:

- diversify visitor base and enhance visitor experience;
- strengthen Island infrastructure and services;
- engage with, promote and preserve the Island's environment and cultural heritage, with a focus on Aboriginal cultural heritage; and
- establish a new way of doing business.

The Rottnest Island Master Plan – 20 Year Vision published as part of the RIMP 2014-19 was revised in 2018-19 and will be re-issued as a companion document to the RIMP 2020-24.



SHARED RESPONSIBILITY WITH OTHER AGENCIES

RIA works closely with other agencies that contribute to the safety and amenity of the Island's visitors and residents including the Western Australia Police Force, Department of Health, Department of Education, Department of Transport, and Department of Fire and Emergency Services.



Reviewed by Icpanda
19 Nov 2018

Heaven on earth



This is the most beautiful serene place I have ever been. The most crystal clear water, white sand beaches. The Quaker's are a real treat when visiting they are so friendly and their little faces will melt your heart. We also saw seals sunny themselves. We will be sure to re visit, this is not a fancy five star place but it's untouched beauty wins you over in a flash.



Reviewed by sprond
10 Apr 2019

Amazing place



We spent a day on Rottnest Island and wished we could have had longer. We saw the cute Quokkas which you will only find here. Then we took a bike ride around the salt lakes. Had lunch in the pub overlooking the bay. That was very nice. Then the afternoon was spent sunbathing on Pinky beach near the lighthouse. A lovely beach and good for swimming and snorkeling. All in all a brilliant time was had by all.



Reviewed by JrdominicS
17 Nov 2018

QUOKKA!!! happiest animal in the world makes us happy too...lives only at Rottnest



One of the most beautiful islands in Australia, its purely a hidden gem...we were so lucky to watch Penguins Sea-lions and dolphins in large numbers.

Either you are land person or a sea person, a lot of adventures is awaiting at Rottnest.

Rottnest island is highly recommended for those who are living around Perth and for western Australian visitors.

Heaps of eat outs and friendly people all around. Thanks to western Australia to make us warm literally, an wonderful experience to be shared and cherished.

Don't miss it and don't miss to visit Quokka - the happiest animal in the world.



Reviewed by Patricia
30 Jan 2019

Great island visit



We travelled to Rottnest Island. We parked at the B Shed in Fremantle at \$10 for all day parking. Great day to spend on the island. There was so much to see and the visitor Centre was good. We spent the day walking and swimming round quite a lot of the island. We saw hundreds of Quokkas which we were pleased to take selfies with. Plenty of places to eat which include all types of budgets. Fantastic day all in all.



Agency Performance



On 1 July 2017, RIA became part of the Department of Biodiversity, Conservation and Attractions (DBCA). DBCA has a strong emphasis on improving the State's natural attractions as key tourism assets, creating opportunities for private sector investment and partnerships and consolidating conservation science to build and share knowledge of the State's biodiversity.

As a result of this change a new outcome-based management structure has been adopted for DBCA and each of its portfolio agencies including the Botanical Parks and Gardens Authority (Kings Park), Zoological Parks Authority (Perth Zoo) and RIA.

DESIRED OUTCOMES

The overall Agency Outcomes:

- 1.** Community enjoyment, appreciation and understanding of attractions under the Department's care; and
- 2.** Plants and animals are conserved, and habitat, ecosystems and landscape-scale conservation utilises evidence-based science;

have also been adopted by the individual portfolio agencies.

AGENCY SERVICES

To achieve the Agency Outcomes noted above, RIA delivers the following services:

- 1.** Visitor services and public programs provided at Rottnest Island; and
- 2.** Conserving habitats, species and ecological communities.

Service 1: Visitor services and public programs provided at Rottnest Island.

Rottnest Island has long been important to Western Australians as a place of recreation and leisure in addition to its cultural and environmental significance. Now also recognised as a destination of national significance, the Island welcomes increasing numbers of visitors.

In 2018-19 785,001 people visited the Island compared with 734,637 in 2017-18, an increase of 6.8 percent.

To keep pace with this increase in demand, RIA has continued to focus on its visitor services. This is demonstrated by a range of initiatives such as the new recreational activities introduced in the summer of 2018-19; the development of a new online rental moorings bookings system; and the commencement of a new Aboriginal cultural experience offering.

In 2018-19 the Federal and State governments separately announced significant new funding for the Island to enhance Island infrastructure and visitor amenities.

In April the Premier and Minister for Tourism jointly announced the allocation of \$16.2 million for marine infrastructure, including to redevelop the Island's Fuel Jetty and construct a barge landing at the site

of the former Army Jetty, to provide an alternative for logistics and freight traffic.

The State Government announcement coincided with an announcement by the Federal Minister for Trade, Tourism and Investment of a \$17.2 million allocation to the Island under the National Tourism Icons program. In his announcement the Minister noted the need for the Island to be able to cope with large increases in visitor numbers in a way that preserves the natural environment and showcases the Island's rich Indigenous heritage and history.

ACCOMMODATION AND VISITOR CENTRE

Rottnest Island offers a wide range of accommodation styles from hostel beds, campsites, cabins, and bungalows to hotel rooms, heritage cottages and glamping. While most of the accommodation is operated by RIA, a significant amount is privately managed through the Hotel Rottnest, Karma Rottnest Island Lodge and Discovery – Rottnest Island operations.

The provision of accommodation is RIA's most important commercial activity. RIA currently manages and maintains 292 rental accommodation units plus a camping ground and dormitory and hostel accommodation at Kingstown Barracks with more than 25,000 check-ins throughout the year. The average overall occupancy level for 2018-19 was 69.3 percent with occupancy during the peak summer period of the year exceeding 97 percent.

RIA conducts an extensive annual maintenance and improvement program for its accommodation inventory which this year had a focus on the Bathurst precinct.

Accommodation design project

During the year, RIA engaged architectural consultants to create a reference design for the future of the Island's accommodation. The project assessed the existing accommodation buildings and developed design guidelines for future refurbishment and renewal. While the designs do not significantly alter the structure of the buildings, they will serve to guide RIA's future investment in accommodation to meet the growing expectations of Island visitors.

Online booking system

During the year, a review of the online booking system was conducted with a focus on enhancing the stability of the current system and developing its functionality. RIA is currently working through recommendations and an implementation schedule. The intended next stage is to develop a digital hub - a single booking point for everything a visitor may need for a visit to the Island, both pre-trip and in-destination.

Visitor Centre

Located at Thomson Bay near the Main Jetty, the Visitor Centre handled more than 25,000 accommodation bookings and assisted the growing numbers of day visitors with enquiries about Island activities, products and tours. To meet additional demand and provide extra support to Island businesses, a separate bookings booth for tours, rental moorings and activities operated throughout the summer peak.

RECREATIONAL OFFERINGS

New recreational offerings

Summer 2018-19 saw the launch of new activities that increased the number of recreational offerings on the Island. These new businesses were Lexi's Caravan, Rotto Shade, Boating West, Seabob Snorkel and Water Jet Tour, Rotttnest Island Glass Bottom Sea Kayak Tours, Charter 1 Catamaran Tours, Rotttnest Cruises Wild Seafood Experience, Rotttnest Dive and Underwater Sea Walk.

In April, Go Cultural Aboriginal Tours and Experiences commenced tours on Rotttnest Island, offering visitors the opportunity to experience the Island from a traditional custodian perspective.

Pedal and Flipper

The most popular way to explore Rotttnest Island is by bicycle and RIA's Pedal and Flipper offers the largest fleet and range of bikes to Island visitors. In 2018-19, Pedal and Flipper enjoyed its most successful year to date. 132,158 bikes (including 6678 electric bikes), 9441 snorkel sets and

20,500 accessories were hired. Revenue from the business increased 13 percent on the previous year.

Online bookings increased in 2018-19 and a designated area was made available to provide a fast track service for those bookings.

The popularity of electric bikes has grown and 45 were added to the hire fleet during the year. Recreational hire items have also increased in popularity and a dedicated facility for washing snorkels and masks was installed.

Pedal and Flipper offers a dive compressor service for visitors to the Island and a new compressor was installed to service this small but important market.

Guided walks

The Rotttnest Voluntary Guides Association (RVGA) provides an extensive range of daily tours, most of which are free of charge, as well as special request group tours and a school holiday program. A 'meet and greet' guide is based near the Salt Store in the Main Settlement as an initial point of contact for visitors.

During the year an average of 15 guides per day commuted to the Island to provide 19 different history, environment and cultural tours for more than 49,000 visitors. Approximately 79,000 visitors were assisted with general information. Special request tours were provided for more than 4700 school students.

Online rental moorings bookings system

In June 2019, RIA launched a new online rental moorings bookings system. RIA rental moorings are in Thomson Bay, Geordie Bay and Longreach Bay. There are swing moorings, jetty pens and beach pens.

The new system allows customers to book and pay for rental moorings on Rotttnest Island 24 hours a day, seven days a week and receive instant confirmation. Moorings can now also be booked 100 days ahead of arrival. The new system, which is compatible with all smart phones and tablets, allows users to view a photograph of specific moorings and identify their precise position on the map.

ISLAND EVENTS

Key RIA events

Each year, RIA organises and supports events on the Island. The following were highlights of the 2018-19 event calendar.

NAIDOC week

For NAIDOC Week (8 - 15 July 2018), RIA organised a Welcome to Country and smoking ceremony for visitors, Aboriginal heritage walking tours, painting workshops and storytelling, all of which were well attended. The week ended with a bonfire and dance event.

Plastic Free July

As part of its sustainability focus, RIA encourages visitors, residents and businesses to accept the Plastic Free July Challenge. In July 2018, there were calico bag screen printing and boat sculpture activities on the Heritage Common in the Main Settlement during the school holidays.

Wadjemup Cup

From 2 to 4 November 2018, Rottnest Island hosted 112 Year 8 and 9 students from around the State for the 12th annual Wadjemup Cup. This football carnival, an initiative of the Clontarf Foundation in partnership with RIA, brings together Aboriginal students from across the State for a weekend of team building, football and the opportunity to learn more about the Aboriginal cultural history of the Island.

Seafood Saturday

RIA's inaugural Seafood Saturday was held on 24 November 2018 and more than 2700 people visited the Island on the day. A celebration of Western Australian seafood, the event included free and ticketed events such as fishing clinics, a seafood degustation dinner, beach barbecue and bonfire.

New Year's Eve Fireworks

The first New Year's Eve family fireworks event was held in 2015. Children's activities and entertainment are conducted throughout the evening before the fireworks begin at 9pm. In 2018, additional ferry services and later return services to the mainland provided families with increased opportunity to enjoy this event, which attracted about 10,500 people.

ANZAC Day

This year's ANZAC Day ceremony held on the Thomson Bay foreshore attracted about 1500 people. Attended by officers from the RAAF Base Pearce, the service was followed by a complimentary breakfast provided by RVGA volunteers and supported by Island businesses. Themed activities were conducted for children throughout the Main Settlement while there were also tours of the Oliver Hill Guns and Tunnels.

National Reconciliation Week

National Reconciliation Week 2019 activities started on Rottnest Island on 24 May with a bonfire at North Thomson beach followed by damper making and storytelling. The following day there was a Welcome to Country, walking tour and a basket weaving workshop.





PUBLIC EVENTS SUPPORTED BY RIA

Channel Swim

The 29th Annual Rottnest Channel Swim was held on 23 February 2019. An iconic event and one of the busiest days on the Island, this year's event had about 2500 competitors.

More than a dozen other swimming, running, paddling or endurance events were also held on the Island in 2018-19, including:

- Hotel Rottnest Port to Pub
- The Doctor (Ocean Paddler)
- Swim Thru Rottnest
- Water Polo on the Island
- Red Bull Lighthouse to Leighton
- Champs of the Bay
- Stand Up Surf Shop Rottnest SUP Classic
- Run Rotto Bidi
- Rottnest Swimrun
- Goodlife Running Festival
- Sufferfest

Infrastructure and facilities

MANAGEMENT OF BUILDINGS, FACILITIES AND UTILITIES

RIA outsources the routine management and maintenance of the Island's buildings, facilities and utilities to Programmed Facilities Management (PFM).

BUILDINGS

Roofing project

A significant Island maintenance project commenced in 2013 to address the structural integrity of roofs and the electrical safety of buildings on the Island. Works at the Lodge, the Quod, Thomson Bay General Store, the Bakery and the Geordie Bay store and café were completed during 2018-19, while works at the Governor's Residence and Bayside Bar are scheduled for completion by August 2019. The total budget for the project is approximately \$16.3 million.



Other building projects in 2018-19 included:

- replacement of 140 freestanding brick columns to improve the structural integrity of accommodation buildings in Bathurst;
- refurbishment of 421 Kelly Street and its return to staff accommodation in December 2018;
- completion of new facilities adjacent to the main bus stop in Thomson Bay in December 2018, with a full-size change table and hoist designed to meet the needs of people with disability.

OPEN SPACE

A new boardwalk with solar powered bollards opened at Thomson Bay in July 2018.

MARITIME FACILITIES

Rottnest Island has a barge landing and five commercial vessel berths at the Main Jetty which are used by one barge operator, three ferry operators, one tour operator and various charter operators. The local boating community use five other jetties to access the Island.

Throughout the year RIA continued to work closely with marine industry partners to maximise boating safety and maintain the maritime facilities on the Island.

In 2018-19, RIA:

- conducted condition and structural integrity assessments, and undertook weekly visual inspections, for all Island jetties;
- improved passenger safety by segregation (fence) along the Main Jetty;
- replaced public access ladders to all jetties;
- demolished the concrete deck at the former Army Jetty and reinstated the rock protection over the groyne;
- repaired timber piles of the Geordie Bay Jetty;
- rewrapped steel piles at the Main Jetty (berth O);
- refurbished the concrete ramp for barge access adjacent to the Main Jetty;
- replaced timber decking where required on the Fuel Jetty;
- developed the concept plan and business case for the reconstruction of the Fuel Jetty; and
- developed the concept plan for the Thomson Bay South development, including a barge landing with laydown area and contingency ferry berth.

UTILITIES

In 2018-19, RIA:

- replaced two transfer pump stations and installed two automated chlorination dosing systems, including remote monitoring, which has significantly improved the reliability of the drinking water infrastructure on the Island;
- replaced the obsolete Longreach Wastewater Pump Station - one of the two major pump stations on the Island - to safeguard health and environmental conditions and allow for future growth;
- commenced construction of a new sewer main and wastewater pump station on Parker Point Road, scheduled for completion in August 2019;
- replaced the aged power poles along Government House Lake; and
- commenced construction of the new fuel station at Watjil Place in April 2019; the fuel station will be available 24/7 to all the Island's operators.



Development and business assessment

RIA considers development applications and business proposals that have the potential to enhance the visitor experience, while meeting environmental, cultural and heritage conservation requirements.

DEVELOPMENT PROPOSALS

Development applications are considered in the context of the *Rottnest Island Authority Act 1987* and Rottnest Island Regulations 1988, the RIMP 2014-19 and the *Rottnest Island Master Plan – a 20 Year Vision*.

In 2018-19, work continued on two major projects:

- Discovery – Rottnest Island completed its construction phase and opened to the public in March 2019. The development provides an additional 80 accommodation rooms, a new food and beverage offering known as Pinky's Beach Club and also delivered 25 new staff accommodation rooms on a separate site in North Thomson.

- In 2018-19 the Hotel Rottnest submitted an amended development application including 80 accommodation rooms, two pools (adults and toddler), restaurant and function facilities and utility areas. RIA has dealt with clearance of the development approval conditions and has collaborated with the City of Cockburn regarding the building permit application. Preliminary construction works commenced on site before the end of the 2018-19 year.

BUSINESS PROPOSALS

RIA received 14 new business proposals in 2018-19. Of these, four were approved and the operating conditions finalised with a view to the businesses commencing on the Island by summer 2019.

In addition, and as reported in last year's annual report, RIA undertook an Expression of Interest (EOI) process for recreational businesses. Eight proposals were subsequently approved. In January 2019, RIA released a separate EOI for Aboriginal tourism offerings on Rottnest and this resulted in Go Cultural Aboriginal Tours and Experiences commencing on the Island in April 2019.

Conservation of cultural heritage

ABORIGINAL SITE MANAGEMENT

The Noongar Standard Heritage Agreement (NSHA) is a form of agreement negotiated between the Western Australian Government and the South West Aboriginal Land and Sea Council (SWALSC), representing the Noongar people.

The NSHA governs the management of Aboriginal heritage matters pertaining to the land and waters throughout the south west of the State, including in the Whadjuk People Indigenous Land Use Agreement Area (ILUA), which includes the Rottneest Island Reserve.

RIA and SWALSC entered into an NSHA in November 2017.

Under the NSHA, any significant ground disturbance activity to be conducted within the Reserve is subject to an activity notice issued by RIA to SWALSC. SWALSC then makes an assessment as to whether an Aboriginal heritage survey is required and if so, what type should be undertaken.

During the year, RIA lodged five activity notices and facilitated two heritage surveys with the full participation of Whadjuk representatives.

In addition, RIA regularly employs Whadjuk monitors to observe ground disturbance activities in order to minimise the risk of accidental harm to sub surface Aboriginal heritage.

RECONCILIATION PLANNING AND IMPLEMENTATION

There is increasing community awareness of the history of the Island as a place of detention and forced labour for Aboriginal men and boys during the nineteenth and early twentieth centuries. The impact of this period reverberates to the present day and remains at the heart of many Aboriginal people's connection to the Island.

This is recognised in RIA's *Reconciliation Action Plan 2016 – 2019* which identifies ways in which the history and contemporary significance of the Island for Aboriginal people can be reflected in the facilities and services for visitors, and in RIA's work practices and corporate culture. Achievements this year included:

- delivery of cultural awareness training to RIA staff (three sessions);
- celebration of National Reconciliation Week (May 2019);
- progression of the Wadjemup Aboriginal Burial Ground project; and
- appointment of Go Cultural Aboriginal Tours and Experiences as the new Aboriginal tourism operator on the Island.





WADJEMUP ABORIGINAL BURIAL GROUND

The Wadjemup Aboriginal Burial Ground Project continued this year in partnership with the Rottnest Foundation.

In September and October 2018, state-wide consultation regarding the project was conducted and conceptual landscape designs have been developed.

MUSEUM SERVICES AND COLLECTION

The purpose of the Rottnest Island Museum is to acquire, conserve, communicate and exhibit material that demonstrates significant aspects of Rottnest Island's natural environment, cultural heritage and social history.

During the year, RIA maintained and conserved the museum collection of over 3,000 photographs and objects through collection management and curatorial services including object research, archival packing, and cataloguing.

Two new exhibitions were installed and launched during the year - *Engaging the Target* which ran from April to May 2019 and *Bardang/Release*, which opened in May 2019 for National Reconciliation Week.

HIGHLIGHT

Quokka selfies

With the immense popularity of 'the happiest animal on earth' – the quokka, Rottnest Island has a unique promotional asset which has resulted in international recognition. One way this has been achieved is through high-profile celebrities such as Swiss tennis ace Roger Federer and Australian actress Margot Robbie's social media selfies.

RIA's aim during the year was to enhance its destination marketing through continued use of social media influencers who engage with Rottnest's beautiful scenery and unique fauna. One example of this was Tourism Australia ambassador and Australian actor Chris Hemsworth's visit to Rottnest Island on 15 March 2019. The Avengers star posted twice on his Instagram account featuring his experience with a quokka on Rottnest Island.

The posts achieved striking results with a total 7.1 million likes, 53,500 comments and 11.5 million video views. One of Chris Hemsworth's photos was re-posted to @rotnnestislandwa and recorded 16,700 total engagements.

Similar results were achieved during the year with other influencers who created Rottnest Island content.



Service 2: Conserving habitats, species and ecological communities

The allure of Rottneest Island is undoubtedly linked to its unique natural environment and native flora and fauna, notably the quokka. The conservation and management of the Island is finely balanced with the need to leverage the Island’s natural assets to increase visitor numbers.

To ensure this balance is achieved, all major projects on the Island are assessed against environmental regulations and conservation criteria.

Within the land area of approximately 1900 hectares and five marine sanctuary zones are found:

Flora	Fauna
<p>122 species of native flora</p> <p>64 hectares of Rottneest Island pine, Rottneest Island tea tree, samphire and woodland communities</p> <p>18 hypersaline and brackish lakes with unique ecological and biological diversity</p> <p>9 species of seagrass</p>	<p>10-12,000 quokkas (listed as vulnerable species)</p> <p>420 species of fish (285 temperate, and 135 tropical)</p> <p>254 bird species</p> <p>25 species of coral</p> <p>19 reptile species</p> <p>3 species of frog</p> <p>1 colony of New Zealand fur seals</p> <p>Australian Sea Lions frequent the Island</p>





Terrestrial management

The RIA Terrestrial Conservation Action Plan identifies the natural values of the Rottnest Island terrestrial reserve, determines current and desired health, considers threats, and identifies priority conservation actions which enable resources to be directed effectively.

In 2018-19, RIA:

- completed viability surveys of conservation targets under the Plan, including frog, woodland, and salt lake monitoring;
- commenced a long-term quokka monitoring program;
- completed surveys as part of long-term shorebird (including migratory birds) monitoring, through agreement with BirdLife WA;
- undertook revegetation, seed collection, treatment and storage, and plant propagation with volunteers;
- implemented control of declared weeds in the reserve; and
- conducted wildlife interaction information sessions.

QUOKKA CONSERVATION

During the year, RIA established a quokka monitoring program in which indicators of condition such as weight and tail circumference were recorded, along with indications of recent breeding success and overall health.

Sixty-nine subjects were recorded, including 50 adult individuals and five pouch young. Adults were micro-chipped to assist with the ongoing monitoring of survival rates and relative abundance over time.

In collaboration with the Rottnest Foundation, money raised through sales of Margaret River Chocolate Company's 'Chokka the Quokka' was used to purchase equipment for the quokka monitoring program.

FROG MONITORING

RIA's frog monitoring program, which has been in place since 2013, involves fortnightly monitoring of eight sites from autumn to spring each year. Data collected include the number and species of frogs calling and sighted, water quality, and tadpole numbers.

Records of the abundance and distribution of frogs provides an important indicator of the health of aquatic ecosystems, while the presence of tadpoles indicates water quality in the freshwater seep and brackish swamps on Rottnest.

Results indicate Rottnest's frog populations are successfully breeding and in very good health. During the year, over 55,000 tadpoles were recorded, the highest count on record for the program.

NURSERY AND REVEGETATION PROGRAM

Nursery volunteers dedicated over 2300 hours to the revegetation program during the year, collecting over 1.4kg of seed and propagating over 32,000 seedlings including native Rottnest plants, trees, shrubs and groundcovers.

Almost 10,000 seedlings were planted last year for woodland, coastal and wetland revegetation programs, and a landscaping trial was undertaken within the Main Settlement using the Rottnest Island daisy.

Marine management

Collaborations and partnerships with State and national marine conservation groups continued during the year including an ongoing seagrass monitoring program conducted with the assistance of Western Australian Divers for Diversity Incorporated. The twelfth annual Rottnest Island reef health survey by not-for-profit organisation Reef Life Survey was also undertaken.

Sustainability

EARTHCHECK CERTIFICATION

RIA benchmarks its environmental and social performance against the internationally recognised EarthCheck Sustainability Certification Program, receiving Silver Certification annually since 2015.

The need to meet certification criteria and maintain key performance indicators has improved business practices and provided the added credibility of meeting external standards verified through a third-party audit.

THE LAST STRAW

Rottnest Island became the first major tourism destination in Western Australia to become plastic straw free this year. The new policy came into effect on 1 May 2019.

RIA implemented the policy following consultation with Island businesses and the community. Biodegradable paper straws are available upon request. The policy builds on RIA's conservation and sustainability initiatives, including renewable energy, waste management and Plastic Free July.

WASTE EDUCATION AND ENGAGEMENT

RIA and the Rottnest Island Chamber of Commerce received a grant from the Waste Authority for employment of a waste education and engagement officer. The grant aims to increase business engagement and awareness of waste management practices to improve recycling yields and reduce contamination levels in the recycling (yellow bins) and general (red bins) waste streams.

ORGANIC WASTE

Rottnest Island faces unique waste management challenges as a result of increasing visitor numbers and associated waste generation, and high transport costs for removing waste from the Island.

Western Australia's Waste Avoidance and Resource Recovery Strategy 2030 provides a strategic framework for managing waste, including waste avoidance, recovery and environmental protection objectives and targets.

In line with this strategy, RIA conducted a feasibility study focusing on a food and organic waste recovery program for the Island. The study considered options to recover the Island's organic waste and identify the most cost-effective practices.



ROTTNEST ISLAND TRANSPORT STRATEGY

As part of its ongoing commitment to sustainability, RIA developed a new Rottnest Island Transport Strategy during the year. This strategy provides a framework for long-term transport infrastructure development and maintenance across the Island's network and recommended:

- the establishment of 'back of house' service roads;
- moving commercial barge operations to the former Army Jetty site;
- the establishment of three main transport hubs at the West End, Wadjemup Hill and the Main Settlement;
- establishing three main inter-connecting transport routes;
- establishing a vehicle tracking and logging service; and
- general road safety and maintenance measures.

The Strategy will be progressively implemented during the period of the *Rottnest Island Management Plan 2020-24*.

CHEMICAL AND HAZARDOUS SUBSTANCES MANAGEMENT

During the year, RIA adopted Chemalert to manage its hazardous substances and chemicals on the Island. Chemalert is a cloud-based hazardous substance and dangerous goods management system, which is used to ensure compliance with the legislative requirements relating to the use, storage and transportation of such substances.

ROTTNEST ISLAND CONSERVATION CENTRE DEVELOPMENT

Rottnest Conservation Centre is the hub of biodiversity conservation operations, scientific research and community volunteering on the Island. Located in the Stables Precinct, the Centre offers activities and facilities including a wildlife station, native plant nursery, volunteer and research accommodation and office.

The current facilities need to be upgraded and RIA prepared a concept plan for redevelopment. The Rottnest Foundation will be pursuing the Conservation Centre redevelopment as a key project over the next few years.

Protecting the Reserve and educating visitors

RANGER SERVICES

Rottnest Island rangers provide marine and land-based services including compliance with Rottnest Island Regulations 1988, incident response support, wildlife management and guidance to visitors on matters such as interaction with wildlife. During the year:

- 557 wildlife management responses were undertaken;
- 142 infringements were issued for breaches of regulations;
- 460 warnings were issued for breaches of the regulations;
- 31 evictions from the Island were initiated.

PROJECTS AND ACHIEVEMENTS

During the year an online visitor risk management framework was developed to record hazards, near misses and incidents within the Reserve and to assist with incident investigations and corrective actions. Visitor risk management training for all Ranger staff was also conducted on the Island.

GEOLOGICAL COASTAL RISK ASSESSMENT

In 2018-19, RIA commissioned its periodic Coastal Geological Risk Survey from geotechnical engineers. A total of 231 sites were assessed to determine current risk of geological failure and potential safety impact on visitors. As a result of this survey, RIA has developed an action plan to address sites of very high, high and medium ratings and to mitigate these risks to an acceptable level.

Fire and Emergency Services

BUSHFIRE RISK MANAGEMENT PLANNING

The Rottnest Island Bushfire Risk Management Plan was revised during the year and an audit conducted of critical infrastructure and services in terms of bushfire risk. A system developed by the Department of Fire and Emergency Services (DFES) allows RIA to identify, assess, and develop individual treatments to ensure effective risk mitigation is carried out prior to each bushfire season.

LOCAL EMERGENCY MANAGEMENT ARRANGEMENTS

During the year, RIA reviewed its local emergency management arrangements to ensure alignment with the State Emergency Plan and associated support and hazard plans.

The Island's Local Emergency Management Committee undertakes desktop and field exercises designed to test the effectiveness of arrangements to address Island-specific hazards, as well as the capacity to respond to emergency incidents. In September 2018 RIA conducted an exercise with representatives from DFES, Department of Health and WA Police to test a scenario involving visitors exposed to an approaching bushfire front in a remote part of the Reserve.

PROVISION OF CARDIAC DEFIBRILLATORS

In 2019, the Rottnest Foundation received a St John Lotterywest Heart grant to purchase defibrillators for installation at Rottnest Island.

Five automated external defibrillators were installed on the Island at the Kingstown Barracks, Rottnest Island Fire Station, The Basin and Geordie Bay store and café.



Marine facilities management

RIA manages private and public moorings and associated infrastructure on the Island and contributes to the overall management of the marine reserve.

RIA licenses 843 private vessel mooring sites and provides a further 46 casual hire moorings, three emergency moorings and one courtesy mooring. The mooring sites are spread across eight locations on the Island. There are also 32 beach anchor points, 25 beach pens and nine local beach pens.

Private boat owners may anchor anywhere within the Reserve except within 50 metres of a mooring or where otherwise indicated. In addition to charges associated with the use of Island moorings, boat owners are required under Rottnest Island Regulations to pay the Island admission fee. Boat users may pay the fee on an annual or individual visit basis. In 2018-19 1158 boat visitors paid the annual admission fee.

At 30 June 2019 there were 4042 vessels recorded in the Rottnest Island mooring data base, including licensees and 'authorised users' who are permitted to access a licensed mooring. Despite this Shared Mooring System being in place to facilitate shared access and enable regulated casual access to temporarily unoccupied moorings, there are currently approximately 450 applicants on the waiting list for a private mooring site.

In 2019, RIA commenced streamlining aspects of the shared system and to move the system online. Changes were introduced to remove the need for those on the waiting list for a private mooring to renew their application on an annual basis.

During the year the program of marine infrastructure inspection was renewed with weekly safety and maintenance inspections and corrective follow up actions.

Walk Trail maintenance and projects

The Wadjemup Bidi is a 45km trail, in five sections, and includes culturally and environmentally significant landmarks. In 2018-19, about 78,000 people walked the trail. The trail system also attracted sporting events such as Run Rotto Bidi which was successfully staged as part of the Perth Trail Series in 2018.

During the year, Walk Trail maintenance including mowing, brush cutting and pruning was carried out with the support of volunteers.



Rottnest Island volunteering

Interest in volunteering on the Island remains strong and more than 15 independent volunteer groups undertook work across the Island during the year. Activities included seed collection, plant propagation, revegetation, weeding, rubbish collection, marine debris removal, monitoring sea grass, cleaning underwater plaques and plinths, monitoring a range of fauna from birds to bees, fence removal, painting, dune rehabilitation, construction and railway maintenance.

Research

RIA's conservation and sustainability planning is underpinned by world-class research into the natural, cultural and built environments of Rottnest Island. In 2018-19, RIA issued 23 research permits to institutional and individual researchers for a variety of projects.

FAIRY TERN RESEARCH AND CONSERVATION MANAGEMENT

Rottnest Island is recognised as an Important Bird Area by BirdLife International, a global consortium of conservation organisations dedicated to preservation of birds and bird habitats. The Island is a significant breeding location for fairy terns, which are listed as 'vulnerable' in Western Australia, Australia and under the IUCN Red List. Threats such as human disturbance and predation from feral animals on the mainland have reduced adult survivorship over the past few decades.

Rottnest Island offers an opportunity for the implementation of effective conservation measures to protect the species. RIA collaborates with the Conservation Council of Western Australia and Murdoch University to support research into the life history and population dynamics of fairy terns, and to manage sites to maintain breeding colonies.

Activities include monitoring, adult and chick identification banding, installation of signage, and deployment of decoys (visual cues) and vocalisations (audio cues) to lure adults to suitable breeding sites.

One breeding colony was successful on the Island this year, with over 100 breeding pairs observed, and a total of 37 chicks successfully banded for future identification.





Collaborations and partnerships

RIA recognises that the provision of many Island services and activities is a community effort and acknowledges the partners and collaborators who support many of these activities including:

- Better Bees WA
- Birds Australia
- Boating WA
- Clontarf Foundation
- Conservation Volunteers Australia
- Hydro Tasmania and Australian Renewable Energy Agency
- Leeuwin Ocean Adventure Foundation
- Maritime Archaeological Association of WA
- Margaret River Chocolate Company
- Reef Life Survey Australia
- Rottnefast Channel Swim Association
- Rottnefast Island Chamber of Commerce
- Rottnefast Island Fire Service
- Rottnefast Island Nursery Volunteers
- Rottnefast Island Offshore Boardriders Club
- Rottnefast Foundation
- Rottnefast ferry operators – Rottnefast Express, Rottnefast Fast Ferries and SeaLink Rottnefast Island
- Rottnefast Voluntary Guides Association
- Rottnefast Island Railway Advisory Committee
- Rottnefast Society
- Scouts WA
- Sea Rescue Fremantle
- South West Aboriginal Land and Sea Council
- The Winnit Club
- Underwater Explorers Club of WA
- West Australian Divers for Diversity Inc.
- Whadjuk Working Party



Significant issues impacting the Agency

- In 2019 Hotel Rottnest commenced work on a significant extension that will add 80 new rooms and a conference centre.
- New private developments on Rottnest Island, including the Discovery – Rottnest Island and Hotel Rottnest resorts, will increase competitive pressure on RIA-operated visitor accommodation.
- Maintenance and renewal of marine infrastructure, especially Rottnest Island's jetties, to improve visitor safety and operational efficiency is a priority. Works proposed include the relocation of barging operations away from the Main Jetty to the site of the former Army Jetty.
- The reliability and capability of RIA's online booking system for accommodation and other visitor services is of paramount importance in ensuring the Island's ongoing competitiveness.



Disclosures and legal compliance

Certification of Financial Statements

For the reporting period ended 30 June 2019

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 ended 30 June 2019 and the financial position as at 30 June 2019.

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



Vince Ianni
Chief Finance Officer

13 September 2019



Hamish Beck
Deputy Chairman
Rottnest Island Authority

13 September 2019



John Langoulant
Chairman
Rottnest Island Authority
13 September
2019

Independant Audit Opinion



Auditor General

INDEPENDENT AUDITOR'S REPORT

To the Parliament of Western Australia

ROTTNEST ISLAND AUTHORITY

Report on the Financial Statements

Opinion

I have audited the financial statements of the Rottnest Island Authority which comprise the Statement of Financial Position as at 30 June 2019, the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows for the year then ended, and Notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements are based on proper accounts and present fairly, in all material respects, the operating results and cash flows of the Rottnest Island Authority for the year ended 30 June 2019 and the financial position at the end of that period. They are in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and the Treasurer's Instructions.

Basis for Opinion

I conducted my audit in accordance with the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Authority in accordance with the *Auditor General Act 2006* and the relevant ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial statements. I have also fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibility of the Board for the Financial Statements

The Board is responsible for keeping proper accounts, and the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and the Treasurer's Instructions, and for such internal control as the Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board is responsible for assessing the agency's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Western Australian Government has made policy or funding decisions affecting the continued existence of the Authority.

Auditor's Responsibility for the Audit of the Financial Statements

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial statements. The objectives of my audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

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As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the agency's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- Conclude on the appropriateness of the Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the agency's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Report on Controls

Qualified Opinion

I have undertaken a reasonable assurance engagement on the design and implementation of controls exercised by the Rottnest Island Authority. The controls exercised by the Authority are those policies and procedures established by the Board to ensure 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 (the overall control objectives).

My opinion has been formed on the basis of the matters outlined in this report.

In my opinion, in all material respects, except for the possible effects of the matter described in the Basis for Qualified Opinion section of my report, the controls exercised by the Rottnest Island Authority are sufficiently adequate to 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 during the year ended 30 June 2019.

Basis for Qualified Opinion

In 2017-18, my audit opinion on controls was qualified as the information technology and financial controls for the systems used to record accommodation, bike and equipment hire and other miscellaneous revenue were inadequate. The weaknesses identified could result in inappropriate changes to prices, and in some cases, invalid refunds.

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Independant Audit Opinion

The Authority has implemented controls to address weaknesses identified in 2017-18, however key controls over the review of audit logs for changes to hire and accommodation rates were not implemented until February 2019. In addition, we also found that until April 2019, discounts could be made to accommodation, bike and equipment hire and other miscellaneous revenue without detection. While our testing has not identified any inappropriate changes to rates or discounts, relevant controls over rate changes and discounts were not adequate throughout 2018-19.

The Board's Responsibilities

The Board is responsible for designing, implementing and maintaining controls to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities are in accordance with the *Financial Management Act 2006*, the Treasurer's Instructions and other relevant written law.

Auditor General's Responsibilities

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the suitability of the design of the controls to achieve the overall control objectives and the implementation of the controls as designed. I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3150 *Assurance Engagements on Controls* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements and plan and perform my procedures to obtain reasonable assurance about whether, in all material respects, the controls are suitably designed to achieve the overall control objectives and the controls, necessary to achieve the overall control objectives, were implemented as designed.

An assurance engagement to report on the design and implementation of controls involves performing procedures to obtain evidence about the suitability of the design of controls to achieve the overall control objectives and the implementation of those controls. The procedures selected depend on my judgement, including the assessment of the risks that controls are not suitably designed or implemented as designed. My procedures included testing the implementation of those controls that I consider necessary to achieve the overall control objectives.

I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Limitations of Controls

Because of the inherent limitations of any internal control structure it is possible that, even if the controls are suitably designed and implemented as designed, once the controls are in operation, the overall control objectives may not be achieved so that fraud, error, or noncompliance with laws and regulations may occur and not be detected. Any projection of the outcome of the evaluation of the suitability of the design of controls to future periods is subject to the risk that the controls may become unsuitable because of changes in conditions.

Report on the Key Performance Indicators

Opinion

I have undertaken a reasonable assurance engagement on the key performance indicators of the Rottnest Island Authority for the year ended 30 June 2019. The key performance indicators are the key effectiveness indicators and the key efficiency indicators that provide performance information about achieving outcomes and delivering services.

In my opinion, in all material respects, the key performance indicators of the Rottnest Island Authority are relevant and appropriate to assist users to assess the Authority's performance and fairly represent indicated performance for the year ended 30 June 2019.

The Board's Responsibility for the Key Performance Indicators

The Board is responsible for the preparation and fair presentation of the key performance indicators in accordance with the *Financial Management Act 2006* and the Treasurer's instructions and for such internal control as the Board determines necessary to enable the preparation of key performance indicators that are free from material misstatement, whether due to fraud or error.

In preparing the key performance indicators, the Board is responsible for identifying key performance indicators that are relevant and appropriate having regard to their purpose in accordance with Treasurer's Instruction 904 *Key Performance Indicators*.

Auditor General's Responsibility

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the key performance indicators. The objectives of my engagement are to obtain reasonable assurance about whether the key performance indicators are relevant and appropriate to assist users to assess the agency's performance and whether the key performance indicators are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements relating to assurance engagements.

An assurance engagement involves performing procedures to obtain evidence about the amounts and disclosures in the key performance indicators. It also involves evaluating the relevance and appropriateness of the key performance indicators against the criteria and guidance in Treasurer's Instruction 904 for measuring the extent of outcome achievement and the efficiency of service delivery. The procedures selected depend on my judgement, including the assessment of the risks of material misstatement of the key performance indicators. In making these risk assessments I obtain an understanding of internal control relevant to the engagement in order to design procedures that are appropriate in the circumstances.

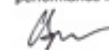
I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

My Independence and Quality Control Relating to the Reports on Controls and Key Performance Indicators

I have complied with the independence requirements of the *Auditor General Act 2006* and the relevant ethical requirements relating to assurance engagements. In accordance with ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements*, the Office of the Auditor General maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Matters Relating to the Electronic Publication of the Audited Financial Statements and Key Performance Indicators

This auditor's report relates to the financial statements and key performance indicators of the Rottnest Island Authority for the year ended 30 June 2019 included on the Authority's website. The Authority's management is responsible for the integrity of the Authority's website. This audit does not provide assurance on the integrity of the Authority's website. The auditor's report refers only to the financial statements and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to from these financial statements or key performance indicators. If users of the financial statements and key performance indicators are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial statements and key performance indicators to confirm the information contained in this website version of the financial statements and key performance indicators.



CAROLINE SPENCER
AUDITOR GENERAL
FOR WESTERN AUSTRALIA
Perth, Western Australia
19 September 2019

Statement of Comprehensive Income for the year ended 30 June 2019

	Note	2019 \$000	Restated* 2018 \$000
COST OF SERVICES			
Expenses			
Cost of sales	4.3	508	456
Employee benefits expense	3.1(a)	11,524	11,554
Supplies and services	3.2	27,860	27,169
Depreciation and amortisation expense	5.1.1, 5.2.1	5,674	5,732
Finance costs	7.1	527	340
Accommodation expenses	3.3	359	353
Other expenses	3.3	1,183	1,024
Loss on disposal of non-current assets	3.4	169	9
Total cost of services		47,804	46,637
Income			
Revenue			
Sales	4.3	707	658
User charges and fees	4.2	40,666	38,130
Interest revenue	4.4	559	587
Other revenue	4.5	516	576
Total Revenue		42,448	39,951
Total income other than income from State Government		42,448	39,951
NET COST OF SERVICES		5,356	6,686

	Note	2019 \$000	Restated* 2018 \$000
Income from State Government			
Service Appropriation	4.1	4,729	8,669
State Government Grant	4.1	67	-
Services received free of charge	4.1	101	45
Total income from State Government		4,897	8,714
(DEFICIT)/SURPLUS FOR THE PERIOD		(459)	2,028
OTHER COMPREHENSIVE INCOME			
Items not reclassified subsequently to profit or loss			
Changes in asset revaluation surplus		8,915	(1,860)
Total other comprehensive income		8,915	(1,860)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		8,456	168

* Refer to Note 2 for prior period restatement

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

Statement of financial position as at 30 June 2019

	Note	2019 \$000	Restated* 2018 \$000	Restated* as at 1 July 2017 \$000
ASSETS				
Current Assets				
Cash and cash equivalents	7.2	9,562	7,819	4,273
Inventories	4.3	207	210	193
Receivables	6.1	1,625	1,518	1,303
Other current financial assets	7.3	16,500	16,872	12,850
Other current assets	6.2	139	147	97
Total Current Assets		28,033	26,566	18,716
Non-Current Assets				
Infrastructure, property, plant and equipment	5.1	267,300	254,355	256,345
Intangible assets	5.2	1,077	1,190	1,365
Receivables	6.1	130	130	136
Other non-current financial assets	7.3	-	2,000	6,000
Total Non-Current Assets		268,507	257,675	263,846
TOTAL ASSETS		296,540	284,241	282,562

	Note	2019 \$000	Restated* 2018 \$000	Restated* as at 1 July 2017 \$000
LIABILITIES				
Current Liabilities				
Payables	6.3	6,355	7,801	6,819
Employee related provisions	3.1(b)	2,031	1,565	1,697
Other current liabilities	6.4	12,680	12,998	12,139
Total Current Liabilities		21,066	22,364	20,655
Non-Current Liabilities				
Employee related provisions	3.1(b)	524	525	677
Other non-current liabilities	6.4	4,136	4,275	4,321
Total Non-Current liabilities		4,660	4,800	4,998
TOTAL LIABILITIES		25,726	27,164	25,653
NET ASSETS		270,814	257,077	256,909
EQUITY				
Contributed equity	9.7	50,032	50,032	50,032
Reserves	9.7	207,208	193,012	194,872
Accumulated surplus	9.7	13,574	14,033	12,005
TOTAL EQUITY		270,814	257,077	256,909

* Refer to Note 2 for prior period restatement

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

Statement of changes in equity For the year ended 30 June 2019

	Note	Contributed equity \$000	Reserves \$000	Accumulated surplus \$000	Total Equity \$000
Balance at 1 July 2017		50,032	194,872	15,666	260,570
Adjustment on correction of prior year error	2	-	-	(3,661)	(3,661)
Restated Balance at 1 July 2017 *		50,032	194,872	12,005	256,909
Surplus		-	-	2,121	2,121
Adjustment on correction of prior year error	2	-	-	(93)	(93)
Other comprehensive income	9.7	-	(1,860)	-	(1,860)
Total comprehensive income for the period		-	(1,860)	2,028	168
Restated Balance at 30 June 2018 *		50,032	193,012	14,033	257,077
Restated Balance at 1 July 2018		50,032	193,012	14,033	257,077
Revaluation increment of heritage buildings not recognised in prior year		-	5,281	-	5,281
Surplus / (Deficit)		-	-	(459)	(459)
Other comprehensive income	9.7	-	8,915	-	8,915
Total comprehensive income for the period		-	8,915	(459)	8,456
Balance at 30 June 2019		50,032	207,208	13,574	270,814

* Refer to Note 2 for prior period restatement

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

Statement of cash flows For the year ended 30 June 2019

	Note	2019 \$000	2018 \$000
CASH FLOW FROM STATE GOVERNMENT			
Service appropriation	4.1	4,729	8,669
State Government Grant	4.1	67	-
Net cash provided by State Government		4,796	8,669
Utilised as follows:			
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee benefits		(10,915)	(11,835)
Supplies and services		(29,821)	(27,123)
Finance costs		(527)	(340)
GST payments on purchases		(3,645)	(3,491)
GST payments to taxation authority		(506)	(665)
Other payments		(1,890)	(1,033)
Receipts			
Sale of goods and services		707	658
User charges and fees		40,238	38,568
Interest received		667	584
GST receipts on sales		4,228	4,037
Other Receipts		516	404
Net cash used in operating activities		(948)	(236)

	Note	2019 \$000	2018 \$000
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments			
Purchase of non-current assets		(4,513)	(4,902)
Receipts			
Proceeds from sale of non-current assets		36	37
Net cash used in investing activities		(4,477)	(4,865)
Net increase/(decrease) in cash and cash equivalents			
		(629)	3,568
Cash and cash equivalents at the beginning of the period			
		26,691	23,123
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		26,062	26,691

Refer to Note 2 for prior period restatement

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

Notes to the financial statements

1. BASIS OF PREPARATION

General

The Rottnest Island Authority's ("the Authority") is a WA Government entity and is controlled by the State of Western Australia, which is the ultimate parent. The Authority is a not-for-profit entity (as profit is not its principal objective).

A description of the nature of its operations and its principal activities have been included in the 'Overview' which does not form part of these financial statements.

These annual financial statements were authorised for issue by the Accountable Authority of the Authority on 13 September 2019.

Statement of compliance

These general-purpose financial statements have been prepared in accordance with:

- 1) The Financial Management Act 2006 (FMA)
- 2) The Treasurer's Instructions (TIs)
- 3) Australian Accounting Standards (AAS) Reduced Disclosure Requirements
- 4) Where appropriate, those AAS paragraphs applicable for not-for-profit entities have been applied.

The Financial Management Act 2006 and the Treasurer's Instructions (the Instructions) take precedence over AASs. Several AASs are modified by TIs to vary application, disclosure format and wording. 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.

Basis of preparation

These financial statements are presented in Australian dollars applying the accrual basis of accounting and using the historical cost convention. Certain balances will apply a different measurement basis (such as the fair value basis). Where this is the case the different measurement basis is disclosed in the associated note. All values are rounded to the nearest thousand dollars (\$000).

Judgements and estimates

Judgements, estimates and assumptions are required to be made about financial information being presented. The significant judgements and estimates made in the preparation of these financial statements are disclosed in the notes where amounts affected by those judgements and/or estimates are disclosed. Estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances.

Contributed equity

AASB Interpretation 1038 Contributions by Owners Made to Wholly-Owned Public Sector Entities requires transfers in the nature of equity contributions, other than as a result of a restructure of administrative arrangements, to be designated by the Government (the owner) as contributions by owners (at the time of, or prior to, transfer) before such transfers can be recognised as equity contributions. Capital appropriations have been designated as contributions by owners by TI 955 Contributions by Owners made to Wholly Owned Public Sector Entities and have been credited directly to Contributed Equity.

The transfers of net assets to/from other agencies, other than as a result of a restructure of administrative arrangements, are designated as contributions by owners where the transfers are non-discretionary and non-reciprocal.

Notes to the financial statements

2. DISCLOSURE OF CHANGES IN ACCOUNTING POLICY AND CORRECTION OF PRIOR PERIOD ERRORS

Correction of prior period errors

2.1 Australian Renewable Energy Agency (ARENA) financial liability

Rottnest Island Authority undertook a financial arrangement with the Australian Renewable Energy Agency (ARENA) to construct a power generation asset. The contingent liability was to be repaid to ARENA based on the equivalent to the diesel savings that was to be made over the next twenty years. The asset was in operation as at 30 June 2018.

Prior to the 2019 financial statements, the ARENA financial liability and its corresponding expense were recognised only when the required future activity occurred, that is the generation of renewable energy. Accordingly, no liability was recognised in the financial statements.

Rottnest Island Authority has corrected this error by recognising the financial liability based on the value of the contract at the date of the initial recognition of the asset.

The 2018 comparatives have been restated to reflect the transactions.

	2018 \$000	
IMPACT ON STATEMENT OF COMPREHENSIVE INCOME (INCREASE/(DECREASE IN PROFIT))		
Decrease in Revenue	(93)	
	2018 \$000	Restated as at 1 July 2017 \$000
IMPACT ON EQUITY (INCREASE/(DECREASE IN EQUITY))		
Increase in current liability	162	162
Increase in Non-current liability	3,592	3,499
Net Impact on Equity	(93)	(3,661)

2.2 Building Revaluation

In previous years, the revaluations of a number of heritage buildings were assumed to form part of a complex of heritage listed buildings. During the 2019 revaluation it was identified that these heritage buildings were independent from the complex and consequently the 2018 revaluation was understated by \$5.3 million. As the Authority did not have a valuation for the heritage listed buildings at 30 June 2018, the \$5.3 million has been recognised as an adjustment in the 30 June 2019 financial statements.

Notes to the financial statements

3. USE OF OUR FUNDING

Expenses incurred in the delivery of services

This section provides additional information about how the Authority's funding is applied and the accounting policies that are relevant for an understanding of the items recognised in the financial statements. The primary expenses incurred by the Authority in achieving its objectives and the relevant notes are:

	Note	2019 \$000	2018 \$000
Employee benefits expenses	3.1(a)	11,524	11,554
Employee related provisions	3.1(b)	2,555	2,090
Supplies and services	3.2	27,860	27,169
Other Expenses	3.3	1,542	1,377
Loss on disposal of non-current assets	3.4	169	9

3.1 (a) Employee Benefits Expenses

	2019 \$000	2018 \$000
Wages and salaries	10,389	9,845
Termination benefits	85	725
Superannuation - defined contribution plans ^(a)	1,008	948
Superannuation - defined benefit plans ^(b)	42	36
Total employee benefit expenses	11,524	11,554

(a) Defined contribution plans include West State Superannuation Scheme (WSS), Gold State Superannuation Scheme (GSS), Government Employees Superannuation Board Schemes (GESBs) and other eligible funds.

(b) Defined benefit plans include the Pension Scheme.

Wages and salaries: Employee expenses include all costs related to employment including wages and salaries, fringe benefits tax, leave entitlements and Workcover premiums.

Termination benefits: Payable when employment is terminated before normal retirement date, or when an employee accepts an offer of benefits in exchange for the termination of employment. Termination benefits are recognised when the Authority is demonstrably committed to terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

Superannuation: The amount recognised in profit or loss of the Statement of Comprehensive Income comprises employer contributions paid to the GSS (concurrent contributions), the WSS, the GESBs, or other superannuation funds. The employer contribution paid to the Government Employees Superannuation Board (GESB) in respect of the GSS is paid back into the Consolidated Account by the GESB.

GSS (concurrent contribution) is a defined benefit scheme for the purpose of employees and whole-of-government reporting. It is however a defined contribution plan for Authority purposes because the concurrent contributions (defined contributions) made by the Authority to GESB extinguishes the Authority's obligations to the related superannuation liability.

The Authority does not recognise any defined benefit liabilities because it has legal or constructive obligation to pay future benefits relating to its employees. The liabilities for the unfunded Pension Scheme and the unfunded GSS transfer benefits attributable to members who transferred from the Pension Scheme, are assumed by the Treasurer. All other GSS obligations are funded by concurrent contributions made by the Authority to the GESB.

Notes to the financial statements

3. USE OF OUR FUNDING CONT'D

The GESB and other fund providers administer public sector superannuation arrangements in Western Australia in accordance with legislative requirements. Eligibility criteria for membership in particular schemes for public sector employees vary according to commencement and implementation dates.

3.1 (b) Employee Related Provisions

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave for services rendered up to the reporting date and recorded as an expense during the period the services are delivered.

	2019 \$000	Restated 2018 \$000
Current		
Employee benefits provision		
Annual leave ^(a)	731	609
Long service leave ^(b)	1,081	778
Time in lieu	14	18
Superannuation	39	35
	1,865	1,440
<i>Other provisions</i>		
Employment on-costs ^(c)	166	125
Total current employee related provisions	2,031	1,565

	2019 \$000	Restated* 2018 \$000
Non-current		
Employee benefits provision		
Long service leave ^(b)	303	288
Superannuation	193	211
	496	499
<i>Other provisions</i>		
Employment on-costs ^(c)	28	26
Total non-current employee related provisions	524	525
Total employee related provisions	2,555	2,090

(a) **Annual leave liabilities:** Classified as current as there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period.

The provision for annual leave is calculated at the present value of expected payments to be made in relation to services provided by employees up to the reporting date.

(b) **Long service leave liabilities:** 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 end of the reporting period.

Notes to the financial statements

3. USE OF OUR FUNDING CONT'D

3.1 (b) Employee Related Provisions cont'd

(b) Long service leave liabilities: cont'd

Pre-conditional and conditional long service leave provisions are classified as **non-current** liabilities because the Authority has an unconditional right to defer the settlement of the liability until the employee has completed the requisite years of service.

The provision for long service leave is calculated at present value as the Authority does not expect to wholly settle the amounts within 12 months. The present value is measured taking into account the present value of expected future payments to be made in relation to services provided by employees up to the reporting date. These payments are estimated using the remuneration rate expected to apply at the time of settlement, and 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.

(c) **Employment on-costs:** The settlement of annual and long service leave liabilities gives rise to the payment of employment on-costs including workers' compensation insurance. The provision is the present value of expected future payments.

Employment on-costs, including workers' compensation insurance, 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 included as part of 'Other expenditures', Note 3.3 (apart from the unwinding of the discount (finance cost))' and are not included as part of the Authority's 'employee benefits expense'. The related liability is included in 'Employment on-costs provision'.

	2019 \$000	2018 \$000
Employment on-costs provision		
Carrying amount at start of period	151	187
Additional provisions recognised	116	44
Payments/other sacrifices of economic benefits	(73)	(80)
Carrying amount at end of period	194	151

Key sources of estimation uncertainty – long service leave

Key estimates and assumptions concerning the future are based on historical experience and various other factors that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

Several estimates and assumptions are used in calculating the Authority's long service leave provision. These include:

- Expected future salary rates
- Discount rates
- Employee retention rates; and
- Expected future payments

Changes in these estimations and assumptions may impact on the carrying amount of the long service leave provision.

Any gain or loss following revaluation of the present value of long service leave liabilities is recognised as employee benefits expense.

Notes to the financial statements

3. USE OF OUR FUNDING CONT'D

3.2 Supplies and services

	2019 \$000	2018 \$000
Contractors – Facilities Operations and Utilities	12,893	12,697
Contractors – Housekeeping	2,072	2,045
Contractors – Other	4,265	2,940
Administration expense	2,292	1,863
Other Staffing Costs	443	316
Repairs and maintenance – Roofing Project	1,869	3,845
Repairs and maintenance – Other	2,843	2,357
Vehicle leasing	72	58
IT system development	141	123
Marketing expenses	429	462
Other supplies & services costs	541	463
	27,860	27,169

Supplies and Services:

Supplies and services are recognised as an expense in the reporting period in which they are incurred. The carrying amounts of any materials held for distribution are expensed when the materials are distributed.

3.3 Other Expenses

	2019 \$000	2018 \$000
Accommodation expenses		
Lease rentals	253	252
Cleaning	74	52
Other accommodation expenses	32	49
Total accommodation expenses	359	353
Other expenditures		
Furniture, fittings and equipment maintenance	174	127
Doubtful debts expense	84	14
Employment on-costs	814	783
Research and development	111	69
Donations	-	31
Total other expenditures	1,183	1,024
Total other expenses	1,542	1,377

Accommodation expenses:

Operating lease payments are recognised on a straight line basis over the lease term, except where another systematic basis is more representative of the time pattern of the benefits derived from the use of the leased asset.

Cleaning and other accommodation expenses are recognised as expenses as incurred.

Other expenditures:

Other operating expenses generally represent the day-to-day running costs incurred in normal operations.

Notes to the financial statements

3. USE OF OUR FUNDING CONT'D

3.3 Other Expenses cont'd

Furniture, fittings and equipment maintenance:

Repairs and maintenance costs are recognised as expenses as incurred, except where they relate to the replacement of a significant component of an asset. In that case, the costs are capitalised and depreciated.

Doubtful debts expense was recognised as the movement in the allowance for doubtful debts. From 2018, expected credit losses expense is recognised as the movement in the allowance for expected credit losses. The allowance for expected credit losses of trade receivables is measured at the lifetime expected credit losses at each reporting date. The Authority has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Employee on-cost

includes workers' compensation insurance and other employment on-costs. The on-costs liability associated with the recognition of annual and long service leave liabilities is included at Note 3.1(b) Employee related provisions. Superannuation contributions accrued as part of the provision for leave are employee benefits and are not included in employment on-costs.

Research and development costs

are recognised as an expense in the period in which they are incurred.

Donations are recognised as an expense in the period in which they are incurred.

Audit fees are recognised as an expense in the period in which they are incurred.

3.4 Loss on disposal of non-current assets

	2019 \$000	2018 \$000
Net proceeds from disposal of non-current assets		
Plant, equipment and vehicles	36	37
Carrying amount of non-current assets disposed		
Plant, equipment and vehicles	(205)	(46)
Loss on disposal of non-current assets	(169)	(9)

Realised and unrealised gains 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.

Gains and losses on the disposal of non-current assets are presented by deducting from the proceeds on disposal the carrying amount of the asset and related selling expenses. Gains and losses are recognised in profit or loss in the statement of comprehensive income (from the proceeds of sale).

Notes to the financial statements

4. OUR FUNDING SOURCES

How we obtain our funding

This section provides additional information about how the Authority obtains its funding and the relevant accounting policy notes that govern the recognition and measurement of this funding. The primary income received by the Authority and the relevant notes are:

	Note	2019 \$000	2018 \$000
Income from State Government	4.1	4,897	8,714
User charges and fees	4.2	40,666	38,130
Sales	4.3	707	658
Interest revenue	4.4	559	587
Other revenue	4.5	516	576

4.1 Income from State Government

	2019 \$000	2018 \$000
Appropriation received during the period:		
Service appropriation ^(a)	4,729	8,669
State Government Grant	67	-
	4,796	8,669
Services received free of charge from other State government agencies during the period:		
State Solicitors Office - Legal services	101	45
Total services received	101	45
Total income from State Government	4,897	8,714

(a) **Service Appropriations** are recognised as revenues at fair value in the period in which the Authority gains control of the appropriated funds. The Authority gains control of appropriated funds at the time those funds are deposited in the bank account.

Service appropriations fund the net cost of services delivered.

Notes to the financial statements

4. OUR FUNDING SOURCES CONT'D

4.2 User charges and fees

	2019 \$000	2018 \$000
Accommodation Charges	18,714	18,205
Facilities & Tours	4,949	4,596
Admission Fees	10,103	8,827
Lease & Licence Income	4,510	4,479
Utility Charges	1,635	1,389
Housing Rentals	755	634
	40,666	38,130

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

Visitor Accommodation revenue is recognised over the course of the Visitors' stay on the Island. Admissions income is recognised when the invoice is issued to the ferry companies.

Other revenue, including Housing and Business rental income, is recognised as the service is provided.

4.3 Trading profit

	2019 \$000	2018 \$000
Sales	707	658
Cost of Sales:		
Opening Inventory	(58)	(27)
Purchases	(559)	(487)
	(617)	(514)
Closing Inventory	109	58
Cost of Goods Sold	(508)	(456)
Trading profit	199	202
Closing inventory comprises:		
Current inventories		
Inventories held for resale		
Visitors Centre Stock	102	54
Bike stock	7	4
	109	58
Inventories not held for resale		
Materials	-	8
Fuels	98	144
	98	152
Total Inventories	207	210

Notes to the financial statements

4. OUR FUNDING SOURCES CONT'D

Sales

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

Inventories

Inventories are measured at the lower of cost and net realisable value. Costs are assigned by the method most appropriate for each particular class of inventory, with the majority being measured on a first in first out basis.

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

4.4 Interest revenue

	2019 \$000	2018 \$000
Interest revenue	559	587
	559	587

Interest revenue is recognised as the interest accrues.

4.5 Other revenue

	2019 \$000	2018 \$000
Insurance claims, fines etc.	505	309
Non-Government grants	11	267
Total other revenue	516	576

5. KEY ASSETS

Assets the Authority utilises for economic benefit or service potential

This section includes information regarding the key assets the Authority utilises to gain economic benefits or provide service potential. The section sets out both the key accounting policies and financial information about the performance of these assets:

	Notes	2019 \$000	2018 \$000
Infrastructure, property, plant and equipment	5.1	267,300	254,355
Intangibles	5.2	1,077	1,190
Total key assets		268,377	255,545

Notes to the financial statements

5. KEY ASSETS CONT'D

5.1 Infrastructure, property, plant and equipment

Year ended 30 June 2019	Land \$000	Buildings \$000	Computers and electronic equipment \$000	Furniture \$000	Plant and vehicles \$000	Infrastructure \$000	Leasehold improve- ments \$000	Works of art \$000	Work in progress \$000	Total \$000
1 July 2018										
Gross carrying amount	135,000	75,612	1,834	7,272	5,061	48,475	278	47	1,431	275,010
Accumulated depreciation	-	(3)	(1,587)	(5,445)	(4,031)	(9,369)	(220)	-	-	(20,655)
Carrying amount at start of period	135,000	75,609	247	1,827	1,030	39,106	58	47	1,431	254,355
Revaluation increment of heritage buildings not recognised in prior year	-	5,281	-	-	-	-	-	-	-	5,281
Additions	-	-	-	-	-	-	-	-	4,652	4,652
Transfers	-	578	46	614	447	977	-	-	(2,662)	-
Other disposals	-	-	-	-	(9)	(196)	-	-	-	(205)
Adjustments	-	-	-	-	-	(84)	-	-	(53)	(137)
Revaluation increments/ (decrements)	-	456	-	-	-	8,459	-	-	-	8,915
Depreciation	-	(2,009)	(111)	(676)	(484)	(2,262)	(19)	-	-	(5,561)
Carrying amount at 30 June 2019	135,000	79,915	182	1,765	984	46,000	39	47	3,368	267,300
Gross carrying amount	135,000	79,927	1,880	7,887	5,262	46,000	279	47	3,368	279,650
Accumulated depreciation	-	(12)	(1,698)	(6,122)	(4,278)	-	(240)	-	-	(12,350)

Notes to the financial statements

5. KEY ASSETS CONT'D

5.1 Infrastructure, property, plant and equipment cont'd

Initial recognition

Items of property, plant and equipment and infrastructure, costing \$5,000 or more are measured initially at cost. Where an asset is acquired for no or nominal cost, the cost is valued at its fair value at the date of acquisition. 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).

The cost of a leasehold improvement is capitalised and depreciated over the shorter of the remaining term of the lease or the estimated useful life of the leasehold improvement.

The initial cost for a non-financial physical asset under a finance lease is measured at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease.

Subsequent measurement

Subsequent to initial recognition of an asset, the revaluation model is used for the measurement of:

- land,
- buildings and
- infrastructure

Land is carried at fair value.

Buildings and infrastructure are carried at fair value less accumulated depreciation and accumulated impairment losses.

All other property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses.

Land and buildings are independently valued annually by the Western Australian Land Information Authority (Valuations and Property Analytics) 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.

Land and Buildings were re-valued as at 1 July 2018 by the Western Australian Land Information Authority (Valuation Services). The fair value of buildings was determined on the basis of depreciated replacement cost and fair value of land was determined on the basis of comparison with market evidence for land with low level utility (high restricted use land). The valuations were performed during the year ended 30 June 2019 and recognised at 30 June 2019.

Infrastructure is independently valued every 3 to 5 years. Infrastructure assets were independently revalued by Western Australian Land Information Authority (Valuation Services) in 2018.

Significant assumptions and judgements: The most significant assumptions and judgements in estimating fair value are made in assessing whether to apply the existing use basis to assets and in determining estimated economic life. Professional judgement by the valuer is required where the evidence does not provide a clear distinction between market type assets and existing use assets.

Notes to the financial statements

5. KEY ASSETS CONT'D

5.1 Infrastructure, property, plant and equipment cont'd

5.1.1 Depreciation and impairment

Charge for the period	2019 \$000	2018 \$000
Buildings	2,009	1,987
Computers and electronic equipment	111	75
Furniture	676	829
Plant and vehicles	484	425
Leasehold improvements	19	19
Infrastructure	2,262	2,222
Total depreciation for the period	5,561	5,557

As at 30 June 2019 there were no indications of impairment to property, plant and equipment or infrastructure.

Finite useful lives

All infrastructure, property, plant and equipment 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. The exception to this rule is land.

Depreciation is calculated on a straight line basis, at rates that allocate the asset's value, less any estimated residual value, over its estimated useful life. Typical estimated useful lives for the different asset classes for current and prior years are included in the table below:

Asset	Useful life: years
Building	20 to 40 years
Computers & Electronic Equipment	3 to 10 years
Furniture	3 to 5 years
Motor Vehicles	3 to 7 years
Plant and equipment	10 to 15 years
Infrastructure	5 to 50 years
Leasehold Improvements	10 to 15 years

Land, works of art and Cultural Heritage Assets controlled by the Authority are classified as property, plant and equipment. These are anticipated to have indefinite useful lives. Their service potential has not, in any material sense, been consumed during the reporting period and consequently no depreciation has been recognised.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, and adjustments should be made where appropriate.

Leasehold improvements are depreciated over the shorter of the lease term and their useful lives.

Notes to the financial statements

5. KEY ASSETS CONT'D

5.1 Infrastructure, property, plant and equipment cont'd

Impairment

Non-financial assets, including items of plant and equipment, are tested for impairment whenever there is an indication that the asset may be impaired. 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.

Where an asset measured at cost is written down to its recoverable amount, an impairment loss is recognised through profit or loss.

Where a previously revalued asset is written down to its recoverable amount, the loss is recognised as a revaluation decrement through other comprehensive income.

As the Authority is a not-for-profit agency, the recoverable amount of regularly revalued specialised assets is anticipated to be materially the same as fair value.

If there is an indication that there has been a reversal in impairment, the carrying amount shall be increased to its recoverable amount. However this reversal should not increase the asset's carrying amount above what would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years.

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 asset's future economic benefits and to evaluate any impairment risk from declining replacement costs.

5.2 Intangible assets

Year ended 30 June 2019	Right to receive the Rottneast Dome Building \$000	Computer Software \$000	Total \$000
1 July 2018			
Gross carrying amount	778	2,668	3,446
Accumulated amortisation	-	(2,256)	(2,256)
Carrying amount at start of period	778	412	1,190
Amortisation expense	-	(113)	(113)
30 June 2019			
Gross carrying amount	778	2,668	3,446
Accumulated amortisation	-	(2,369)	(2,369)
Carrying amount at 30 June 2019	778	299	1,077

Initial recognition

Acquisitions for intangible assets costing \$5,000 or more and internally generated intangible assets costing \$50,000 or more that comply with the recognition criteria are capitalised.

Costs incurred below these thresholds are immediately expensed directly to the Statement of Comprehensive Income.

Intangible assets are initially recognised at cost. For assets acquired at no cost or for nominal cost, the cost is their fair value at the date of acquisition.

Notes to the financial statements

5. KEY ASSETS CONT'D

5.2 Intangible assets cont'd

Subsequent measurement

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

5.2.1 Amortisation and impairment

Charge for the period	2019 \$000	2018 \$000
Computer software	113	175
Total amortisation for the period	113	175

As at 30 June 2019 there were no indications of impairment to intangible assets.

The Authority held no goodwill or intangible assets with an indefinite useful life during the reporting period. At the end of the reporting period there were no intangible assets not yet available for use.

Amortisation of finite life intangible assets is calculated on a straight line basis at rates that allocate the asset's value over its estimated useful life. All intangible assets controlled by the Authority have a finite useful life and zero residual value. Estimated useful lives are reviewed annually.

The estimated useful lives for each class of intangible asset are:

Intangible asset	Useful life: years
Software ^(a)	3 to 10 years
Website costs	3 to 5 years

(a) Software that is not integral to the operation of any related hardware.

Impairment of intangible assets

Intangible assets with finite useful lives are tested for impairment annually or when an indication of impairment is identified.

The policy in connection with testing for impairment is outlined in note 5.1.1.

6. OTHER ASSETS AND LIABILITIES

This section sets out those assets and liabilities that arose from the Authority's controlled operations and includes other assets utilised for economic benefits and liabilities incurred during normal operations:

	Notes	2019 \$000	Restated 2018 \$000
Receivables	6.1	1,755	1,648
Other current assets	6.2	139	147
Payables	6.3	6,355	7,801
Other liabilities	6.4	16,816	17,273

Notes to the financial statements

6. OTHER ASSETS AND LIABILITIES CONT'D

6.1 Receivables

	Notes	2019 \$000	Restated 2018 \$000
Current			
Receivables		1,009	545
Allowance for impairment of receivables	9.2	(107)	(23)
GST receivable		435	639
Interest receivable		181	289
Other receivables		107	68
Total current		1,625	1,518
Non-current			
Accrued revenue		130	130
Total non-current		130	130
Total receivables		1,755	1,648

Receivables are recognised at original invoice amount less any allowances for uncollectible amounts (i.e. impairment). The carrying amount of net trade receivables is equivalent to fair value as it is due for settlement within 30 days.

6.2 Other assets

	2019 \$000	Restated 2018 \$000
Current		
Prepayments	139	147
Total current	139	147

Other non-financial assets include prepayments which represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond that period.

6.3 Payables

	2019 \$000	2018 \$000
Trade payables	5,855	7,440
Accrued expenses	46	51
Accrued salaries	454	310
Total current	6,355	7,801

Payables are recognised at the amounts payable 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 settlement is generally within 30 days.

Accrued salaries represent the amount due to staff but unpaid at the end of the reporting period. Accrued salaries are settled within a fortnight of the reporting period end. The Authority considers the carrying amount of accrued salaries to be equivalent to its fair value.

Notes to the financial statements

6. OTHER ASSETS AND LIABILITIES CONT'D

6.4 Other liabilities

	2019 \$000	Restated 2018 \$000
Current		
Refundable deposits and bonds	12,265	12,234
Leases in advance	100	100
Deferred Income	39	41
Unclaimed money	28	28
Sinking fund provision	32	24
General Provisions	54	409
ARENA Loan *	162	162
Total current	12,680	12,998
Non-current		
Deferred Income	311	350
Leases in advance	233	333
ARENA Loan *	3,592	3,592
Total non-current	4,136	4,275
Balance at end of period	16,816	17,273

* Refer to Note 2 for prior period restatement

7. FINANCING

This section sets out the material balances and disclosures associated with the financing and cashflows of the Authority.

	Notes
Finance costs	7.1
Cash and cash equivalents	7.2
Other financial assets	7.3
Commitments	7.4
Non-cancellable operating lease commitments	7.4.1
Capital expenditure commitments	7.4.2
Other expenditure commitments	7.4.3

7.1 Finance costs

	2019 \$000	2018 \$000
Bank Charges	527	340
	527	340

Notes to the financial statements

7. FINANCING CONT'D

7.2 Cash and cash equivalents

	2019 \$000	2018 \$000
Cash and cash equivalents	9,562	7,819
Balance at end of period	9,562	7,819

For the purpose of the statement of cash flows, cash and cash equivalent (and restricted cash and cash equivalent) 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 of changes in value.

7.3 Other financial assets

	2019 \$000	2018 \$000
Term Deposits (current & non-current)	16,500	18,872
Balance at end of period	16,500	18,872

7.4 Commitments

7.4.1 Non-cancellable operating lease commitments

	2019 \$000	2018 \$000
Commitments for minimum lease payments are payable as follows:		
Within 1 year	379	339
Later than 1 year and not later than 5 years	602	833
	981	1,172

Operating leases are expensed on a straight line basis over the lease term as this represents the pattern of benefits derived from the leased properties.

Office accommodation is rented under commercial leases and rent is payable monthly in advance. The leases run for 5 years, with options to terminate the lease by December 2021. The rentals are subject to review on predetermined dates based on either fixed percentage, CPI or market review adjustments.

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.

The total presented for non-cancellable operating lease are GST inclusive.

Notes to the financial statements

7. FINANCING CONT'D

7.4 Commitments cont'd

7.4.2 Capital expenditure commitments

	2019 \$000	2018 \$000
Capital expenditure commitments, being contracted capital expenditure additional to the amounts reported in the financial statements, are payable as follows:		
Within 1 year	1,687	1,134
	1,687	1,134

The totals presented for capital commitments are GST inclusive.

7.4.3 Other expenditure commitments

	2019 \$000	2018 \$000
Other expenditure commitments contracted for at the end of the reporting period but not recognised as liabilities, are payable as follows:		
Within 1 year	17,666	16,179
Later than 1 year and not later than 5 years	89,523	58,465
Later than 5 years	-	19,163
	107,189	93,807

8. FINANCIAL INSTRUMENTS AND CONTINGENCIES

This note sets out the key risk management policies and measurement techniques of the Authority.

	Notes
Financial Instruments	8.1
Contingent assets	8.2.1
Contingent liabilities	8.2.2

8.1 Financial Instruments

The carrying amounts of each of the following categories of financial assets and financial liabilities at the end of the reporting period are:

	2019 \$000	2018 \$000
Financial Assets		
Cash & Cash Equivalents	9,562	7,819
Receivables (a)	1,320	1,009
Term deposits	16,500	18,872
Total financial assets	27,382	27,700
Financial Liabilities		
Financial Liabilities measured at amortised cost	6,355	7,801
Total financial liabilities	6,355	7,801

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

Notes to the financial statements

8. FINANCIAL INSTRUMENTS AND CONTINGENCIES CONT'D

8.2 Contingent assets and liabilities

Contingent assets and contingent liabilities are not recognised in the statement of financial position but are disclosed and, if quantifiable, are measured at nominal value. Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

8.2.1 Contingent assets

The Authority does not have any contingent assets at the end of the reporting period.

8.2.2 Contingent liabilities

The following contingent liabilities are additional to the liabilities included in the financial statements:

Contaminated Sites

Under the Contaminated Sites Act 2003, the Authority is required to report known and suspected contaminated sites to the Department of Water and Environmental Regulation (DWER). In accordance with the Act, DWER classifies these sites on the level of risk, including potential impacts on human health, the environment and environmental values.

Where sites are classified as contaminated and requiring remediation, or possible contamination, investigation is required, the Authority may have a liability in respect to investigation, or remediation expenses.

During the 2018-19 financial year, no additional sites were reported to DWER. The Authority continued to invest in monitoring activities to address financial and environmental management commitments including the completion of a detailed site investigations for Forbes Hill.

Other

A former Lessee and Island business operator initiated a claim in the Supreme Court of Western Australia in 2015 in relation to a dispute, arising from a lease granted by the Authority in May 2009 which concerned the permitted uses of the leased premises and other matters. In 2019, the former Lessee was unsuccessful in respect of interlocutory proceedings in respect of that dispute in the Supreme Court and was ordered to pay costs. There has not been any further progress in respect of the litigation. Insufficient information has been provided about the claim to enable the contingent liability to be quantified.

9. OTHER DISCLOSURES

This section includes additional material disclosures required by accounting standards or other pronouncements, for the understanding of this financial report.

	Notes
Events occurring after the end of the reporting period	9.1
Initial application of Australian Accounting Standards	9.2
Key management personnel	9.3
Related party transactions	9.4
Related bodies and affiliated bodies	9.5
Remuneration of auditors	9.6
Equity	9.7
Supplementary financial information	9.8
Explanatory statement	9.9

Notes to the financial statements

9. OTHER DISCLOSURES CONT'D

9.1 Events occurring after the end of the reporting period

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

9.2 Initial application of Australian Accounting Standards

AASB 9 Financial instruments replaces AASB 139 Financial instruments: Recognition and Measurement for annual reporting periods beginning on or after 1 July 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The Authority applied AASB 9 prospectively, with an initial application date of 1 July 2018. The adoption of AASB 9 has resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. In accordance with AASB 9.7.2.15, the Authority has not restated the comparative information which continues to be reported under AASB 139. Differences arising from adoption have been recognised directly in Accumulated surplus/(deficit).

The effect of adopting AASB 9 as at 1 July 2018 was, as follows:

	Adjustments	1 July 2018 \$'000
Assets		
Trade receivables	(a), (b)	-
Loans and advances	(a)	-
Total Assets		-
Total adjustments on Equity		
Accumulated surplus/(deficit)	(a), (b)	-
		-

The nature of these adjustments are described below:

a) Classification and measurement

Under AASB 9, financial assets are subsequently measured at amortised cost, fair value through other comprehensive income (fair value through OCI) or fair value through profit or loss (fair value through P/L). The classification is based on two criteria: the Authority's business model for managing the assets; and whether the assets' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding.

The assessment of the Authority's business model was made as of the date of initial application, 1 July 2018. The assessment of whether contractual cash flows on financial assets are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

The classification and measurement requirements of AASB 9 did not have a significant impact to the Authority. The following are the changes in the classification of the Authority's financial assets:

- Trade receivables and Loans and advances (i.e. Other debtors) classified as Loans and receivables as at 30 June 2018 are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. These are classified and measured as Financial assets at amortised cost beginning 1 July 2018.
- The Authority did not designate any financial assets as at fair value through P/L.

Notes to the financial statements

9. OTHER DISCLOSURES CONT'D

9.2 Initial application of Australian Accounting Standards con'td

In summary, upon the adoption of AASB 9, the Authority had the following required (or elected) reclassifications as at 1 July 2018:

	\$000	AASB 9 category		
		Amortised cost \$000	Fair value through OCI \$000	Fair value through P/L \$000
AASB 139 category				
Loans and receivables				
Trade receivables *	522	522	-	-
		522	-	-

* The change in carrying amount is a result of additional impairment allowance. See the discussion on impairment below.

b) Impairment

The adoption of AASB 9 has fundamentally changed the Authority's accounting for impairment losses for financial assets by replacing AASB 139's incurred loss approach with a forward-looking expected credit loss (ECL) approach. AASB 9 requires the Authority to recognise an allowance for ECLs for all financial assets not held at fair value through P/L.

Upon adoption of AASB 9, the Authority did not recognise any additional impairment on the Authority's Trade receivables as at 1 July 2018.

Set out below is the reconciliation of the ending impairment allowances in accordance with AASB 139 to the opening loss allowances determined in accordance with AASB 9:

	Impairment under AASB 139 as at 30 June 2018 \$000	Remeasurement \$000	ECL Under AASB 9 as at 1 July 2018 \$000
Loans and receivables under AASB 139/ Financial assets at amortised cost under AASB 9	23	-	23

9.3 Key management personnel

The Authority has determined that key management personnel to include the responsible Minister, members of the accountable authority and senior officers of the Authority. However, the Authority is not obligated to compensate Ministers and therefore disclosures may be found in the Annual Report on State Finances.

The total fees, salaries, superannuation, non-monetary benefits and other benefits for senior officers of the agency for the reporting period are presented within the following bands:

Compensation of members of accountable authority Compensation Band (\$)	2019	2018
30,001 - 40,000	1	-
10,001 - 20,000	5	6
1 - 10,000	-	2

Notes to the financial statements

9. OTHER DISCLOSURES CONT'D

9.3 Key management personnel cont'd

	2019 \$000	2018 \$000
Total compensation of members of the accountable authority	133	109

Total compensation included the superannuation expense incurred by the Authority in respect of member of the accountable authority.

Compensation of senior officers Compensation Bands (\$)	2019	2018
350,001 – 360,000	-	1
300,001 – 310,000	-	1
290,001 – 300,000	1	-
150,001 – 160,000	-	1
140,001 – 150,000	-	1
130,001 – 140,000	1	1
120,001 – 130,000	1	-
110,001 – 120,000	1	-
100,001 – 110,000	2	-
90,001 – 100,000	1	-
80,001 – 90,000	1	1
70,001 – 80,000	-	-
60,001 – 70,000	1	-
50,001 – 60,000	1	-
40,001 – 50,000	-	1
20,001 – 30,000	1	-
10,001 – 20,000	-	-

	2019 \$000	2018 \$000
Total compensation of senior officers	1,202	1,222

Total compensation included the superannuation expense incurred by the Authority in respect of senior officers.

9.4 Related party transactions

The Authority is a wholly –owned public Sector entity that is controlled by the State of Western Australia.

Related parties of the Authority include:

- all cabinet ministers and their close family members, and their controlled or jointly controlled entities;
- all members of the accountable authority, senior officers and their close family members and their controlled or jointly controlled entities;
- other departments and public-sector entities, including related bodies that are included in the whole of government consolidated financial statements;
- associates and joint ventures of an entity that are included in the whole of Government consolidated financial statements; and
- the Government Employees Superannuation Board (GESB).

Material transactions with other related parties

Outside of normal citizen type transactions with the authority, there were no other related party transactions that involved key management personnel and/or their close family members and/or their controlled (or jointly controlled) entities.

Notes to the financial statements

9. OTHER DISCLOSURES CONT'D

9.5 Related Bodies and affiliated bodies

The authority has no related bodies or affiliated bodies.

9.6 Remuneration of auditors

Remuneration paid or payable to the Auditor General in respect of the audit for the current financial year is as follows:

	2019 \$000	2018 \$000
Auditing the accounts, financial statements, controls and performance indicators	112	125

9.7 Equity

The Western Australian Government holds the equity interest in the Authority on behalf of the community. Equity represents the residual interest in the net assets of the Authority. The asset revaluation surplus represents that portion of equity resulting from the revaluation of non-current assets.

	2019 \$000	2018 \$000
Contributed Equity		
Balance at start of period	50,032	50,032
Contributions by owners	-	-
Distribution to owners	-	-
Balance at end of Period	50,032	50,032

	2019 \$000	2018 \$000
Reserves		
Asset revaluation surplus		
Balance at the start of period	193,012	194,872
Prior period correction of valuation on heritage buildings	5,281	
Net revaluation increments/(decrements)		
- Buildings	456	(1,860)
- Infrastructure	8,460	-
Balance at end of period	207,208	193,012

	2019 \$000	Restated 2018 \$000
Accumulated surplus		
Balance at start of period	14,033	12,005
Result for the period	(459)	2,028
Balance at end of period	13,574	14,033
Total equity at end of period	270,814	257,077

Notes to the financial statements

9. OTHER DISCLOSURES CONT'D

9.8 Supplementary financial information

a) Write-offs

There were no public property write offs by the Board during the financial year.

There were no bad debt write offs by the Board during the financial year.

b) Losses through theft, defaults and other causes

There were no losses through theft, default or other causes during the year.

(c) Gifts of public property

There were no gifts of public property during the year.

9.9 Explanatory statement

All variances between estimates (original budget) and actual results for 2019, and between the actual results for 2019 and 2018 are shown below. Narratives are provided for key major variances, which are generally greater than:

- 5% and \$870K (2% of total costs of services) for the Statements of Comprehensive Income and Cash Flows, and
- 5% and \$5,600K (2% of total Assets).for the Statement of Financial Position.

Notes to the financial statements

9. OTHER DISCLOSURES CONT'D

9.9 Explanatory statement cont'd

9.9.1 Statement of Comprehensive Income Variances

	Variance Note	Estimate 2019 \$000	Actual 2019 \$000	Restated Actual 2018 \$000	Variance between estimate and actual \$000	Variance between actual results for 2019 and 2018 \$000
Expenses						
Cost of sales		454	508	456	54	52
Employee benefits expense		10,853	11,524	11,554	671	(30)
Supplies and services	1	24,779	27,860	27,169	3,081	691
Depreciation and amortisation expense		5,723	5,674	5,732	(49)	(58)
Finance Costs		345	527	340	182	187
Accommodation expenses		361	359	353	(2)	6
Other expenses		984	1,183	1,024	199	159
Loss on disposal of non-current assets		-	169	9	169	160
Total cost of services		43,499	47,804	46,637	4,305	1,167
Income						
<i>Revenue</i>						
Sales		560	707	658	147	49
User charges and fees	2, A	35,642	40,666	38,130	5,024	2,536
Interest revenue		642	559	587	(83)	(28)
Other revenue		191	516	576	325	(60)
Total Revenue		37,035	42,448	39,951	5,413	2,497
Total income other than income from State Government		37,035	42,448	39,951	5,413	2,497
NET COST OF SERVICES		6,464	5,356	6,686	(1,108)	(1,330)

Notes to the financial statements

9. OTHER DISCLOSURES CONT'D

9.9 Explanatory statement cont'd

9.9.1 Statement of Comprehensive Income Variances cont'd

	Variance Note	Estimate 2019 \$000	Actual 2019 \$000	Restated Actual 2018 \$000	Variance between estimate and actual \$000	Variance between actual results for 2019 and 2018 \$000
Income from State Government						
Service Appropriation	B	4,729	4,729	8,669	(0)	(3,940)
State Government Grant		-	67	-	67	67
Service received free of charge		-	101	45	101	56
Total income from State Government		4,729	4,897	8,714	168	(3,817)
SURPLUS(DEFICIT) FOR THE PERIOD		(1,735)	(459)	2,028	1,276	(2,487)
OTHER COMPREHENSIVE INCOME						
Items not reclassified subsequently to profit or loss						
Changes in asset revaluation surplus		-	8,915	(1,860)	8,915	10,775
Total other comprehensive income		-	8,915	(1,860)	8,915	10,775
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		(1,735)	8,456	168	10,191	8,288

Major Estimate and Actual (2019) Variance Narratives

- Supplies and services increased by \$3.0m (12%) due to increased infrastructure maintenance costs (including resolution of the Army Jetty collapse) and increased costs associated with greater than expected growth in visitor numbers.
- User charges and fees increased by \$5.0m (14%) mainly due to greater than expected growth in visitor numbers.

Major Actual (2019) and Comparative (2018) Variance Narratives

- User charges and fees increased by \$2.5m (7%) mainly due to the continuing growth in visitor numbers.
- The key reduction in Service Appropriation from 2017-18 relates to the funding for the roofing project which ceased in 2017-18.

Notes to the financial statements

9. OTHER DISCLOSURES CONT'D

9.9 Explanatory statement cont'd

9.9.2 Statement of Financial Position Variances

	Variance Note	Estimate 2019 \$000	Actual 2019 \$000	Restated Actual 2018 \$000	Variance between estimate and actual \$000	Variance between actual results for 2019 and 2018 \$000
ASSETS						
Current Assets						
Cash and cash equivalents	3	3,361	9,562	7,819	6,201	1,743
Inventories		194	207	210	13	(3)
Receivables		1,013	1,625	1,518	612	107
Other current financial assets		12,850	16,500	16,872	3,650	(372)
Other current assets		250	139	147	(111)	(8)
Total Current Assets		17,668	28,033	26,566	10,365	1,467
Non-Current Assets						
Infrastructure, property, plant and equipment	4, C	254,332	267,300	254,355	12,968	12,945
Intangible assets		1,217	1,077	1,190	(140)	(113)
Receivables		272	130	130	(142)	-
Other non-current financial assets	5	6,047	-	2,000	(6,047)	(2,000)
Total Non-Current Assets		261,868	268,507	257,675	6,639	10,832
TOTAL ASSETS		279,536	296,540	284,241	17,004	12,299

Notes to the financial statements

9. OTHER DISCLOSURES CONT'D

9.9 Explanatory statement cont'd

9.9.2 Statement of Financial Position Variances cont'd

	Variance Note	Estimate 2019 \$000	Actual 2019 \$000	Restated Actual 2018 \$000	Variance between estimate and actual \$000	Variance between actual results for 2019 and 2018 \$000
LIABILITIES						
Current Liabilities						
Payables		6,863	6,355	7,801	(508)	(1,446)
Employee related provisions		1,617	2,031	1,565	414	466
Other current liabilities		11,933	12,680	12,998	747	(318)
Total Current Liabilities		20,413	21,066	22,364	653	(1,298)
Non-Current Liabilities						
Employee related provisions		655	524	525	(131)	(1)
Other non-current liabilities		822	4,136	4,275	3,314	(139)
Total Non-Current liabilities		1,477	4,660	4,800	3,183	(140)
TOTAL LIABILITIES		21,890	25,726	27,164	3,836	(1,438)
NET ASSETS		257,646	270,814	257,077	13,168	13,737
EQUITY						
Contributed equity		50,032	50,032	50,032	-	-
Reserves		194,873	207,208	193,012	12,335	14,196
Accumulated surplus		12,741	13,574	14,033	833	(459)
TOTAL EQUITY		257,646	270,814	257,077	13,168	13,737

Major Estimate and Actual (2019) Variance Narratives

- Cash balances increased by \$6.2m primarily due to the growth in visitor numbers and the associated increase in admission fees.
- Infrastructure, property, plant and equipment increased by \$13m predominantly due to revaluation increment for Buildings and Infrastructure.
- The budget for Other non-current financial assets related to term deposits that have now been reflected as current financial assets.

Major Actual (2019) and Comparative (2018) Variance Narratives

- Infrastructure, property, plant and equipment increased by \$13m predominantly due to revaluation increment for Buildings and Infrastructure.

Notes to the financial statements

9. OTHER DISCLOSURES CONT'D

9.9 Explanatory statement cont'd

9.9.3 Statement of Cash Flow Variances

	Variance Note	Estimate 2019 \$000	Actual 2019 \$000	Restated Actual 2018 \$000	Variance between estimate and actual \$000	Variance between actual results for 2019 and 2018 \$000
CASH FLOW FROM STATE GOVERNMENT						
Service appropriation		4,729	4,729	8,669	-	(3,940)
State Government Grant		-	67	-	67	67
Net cash provided by State Government		4,729	4,796	8,669	67	(3,873)
Utilised as follows:						
CASH FLOWS FROM OPERATING ACTIVITIES						
Payments						
Employee benefits	D	(11,371)	(10,915)	(11,835)	456	920
Supplies and services	6, E	(24,460)	(29,821)	(27,123)	(5,361)	(2,698)
Finance costs		-	(527)	(340)	(527)	(187)
GST payments on purchases		(2,945)	(3,645)	(3,491)	(700)	(154)
GST payments to taxation authority		(559)	(506)	(665)	53	159
Other payments	7, F	(2,762)	(1,890)	(1,033)	872	(857)
Receipts						
Sale of goods and services		-	707	658	707	49
User charges and fees	8, G	37,040	40,238	38,568	3,198	1,670
Interest received		813	667	584	(146)	83
GST receipts on sales		3,504	4,228	4,037	724	191
Other Receipts		-	516	404	516	112
Net cash provided by/ (used in) operating activities		(740)	(948)	(236)	(208)	(713)

Notes to the financial statements

9. OTHER DISCLOSURES CONT'D

9.9 Explanatory statement cont'd

9.9.3 Statement of Cash Flow Variances

	Variance Note	Estimate 2019 \$000	Actual 2019 \$000	Restated Actual 2018 \$000	Variance between estimate and actual \$000	Variance between actual results for 2019 and 2018 \$000
CASH FLOWS FROM INVESTING ACTIVITIES						
Payments						
Purchase of non-current assets		(4,669)	(4,513)	(4,902)	156	389
Receipts						
Proceeds from sale of non-current assets		-	36	37	36	(1)
Net cash (used in) investing activities		(4,669)	(4,477)	(4,865)	192	388
Net increase/(decrease) in cash and cash equivalents	H	(680)	(629)	3,568	52	(4,197)
Cash and cash equivalents at the beginning of the period		22,891	26,691	23,123	3,800	3,568
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		22,211	26,062	26,691	3,852	(629)

Major Estimate and Actual (2019) Variance Narratives

6. Supplies and services payments increased by \$5.4m (22%) primarily due to increased costs associated with greater than expected growth in visitor numbers.
7. Other Payments were below budget by \$0.9m (32%) primarily due to reallocation to meet increased supplies and services expenditure outlined above.
8. User charges and fees receipts increased by \$3.2m (9%) due to greater than expected increase in visitors to the island.

Major Actual (2019) and Comparative (2018) Variance Narratives

- D. Employee benefits payments decreased by \$0.9m (8%) is mainly due to the Voluntary Service Payments in 2017/2018.
- E. Suppliers and services payments increased by \$2.7m (10%) due to increased infrastructure maintenance costs (including resolution of the Army Jetty collapse) and increased costs associated with the significant growth in visitor numbers.
- F. Other Payments increased by \$0.8m (82%) relating to administrative services provided by the Department of Biodiversity, Conservation and Attractions.
- G. User charges and fees receipts increased by \$1.6m (4%) due to the increased visitor numbers to the island.
- H. Net cash increased, compared to estimate, by \$4.2m primarily due to the growth in visitor numbers and the associated increase in admission fees.

Key Performance Indicators 2018-19 Statement

We hereby certify that the key performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Rottneest Island Authority's performance, and fairly represent the performance of the Rottneest Island Authority for the financial year ended 30 June 2019.



Vince Ianni
Chief Finance Officer

13 September 2019



Hamish Beck
Member of Accountable
Authority

13 September 2019



John Langoulant
Chairman of
Accountable Authority
13 September 2019

From 1 July 2017, the Rottneest Island Authority (RIA) became part of the Department of Biodiversity, Conservation and Attractions (DBCA). DBCA has a strong emphasis on improving the State's natural attractions as key tourism assets, creating opportunities for private sector investment and partnerships and consolidating conservation science under one department to build and share knowledge of the State's biodiversity.

As a result of this change a new Outcome Based Management structure for DBCA and each of its portfolio agencies was developed and approved.

DESIRED OUTCOMES

The overall Agency Outcomes of *'Community enjoyment, appreciation and understanding of attractions under the Department's care'* and *'Plants and animals are conserved, and habitat, ecosystems and landscape-scale conservation utilises evidenced-based science'* have also been adopted by all portfolio agencies and link to the RIA profile, purpose and vision through:

- achieving community enjoyment and appreciation through the provision of Island recreational and holiday facilities that are best-in-class and recognised internationally.
- using evidence-based science to conserve and maintain the Island's natural and man-made environments within available resources for the protection of its flora and fauna.

AGENCY SERVICES

To achieve these desired outcomes RIA delivers the following services:

- Visitor services and public programs provided at Rottneest Island
- Conserving habitats, species and ecological communities.



The relationship between RIA's KPIs, outcomes, services and Government outcomes is outlined in the table below.

Government Goal	
Better places – A quality environment with liveable and affordable communities and vibrant regions.	
Agency desired outcomes	
1. Community enjoyment, appreciation and understanding of attractions under the Department's care.	2. Plants and animals are conserved, and habitat, ecosystem and landscape-scale conservation utilises evidence-based science.
Effectiveness KPIs	
1. Average level of visitor satisfaction at Rottnest Island.	2. Biodiversity health of Rottnest Island.
Agency services	
1. Visitor services and public programs provided at Rottnest Island.	2. Conserving habitats, species and ecological communities.
Efficiency KPIs	
1. Average cost per visitor at Rottnest Island.	2. Average cost per hectare of wildlife habitat.

RIA key performance indicators (KPIs) provide a guide to the organisation's performance against specified outcomes using both effectiveness and efficiency indicators. By their nature, these indicators are high level and encompass all RIA operations and costs.

RIA regularly reviews and amends its indicators to reflect changes in the variety of factors impacting the Island. These include visitor and community priorities for the Island, or changes in technology that enable more sophisticated measures to be implemented. RIA also has a suite of operational and commercial indicators that are used to manage and improve performance.

As well as comparing results to an annual target, comparisons to previous years' results are included (where available) to enable performance trends to be identified. Due to the organisational changes noted above, comparisons with previous years' results for efficiency KPIs have not been provided prior to 2017-18 due to changes in calculation methodologies.

DESIRED OUTCOMES AND EFFECTIVENESS INDICATORS

Agency desired outcome 1

Community enjoyment, appreciation and understanding of attractions under the Department's care.

Effectiveness KPI 1

Average level of visitor satisfaction at Rottnest Island.

The provision of recreational and holiday facilities on the Island is the responsibility of the Authority under section 11 of the *Rottnest Island Authority Act 1987* (Act) and the growth of visitor numbers a focus of strategic planning. Along with the RIA vision for the Island to make it 'an internationally recognised, sustainable, must-visit tourism destination' is the mission to 'grow visitor numbers and yield by providing best-in-class tourism products, experiences and service while enhancing Rottnest Island's unique heritage and environment'.

This KPI is designed to provide information on how well the Authority is performing in relation to these requirements by gauging visitor satisfaction with the Island experience. An independent research company is engaged to survey the Island's visitors throughout the year with performance information provided to management on a quarterly basis.

In 2018-19 there were 1,786 survey questionnaires completed providing a confidence level of 95% with an error rate of +/- 2.32%.

Survey respondents are selected at random from all visitors (except those arriving by private boat) and are requested to complete a questionnaire on their Island experience, rating the Island on:

- overall experience
- overall satisfaction with the recreational and holiday services and facilities;
- overall satisfaction with the general services and facilities such as public toilets and seating;
- overall satisfaction with accommodation facilities and services;
- value for money in relation to RIA accommodation; and
- value for money in relation to recreational activities.

Respondents are also asked to provide an overall rating of their experience compared to expectations of their visit to Rottnest Island. Response to this question is used to inform KPI 1 - Average level of satisfaction with the Island.

The 2018-19 KPI result has been calculated using an average score of the respondents' ratings and reported as a percentage.





There was a change in the method used to calculate the level of visitor satisfaction following RIA's inclusion within DBCA. In previous years, the overall satisfaction was calculated by dividing the number of responses meeting or exceeding expectations (those greater than or equal to 5 on the 11-point scale) by the number of responses. In 2018-19, to align with DBCA's average satisfaction methodology, the result is calculated by averaging the responses on the 11-point scale. As a result, the 2018-19 Target does not accommodate the change in methodology resulting in a decline for 2018-19, as shown below.

Visitor Rating	2018-19 Target	2018-19 Result	2017-18 Result
Average level of satisfaction with the Island	97%	74%	71%

The following table shows the percentage of visitors satisfied with their overall experience in 2018-19, with comparative figures from previous years, which formed the basis for setting the 2018-19 target.

Visitor Rating	2018-19 Target	2018-19 Result	2017-18 Result	2016-17 Result	2015-16 Result	2014-15 Result
Met or exceeded expectations	97%	98%	97%	97%	97%	97%

Agency desired outcome 2
Plants and animals are conserved, and habitat, ecosystem and landscape-scale conservation utilise evidence-based science.
Effectiveness KPI 2
Biodiversity Health of Rottnest Island

Covering a land area of 1859 hectares, and 3800 hectares of associated waters, Rottnest Island is a Class A Reserve protected for the purposes of conservation and recreation.

Maintenance and protection of the Island and its natural environment, including flora and fauna, is vested in the Authority under section 11 of the Act and protection of the unique environment is a Strategic Focus Area of the *Rottnest Island Management Plan 2014-19*.

This KPI demonstrates performance against the RIA Environment Policy and establishes the 'health' status of specified conservation targets, which in general terms indicates the ability of the target (plants and animals being conserved and habitat, ecosystem and landscape) to withstand or recover from most natural or anthropogenic (human caused) disturbances, and therefore to persist over time.

For this purpose, RIA has adopted the Nature Conservancy's Conservation Action Planning process which is applied internationally to thousands of conservation estates. This process,

and its Five-S Framework for site conservation (see below), is used by RIA as its standard for planning, implementing and measuring the success of its conservation practices on the Island.

Along with the management of Island facilities and utilities in accordance with licence and approval obligations and EarthCheck Accreditation, Conservation Action Planning is a management tool used to protect and conserve the unique and diverse Island environment.

Five Focal Conservation Target areas have been identified with key indicators selected to measure their health over time. The ratings developed for each indicator define specific future goals, assess the current status of the system, and measure progress towards goals. This measure assists RIA to prioritise the allocation of resources to targets that are most in need of attention, and to measure success of biodiversity management over time.

Five Focal Conservation Targets were established as relevant measures of the biodiversity health of the Island. These are Woodland/Heath, Limestone Heath, Coastal Habitat, Wetlands and Quokkas. To determine the viability of each Focal Conservation Target, specific indicators have been developed as listed below.

1. Woodland/Heath

- Native flora species diversity
- Bush bird diversity and presence
- Woodland Seed Viability
- Seeding Survival
- Tree Health

2. Limestone Heath

- Native flora species diversity

3. Coastal Habitat

- Native flora species diversity
- Spatial Distribution of Vegetated Area (ha)

4. Wetlands

- Presence of Tadpoles in Freshwater Seeps and Brackish Swamps
- Groundwater Salinity: Average Electrical Conductivity of Wadjemup Aquifer
- Average Nutrients: Total Nitrogen and Total Phosphorus of Rottnest Island Salt Lakes
- Spatial Distribution of Endemic Littoral Vegetation (ha)

5. Quokkas

- Tail Circumference
- Weight
- Parasite Load
- General Health
- Survival rate
- Weaning rates
- Relative Abundance

Assessment for each indicator is undertaken in accordance with monitoring programs at the required frequencies. While not all indicators are monitored annually, monitoring frequencies are staggered to ensure an overall understanding of performance is maintained.

The performance for each area is determined via a specific quantitative measure and compared to a pre-set upper limit to determine performance as a percentage. All indicators are given equal weighting in their contribution to the health of the relevant Focal Conservation Target and averaged to determine a combined measure. The average of the final five measures is then calculated to determine one overall holistic value and rating.

A quantitative assessment is also provided based on the overall percentages and the Five-S Framework rating scales of very good, good, fair or poor.

Results for each Focal Conservation Target are provided in the table below which are averaged to provide the overall rating of Biodiversity Health.

Focal Conservation Target	Percentage	Health Rating
Woodland/Heath	76%	Good
Limestone Heath	100%	Very Good
Coastal Habitat	97%	Very Good
Wetlands	68%	Fair
Quokkas	91%	Very Good
Overall Rating	86%	Good

The overall rating for the year is provided in the table below:

2018-19 Target	2018-19 Result	2017-18 Result	2016-17 Result	2015-16 Result	2014-15 Result
Rating Good (75%)	Rating Good (86%)	Rating Good (83%)	Rating Good (82%)	Rating Good (83%)	Rating Good (81%)

Biodiversity Health rating has been maintained in Good condition during the 2018-2019 financial year. The overall rating (86%) exceeded the target rating (75%).

The slight adjustment in the overall percentage rating may be attributed to the introduction of the first iteration of the quokka health monitoring and improved ground water quality results in the Wadjemup Aquifer.

RIA established a quokka monitoring program and undertook the first monitoring event in the 2018-2019 period after the completion of a PhD research project into the Health, Demographics and Genetics of the Quokkas on Rottnest Island. The research project results provided the foundation for establishing the monitoring program.



SERVICES AND EFFICIENCY INDICATORS

Agency service 1
Visitor services and public programs provided at Rottnest Island.
Efficiency KPI 1
Average cost per visitor at Rottnest Island.

In accordance with the Act, RIA has responsibility to provide and operate recreational and holiday facilities on the Island.

This indicator reflects the cost of providing the Island's recreational and holiday services on a per visitor basis and links to Effectiveness KPI 1 (average level of visitor satisfaction at Rottnest Island).

RIA's vision is to make the Island 'an internationally recognised, sustainable, must-visit tourism destination' and part of its mission is to 'grow visitor numbers and yield by providing best-in-class tourism products, experiences and service'.

For the purposes of this indicator, visitors are defined as those people arriving by commercial ferry services. The indicator is intended to track the level of resources used to service Rottnest Island visitors.

This indicator demonstrates the average cost per visitor and is measured by dividing the total annual cost of providing all holiday and recreation related services to visitors, by the number of visitors for the year.

	2018-19 Target*	2018-19 Result	2017-18 Result
Average cost per Visitor at Rottnest Island	\$66	\$80	\$85

* Target based on the annual budget allocated to this service and previous methodology. Due to the amalgamation with the Department of Biodiversity Conservation and Attractions in 2017 figures for years prior to 2017-18 are not available due to methodology changes.

The Authority's methodology for calculating the average cost per Island Visitor was amended during the 2018-19 reporting period to reflect only the visitors arriving by ferry. Previously, the visitor numbers used to calculate this KPI included an estimate of the private boating visitors, based on extrapolation of boating survey results, and the visitors arriving by plane. The target was established under the previous Island visitor methodology and will be adjusted in future years consistent with the methodology amendment.

The continued reduction in cost per visitor on Rottnest Island, compared to prior years, is predominantly due to the increase in overall visitor numbers and the Authority's conservative approach to increasing expenditure.





Agency service 2

Conserving habitats, species and ecological communities.

Efficiency KPI 2

Average cost per hectare of wildlife habitat.

Through its Environment, Heritage and Parks directorate RIA oversees the sustainability and conservation of Rottnest Island's flora, fauna and natural environments.

This indicator concerns the cost of conserving Rottnest Island's natural environment and its purpose is to track the level of resources applied to these functions.

The indicator is calculated by dividing the total cost of managing the natural environment by the Rottnest Island Reserve's total area of 5659 hectares. The Reserve refers to the land and waters defined in Part 1 of the Act.

In accordance with the Act, RIA has responsibility to protect the flora and fauna of the Island, and maintain, protect and repair within allowable resources its natural environment.

	2018-19 Target*	2018-19 Result	2017-18 Result
Average cost per Hectare of Wildlife Habitat	\$325	\$267	\$264

* Target based on the annual budget allocated to this service and previous methodology
 Due to the amalgamation with the Department of Biodiversity Conservation and Attractions in 2017 figures for years prior to 2017-18 are not available due to methodology changes.

Although the 2018-19 result of \$267 is below the target, there was a minor increase in costs compared to the prior year's result. This increase is attributable to a minor rise in salaries and non-salary operating costs incurred during the implementation of new environment and conservation initiatives.

Ministerial directives

No Ministerial directives were received during the year.

Other financial and governance disclosures

PRICING POLICIES

Fees and charges were reviewed for 2018-19 in accordance with State Government's policy. Increases were limited to the Consumer Price Index (CPI) as advised by the Department of Treasury. Fees nominally increased by CPI were rounded to the nearest fifty cents.

CAPITAL WORKS

RIA expenditure on capital works for 2018-19 is outlined below.

Capital works expenditure 2018-19

Type	2018-19 \$'000
Island utility infrastructure	
Diesel tank upgrade	572
Electricity utility projects	329
Potable water	910
Rottnest Hotel headworks	829
Waste water management	99
Visitor accommodation	
Unit refurbishments	429
Furniture and fittings	430
Visitor experience	
Building and infrastructure works	505
Bike purchases	52
Assets and equipment	495
Total	4,650

EMPLOYMENT, INDUSTRIAL RELATIONS AND WORKPLACE DEVELOPMENT

RIA employees are employed under the provisions of the *Public Service Award 1992* and the *Public Service and Government Officers CSA General Agreement 2017*.

RIA FTE status at 30 June 2019

Employment type	2018	2019
Permanent	64	72
Fixed term	28	24
Casual	13	13
Total	105	109

Workforce Development

Workforce development activities were provided for employees that reflected the wide variety of occupational groups within the organisation.

Individual Performance Plans (IPP) were refreshed and reintroduced in August 2018. This year RIA achieved an IPP completion rate of 96 percent of staff, including casuals.

Organisational learning priorities were identified through analysis of the completed IPPs and relevant development opportunities were provided throughout the year.



Staff training

Staff were provided with access to DBCA's online training portal and encouraged to access a selection of web-based modules. Mandatory training such as Accountable and Ethical Decision Making and Records Awareness Training is now available online to RIA staff.

Other training in 2018-19 included:

- Content Manager (Records) training was provided to all new starters through face-to-face delivery.
- Aboriginal Cultural Awareness Training was delivered to 59 staff members either on the Island or at head office in Fremantle.
- Over 500 face-to-face training hours (either on site or at a training provider's venue) were accessed by staff on topics including assertive communication, dealing with change, conflict management and media training.

RIA values workshops

In early 2019 staff participated in workshops designed to explore and document RIA's corporate values and supporting behaviours. Eight sessions were held in Fremantle and on the Island to allow as many staff as possible to participate. Staff feedback assisted with the finalisation of a corporate values statement.

Cross-agency opportunities

New employment opportunities have arisen through the inclusion of RIA in DBCA, with all departmental staff receiving access to Expressions of Interest from RIA and other divisions of the Department.

Attraction and retention

Recruitment processes in 2018-19 resulted in 29 appointments. A total of 15 permanent or fixed-term staff left RIA during the year, representing a decrease in staff turnover over the previous year.

Traineeships and other pathways

RIA is committed to providing opportunities for young people and accessed the Public Sector Commission's Aboriginal Traineeship Program to secure two trainees during 2018. Both trainees graduated from the program having completed a Certificate III in Government.

UNAUTHORISED USE OF CREDIT CARDS

RIA had three instances of unauthorised credit card use in 2018-19 totalling \$218.

BOARD POLICIES AND RESPONSIBILITIES

The Authority has a Delegation of Authority Register which governs the actions of the Board and appropriate delegations of authority to ensure statutory responsibilities are met. The Authority's corporate governance arrangements ensure transparency in decision making and operation, as well as accountability to stakeholders and the State government by promoting strong leadership, sound management, and effective planning and review.

The Authority has the power to do all things necessary or convenient in connection with the management and control of the Island under the Act.

The Board may:

- carry out such developments and improvements that are consistent with the Act
- enter into any arrangement with a State government department or instrumentality or any public utility for the performance by that body of any work or the supply of equipment or services
- require payment of rent, fees or other charges for the use of the facilities of RIA or equipment or services supplied by it, and fix the amount of such rent, fees or charges with power to waive, reduce or refund the same in particular cases
- in respect of its function of providing and operating recreational and holiday facilities on the Island:
 - establish or acquire, and operate; or
 - enter into an arrangement for any person to establish or acquire, and operate any business undertaking that is necessary or convenient for the performance of that function; and
 - grant any lease or licence that is consistent with the purposes described in the relevant section of the Act on such terms and conditions as it thinks fit.



BOARD ATTENDANCE

Member	First appointed	No. meetings eligible to attend	No. meetings attended
John Langoulant	Oct 2017	9	9
Hamish Beck	Mar 2016	9	8
Suzanne Hunt	May 2010	9	7
Robert McDonald	July 2011	9	7
Hannah Fitzhardinge	Oct 2017	9	8
Marina Hogan	Jan 2017	9	9

CONFLICT OF INTEREST

The Board has a disclosure of interest process outlined in the Act. Board members declare actual and potential conflicts of interest on appointment, and otherwise as matters arise.

No Board members have reported an actual conflict of interest.

DIRECTORS AND OFFICER'S LIABILITY INSURANCE

An insurance policy has been taken out to indemnify Board members against any liability incurred under sections 13 or 14 of the *Statutory Corporations (Liability of Directors) Act 1996*. This policy is placed through the State Government insurer and is renewed annually.

BOARD AND COMMITTEE REMUNERATION

In accordance with the *Rottnest Island Authority Act 1987* the Chairman and Board members are paid fees and allowances as may be fixed by the Minister for Tourism on the recommendation of the Minister for Public Sector Management. In accordance with government policy, Board members who are public servants are not entitled to payment.

RIA Board remuneration 2018-19

Position	Name	Period of membership	Remuneration
Chairman	John Langoulant	12 months	\$37,060
Deputy Chairman	Hamish Beck	12 months	\$17,500
Member	Suzanne Hunt	12 months	\$17,500
Member	Robert McDonald	11 months	\$16,505
Member	Hannah Fitzhardinge	12 months	\$17,500
Member	Marina Hogan	12 months	\$17,500

Wadjemup Aboriginal Reference Group remuneration 2018-19

Member	No. meetings attended	Gross remuneration
Walter McGuire	0	0
Brendan Moore	4	\$952
Pamela Thorley	4	\$952
Lindsay Dean	4	\$952
Barbara Bynder	2	\$476
Michelle Reynolds	4	N/A



Other legal requirements

ANNUAL ESTIMATES

In accordance with Treasurer's Instructions 953, statutory authorities are required to include annual estimates for the current financial year in the annual report for the preceding year. The following estimates have been submitted and approved for the Minister for Tourism for 2019- 20.

	Operating Budget \$000
EXPENSE	
Cost of sales	465
Employee Benefits Expense	13,421
Supplies and Services	20,872
Depreciation and Amortisation Expense	6,107
Other Expenses	5,931
TOTAL COST OF SERVICES	46,796
INCOME	
Revenue	
Sales	660
User Charges and Fees	40,406
Interest Revenue	587
Other Revenue	586
TOTAL REVENUE	42,239
Total income other than income from State Government	42,239
NET COST OF SERVICES	4,557
INCOME FROM STATE GOVERNMENT	
Service Appropriation	4,673
Services Received Free of Charge	-
TOTAL INCOME FROM STATE GOVERNMENT	4,673
SURPLUS(DEFICIT) FOR THE PERIOD	(\$116)

Other legal requirements

EXPENDITURE ON ADVERTISING, MARKET RESEARCH, POLLING AND DIRECT MAIL

In accordance with section 175ZE of the *Electoral Act 1907*, RIA incurred expenditure on these items as set out in the table.

Total expenditure for 2018-19 was \$308,043.

Advertising, market research, polling and direct mail expenditure 2018-19

Type	Organisation	2018-19 expenditure (\$)
Advertising agencies	Nil	Nil
Direct mail	Nil	Nil
Market research	Painted Dog Research	\$61,350
Media advertising	Perth Region Tourism Organisation Inc	\$6,523
	Initiative Media Australia Pty Ltd	\$132,765
	Optimum Media Decisions (WA) Pty Ltd	\$79,071
	West Australian Newspaper Ltd	\$912
Polling organisations	Nil	Nil
Design	Clarity Creative	\$1,985
	Acorn Design	\$18,973
	Minuteman Press Fremantle	\$6,464
Total		\$308,043





DISABILITY ACCESS AND INCLUSION PLAN

A new RIA Disability Access and Inclusion Plan (DAIP) for 2019-2024 was endorsed in March 2019 by the Department of Communities (Disability Services) and will be implemented over the next five years.

The DAIP is structured around seven commitments and the following actions and initiatives have been put in place to address the needs of our visitors and our employees with disability.

Outcome 1:

People with a disability have the same opportunities as other people to access the services of, and any events organised by, a public authority.

RIA continues its commitment to the Companion Card program which can be used, for example, for bus travel around the Island.

Outcome 2:

People with a disability have the same opportunity as other people to access the buildings and facilities of a public authority.

Wheelchairs, mobility scooters and a beach wheelchair are available for hire on the Island. These items are available through Pedal and Flipper (for the scooters and the beach wheelchair) or through the Visitor Centre (for the wheelchairs).

There are also accessible bike options available including tricycles and a Wike Trailer. A buggy is also available for hire that allows a carer to transport a visitor with disability from the ferry to their accommodation.

There are several refurbished disability access friendly accommodation units available. These units have adaptations including entrance doors designed for wheelchair access, bathrooms with accessible features and, in some units, kitchen cupboards that accommodate wheelchair footplates and gas stoves with side mounted controls.

RIA has constructed a Changing Places disability ablution facility, located near the main bus stop in Thomson Bay.

Outcome 3:

People with a disability receive information from a public authority in a format that will enable them to access the information as readily as other people are able to access it.

RIA has reviewed promotional material and information for visitors with disability that is available in accommodation units.

Outcome 4:

People with a disability receive the same level and quality of service from the staff of a public authority as other people receive from the staff of the public authority.

RIA has updated its induction process for new starters with information about the DAIP.

Outcome 5:

People with a disability have the same opportunities as other people to make complaints to a public authority.

Feedback, including complaints, is collected and reviewed.

Outcome 6:

People with a disability have the same opportunities as other people to participate in any public consultation by a public authority.

As part of the development and finalisation of the DAIP and prior to submission for endorsement by the Department of Communities (Disability Services), public consultation was conducted.

Outcome 7:

People with a disability have the same opportunities as other people to obtain and maintain employment with the authority.

RIA has engaged with the landlord to review disability access to its Head Office premises at Victoria Quay in Fremantle.

A substantive equality statement is included with all RIA job advertisements encouraging people with disability to apply.





COMPLIANCE WITH PUBLIC SECTOR STANDARDS AND ETHICAL CODES

RIA has policies, procedures and processes in place to ensure it meets obligations under Public Sector Standards, the WA Public Sector Code of Ethics, and RIA Code of Conduct. These policies and supporting materials are available to staff on the RIA intranet.

In 2018-19:

- RIA Code of Conduct - No claims lodged.
- Public Sector Code of Ethics - No claims lodged.
- Public Sector Commissioner's Instruction Employment Standard - One breach claim was lodged. The claim was referred to the Public Sector Commission (PSC). No breach of standard was found by the PSC.
- Grievance Resolution Standard - No claims lodged.

RECORDKEEPING PLAN

In May 2019, RIA submitted a revised Recordkeeping Plan for assessment by the State Records Office.

The Plan confirms the mandatory use by RIA staff of the Content Manager electronic document and records management system (the EDRMS). Apart from the EDRMS, several other transactional enterprise business systems are used by RIA to capture and manage business records.

Recordkeeping at RIA is maintained by:

- strict adherence to RIA's bespoke Records Management Policy and Procedures Manual.
- comprehensive induction to and ongoing training in relation to the EDRMS.
- regular audit of the EDRMS.

Government policy requirements

SUBSTANTIVE EQUALITY

RIA hosted a Building our Culture (Unconscious Bias) training workshop for managers and supervisors in Fremantle in May 2019. The aim of the session was to identify and explore how discrimination can occur unconsciously in the workplace.

OCCUPATIONAL SAFETY AND HEALTH MANAGEMENT

In accordance with the *Occupational Safety and Health Act 1984*, RIA continued its commitment to providing and maintaining a safe and healthy environment for its visitors, staff, volunteers and contractors through its Occupational Safety and Health Policy.

RIA focuses on the effective provision of first aid, and several staff have completed first aid, CPR and fire warden evacuation training.

The Occupational Safety and Health Committee comprises seven members with representatives from each business area, with support from Corporate Executive. The Committee met twice during the year and completed five actions related to internal occupational health and safety matters.

OSH performance statistics 2018-19

OSH indicator	2018-19 Target	2018-19 Actual	Comment
Number of fatalities	0	0	Met target
Lost-time injury/disease incidence rate*	0-10% reduction over past 3 years	0.0%	Met target
% injured workers return to work within 13 weeks	greater than or equal to 80%	0.0%	Met target
% injured workers returned to work within 26 weeks	greater than or equal to 80%	0.0%	Met target
% managers trained in OSH and injury management responsibilities	greater than or equal to 80%	25%	Not met It is anticipated that through the Department of Biodiversity, Conservation and Attractions, RIA staff will have access to online training opportunities related to OSH and injury management responsibilities.

* The lost-time injury/disease rate is the number of lost-time injuries where one day/shift or more was lost in the financial year per 100 employees.

GOVERNMENT BUILDING TRAINING POLICY

During 2018-19 RIA issued no contracts which met the scope of the Government Building Training Policy.

FINANCE, RISK AND AUDIT COMMITTEE

A Finance, Risk and Audit Committee met seven times during the year.

RISK MANAGEMENT

A Corporate Risk Management Framework was endorsed by the Board in January 2018. The Framework enables RIA to identify, assess and treat risk in a systemic and consistent manner in accordance with ANZ/NZS ISO 31000:2009.

Implementation of the Framework over the past 18 months has included risk workshops and risk management training with each of RIA's business areas. Under the Framework, risks and controls are analysed and evaluated against set criteria to ensure risks that exceed acceptable levels are treated accordingly. As at 30 June 2019, RIA was monitoring over 150 risks, which are being managed and reported on a continual basis.

To further enhance the governance framework, a Risk Management Review Group was established as a subcommittee of the RIA Corporate Executive in February 2019.



COMPLAINTS HANDLING

Customer complaints are treated as a service improvement opportunity. All complaints are recorded and form part of RIA's continuous improvement process. RIA recognises three forms of feedback:

Compliment	An experience that exceeds expectation.
Comment	A comment or suggestion for improvement.
Complaint	An experience that does not match expectation.

The formal complaints handling process includes registration, acknowledgement, investigation, resolution (if possible), and recording the outcome in a Customer Feedback Register to ensure it is captured in the continuous improvement process. The complainant is responded to within five days of receiving the initial feedback, in the same format as the feedback was received. A response is then provided within 30 days of receiving the initial feedback, or within 60 days if an investigation is required.

In 2018-19, total items of customer feedback received by RIA declined by 15 percent compared to 2017-18. Twenty-five compliments, 41 comments, and 122 formal complaints were received and dealt with via the formal complaints handling process. The number of complaints represented less than 0.01 percent of all visitors to the Island.

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