



**ROTTNEST IS**



**2017-18**  
**ANNUAL REPORT**

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Rottnest Island Authority  
 Annual Report 2017/2018  
 © Rottnest Island Authority  
 State Government  
 of Western Australia 2018  
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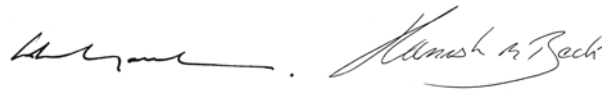


# About this report

## Statement of Compliance

To the Hon. Paul Papalia CSC MLA, Minister for Tourism

In accordance with the provisions and specifically Section 61 (1) of the *Financial Management Act 2006* and in fulfilment of the obligations imposed on the Rottnest Island Authority (RIA), we hereby submit for your information and presentation to Parliament the Annual Report of the Rottnest Island Authority for the year ended 30 June 2018.



**John Langoulant AO**  
Chairman  
Rottnest Island Authority

**Hamish Beck**  
Deputy Chairman  
Rottnest Island Authority

13 September 2018

13 September 2018

## Welcome to the Rottnest Island Authority Annual Report 2017/18

This report provides a comprehensive account of our operations and management of Rottnest Island during the past financial year. For a snapshot view of 2017/18, refer to 'About the year' from [page 2](#).

For detailed information, please refer to individual sections:

1. Agency in focus – [page 6](#)
2. Report on operations – [page 24](#)
3. Opportunities and challenges – [page 62](#)
4. Disclosures and legal compliance – [page 72](#)
5. Financial statements and key performance indicators – [page 80](#)

This report is consistent with the Public Sector Commission's Western Australian Public Sector Annual Reporting Framework for the 2017/18 reporting year.

Production costs for the report have been minimised, ensuring limited copies are printed. The report can be downloaded from the Rottnest Island Authority website [rotnnestisland.com](http://rotnnestisland.com)

It conforms to State Government requirements for accessibility and readability, and can be viewed in PDF format in full or in sections. Alternative formats are available on request.

This publication may be copied in whole or part, with acknowledgement of Rottnest Island Authority.

## About the year

### Chairman's overview



When I commenced as Board Chairman in October 2017 it was clear that change was in the air following a strong start to the financial year by the Rottnest Island Authority (RIA). Buoyed by the enthusiasm and support of the

Hon Paul Papalia CSC MLA, Minister for Tourism, RIA presided over the introduction of a third ferry service and the conditional approval of 'glamping' accommodations on Rottnest. Discovery Eco Village is the first major development on the Island in a number of years and was later followed by the announcement of an expansion of Hotel Rottnest.

Changes within RIA saw departures from the RIA Board including my predecessor Mr John Driscoll and board member Dr Peter Hick. I thank them both for their long service to Rottnest Island. After five years at the helm, and seven years' service to the Board overall, former Chairman Mr Driscoll must be commended for his leadership and commitment to improved outcomes for the Island.

It is pleasing to report that the early momentum was carried across year, culminating in a run of monthly visitation records that have led to an unprecedented 734,637 total visitors to the Reserve in 2017/18. This is a remarkable 14 percent increase on last years' record and has led to an equally pleasing \$2.728 million surplus this financial year. Equating to a 1.2 percent rise, the surplus is a result of continued growth in RIA's revenue streams totalling \$40.326 million in 2017/18 compared to \$39.841 million last year.

These fantastic achievements are attributable to a number of new initiatives and offerings intended to uncover Rottnest Island's full potential, whilst ensuring the visitor experience retains all those things that make a visit to or holiday on Rottnest so unique. Under the guidance of Executive Director Michelle Reynolds, RIA has struck the right balance between innovation and conservation, and has all the tools in place to support the Island's transition to a sustainable year-round tourism destination.

This year saw RIA join the Department of Biodiversity, Conservation and Attractions on what was also the centenary of the establishment of the Rottnest Island Board of Control. Some internal realignment of functions remains ongoing, but our staff has commendably continued to demonstrate their dedication, commitment and passion for the Island and its visitors. As we continue to progress changes to ageing infrastructure and facilities, it is comforting to know we have the full weight of the Department behind us.

Finally, I would like to thank the contributions of my Board colleagues during the year, and the efforts of our hardworking staff.

**John Langoulant AO**  
Chairman  
Rottnest Island Authority

“The outstanding visitation record represents a **14 percent increase** in one year”

## Executive Director Report



If last year was marked by considerable governance improvements, this year was undoubtedly a year of change and unparalleled success for both RIA and Rottnest Island.

We hit the ground running in July with the announcement of a third ferry service to the Island. With Rottnest more accessible than ever before, visitors benefited from dynamic ferry pricing across the year. We have exceeded visitation records every month since October on the way to an unprecedented 734,637 visitors overall (excluding the 55,897 trips made by RIA staff and Island volunteers).

This result has rapidly closed the gap on the 800,000 target set in the Rottnest Island 20-year Master Plan which projected the growth expected by the year 2034. It is clear expectations can now be adjusted as the Island's appeal as a year-round destination continues to grow.

The renewal of Rottnest was underlined by the approval of the Discovery Eco Village (glamping) development near Pinky Beach. Construction of this development later coincided with the announcement of the Hotel Rottnest expansion in April this year, finally answering some long-standing questions about the Island's accommodation offerings.

Of course additional ferries and new developments tell only part of the story. RIA has worked hard to support the visitor experience by reactivating existing spaces, including revamped accommodations at Kingstown Hostel; live summer music evenings in the Settlement Mall; increased celebration of Whadjuk culture; and new food offerings, including the Island's first ever takeaway delivery service. These efforts have ensured excellent visitor satisfaction levels, with 97 percent of all visitors stating their visit to the Island met or exceeded their expectations.

With the Minister for Tourism's support, we have supplemented these efforts with Island Admission discounts during both peak and off-peak periods. We have leveraged some celebrity visits and continue to ride the #quokkaselfie phenomenon to new heights. In this, selfies provide an invaluable mechanism to educate visitors about how to interact with our precious wildlife.

The year provided its poignant moments. In April, it was fantastic to see the largest turnout in recent memory as we once again paid homage to the Island's proud military history with a moving dawn service at the Thomson Bay foreshore.

This was followed in May by the Opening Ceremony for National Reconciliation Week, which saw around 200 Aboriginal and non-Aboriginal people come together to acknowledge the Island's Aboriginal prison histories and celebrate the Whadjuk people's ancient and continuing connection with Wadjemup. With the Quod now returned to RIA management, we will continue to lead State-wide consultation with Aboriginal communities with the aim of realising a future for the Island's prison heritage sites that meets the expectations of all.

As we look back on the year, all the hardworking staff at RIA should feel proud of our many and varied achievements. I commend you all for your efforts.

I must also acknowledge the exceptional contribution of our Island volunteers who once again contributed over 40,000 hours in support of the visitor experience and the conservation of the Island's habitats. Your dedication to the Island is unwavering and unmatched, thank you!



**Michelle Reynolds**

Executive Director

Rottnest Island Authority

## Year in numbers

**734,637**

Visitors to the Island

**109,383**

Bikes hired

**40,000+**

Hours worked by community volunteers

**423,954**

Day visitors

**24,670**

Check-ins to RIA accommodation

**14,000+**

Seedlings planted

**528,873**

Ferry passengers

**70%**

Annual average occupancy of serviced accommodation

**433**

Wildlife management responses made by RIA Rangers

**198,714**

Boating visitors

**7,400+**

Quokka selfies

**1.3M**

Website hits

**24%**

Increase in visitation by ferry

**106**

Island events

**10.7km**

New walk trail constructed

**2.728M**

Surplus

**37**

Weddings

**2**

Major accommodation developments approved

**95%**

Occupancy of RIA hire moorings during peak periods

**97%**

Overall visitor satisfaction

**1**

New ferry operator

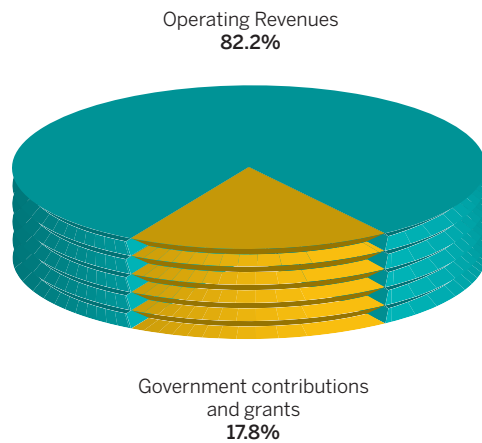
## Year in dollars

The snapshot below represents a consolidated view of RIA's funding.

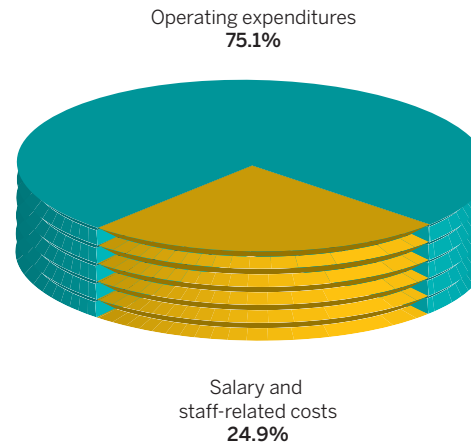
**Table 1:**  
Rottnest Island Authority totals for 2017/18

Revenue	\$49.040 million
Expenditure	\$46.312 million

**Table 2A:**  
Rottnest Island Authority income for 2017/18



**Table 2B:**  
Rottnest Island Authority expenditure for 2017/18



For the full financial summary, refer to 'Financial overview' on [page 72](#) within *Section 4: Disclosures and legal compliance*.

The complete analysis and disclosure of RIA's financial statements can be found in *Section 5: Financial Statements and key performance indicators* from [page 80](#).

## Year in targets

RIA's performance is measured against key performance indicators (KPIs) which analyse the effectiveness and efficiency of our operations and services.

The below scorecard represents a snapshot view only. Full explanations on all measures, analysed against previous years, can be located on the page references listed beside each indicator in the following tables.

**Table 3A: Indicators of effectiveness**

No.	Description	Target	Actual	Reference
1	Average level of visitor satisfaction at Rottnest Island	97%	97%	<a href="#">p. 131</a>
2	Biodiversity health of Rottnest Island	75%	83%	<a href="#">p. 132</a>

**Table 3B: Indicators of efficiency**

No.	Description	Target	Actual	Reference
1	Average cost per visitor at Rottnest Island	\$72	\$62	<a href="#">p. 132</a>
2	Average cost per hectare of wildlife habitat	\$238	\$264	<a href="#">p. 133</a>

# Section 1: Agency in Focus





## About us

### Our profile

The Rottnest Island Authority (RIA) operates a major holiday and recreation facility within a Class A Reserve according to the *Rottnest Island Authority Act 1987* (the Act). The control and management of the Island is vested in the 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.

### Our purpose

RIA's purpose is to grow visitor numbers by providing best-in-class tourism products, experiences and service while enhancing Rottnest Island's unique heritage and environment.

### Our vision

Rottnest Island is an internationally recognised, sustainable, must-visit tourism destination.

### Our values

- Friendly and welcoming
- Partnering with stakeholders
- Improvement and innovation
- Valuing our people
- Conservation and sustainability
- Business-like management

“On 1 July 2017, the Rottnest Island Authority joined the **Department of Biodiversity, Conservation and Attractions**. Refer to ‘Organisational structure’ on [page 9](#) for more details”



## About the Island

### A class act

Rottnest Island is an A Class Reserve situated in the Indian Ocean, 18 kilometres west of Fremantle, and includes 3,800 hectares of Marine Reserve with five sanctuary zones. The Island is 11 kilometres long and 4.5 kilometres at its widest point. It has 63 sheltered beaches and 20 bays with a land area of 1,900 hectares.

The Island is abundant in flora and fauna, including 8-10,000 quokkas, hundreds of bird species and 64 hectares of native woodland.

### A much-loved destination

Rottnest Island is one of the most popular recreation and holiday destinations in Western Australia, valued for its scenic natural environment and sanctuary for people seeking to relax and enjoy nature-based activities. It is the State's largest holiday resort attracting around 730,000 visitors per year.

The Island is benchmarked against EarthCheck, a global sustainability framework for tourism and travel organisations.

### A deep connection and history

The Island has cultural and spiritual significance for Aboriginal communities across the State. The traditional custodians of the Island are the Whadjuk people. The name of Rottnest in their language is Wadjemup, which means 'place of spirits'. Wadjemup is commonly used in signage, location, names, events and business documents. There are 17 registered sites with Aboriginal cultural and heritage significance.

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

### A home away from home

A total of 19 businesses operate on the Island, maintaining a range of services including 11 food and beverage outlets; 292 self-contained units, and 164 dormitory and 54 bed hostel accommodation; 43 camp sites; 862 licensed moorings and facilities for 1,200 boats; 1,400 bicycles and other recreational items; and an aerodrome.

There are six RIA staff that reside on the Island permanently to perform essential duties. Up to 50 RIA staff and up to 150 private Island business personnel (based on seasonal requirements) stay long-term or commute to the Island daily.



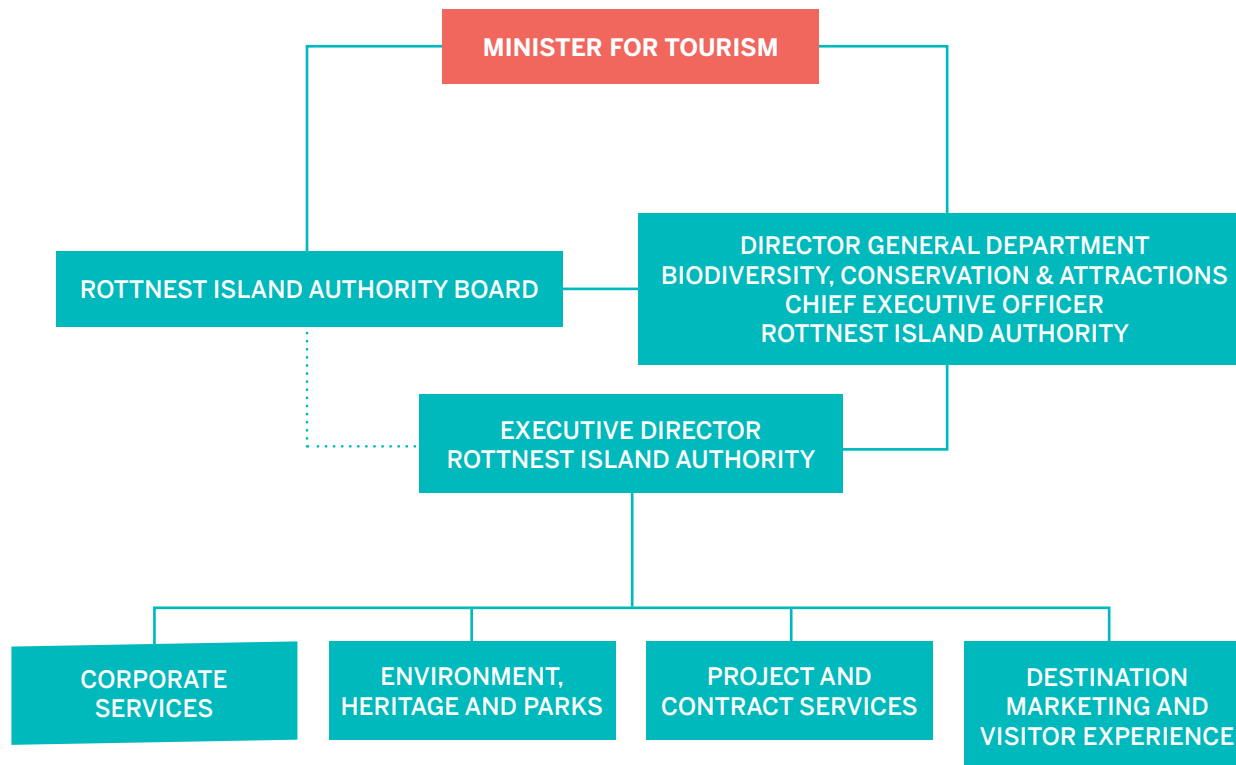
# Organisational structure

## Agency overview

<b>Responsible Minister</b>	The Minister responsible for RIA is Hon. Paul Papalia CSC MLA, Minister for Tourism.
<b>Administration</b>	<p>The day to day administration of RIA is delegated by the RIA Board to the Chief Executive Officer (CEO), who directs the operations of Rottnest Island. This role is held by the Director General of the Department of Biodiversity, Conservation and Attractions.</p> <p>The RIA Board responsibilities are outlined in <i>Section 4: Disclosures and legal compliance</i> on <a href="#">page 72</a>.</p>
<b>Funding</b>	<p>RIA is classified as a Public Non-Financial Corporation by the Department of Treasury, required to be self-funding and non-reliant on State Budget funding for its commercial operating expenses. RIA is therefore required to act in a commercial manner to fulfil its functions.</p> <p>RIA's main income streams are derived from Island accommodation, bike and recreational hire, and admission and mooring fees.</p> <p>Utilities, maintenance, cleaning and waste management is performed under an \$11.5m per annum external contract.</p> <p>Government grants in 2017/18 totalled \$8.7 million, applied to the management of the Island's highly vulnerable environment, which is increasingly subject to the impacts of visitors and climate change. Grants also included funding of \$3.4 million for roof restoration works on the Island.</p>
<b>Enabling legislation</b>	<p>RIA is constituted under the <i>Rottnest Island Authority Act 1987</i>.</p> <p>In administering the Act, RIA adheres to the following key legislation:</p> <ul style="list-style-type: none"> <li>• <i>Financial Management Act 2006</i></li> <li>• <i>Public Sector Management Act 1994</i></li> <li>• <i>State Supply Commission Act 1991</i></li> <li>• <i>Aboriginal Heritage Act 1972</i></li> <li>• <i>Conservation &amp; Land Management Act 1984</i></li> <li>• <i>Health (Rottnest Island) By-Laws 1989</i></li> <li>• <i>Jetties Act 1926</i></li> <li>• <i>Biodiversity Conservation Act 2016</i></li> <li>• <i>South West Native Title Settlement Act 2016</i></li> </ul>

## Organisational chart

**Figure 1: Rottnest Island Authority organisational structure**



### Operational areas

#### Environment, Heritage and Parks

Environment, Heritage and Parks operates three distinct functions which oversee the sustainability and conservation of Rottnest Island’s natural, cultural and built heritage environments. It is also responsible for visitor safety, emergency preparedness and response, in accordance with associated legislation.

#### Project and Contract Services

Project and Contract Services is responsible for the Island’s utilities, major and minor projects within the annual capital program, assets, infrastructure, facilities and contract management. This includes development and implementation of project concepts, feasibility studies and plans, as well as ensuring development applications are processed in a professional and timely manner in accordance with established criteria. The area also manages the commercial and residential leasing functions for the Island.

#### Destination Marketing and Visitor Experiences

Destination Marketing and Visitor Experiences aims to grow visitor numbers and revenue through marketing and events that increase destination awareness. The main revenue streams are accommodation, bike and recreational hire, moorings and admission fees.

The area also manages collaborations with the Rottnest Voluntary Guides Association, and facilitates education for schools through self-guided educational packages and bespoke tours.

#### Corporate Services

Corporate Services provides business 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.

## Leadership

### Rottnest Island Authority Board

RIA's governing body, the Board, is appointed by the Governor on the nomination of the Minister for Tourism for terms not exceeding three years. Members may be reappointed. Members are selected according to their experience relevant to RIA's operations.

The Board meets monthly.

#### Chairman – John Langoulant AO\*

*Chairman appointed by the Governor on the nomination of the Minister*



Mr 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. John currently 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. John is a Director of The National Disability Insurance Agency and also holds chair positions with, Telethon Kids Institute, CEDA WA, the Committee for Perth and ARTrinsic.

\* Replaced the departing Chairman Mr John Driscoll in October 2017.

#### Deputy Chairman – Hamish Beck

*Deputy Chairman appointed by the Minister*



Mr 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 asset management of commercial buildings. Hamish is also Chairperson of the Swan River Trust and Member of the Central Perth Planning Committee.

#### Member – Robert McDonald

*Member appointed as a person who is of sound commercial experience*



Mr Rob McDonald was appointed in 2011. Rob spent 32 years working in a variety of different roles across the State Public Sector, including more than 20 years in senior executive positions.

His previous positions include Executive Director WA Police; Chief Executive Officer, State Supply Commission, Director, State Treasury; and Director of Finance, WA Police. Rob is a CPA and MAICD. He is the Chair of the Board of the South Metropolitan Health Service. Rob also provides consultancy services in the areas of public sector management. Rob is Chairman of the Rottnest Island Authority Finance, Risk and Audit Committee.

#### Member – Suzanne Hunt

*Member appointed as a person who has practical knowledge of and experience in the preservation of buildings of historic value*



Ms Suzanne Hunt was appointed in May 2010. She has over 30 years' experience in the construction industry particularly in architectural and interior design, documentation, contract administration and strategic management on

contemporary, conservation and adaptive reuse projects for local and state government authorities and in the private sector in WA and in the UK. Suzie is a registered Architect with the Architects Board of WA, a Fellow of the Australian Institute of Architects (FRAIA), a member of the RIBA, Design Institute of Australia and the Australian Consulting Architects.

Suzie has sat on the Australian Institute of Architects (RAIA) WA Chapter Council since 2014 and in 2017 was elected President by the membership. She is the first female to hold this position. Her practice Suzanne Hunt Architect Pty Ltd is a multi-award winning architectural and interior design practice specialising in both contemporary and heritage projects in metropolitan and regional WA.

## Member – Dr Marina Hogan

*Member appointed as a person who is a regular user of the Island for recreational purposes*



Dr Marina Hogan was appointed in January 2017. Through her long association with both Scoop Publishing and Scoop Digital, Marina 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. Marina is deputy chair of the Foundation for the Western Australian Museum and chairs its Remuneration and Nominations Committee. In June 2018, Marina was appointed to the Australian Multicultural Advisory Council. Until July 2018, Marina 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 – Hannah Fitzhardinge\*

*Member appointed as a person who has practical knowledge of and experience in the conservation of the environment*



Ms Hannah Fitzhardinge was appointed in October 2017. Hannah is a director and senior consultant with leadership development consultancy Integral Development. Her background is in corporate public affairs, government approvals and strategic communication. Hannah was elected as a Councillor at the City of Fremantle in 2016, then again in 2017 for a further four-year term. Joining the Rottnest Island Board in October 2017, Hannah has also previously served on the boards of the Beehive Montessori School and ARTRAGE. Her family has a long connection with Rottnest and she cares deeply about equality, environmental responsibility and sustainable development.

\* Replaced Dr Peter Hick on the completion of Dr Hicks' term in October 2017.

## Board disclosures

For Board responsibilities, attendance and conflict of interest disclosures refer to 'Board policies and responsibilities' and 'Board disclosures' from [page 76](#) in *Section 4: Disclosures and legal compliance*. Board remuneration is disclosed on [page 74](#) in the same section.

## Chief Executive Officer

The Department of Biodiversity, Conservation and Attractions is led by Director General Mark Webb. Mr Webb holds the concurrent appointment of the Chief Executive Officer of the Rottneest Island Authority, Botanic Gardens and Parks Authority, and Zoological Parks Authority.

## Corporate Executive

The Corporate Executive is RIA's senior management team who work with the Executive Director to direct the Agency's corporate and business operations across the five key policy areas identified in the Rottneest Island Management Plan:

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

The Corporate Executive held 25 meetings during the year.

## Executive Director

**Michelle Reynolds** has been CEO of Rottneest Island Authority (RIA), and now Executive Director, since being seconded to RIA in January 2017. In her time at RIA she has presided over extensive governance improvements and her term has seen an unprecedented growth in visitation numbers. Michelle has been the substantive CEO of WorkCover WA since 2008 and has 15 years in senior executive roles overall. Michelle has a Bachelor of Arts and a Masters of Business Administration.

## General Manager Environment, Heritage and Parks

**Shane Kearney** is the General Manager Environment, Heritage and Parks. Shane has worked in the public sector for fifteen years in local and state government sectors. Shane has been in senior management for the last ten years and has strong capability and experience in environment and conservation management, regulatory compliance, corporate sustainability and business management. Shane is responsible for setting the direction of Rottneest Island's environment, corporate sustainability, regulatory compliance, cultural and heritage conservation programs, and managing the park, volunteer, ranger and emergency services.

*\* Park Services Manager Clinton Hull also filled the role of A/General Manager Environment, Heritage and Parks during 2017/18.*

## General Manager Project and Contract Services

**Mario Claudio** is the Acting General Manager Project and Contract Services and has over 35 years' experience working in Property Management and Development related positions. He is a graduate of Curtin University, a Licensed Valuer and a Fellow of the Australian Property Institute. Mario has held senior management positions at Bankwest as Head of Property and more recently at LandCorp as Manager Urban Development, where he developed and implemented strategic policies to enhance industry positioning and improve financial and operational performance.

## General Manager Destination Marketing and Visitor Experience

**Suzanne Perry** is the outgoing\* General Manager Destination Marketing and Visitor Experience and has been involved in sales, marketing and product development from a grassroots level through to executive leadership. Suzanne's 20 years of experience covers local, national and international brands. In these roles she has been instrumental in creating marketing and sales strategies, leading cultural change, achieving growth and lifting gross margins in very challenging climates.

*\* Ms Suzanne Perry concluded at Rottneest Island Authority on 31 May 2018.*

## General Manager Corporate Services; Chief Finance Officer

**Alan Abraham** is Acting General Manager Corporate Services and Chief Finance Officer (CFO) and has over 12 years' experience in CFO roles in the WA public sector. Alan spent several years with the Department of Treasury and has held positions such as Secretary to the EERC Cabinet Sub-Committee and the States representative on the States and Territories partnership Group with the Australian Taxation Office. He has a proven track record of delivering favourable strategic financial management outcomes for agencies under his stewardship. Alan has a Business Degree in Finance and a CPA.

## Strategic governance

### Performance Management Framework

#### Outcomes Based Management structure

Through the management of Rottnest Island activities and operations, RIA contributes to the State Government objectives related to the Government Goal, 'Better Places: A quality environment with liveable and affordable communities and vibrant regions'.

Figure 2 outlines how RIA's 'Agency Desired Outcome' and 'Agency Services' connect to the Government Goal.

**Figure 2: Rottnest Island Authority Outcome Based Management Structure**

Government Goal
<p><b>Better Places</b> A quality environment with liveable and affordable communities and vibrant regions.</p>
Agency Desired Outcomes
<ol style="list-style-type: none"> <li>1. Community enjoyment, appreciation and understanding of attractions under the Department's care.</li> <li>2. Plants and animals are conserved and habitat, ecosystem and landscape-scale conservation utilises evidenced-based science.</li> </ol>
Agency Services
<ol style="list-style-type: none"> <li>1. Visitor services and public programs provided at Rottnest Island.</li> <li>2. Conserving habitats, species and ecological communities.</li> </ol>



#### Shared responsibilities with other agencies

The Rottnest Island Authority did not share any service-related responsibilities with other agencies in 2017/18.

Through its position within the Department of Biodiversity, Conservation and Attractions, RIA worked closely with the Department to establish efficiencies within internal operations and systems. This work remains ongoing as at 30 June 2018.

Through its operations, RIA also worked in partnership with other Government agencies servicing Rottnest Island, including the Western Australian Police, Department of Health, Department of Education, Department of Transport, Department of Primary Industries and Regional Development, and Department of Fire and Emergency Services.

#### How we measure our performance

To evaluate its contribution to State Government Goal 'Better Places', RIA measures its performance in the delivery of the two Agency services:

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

These services are linked to effectiveness and efficiency key performance indicators (KPIs) which indicate the extent to which RIA has achieved its Agency Desired Outcome (refer to Figure 131).



Through alignments with the strategic objectives of the Department of Biodiversity, Conservation and Attractions, RIA made significant changes to its Outcome Based Management structure and related KPIs in 2017/18. The revised KPIs are detailed in Figure 3.

Refer to 'Key performance indicators' within *Section 5: Financial statements and key performance indicators* from [page 130](#) for all the KPI information.

**Figure 3: Rottnest Island Authority's Key Performance Indicators**

Effectiveness indicators
1. Average level of visitor satisfaction at Rottnest Island.
2. Biodiversity health of Rottnest Island.
Efficiency indicators
1. Average cost per visitor at Rottnest Island.
2. Average cost per hectare of wildlife habitat.

## Strategic direction

RIA's operations are guided by the *'Rottnest Island Master Plan – a 20 Year Vision'* (MP20). The MP20 provides a long-term vision for how the built environment should 'look and feel' by 2034.

Underpinning the MP20, is a five-year management plan which has been devised in accordance with the Act. This *Rottnest Island Management Plan 2014-19* (RIMP) follows a framework of Guiding Principles (refer to Figure 4 on [page 16](#)) to outline five strategic policy objectives:

### 1. Improved visitor experiences

Rottnest Island is a must-visit destination for the local, national and international tourism markets, resulting in increased visitation and visitor yield.

### 2. Conservation and improved access to cultural heritage

Rottnest Island is an internationally recognised tourism destination attracting increased local, national and international visitation, based on natural and cultural heritage values.

### 3. Protection of the unique environment

The Rottnest Island Reserve will be a protected haven for indigenous flora and fauna; a unique place where visitors can enjoy and appreciate diverse nature-

based experiences now and in the future.

### 4. Professional relationships with stakeholders

Improved quality and increased acceptance of decisions through appropriate stakeholders involvement and engagement in the RIA's decision making process.

### 5. Financial sustainability

The non-commercial operations on Rottnest Island will be funded through a combination of cost recovery, contribution from commercial operations, grants and sponsorships, and use of third party providers. The 'user pays' principle will be applied wherever practicable.

Operational Plans ensure the RIMP's strategic focuses are implemented effectively by establishing a clear connection between the five policy objectives and the Agency's operations and services. The Operational Plans are updated in accordance with a scheduled timeframe.

Figure 4 outlines the relationships between these elements.

Our achievements under these plans can be found in *Section 2: Report on operations* from page 24.

**Figure 4: Alignment of Rottnest Island Authority's strategic planning**



## Corporate governance

### Finance, Risk and Audit Committee

The Finance, Risk and Audit Committee reports to the Board and makes recommendations on financial, audit and risk-related matters to ensure financial management and risk management processes are effective.

The Committee met on nine occasions during the year, ensuring strong oversight of commercial and operational matters. The Committee operates as a sub-committee at official Board meetings and as such Board attendance disclosed on [page 76](#) in *Section 4: Disclosures and legal compliance* also reflects member attendance of this Committee.

### Risk management

The Finance, Risk and Audit Committee provides a formal mechanism for risk management discussions and decision making with reporting of risks and risk treatment progress provided on a quarterly basis.

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

This is a critical component of the RIA's corporate governance and internal controls given the unique risk environment associated with balancing an A-Class Reserve with delivering utility, infrastructure and tourism activities and products for Western Australia.

Implementation of the Framework has included the delivery of risk workshops and risk management training with each of the RIA's business areas. RIA assesses risk across four levels – strategic, corporate, operational and project risk. Identified risks are categorised under the following:

- Financial and commercial
- Legal, compliance and governance
- Natural environment
- Heritage
- Reputational
- People and culture including safety
- Operational/essential services
- Information technology and knowledge

Under the Framework, risks and controls are analysed and evaluated against set criteria to ensure risks that exceed acceptable levels are treated accordingly. Since the roll-out began, over 80 operational risks have been identified and are being managed by management of each business area.



## Workplace consultation

RIA has formal mechanisms for consulting with staff, including the committees outlined below. The committees include staff members with relevant skills, knowledge or insights from across the Agency.

As the year progressed, the Executive Director, the Director General and other representatives from the Department of Biodiversity, Conservation and Attractions met with staff to outline and seek feedback on proposed functional realignments. Confirmed changes include the centralisation of human resources and information technology systems and personnel within the overarching Department. Other more general workflow efficiencies that can be gained from taking a holistic review into legacy functions are expected to be implemented early in the new financial year.

### Joint Consultative Committee

The Joint Consultative Committee's (JCC) purpose is to provide a process that supports positive and constructive consultation within RIA, creating a forum for proactive two-way communication between management and staff in relation to workplace issues that affect individuals or groups of staff. The JCC currently consists of four union delegates and three RIA management representatives.

The JCC met seven times in 2017/18. The Department of Biodiversity, Conservation and Attractions has established a consolidated JCC which supersedes RIA's Committee. The consolidated JCC met once prior to the end of the financial year.

### OSH Committee

RIA encourages regular consultation with staff on occupational safety and health matters. The Occupational Safety and Health Committee (OSHC) meets monthly, and includes a total of seven members with representatives from each business area, and support from the Corporate Executive.

The Committee's terms of reference include:

- keeping information on workplace hazards, general safety information and reference material in a place readily accessible to employees
- reviewing all Incident/Hazard Reports and Near-Miss Reports
- ensuring that corrective action is taken following accident investigations and reports
- considering changes or intended changes to work practices or processes which may affect the safety and health of employees
- monitoring and publishing accident statistics
- performing workplace inspections
- providing recommendations for employee safety and health training
- ensuring emergency procedures and standard operating procedures are prepared and implemented
- monitoring the safety performance of contractors and their compliance with established procedures and requirements
- monitoring progress in meeting overall targets and objectives
- providing accurate and timely feedback to all employees on safety and health matters
- promoting safety and health awareness generally.

Occupational safety and health matters are also discussed at JCC meetings with union delegates and the Executive Director in attendance. The OSHC met seven times this year and completed a total of 29 actions related to internal occupational health and safety matters.

### Island Operations Forum

The Island Operations Forum meets monthly and consists of third tier senior managers from across the Agency. The Island Operations Forum provides an avenue for the:

- exchange of information between managers to increase awareness of activities and projects in other areas that will impact on more than one department
- improved communication, relations and sharing of knowledge between areas, particularly where synergies may be achieved (e.g. procurement of goods or services to the Island where grouping of orders can deliver economies of scale and efficiencies, projects, tenders)
- addressing concerns raised in staff surveys relating to poor communication due to the easier and more efficient dissemination of information to relevant operational staff
- identification of joint operational risks and forum for proposal of solutions
- solving problems through collaboration within a diverse group of senior managers.

## Complaints handling

RIA staff is trained to immediately respond to visitors and to resolve complaints informally, on the spot where possible. If the complaint cannot be resolved on the spot, it will be referred to the manager of the area. All complaints are seen as an opportunity to improve service, and are subsequently recorded and fed into RIA's continuous improvement mechanisms.

RIA receives three forms of feedback from visitors:

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

### Our response to complaints

Customer complaints are usually received in the following ways:

- **Formal customer feedback**  
Customers write a letter or send an email to RIA detailing a complaint about their experience on Rottneest Island.
- **Online accommodation feedback survey**  
Visitors provide comments about their accommodation experience via an online survey which is sent to them in the week following their stay.

RIA's formal response process includes registration, acknowledgement, investigation, resolution (if possible), and recording the outcome in the 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 into the complaint is required.

### Outcomes

In 2017/18, 15 compliments, 19 comments, and 188 formal complaints were received. All feedback was acknowledged, with all complaints dealt with via our formal response process. Importantly, the number of complaints represented less than 0.1 percent of visitation numbers. No complaints required an investigation.

### Social media

Feedback is also received via user generated content on Facebook and Twitter. These sites are closely monitored, and RIA typically replies to comments within two hours, up to eight times a day. Similarly Trip Advisor is regularly monitored and responded to appropriately.



## Communications policies

RIA ensures all Agency staff complied with policies that govern internal communications between staff and external communications with stakeholders, media and the general public. These policies are supported by RIA's Freedom of Information Policy, Records Management Policy and Code of Conduct.

### Customer Service Charter

The RIA Customer Service Charter identifies the Agency's commitment to quality customer service and what to do if visitors wish to provide feedback on the service they receive. For our complaints handling processes and performance refer to 'Complaints handling' on [page 19](#). RIA's Customer Service Commitments are:

- providing friendly, courteous and efficient customer service
- providing staff with the knowledge, authority and responsibility to deal with feedback
- responding to correspondence within reasonable timeframes (under 30 days); with an acknowledgement response within 5 days if a lengthy investigation is required
- striving to excel in customer service through continuous improvement and external benchmarking
- making it as convenient as possible to contact us in person, over the phone or online
- actively seeking feedback on our services to help meet customer needs
- conducting regular customer satisfaction surveys.

### Official communication

This policy governs the flow of information between members of the RIA Board, Board Committees and stakeholders, as well as establishing the Executive Director as the conduit for information passing between the Board and general RIA staff.

The policy establishes who should communicate with who, and when, as well as what should be communicated and whether there are confidentiality considerations.

### Public Interest Disclosures

RIA is committed to the objectives of the *Public Interest Disclosure Act 2003*, which provides protection of sensitive, public interest information for those who disclose and those who are the subject of a disclosure. Information about public interest disclosures in relation to RIA is available on our website.

There were no public interest disclosures during the year.

### Freedom of Information

The *Freedom of Information Act 1992* provides a general right of access to documents held by State and local government agencies. To assist Freedom of Information (FOI) requests, RIA has published an Information Statement on its website outlining the Agency's processes.

RIA received three FOI requests in 2017/18.

### Commercial Operations Policy

The Commercial Operations Policy provides the means for RIA to assess and make decisions regarding commercial operations within the Rottneest Island Reserve. This governs communications with commercial operations and responses to proposals as part of those processes.



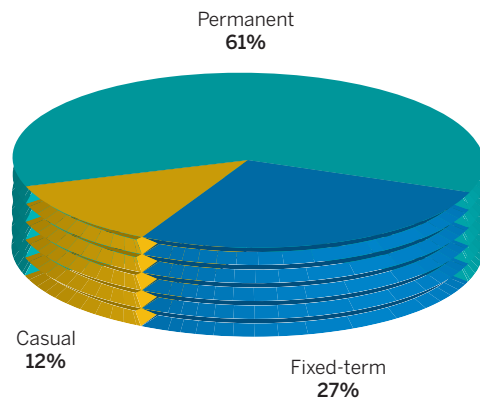
# Systems and workforce

## Workforce profile

The Executive Director is supported in the delivery of day-to-day operations of Rottneest Island by 64 permanent staff and a range of 20 - 40 fixed term staff plus casual staff as required to meet seasonal demands .

This balance of employment types is indicative of RIA's flexible work practices and adaptability to the seasonal demands of the Island's holiday and recreational services.

**Figure 5: Snapshot of Rottneest Island Authority's workforce**



RIA's workforce policies are outlined on the following pages. For RIA's disclosures against associated legal requirements refer to [page 78](#) in *Section 4: Disclosures and legal compliance*.

## Workforce planning

### Workforce development

The wide variety of occupational groups within the organisation reflects the complex nature of RIA's management of Rottneest Island, ranging from customer service representatives to conservation officers, professionals and administrators.

RIA has workforce development mechanisms that support the ongoing training of staff within their work areas, with operational managers working closely with teams throughout the year. However, formal Performance Development Agreements were not conducted again this year. Professional development was instead progressed through on-the-job training and stretch opportunities, and otherwise via professional training.

Other opportunities for cross-agency development have arisen through the functional realignments that have been progressed within the Department of Biodiversity, Conservation and Attractions.

### Staff training

Staff completed a total of 550 training hours during the year, including working with hazardous substances, TRIM and records keeping, new systems training, and introduction to RIA's new online mapping applications.

### Expressions of interest

RIA actively encourages the movement of staff across business areas through expressions of interest for short-term opportunities. This provides staff with an opportunity to experience new areas of the business and enhance their skill set.

### Attraction and retention

Recruitment processes in 2017/18 resulted in 32 appointments including 10 secondments (paid by RIA) from other government departments. A total of 39 permanent or fixed-term staff left RIA during the year, representing an increase in staff turnover this year.

### Traineeships and other pathways

RIA is committed to providing opportunities for young people and accessed the Public Sector Commission's Aboriginal Traineeship Program during the year to secure two trainees.

### Cross-agency opportunities

Additional employment opportunities have arisen through the Department of Biodiversity, Conservation and Attractions, with all Departmental staff receiving increased access to Expressions of Interest from RIA and the other Departmental agencies.

## Equality and inclusion

### Disability Access and Inclusion Plan

Over the course of the past five years, the Agency has conducted all operations and services in accordance with its *Disability Access and Inclusion Plan 2012 - 2017* (DAIP).



Our customer service staff are trained to discuss and accommodate specific needs of visitors at the time of booking. With the advent of online bookings, we have retained the ability to tailor services through our call centre. Specific needs are provided for through special needs accommodation and services, such as transport with wheelchair access and disabled toilets equipped with braille signage. Visitors also have access to audio signs and commentary, in a range of languages.

RIA also contributes to the 'You're Welcome – AccessWA' initiative by assisting people with disabilities to source accurate and detailed information.

With the current DAIP concluding in 2017, RIA progressed a DAIP Progress Report during the year whilst the new DAIP 2017-2020 was developed. The new DAIP was completed and will be implemented in the new financial year.

In June, RIA also commenced the construction of what is referred to as a 'Changing Places' disability ablution facility. Scheduled for completed by October 2018, this new building is being constructed near the main bus stop in Thomson Bay and will provide specialised facilities catering for visitors with special needs.

### Equal opportunity employment pathways

RIA is committed to providing employment pathways for young Aboriginal and Torres Strait Islander Australians. RIA currently employs an Aboriginal Heritage Officer, and two Aboriginal trainees started with RIA during the year, completing work in the Heritage and Park Services areas.

### Reconciliation Action Plan

There is an increasing awareness within the Western Australian community of the history of Wadjemup (Rottnest 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 aspect of the Island's story is recognised in RIA's *Reconciliation Action Plan 2016 - 2019 (RAP)*. The RAP identifies a range of ways in which the history and contemporary significance of the Island for Aboriginal people can be reflected in the facilities and services available to visitors, and in the work practices and corporate culture of RIA.

This year was significant for the return of the Quod to RIA management on 31 May 2018, reinvigorating the conversation Aboriginal communities across the State about the future of Aboriginal prison heritage on the Island. For more details refer to [page 40](#).

Other significant initiatives connected to reconciliation that were continued or completed during the year include:

- Celebrating Whadjuk culture and acknowledging prison histories
- Wadjemup Aboriginal Burial Ground project.



As part of the RAP, the Wadjemup Aboriginal Reference Group (WARG) was established last financial year. Comprising Aboriginal community members, including Whadjuk traditional custodians, and RIA representatives, the WARG provides cultural guidance to RIA on the Burial Ground project, and possible future uses and conservation of the former Aboriginal prison, known as the Quod. Disclosures related to the WARG are detailed on [page 77](#).

RIA also completed an internal questionnaire about the impact of the RAP in July last year, and compiled a contact list of Whadjuk traditional custodians who may be engaged to deliver cultural activities for visitors in the form of Welcome to Country and traditional smoking ceremonies.

## Safety, health and wellbeing

### 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.

Due to management of a large recreational Island, RIA places a large focus on the effective provision of first aid, and several staff have been equipped with first aid and CPR training, as well as Fire Warden evacuation training. Refer to 'OSH Committee' on [page 23](#) for details on how OSH awareness is integrated in day to day RIA operations. The Agency's reportable OSH outcomes can be found on [page 79](#) within *Section 4: Disclosures and legal compliance*.

These efforts are supplemented by the Island's emergency services. Visitor safety and emergency preparedness and response is detailed from [page 62](#) in *Section 3: Opportunities and challenges*.

### Health and wellness

RIA changed Employee Assistance Program (EAP) providers during the year, commencing with PeopleSense on 1 January 2018. The new EAP provided staff with a free, professional and confidential counselling service and immediate family members, for anyone with personal or work-related issues that were impacting their wellbeing. RIA covers up to six EAP sessions a year.

As many Rottnest Island employees work outdoors, free skin checks were again offered to staff during the year.

### Information technology and business systems

RIA continued to implement its information technology tactical roadmap during 2017/18. This year has also involved the transition of IT services, policies and procedures, and integration of IT systems, with the greater Department of Biodiversity, Conservation and Attractions. It is envisaged the centralisation of functions, services and systems will create greater efficiencies within the Department but will also benefit visitor services on Rottnest Island through the replacement of legacy infrastructure. This work remains ongoing.



## Section 2:

# Report on Operations



The operational achievements of Rottneest Island Authority (RIA) for 2017/18 are reported against its Agency Services as follows:

- **Service 1: Visitor services and public programs provided at Rottneest Island**, commences [page 26](#)
- **Service 2: Conserving habitats, species and ecological communities**, from [page 51](#)

Achievements listed under these services underline the deliverance of our Agency Desired Outcomes and contribution to Government Goal 'Better Places'. For more detail about our Agency Desired Outcomes refer to [page 14](#).

This year also saw a number of 'game-changer' achievements which are noted under each Agency Service, as indicated by Figure 6. These initiatives will have a significant impact on the Island's future.

Figure 6 outlines the key that is used throughout this section to note the connection between our operational initiatives and the strategic policy objectives of the Rottneest Island Management Plan (RIMP). Generally an initiative will support one or two strategic policy objectives. Refer to [page 15](#) for all the details about our five RIMP policy objectives.

#### Figure 6: Section key

A) Indicates an initiatives connection with RIMP policy statements 1-5



B) Indicates an initiative that will have a significant and lasting impact on the Island

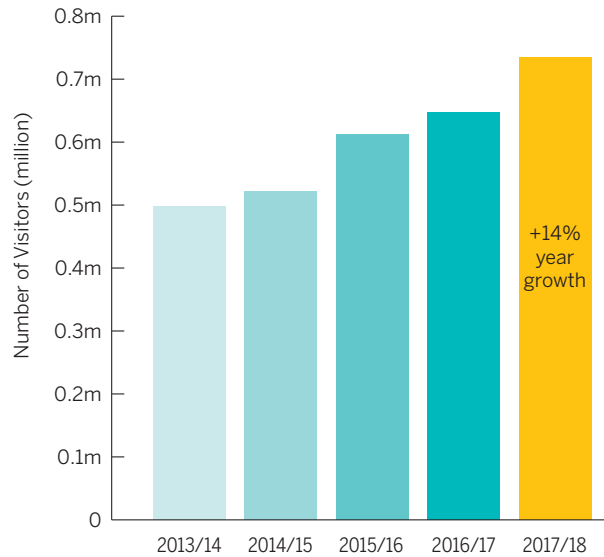
A green checkmark above the words 'Game Changer' in a bold, orange, sans-serif font.



## Overview

### Visitation numbers

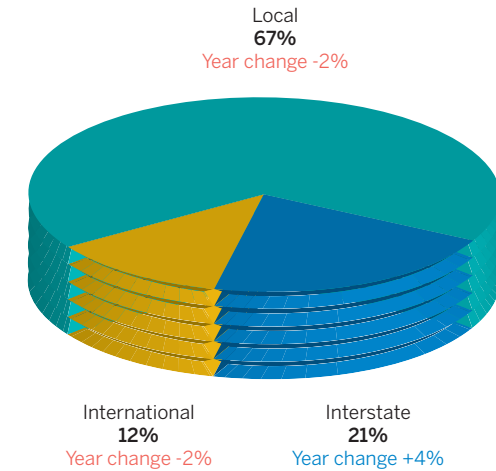
Figure 7: Visitation trends\*



\* Excludes trips made by RIA staff and Island volunteers

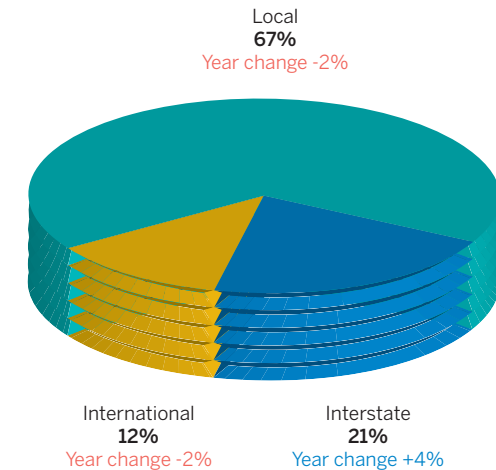
### Where travellers come from

Figure 8: Traveller demographics



### How they are reaching us

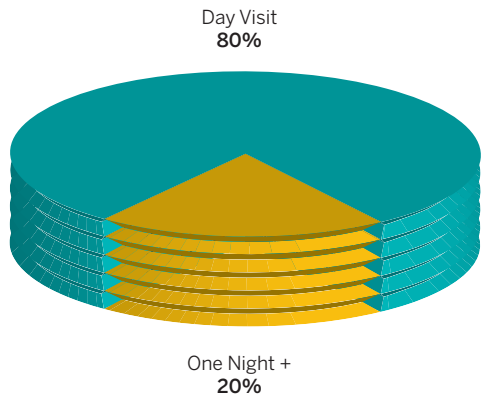
Figure 9: Method of travel to the Island



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

## Average length of stay\*

Figure 10: Duration



\* Based on 2016/17 Boating Visitor Survey Results

## What visitors are telling us

Figure 11: Visitor satisfaction

Met or exceeded expectations	Visitor satisfaction rating
97%	EXCELLENT

“ Such a special place, loved Rottnest as a child when I went there on camps and recently returned for the first time in over 30 years with my youngest child. The first thing we noticed was just a sense of calm and peace, we are now returning in a couple of days for a couple of nights with more of my family. I can see it **will now become a regular getaway for us** and so lucky it’s only a short ferry ride. Lots of safe fun for children as well. ”

Jules wilson (Facebook)



“ We loved the Island! It’s **so beautiful** and the staff and quokka are so friendly. Very relaxed too! ”

Rachelle Beaney (Facebook)



“ What an unexpectedly beautiful island, full of history, stunning beach coves and of course quokkas! A **definite highlight of my trip** to Australia and can’t recommend visiting enough!!! ”

Faye Tune (Facebook)



“ My first time on the Island and absolutely fell in love with it! **Like no other place on earth.** ”

Eric J Mehlberger (Facebook)



“ The Visitor Centre checked-in **24,670** visitors to RIA-managed accommodation ”

## Accommodation and visitor services

**RIMP 1 5**

The quality and range of accommodations and food and beverage offerings can have a dramatic impact on visitor satisfaction, as with the service enjoyed at each establishment. Due to its commercial requirements, RIA is an accredited business through the Australian Tourism Accreditation Program (ATAP) and proudly displays the Green Tick to assure visitors they can expect quality, reliability and professionalism, accurate advertising, sound environmental practice and a Code of Ethics. RIA also has EcoTourism certification through Eco Tourism Australia.

Following cessation of TQUAL accreditation on 30 June 2017, all businesses on the Island are contractually obligated to acquire ATAP accreditation, which is administrated by peak industry body, Tourism Council Western Australia.

This year saw a major push by RIA to increase accommodation and hospitality options across the Island to support additional visitation numbers, and prepare for continued visitation increases in subsequent years.

## Accommodation services and facilities

### RIA accommodation

Provision of short-term rental accommodation is RIA's most important commercial arm. The operation comprises 292 self-contained units, a 164-bed dormitory style facility at Kingstown, a 54-bed hostel, and a 43-site camping ground.

The Visitor Centre carried out 24,670 check-ins to RIA-managed accommodation during 2017/18. Table XX outlines the annual average occupancy of RIA serviced accommodation during the year. While the key performance indicator was not met, the result remains consistent with the previous financial year, decreasing by only 0.16 percent.

RIA takes an evaluative approach to improving services and sent a total of 52 accommodation surveys during the year, with the audience varying from 130 to 700 depending on the season. An additional 21 targeted eDMs were sent to accommodation guests relating to loyalty offers, late checkout offers and notice of maintenance or closures that could impact their stay.

**Table 4: Average overall occupancy level**

2017/18 Target	2017/18 Actual
74%	70.4%

## RIA accommodation upgrades

RIA conducts yearly maintenance and improvements on its accommodations, with 2017/18 enhancements including:

- completing interior painting, replacement of dining chairs, and addition of pictures, rugs, bedside tables and cushions for outdoor benches in South Thomson units
- repairing cork floors on selected units
- completing refurbishments of two significant heritage units (340 and 341), including new kitchens, masonry repairs, retiling of bathrooms and oiling of floors
- increasing the number of family rooms at the Kingstown Hostel from four to eight and with new furniture provided including fridges, creating a new type of entry level accommodations
- switching a three-bedroom South Thomson unit (249) from residential to rental, bringing total inventory to 292, and
- refurbishing entry steps at four heritage bungalows.

Minor upgrades were also completed on the existing RIA-run campgrounds in connection with the Discovery Eco Village development. This involved some repositioning of campsites and refits to existing campsite infrastructure.

To conclude the year, RIA received the first batch of 336 king-size ensemble beds, which will replace existing wooden and metal beds across all the main serviced RIA accommodation types by mid-September 2018. The new beds will provide greater comfort for guests. Arrangements have been made to donate the old stock to various charities, including organisations providing youth and immigrant accommodation services.

## Trip Advisor Award

In May, the Rottnest Island Visitor Centre achieved a 2018 Certificate of Excellence from Trip Advisor. This achievement recognises the large number of good reviews received on Trip Advisor for services provided by the Visitor Centre and on Rottnest Island overall.

## Privately managed accommodations

RIA also manages leases associated with Karma Lodge and Hotel Rottnest, which support the mix of RIA-managed accommodations on the Island. It is important to note that the Quod building and associated structures ceased to form part of the Karma Lodge lease on 31 May 2018, returning the former Aboriginal prison building to RIA management. During the year RIA oversaw the excision of the Quod from the lease, with some minor works continuing to physically excise the building from the remaining infrastructure of the Lodge.

For more details about lease end on the Quod, and what the future holds for Aboriginal prison heritage on the Island, refer to [page 40](#).



## New developments



### Discovery Eco Village

A major change for Rottnest was heralded by the August announcement that conditional approval had been provided to the 'glamping' accommodation development near Pinky Beach.

Construction commenced on the Discovery Eco Village in March this year, aiming to have the accommodation available to visitors by the end of 2018.

The 2.8 hectare development will provide an ecologically sensitive, world-class eco retreat featuring 83 eco tents that complements the strategic vision of the Rottnest Island Management Plan (RIMP) to revitalise the Island's accommodation offerings.

With tent options to suit all budgets, the Eco Village will provide improved access to Pinky Beach and The Basin for all Island visitors via new boardwalks that link with the Wadjemup Bidi walk trail.

The development also includes a licenced bar, café, restaurant and function area with views over the ocean, further transforming the area and establishing a new visitor experience on Rottnest Island.

In managing the largest development on the Island in many years, RIA has been working closely with the proponent to minimise disruption to visitors by establishing approved traffic management plans, safety fencing, additional directional and informational signage on site and at the Visitor Centre, and jointly supervising the site during fixed construction hours. The development remains on track to be completed by year end.



*Hotel Rottnest redevelopment*

*Discovery Eco Village development*



### Hotel Rottnest Resort

The most definitive 'game-changer' of the year came when the Minister for Tourism announced in April this year that Rottnest Island will offer visitors a brand new beachfront resort experience by 2020.

The development will see Hotel Rottnest provide a variety of accommodation options to suit various budgets, with the existing 18 rooms at the Hotel demolished to make way for 80 new rooms across two levels. In a further boost to the visitor experience, the redevelopment will also include four pools (two main pools and two executive suite plunge pools), a restaurant, function room capable of seating 250 people, and a roof-top bar offering sweeping views across beautiful Thomson Bay.

RIA is working closely with the proponent to ensure that disruption to visitors will be minimised throughout the construction phase. Food and beverage services at Hotel Rottnest will remain open during the expansion.

### Karma Day Spa

In April, Karma Lodge announced it was opening a new luxury day spa in the heart of the Settlement Mall. The announcement was delivered in conjunction with the extension of its lease on the Lodge. The new day spa will open its doors to customers in the new financial year.



## Food and beverage services

RIA currently leases premises to 11 food and beverage businesses and one catering operation on the Island including the two general stores. RIA works closely with the Rottneest Island Chamber of Commerce to ensure visitors have a range of options available on the Island, including the introduction of temporary hospitality licences during peak times. At the 2017/18 Rottneest Channel Swim there were four temporary hospitality licences issued to mobile food vendors to supplement existing services.

### New food offerings

#### Thomsons Restaurant

The lease for the former Aristos restaurant on the beachfront at Thomson Bay was taken over by a new lessee in February 2017 and the restaurant reopened as Thomsons Restaurant in September. The rebranding included significant refurbishments to the internal and external appearance of the premises, as well as an expansion of the deck and outside kiosk eating area.

#### Frankie's on Rotto

RIA received an application to merge a two-lease building (previously a pharmacy and a restaurant) to create a large lease site for a pizzeria restaurant in the Settlement Mall, offering both dine in and takeaway services. The development and lease were approved in the second half of 2017 and Frankie's on Rotto opened its doors to the public in early December.

The new eatery has created a family friendly casual dining offering with a large alfresco area in the Settlement Mall, contributing to the atmosphere and activation of the mall. It offers a wide range of services from breakfast through to dinner, with BYO wine and beer options.

#### Kingstown Kafe

A new café operating at the refurbished Kingstown Hostel commenced in December, offering families value for money buffet-style breakfasts and dinners.

## Essential services

Details about essential services on Rottneest Island and visitor safety outcomes are available in *Section 3: Opportunities and Challenges* on [page 62](#).

“Frankie's on Rotto also established the **Island's first ever takeaway delivery service**, delivering food direct to the door of residents and visitors using electric bicycles. This innovation provides greater access to food options between Kingston Barracks and Geordie Bay ”

## Infrastructure and facilities

RIMP 1 5

### Management of facilities and utilities

RIA outsources management and maintenance of the Island's facilities and utilities to Programmed Facilities Management. Refer to 'Delivery of essential services' on [page 62](#) in *Section 3: Opportunities and challenges* for more details.

#### General upgrades

##### Drinking fountains

New drinking fountains were installed on the Island at several locations, including Geordie Bay and the six seasons shelter in Kingstown, providing visitors with greater access to drinking water and improved facilities.

##### Stairs and beach accesses

New limestone stairs were installed at Longreach, linking back row accommodation to the beachfront. The new stairs are a marked improvement aesthetically and improve visitor safety.

Formal beach accesses have also improved visitor access to Rocky and Marjorie Bays in conjunction with the completion of the final section of the Wadjemup Bidi at West End.

#### Roofing project

The penultimate year of a seven-year program to ensure the electrical and structural integrity of buildings on Rottnest Island continued this year. This involved the completion of roof and electrical remediation works on 75 residential and commercial buildings, and public facilities, at a cost of approximately \$3.4 million.

The works included removal and replacement of old roof sheeting, strengthening of roof structures and tie downs, installation of insulation, and electrical upgrades. Attention was given to retaining the heritage elements of the Island's iconic and significant heritage buildings.

#### Airport upgrades

The Rottnest Island Aerodrome, home to some of the Island's more adventurous recreational pursuits, underwent renovations in May 2018. These involved internal refurbishments, including the removal of old carpet and the grinding back of the underlying concrete, and the installation of new comfortable and modern furniture. RIA's Heritage team also designed and installed new artwork that depicts the colourful history of aircraft services on Rottnest Island.

“Rottnest Island recorded **95 percent** occupancy of RIA hire moorings in peak periods such as Christmas and New Year, Australia Day long weekend, Channel Swim and Easter”

### Moorings, jetties and marine facilities

Rottnest Island continues to be a favourite destination for the Western Australia boating community. In 2017/18, RIA had 3,650 people registered on the database representing the use of 4,196 vessels, at 827 mooring sites with 21 pending new allocations. This total included 1,549 Authorised Users, 1,155 Annual Admissions and 39 domestic charter vessels which have typically operated in the north of the State.

The demand for private moorings remains high with 461 nominations on the mooring site licence waitlist. Thomson Bay remains the most popular location with 170 people on the waitlist. Demand for RIA Hire Mooring facilities also remained high, with 95 percent occupancy recorded during peak periods.

**Table 5: Rottnest's mooring assets**

Private moorings	847
Hire swing moorings	43
Hire Jetty Pens	34
Beach hire pens	25
Beach anchor points	27
Emergency moorings	4
Courtesy moorings	1

### Upgrades to facilities

The RIA mooring team continues to work closely with the marine industry partners and stakeholders to maximise boating safety and develop boating facilities that best suit users' needs. This year RIA:

- upgraded Berth "O" on the Main Jetty to accommodate emergency services vessels by widening the deck area, adding safety rails and flood lighting to allow 24 hrs access
- upgraded lighting on the Main Jetty with LED lights to improve ferry passenger safety at night, particular during major events that run late into the evening
- extended the life of the Stark Jetty by replacing the wooden decking boards and steps with low maintenance Fibre Reinforced Plastic (FRP) grid meshing and kick rails. Bollard style solar lights have also been fitted to improve low level illumination when accessing either end of the jetty
- developed concept plans to replace the top decking and support structure of the Fuel Jetty with FRP material in modular kit form. The corresponding work is expected to be completed during the winter months of 2019 to reduce impact on vessel users
- commenced the development of concepts to equip the Army Jetty for an emergency access berth; this action is a recommendation identified in the RIA's *Boating and Management Strategy 2014*.



“ Almost **350,000** visitors walked the trails this year **3,115** staff and volunteer hours supported construction of the Ngank Wen Bidi ”

**Promoting use of the trail network**

RIA is collaborating with Perth Trail Series to bring the first ever trail running event to the Island in early September 2018. The 'Run the Rotto Bidi' event will make use of the full trail network, with different competition course lengths to suit runners and walkers of all abilities. With over 400 participants and spectators expected to head to the Island, the competitor station at the combined start/finish line will provide opportunities for Island businesses during what is typically considered the off-peak season. For more details head to [perthtrailseries.com.au](http://perthtrailseries.com.au)

**Figure 12: How the Wadjemup Bidi connects visitors to natural and built attractions, and cultural and historical landmarks**

<b>A</b>	Osprey nests
<b>B</b>	Snorkelling hotspots containing 25 species of hard coral
<b>C</b>	Colony of New Zealand fur seals off Cathedral Rocks
<b>D</b>	More than 13 shipwrecks are located in Rottneest Island waters
<b>E</b>	Wadjemup Lighthouse and Bathurst Lighthouse
<b>F</b>	Oliver Hill guns and tunnels
<b>G</b>	The Quod and Aboriginal Burial Ground
<b>H</b>	Former Governor's summer residence (now Hotel Rottneest)

**Wadjemup Bidi**

The Wadjemup Bidi links conservation of the natural environment, with management of increased numbers of visitors, through the provision of sustainable walk trails. Figure 12 details how the Wadjemup Bidi supports and enhances the visitor experience.

The full trail network is now complete, following the construction of the Ngank Wen Bidi section at West End during the year. Refer to [page 54](#) for full details of this achievement.



## Recreational services

**RIMP 1 5**

Rottnest Island has an abundance of recreational services for hire and use including bicycles and snorkelling gear, fishing equipment, a golf course, skydiving, playgrounds at Heritage Common and Longreach bay, a Sports Oval, and three sets of tennis courts near the Settlement. The tennis courts near Pinky Beach went offline to visitors from May this year as construction commenced at the Discovery Eco Village development.

Visitors were also able to take in movies at the historic Picture Hall and have a hit of mini-golf at the Family Fun Park, while over 10,000 visitors joined the fun at the Just 4 Fun Aqua Park in Thomson Bay during the summer months.

### Pedal and Flipper Hire

RIA operates the Pedal and Flipper Hire business on the Island which is the largest bike hire operation in Australia. The business also offers recreational equipment such as surfboards, trailers, kiddie carriers, golf clubs, other sports equipment, snorkelling and fishing gear.

Bikes and recreational items were in demand again in 2017/18, with nearly 110,000 bicycles and over 15,000 snorkel sets and other recreational items hired to individuals and groups.

The business added to its inventory during the year with 109 new children's bicycles, 220 adult geared bicycles, 52 electric bicycles (e-bikes), and 12 tag-a-long attachments (handlebars and single back wheel attachments) for children.

A total of 20 'past hire life' e-bikes were retired from use. The fleet of mobility scooters was also increased by 10 during the year catering for visitors requiring mobility assistance. Other additions included 100 detachable baskets for bicycles, 12 new paddleboards, new volleyball sets, basketballs and beach cricket sets.

*Note: Only statistics from RIA's bicycle hire are captured in this report.*

### Skydiving

Thrill-seekers can opt to view the Island's natural landscapes from 10,000 feet above when skydiving with Skydive Geronimo which operates from the Rottnest Island Aerodrome.

In an impressive 32 percent increase from last year, a total of 1,247 visitors took the plunge in 2017/18.

### Rottnest Island Golf course

Management of the Rottnest Island Golf Course was resumed by RIA in August. RIA completed minor upgrades to the course during the year including relaying the access road to the Country Club. Upgrades to the Island's Wastewater Treatment Plant now allows for the full irrigation needs of the golf course and sports oval to be met with reuse water. See 'Wastewater treatment plant' on [page 58](#) for more details on this sustainable water story.

The Karma Group, operators of the Rottnest Island Lodge, will assume management of the course early in the new year, ensuring pro and amateur golfers can continue to enjoy a unique golfing experience in picturesque surrounds.

## Online Interactive Mapping System

During the year, RIA's Environmental Services team developed and released a new online interactive mapping service for visitors and RIA staff.

The online mapping WebApps are available on the [rottnestisland.com](http://rottnestisland.com) website, and allow users to zoom/pan into satellite imagery of the Island, locate facilities (e.g. accommodation by unit number or moorings by mooring number) and places of interest. Users can find information and imagery, as well as where they are in relation to their own location. Users can also generate PDFs and share information through social media.

A separate general information map provides visitors with detail about RIA's management of the Island and allows users to draw on the map and ascertain distances between mapped locations. Since going live in January, the maps have been averaging almost 100 visits a day.

### Google Trekker

The Google Street View Trekker came to Rottnest in March under a loan arrangement between Google and the State government which enabled the Department of Biodiversity, Conservation and Attractions agencies to plot regions only accessible by foot or boat on Google Maps. RIA staff captured 360-degree imagery of Rottnest Island's Wadjemup Bidi with a backpack-mounted device consisting of 15 cameras. Using this imagery, Google StreetView has been incorporated into the Visitor Information and General Information WebApps, further enhancing these applications.

“ January saw the single biggest monthly increase in ferry visitation, compared to last year. The **48 percent** increase equates to an additional **28,296** visitors arriving by ferry in January alone ”



## Transport and tours

RIMP 1 4 5

### Transport to the Island

Ferries remain the predominant method of travel to the Island, departing from Fremantle, Perth and Hillarys Boat Harbour. With additional services coming online in November, this year was marked by huge increases in visitation by ferry. Aircraft arrivals remained stable, with three aircraft operators operating regular scheduled flights from Jandakot and Mandurah, and helicopter rides from Hillarys Boat Harbour on weekends.

**Table 6: Commercial options for travellers**

Ferries	3
Charter boats	39
Commercial aircraft	3



Additional ferry services

SeaLink became the Island's third ferry service when their services came online on 4 November 2017. The new service represents an additional 700,000 seats to the Island, and this increased accessibility has been a major factor in this year's visitation surge.

The Island has achieved increases in visitation by ferry of between 10 and 50 percent every month since November, compared with the previous financial year.

Dynamic ferry pricing through summer and the subsequent off-peak season has also assisted in making a holiday on Rottnest Island more accessible for families and tourists. RIA continues to support the value for money drive in various ways, including Island Admission discounts. Refer to 'Marketing and media' on [page 44](#) for more details.

### Transport on the Island (standard services)

#### Bus services

Bus services continue to be the mainstay transport option on the Island. Non-tour services are provided by ADAMS Marine, and include the 'hop on, hop off' Island Explorer bus service, the train to Oliver Hill and the shuttle bus that is available to visitors staying in accommodation further afield in Geordie Bay and Kingstown.

Almost 75,000 visitors enjoyed the Island Explorer service during the year, while nearly 3,800 visitors made use of the shuttle bus.

#### Train services

ADAMS Marine also operate the train between the Settlement and Oliver Hill, where the Oliver Hill guns and tunnels await cultural explorers. An impressive total of 12,320 visitors took a train during the year, an increase of nearly 20 percent on last financial year.

### Bus infrastructure upgrades

The Island bus network received a number of upgrades this year, with enhancements including three improved bus stops at Rocky Bay, Wadjemup Hill and Narrow Neck involving improved bins, bike racks, shelter and seating options.

Bus markers and timetabling for the whole Island were also updated, and new interpretative signage was installed at four locations, including Strickland Bay, Catherine Bay, Little Parakeet Bay and Stark Bay.

### Feet and pedal

Given the 40 plus kilometres of bike-friendly roads and cycle ways, and 45km of walking trail network known as the Wadjemup Bidi, most visitors venture into the outer Reserve on foot or by bicycle. Refer to 'Recreational services and infrastructure' on [page 35](#) for statistics on bicycle hire from RIA's Pedal and Flipper Hire, and the Wadjemup Bidi.

## Tours by land

**Table 7: Tour mode**

Bus	6,018*
Segway	2,210
E-bike	72
On foot – Guided	6,934
<b>Total tours 17/18</b>	<b>15,234</b>

\* ADAMS numbers only. Rottnest Express figures not included.

### By vehicle

Full Island bus tours are operated by ADAMS Marine and Rottnest Express, and offer in-depth onboard commentary from knowledgeable drivers. The services run by ADAMS Marine saw an unprecedented 40 percent growth this year.

Visitors also had the option of taking Segway tours through the Settlement or out to the Bickley gun battery. Others took the opportunity to ride the railway between the Settlement and Oliver Hill as part of the Oliver Hill guns and tunnels tour.

Paul's Eco E-Bike Tour provided an eco-friendly bicycle option for visitors to receive a guided tour of the Island.

### On foot – Guided

In their gold and blue uniforms, the Rottnest Voluntary Guides Association (RVGA) are synonymous with a holiday to the Island. The RVGA runs an extensive range of daily guided tours, as well as special request group tours and a school holiday program. A 'meet and greet' guide is also based near the Salt Store as a first point of contact to assist visitors and to enhance their experience of the Island.

“ The RVGA ran nearly **7,000** tours for over **76,000** visitors this year ”

RIA provides support to the RVGA to operate on the Island on an ongoing basis, including provision of free Island admission. During the past year an average of 17 Guides per day headed to the Island to provide:

- 19 options for history, environment and cultural tours providing visitors with invaluable insights into the Oliver Hill Guns, Wadjemup Lighthouse, the Salt Lakes, quokkas, Lomas Cottage and the Boatshed
- 6,934 tours for over 76,000 visitors, and
- 36 tours per week during school holidays, totalling 5,409 visitors.

The RVGA also provided information and guidance for visitors at the Rottnest Museum.

Refer to 'Rottnest Voluntary Guides Association' on [page 65](#) for more details on the establishment and mission of the RVGA.

## Heritage conservation

RIMP 1 2

### Tours by sea

Exploring Rottneest Island's coastline and marine reserve was popular again this year. Visitors had the opportunity to take an exciting Eco Express 'Adventure' tour around the Island's secluded bays and idyllic beaches, or view rarely seen marine life through an 'Underwater Rottneest' tour, backed by commentary from knowledgeable guides.

### New this year

New in 2017/18, the semi-submersible Subsea Explorer offered visitors a unique view of the Island's coral, tropical fish and other marine life, as well as the *Denton Holme* (1890) and *SS Macedon* (1883) ship wrecks on Kingston Reef, through huge custom-built underwater viewing windows. The tour offers commentary from an onboard marine biologist, and emphasises the importance of marine conservation. The tour is available on Rottneest Island from November to April, before it heads north to Coral Bay.

During this year's season, a total of 1,098 visitors took the opportunity to see the marine reserve through the unique lens of the Sub Sea's giant windows.

### Tours by air

Rottneest Air Taxis offer visitors the opportunity to take a scenic joyflight above the natural vistas of the Island. A total of 289 joyflights ran during 2017/18, with approximately three visitors per flight, representing almost 900 passengers for the year and a 31 percent increase on last financial year.

RIA continued to identify, and protect the Island's cultural heritage, and maintain heritage collections in accordance with recognised heritage industry practice and relevant legislation.

### Conservation of built environs

Rottneest Island's heritage-listed built environs have a long history which extends from colonial times, including the Aboriginal prison period, to the military constructions undertaken prior to and during World War 2.

In 2017/18, RIA's heritage team undertook the following:

- refurbishment and conservation works to Heritage Units 340 and 341 Vincent Way
- refurbishment of Kingstown family room accommodation
- resurfacing of the 'Prisoner's Walk' path that leads from North Thomson beach to the former Aboriginal prison, known as the Quod
- completion of a Roofing Material Replacement Heritage Analysis of all heritage buildings included in the 2018 Roof Works Project to assist the project team to identify roofing materials, and co-ordinating the referral process with the State Heritage Office
- commencement of Vincent Way drainage improvement works
- completion of numerous ad-hoc building maintenance requests in conjunction with Island contractors Programmed Facilities Management
- coordinated a sandbagging conservation project at Oliver Hill with Westpac volunteers

- construction of the Priory Pathway that runs from Brand Way up to the Priory Building (used by the Archives Group) to allow for safer building access up the steep terrain
- engagement of 'Creative Spaces' to commence Stage One of scoping a redesign of the Rottneest Island Museum
- commencement of the MOB/Saw Tooth Roof Shed repairs and conservation works
- completion of the Museum drainage upgrades
- replacement of the Peacock Inn's ceiling
- commencement of conservation works of the former Commander's Residence in Kingstown (Unit 153)
- ongoing compilation of Autocad drawings of all heritage places, and
- developed a Conservation Plan for the Quod, which returned to RIA management on 31 May 2018 following the cessation of a commercial lease on the building.

### Case study: Conserving the Sea Wall

Rottneest Island's limestone sea wall is one of the first structures visitors see as their ferry pulls into Thomson Bay. The Sea Wall has grown in ad-hoc fashion with the rest of the Settlement since the first section of wall was built in 1840.

Over the years, the wall had experienced increasing pressure from the soil it retains, as well as tree roots from nearby Moreton Bay fig trees, resulting in bulging and cracking along the wall exterior. Extensive conservation work was required to alleviate the growing pressure and prevent further damage.



During the restoration work, RIA wanted to maintain the health of the heritage fig trees. An innovative engineering solution was adopted, which involved injecting cement grout into the ground to buttress the wall near its base, followed by the installation of a root barrier to stop further encroachment.

Old cement and paints were removed from the stone layers along the full length of the wall, restoring it as close as possible to its original state and colour. During the works, the wall length also increased by a metre overall.

The Sea Wall project was completed on time and within the allotted \$950,000 budget due to a collaborative engineering and conservation effort by Rottnest heritage staff, a heritage architect, archaeologist, engineers, arborist and a team of specialist stone layers. The Sea Wall has been protected from potential collapse and had its distinctive exterior restored.

## Conservation of artefacts of historical and cultural import

This year 12 seaweed collages from the 1850s-60s were conserved and listed as iconic objects in the Rottnest Island collection by a Western Australian Museum conservator. The Heritage team also completed standard conservation and archival packing of each object and photograph added to the heritage collection.

During August and September 2017, the Cultural Heritage Unit shifted offices from the Kingstown Barracks precinct to the Staff Office in the Settlement. This necessitated the relocation of the 3,000 item-strong photographic collection to appropriate storage, and completion of database documentation.

### Salt Store interactive screen

An interactive screen was installed at the Salt Store in December, which provides access to the collection of historical images that RIA has curated over many years. The images provide insights into the varied threads of the history of Rottnest Island and have been grouped into categories:

- Colonial settlement to Island community
- Aboriginal history, heritage and culture
- Maritime
- Military
- Recreational
- Conservation & sustainability.

Each image is captioned with a date and description. When not in use, the screen displays comparative images from the 'Some things never change' exhibit, providing further insights into how life on the Island has changed and evolved to be what it is today.

“Several artefacts were uncovered below the surface, including 19th century clay pipe and earthenware fragments. **A rare coin was also discovered** – an Australian florin dated 1936 featuring King George VI. This coin would have been one of the first minted in the King’s reign which commenced in December of that year”

“The return of the Quod to RIA marks the renewal of a conversation with the Aboriginal community about **the future of Aboriginal prison heritage** on the Island. The Quod remains closed to the public as this process is undertaken”



## Conservation of cultural heritage

Rottnest Island's traditional name in the Noongar language is Wadjemup, and its cultural landscape extends many thousands of years from the period pre-dating the separation of the Island from the mainland to the nineteenth and twentieth centuries when the Island became synonymous with Aboriginal internment and forced labour from 1838 - 1931.

The Island's use as a recreational haven in the second half of the twentieth century largely obscured these histories, until they were brought back to the fore in recent years.

RIA has been working closely with the Aboriginal community, through the establishment of the Wadjemup Aboriginal Reference Group (WARG) and by consultation with the Whadjuk Working Party and other Aboriginal community groups, to acknowledge the Island's use as an Aboriginal prison, as well as to celebrate the Whadjuk people's ancient connection with the Island.



The Wadjemup Project and the return of the Quod

In a watershed moment, the former Aboriginal prison known as the Quod returned to RIA management on 31 May 2018 following the end of a commercial lease on the building and associated structures.

During the year RIA worked closely with the lessee to excise the Quod from the surrounding structures and ensure the Quod was returned in good condition at the end of the lease. Some minor excision works remain ongoing as at 30 June 2018.

Launching the 'Wadjemup Project', the Hon Paul Papalia CSC MLA, Minister for Tourism, spoke to plans for extensive consultation with Aboriginal communities across the State in order to develop a concept detailing a future use for the Quod that meets the expectations of the community, and then bring that concept to life.

During the year, RIA continued to consult with the traditional custodians of Wadjemup through the Wadjemup Aboriginal Reference Group and the Whadjuk Working Party, including the facilitation of a joint meeting between the two groups in May 2018. These efforts will ensure synergies are observed between all items related to the Aboriginal prison precinct.

Consultation is ongoing, with a ceremonial event to cleanse the Quod in accordance with Aboriginal cultural traditions expected to occur later in the year.

### Wadjemup Aboriginal Burial Ground

The project to conserve and acknowledge the Wadjemup Aboriginal Burial Ground continued this year, establishing linkages with the Wadjemup Project.

Phase 1 of the project was completed in 2015/16 following the construction of a perimeter path directing visitors around the Burial Ground.

Phase 2 commenced this year in partnership with Rottnest Foundation (RF) which secured a \$500,000 LotteryWest funding grant for the project. Through a tender process, Fremantle-based company UDLA Pty Ltd was engaged to manage consultation on, and development of, the Burial Ground's landscape and interpretation plan.

UDLA's consultation strategy involves the consultations with Aboriginal communities across nine regional areas from Esperance to Kununurra, in addition to the metropolitan area.

### Prisoner's Walk

Much like a physical representation of the juxtaposition between the Island's Aboriginal prison histories and its long use as a recreational haven, the Prisoner's Walk splits Heritage Common from the Quod to Vincent Way. This was the path taken by Aboriginal prisoners as they were led between the Holding Cell in Thomson Bay and their prison lodgings at the Quod.

Having incurred wear over the years, the Prisoner's Walk was carefully resurfaced during the year to ensure conservation of this significant heritage pathway.

## Event experiences

RIMP 1 4 5

Each year RIA facilitates a busy events and functions program, including seasonal and sporting events, weddings, RIA-supported conferences and hotel events. Important seasonal, sporting and cultural events are captured below.

### Seasonal events

#### Rottnest Carnivale

Over the past few years Rottnest Carnivale has been one of the biggest events on the RIA calendar, forming the Island's 'season opener' ahead of summer. Targeting families with young children, the event supports Telethon.

Around 4,500 people travelled to the Island for Rottnest Carnivale this year, enjoying many special activities showcasing the uniqueness of Rottnest Island, such as quokka conservation and Whadjuk cultural traditions.

Following feedback from patrons of the event and the Rottnest Island Chamber of Commerce, RIA will explore a new theme for the season opener event in 2018.

#### New Year's Eve Fireworks

Rottnest began hosting New Year's Eve fireworks in 2015, providing a family atmosphere amidst the Island surrounds. Children's activities and entertainment take place throughout the evening before the fireworks begin at 9pm.

“More than **100** events attracted almost **60,000** visitors to the Island this year”

Additional ferry services and late return times again provided families with the opportunity to take advantage of this unique New Year's Eve event. Approximately 10,500 people attended this year's event.

### Leavers Week

For many years Rottnest Island has been a destination of choice for Western Australian school leavers. RIA collaborated with WA Police to organise another well-attended Leavers Week on Rottnest Island in 2017. A packed schedule of activities organised across three days and nights from 20-23 November, ensured leavers enjoyed a fun-filled and safe experience on the Island.

### Summer 'live music' initiatives

To encourage visitors to make the most of the late evening ferry services and visit later and stay longer on summer evenings, RIA activated the Settlement Mall on Saturdays from January until the long weekend in March with 'Sunsets in the Settlement'. This 'event' night offered free live music and a BYO setting in the Mall, with tables and chairs provided by RIA.

RIA also looked to activate the Settlement area and Geordie Bay on summer weekends by engaging buskers to operate on the Island for the first time.

These initiatives supplemented larger music events held at Hotel Rottnest, such as SummerSalt in December, the Red-Hot Summer Tour in January and Castaway in March. RIA oversees these large-scale events by ensuring event management and waste management processes and protocols, and visitor safety requirements are followed.

## Sporting events

Competitive sporting events are marquee items on the Rottnest Island events calendar, including Port to Pub, Goodlife Rottnest Running Festival, Red Bull Lighthouse to Leighton, and the SUP Classic. These events bring many visitors to the Island across the year, with some highlights outlined below.

### Channel Swim

The 28th Annual Rottnest Channel Swim is a highly regarded event in the State's sporting calendar. This year's 19.7km race had a flying start, with the leading male participant breaking a solo crossing record by reaching Thomson Bay in under four hours. Unfortunately the day was cut short overall, with approximately 250 teams having to withdraw from the event due to a shark sighting at the 12km mark. Despite the impact to the event, 84 percent of the evacuated teams still came to the Island.

**Table 8: Key stats**

Swimmers	2,554
Support craft	968
Crew p/support craft	2+
Visitors on the day	10,000+

### Contributing factors

The Minister for Tourism supported a 'safety first' decision to waive Island admission fees for all support crew associated with this year's event, on top of the usual waiver for swimming competitors. This initiative was well received by the community and contributed to the large numbers heading to Rottnest despite the early conclusion to the event.

Due to increases in visitor numbers across the year, as well as feedback received from previous events, temporary food and beverage providers were brought to the Island to service customer demand on the day of Channel Swim. RIA also activated the Settlement Mall with live music in a BYO setting.

### SwimRun Rottnest

Around 200 competitors headed to the Island in March to compete in the gruelling SwimRun Rottnest event, which included almost 28 kilometres of running and 4.5 kilometres of swimming through the beaches and bays of Rottnest Island.

### SUP Rottnest Classic

Held at world-renowned Strickland Bay, the Stand-Up Surf Shop (SUP) Rottnest Classic brought the Island's credentials as a surfing destination to the fore. Around 100 competitors and spectators headed to the Island for the May event this year, an added bonus for Island businesses during the off-peak period.

## Celebrating Whadjuk culture and acknowledging prison histories

### National Reconciliation Week

#### Opening Ceremony

On 27 May 2018, more than 200 guests from the Aboriginal and non-Aboriginal community joined the Hon Paul Papalia CSC MLA, Minister for Tourism, Citizenship and Multicultural Interests, at the Opening Ceremony for National Reconciliation Week (NRW) which was held on the Island for only the second time after the inaugural event last year.

A traditional smoking ceremony commenced proceedings at B Shed Fremantle. After arriving on the Island, guests received a moving Welcome to Country and addresses from RIA Board Chairman John Langoulant and Executive Director Michelle Reynolds, Hon Paul Papalia CSC MLA, Minister for Tourism, and Dr Neville Green, historian and author of *Far From Home: Aboriginal prisoners on Rottnest Island 1838-1931*. Wadjemup Aboriginal Reference Group member Barbara Bynder spoke passionately about the Island's tragic history with reference to the optimism that is building within the community about what the future holds for Wadjemup.

The event was made all the more poignant by the timing of the Quod's return to RIA management, which occurred just a few days later on 31 May 2018.

After the formalities the guests enjoyed a morning tea and were invited to attend a book signing with Dr Green, as well as visit the thought-provoking Life Boat exhibition in the Salt Store.

A final smoking ceremony near the Main Jetty concluded the day, offering guests safe passage back to the mainland in observance of cultural customs.

#### [The] Life Boat exhibition

RIA collaborated with the University of Western Australia (UWA) during the year to bring [The] Life Boat to the Island for NRW. This evocative exhibition connected intricately with the 2018 NRW theme, 'Don't keep history a mystery'.

Originating from a set of student classes at UWA's Faculty of Architecture, Landscape and Visual Arts, [The] Life Boat drew on close engagement between UWA students, staff and cultural advisers to understand and unpack the prison histories of Wadjemup during the period 1838-1931.

UWA students researched over sixty Aboriginal and non-Aboriginal figures associated with the Rottnest Island prison period and transformed this knowledge into the making of individual bronze masks. The masks are now entwined together permanently in a one-third size bronze reconstruction of the type of boat used to transport prisoners to the Island.

Having been placed at UWA's School of Indigenous Studies for a number of years, the truth-telling journey of [The] Life Boat finally arrived on the Island in May, through a combination of innovative craning and transportation efforts.

[The] Life Boat will remain available to all visitors in the Salt Store at least until the end of NAIDOC Week.



### Aboriginal Heritage Tours

Visitors had the opportunity to better understand the Island's Aboriginal prison histories by joining two Aboriginal Heritage Tours during the week. The tours were delivered by RIA's Aboriginal Heritage Officer and brought attendees to sites connected to the Aboriginal prison era, including the Quod, Burial Ground, Prisoner's Walk and the Prisoner Transit Cell.

### NAIDOC week

The theme for NAIDOC Week in 2017 was 'our languages matter', and RIA actively encouraged celebration of the Noongar language through promotion of the Wadjemup Bidi and its Noongar-named walk trails.

NAIDOC-themed activities were also run in the Settlement Mall including sand art and Aboriginal painting workshops which were very well attended by children and holidaymakers.

The RIA also organised traditional smoking ceremonies for visitors during the week.

### Summer smoking ceremonies

To further celebrate Wadjemup and the ancient and enduring culture of its traditional custodians, the Whadjuk people, RIA organised a number of weekend smoking ceremonies during summer for visitors.

An increasing number of ad hoc Welcome to Country and traditional smoking ceremonies were held throughout the year as the desire for Aboriginal cultural tourism experiences grows, especially among international visitors.

### Wadjemup Cup

More than 100 Clontarf students travelled to Rottnest Island for the 2017 Wadjemup Cup. Hosted by RIA, Wadjemup Cup offers Clontarf Football Academy students from across the State the opportunity to compete in a round robin AFL football competition on the Island.

The Minister for Tourism was also in attendance and had the honour of tossing the coin for the feature game between students and corporate partners.

RIA also took the chance to educate the Clontarf participants about the Island's Aboriginal prison histories and the enduring culture of its traditional custodians, the Whadjuk Noongar people.

### Celebrating military heritage

#### ANZAC Day

On ANZAC Day the Rottnest Island community comes together to celebrate Rottnest Island's proud military heritage and commemorate those who have served their country with a special dawn service on the Thomson foreshore.

This year's event saw the Thomson foreshore packed out with nearly 1,500 visitors, in the largest turnout in recent memory. Attended by officers from RAAF Base Pearce, the service was followed by a Gunfire Breakfast provided by RVGA volunteers, as well as ANZAC Day themed activities for kids and tours of the Oliver Hill Guns and Tunnels.

## Marketing and media

**RIMP 1 5**

Destination marketing makes a considerable contribution to both the short-term financial viability of Rottnest Island's tourism programs and facilities, as well as the Agency's long-term vision to make Rottnest Island an internationally recognised, must-visit tourism destination.

RIA supports promotion of the destination through its website, campaign planning and advertising, social media, Island familiarisations, and media opportunities. Marketing also drives outcomes for the various event experiences held on the Island, including uptake of wedding packages. Refer to 'Event experiences' on [page 41](#) for event outcomes.

### Campaign planning and advertising

The marketing drive focuses on filling accommodation occupancy gaps, as well as increasing visitation year-round, with each campaign designed to keep Rottnest Island top of mind and improve brand equity.

RIA uses print, radio, television and digital advertising for long and short-term marketing campaigns, raising awareness and interest in the Island, events, conservation efforts and other points of interest. However, no television advertising was undertaken this year.

During the financial year there was a big push to promote the Island as 'more than sand and surf', with an aim to spread visitation numbers more evenly across the year. RIA sent a total of 91 eDMs to its database during the year, with subscribers growing by just under 800 by year's end. Significant non-peak campaigns included:

- May to September 2017 'Winter Campaign'**  
 The 2017 Winter campaign used a mix of TV, digital, radio and out of home, incorporating both retail messages to drive action and branding to showcase Rottnest Island as a beautiful destination even in Winter.
- February to March 'Destination campaign'**  
 The Destination advertising campaign aimed to increase visitation to Rottnest Island through day trips and short midweek breaks as well as promote the island as unique place and continue to build brand loyalty.
- June to September 2018 'Winter Campaign'**  
 The 2018 Winter Campaign launched in market 31 May 2018 and will be reported on next financial year.

Advertising expenditure is disclosed on [page 72](#) in *Section 4: Disclosures and legal compliance*.

### Rottnest Island Chamber of Commerce

RIA also collaborates with the Rottnest Island Chamber of Commerce through quarterly events and marketing meetings, ensuring synergies are observed between all parties when promoting the Island, its business offerings, and seasonal deals and discounts.

### Island Admission discounts

With the support of the Minister for Tourism, RIA instigated two significant Island admission discount promotions during the year.

#### Rotto from Day to Dusk

With beautiful summer evenings and evening ferry services on offer through January and February, RIA actively encouraged more visitors to travel to the Reserve in the afternoon to experience the wonder of the Island on a summer evening.

The 'Rotto from Day to Dusk' same-day return Island admission discount offered adults half price admission fees (\$9) and free admittance for children arriving on the Island after midday during these months (excluding Channel Swim day).

The discount was extended to those landing in the Reserve after 12pm by ferry, chartered and private boats, and aircraft landing at the Rottnest Island Aerodrome.

Over 7,000 visitors took the opportunity to travel to the Island in the afternoon during January alone, leading to the discounts extension for February.

#### Kid free admission

The Minister for Tourism announced that Island admission fees would be dropped for children under 12 travelling same day return to Rottnest Island from 3 April to 20 September 2018, excluding school holidays.

This extended deal has helped increase visitation numbers through the traditional off-peak seasons on the Island.

“Our three websites have recorded over **1.3 million** user sessions combined”

## Website

The Agency has three subsidiary websites which are accessible through the URL [rotnestisland.com](http://rotnestisland.com). The three distinct sites direct users to specific RIA functions (tourism services; government and corporate oversight; wildlife education), increasing ease of access to key information and enhancing the overall user experience.

RIA actively manages its search engine optimisation through the 'Always On' campaign which has the primary objective of increasing traffic to the Destination and Wildlife websites. This approach captures Google users searching for Perth attractions, upcoming local events, family holiday destinations, or places to host corporate functions/events or weddings.

### Destination website ([rotnestisland.com](http://rotnestisland.com))

RIA's Destination website enables users to quickly access the Island's holiday and recreational services, and to book accommodation.

The website had a little under 1.3 million hits in 2017/18, with 22 percent of users being return visitors to the site, indicating significant growth of new users. User retention was high, with an average session duration of 3.2 minutes.

## “ Rottnest Island was Western Australia’s most Instagrammed location in 2017 ”

The ‘Plan Your Stay’ functionality that was added to the site in 2016 continued to have strong engagement during the year. Using this feature, visitors can plan their entire holiday on Rottnest Island with greater convenience and an improved user experience. The feature also prompts users to book accommodation, hire bicycles and tours, and has increased useable member data for future marketing campaigns. There were 20,025 sessions during the year, including 18,089 unique page views. Average session duration was just over two minutes.

### Corporate website ([ria.wa.gov.au](http://ria.wa.gov.au))

The Agency’s Corporate website provides users with all essential information about RIA’s operations and services, including access to strategic plans, policies and guidelines related to development applications, business proposals and other approvals.

In 2017/18, the website had over 47,000 hits, with 86 percent of users being new visitors. Users averaged just under two minutes on the site, suggesting information was easy to find.

### Wildlife website ([wildlife.rotnnestisland.com](http://wildlife.rotnnestisland.com))

Launched in 2016/17, the Wildlife website’s principal aim is to educate primary and secondary school students about the Island’s unique flora and fauna, and their natural habitats. The website presents information in a fun and simple way, providing an engaging user-friendly experience.

The primary objective of the website is to educate younger generations about how to interact with wildlife (especially quokkas given the interest in #quokkaselfie) and serves as an avenue for RIA to promote and engage visitors in sustainable practices and other initiatives. International visitors are a secondary target audience, with research indicating that these travellers are attracted to Rottnest for its natural environment and wildlife.

In the long term, the Wildlife website is broadening perceptions of the Island as a holiday destination within a Class A Reserve, and the associated sustainability objectives.

Engagement with this website increased this year, from just over 14,000 website sessions last year to 37,248 in 2017/18. The majority of users were new visitors, and the average session duration remained healthy at just over two minutes, suggesting users find the information useful and engaging.

## Social media

The influence and importance of social media engagement continues to grow, with RIA exploring opportunities and adjusting to trends in order to maximise the Island’s exposure to local and global audiences. This culminated in #rotnnest being used on Instagram 87,038 times during the calendar year (geotagging excluded).

Rottnest Island was also voted Australia’s 2nd most popular Island in an Experience Oz poll in September 2017, which was marketed through social media channels, beating a string of highly rated Islands on the east coast to fall second only to Lady Elliot Island in Queensland.



## The overall picture

**Table 9: Social media impact**

Channel	Followers	Year growth	Highlight(s)
Facebook	97,030	8,115 (+9%)	<ul style="list-style-type: none"> <li>Most liked post: #HappyQuokkaMonday, 17 July 2017 – 1,972</li> <li>Post click through rate increased by 78%</li> </ul>
Instagram@rotnestisland.com	61,384	17,684 (+40%)	<ul style="list-style-type: none"> <li>Most liked post: #HappyQuokkaFriday, 2 February 29 June 2018 – 4,852</li> <li>Average likes per post increased by over 18%</li> </ul>
Twitter	9,101	1,841 (+25%)	<ul style="list-style-type: none"> <li>Most liked post: #HappyQuokkaFriday, 2 February 2018 – 308</li> <li>Average likes per post increased by over 16%</li> </ul>

## #quokkaselfie

It was certainly the 'Year of the Quokka', with 7,400+ #quokkaselfies taken during the year. Having steadily increased in recent years, the quokka selfie phenomenon exploded this year on the back of some celebrity snaps. The defining moment came when Roger Federer took his now famous #quokkaselfie in late December during his Hopman Cup activities. Federer's selfie went viral across the world, reaching multiple countries and millions of fans in days. Roger's incredible numbers were later exceeded within hours by a selfie taken by movie star Margot Robbie in March. Refer to Table 10 for their selfie statistics.

**Table 10: Supercharged selfies – Roger Federer vs Margot Robbie**

Total #quokkaselfies 2017/18	7,400+	
When the stars align	Roger Federer	Margot Robbie
<b>When</b>	28 Dec, 2017	19 Mar, 2018
<b>Likes</b>	525,000	1,951,581
<b>Comments</b>	5,000	9,951

## Instagram protect wildlife notice

In early December 2017, Instagram implemented a 'protect wildlife' notice that displays when a user searches for animal selfie hashtags. Produced in response to growing concerns for animal welfare in relation to selfies taken in other parts of the world (most notably actions related to #slothselfie), this block notice now displays when a user searches #quokkaselfie. A user can still click to view the image, and the notice itself is considered unrelated to the context of selfies with quokkas on Rottnest Island. The block notice has also had no obvious impact on #quokkaselfie, given the impact of high profile selfies since December.

Quokka selfies provide a useful means to educate and inform the public about RIA's conservation efforts, and direct visitors to information about how they can appropriately interact with the Island's wildlife. An example of this came via an image posted by Australian tennis star Daria Gavrilova which depicted her touching a quokka. RIA responded to the post, spreading the message about not touching or feeding quokkas to a wide audience.

RIA developed new educational material about 'How to take a quokka selfie' to further support these educational messages. Refer to [page 49](#) for more details about this initiative.

## Familiarisations

RIA conducted 92 Island familiarisations during the year which involved accompanying or facilitating media or trade groups, and commercial filmmakers visiting the Island.

## Media opportunities

RIA leveraged numerous media opportunities throughout the year in print, radio and television to keep Rottnest Island front of mind, particularly within the local market.

Rottnest Island did not feature in tourism-specific television programming in 2017/18, however there were a number of television 'events' including multiple segments on Today Tonight, and live weather crosses on the Today Show and Sunrise which beamed to a national audience. Sunrise alone equated to an average national viewership of 354,416, and an average Perth viewership of 47,560.

The Minister for Tourism supported these efforts with over 20 statements across the year that promoted a variety of facilities, services and attractions on Rottnest Island.

### Qantas Quokka

The launch of the Qantas Quokka Dreamliner also created a significant media opportunity during the year. RIA collaborated with Tourism Western Australia, Qantas and DBCA affiliate agencies to maximise opportunities to promote Rottnest Island as part of the media activities associated with the inaugural London to Perth flight. RIA's input led to the provision of free ferry travel to all passengers on the inaugural flight to visit the quokkas on the Island, or alternatively at Perth Zoo. RIA also provided quokka toys for children on the inaugural flight as part of the media gate promotions.

An associated media familiarisation on Rottnest Island resulted in a number of commissioned articles in significant international newspapers and publications. The piece by Aidan McGurran in The *Sunday Mirror* recorded a potential reach of 472,291.

## Awards, networking and other promotions

### WA Tourism Awards

RIA collected more highly coveted WA Tourism Awards this year, winning Bronze in *Category 1: Major Tourist Attractions*, and a Silver award in *Category 5: Ecotourism*. These awards recognise RIA's efforts to manage and promote Rottnest Island as the premier Western Australian destination for the WA community and both domestic and international visitors.

### Australian Tourism Exchange

The Australian Tourism Exchange (ATE) is Australia's largest event for building tourism opportunities, attracting over 2,000 delegates from more than 30 countries. RIA attended this year's event in Adelaide, alongside destination representatives from Rottnest Express, Rottnest Fast Ferries, SeaLink, ADAMS and Segway Tours. RIA staff held 86 scheduled meetings across the four days of the event.

### Giant inflatable quokka

Taking advantage of the popularity of the Island's resident mascot, the Marketing and Events team invested in a giant inflatable to help promote the Island and RIA's conservation efforts. The giant quokka was unveiled on the WA Day long weekend, adding to the festival atmosphere. It is likely the quokka may be used on the mainland this coming year or at this year's ATE to further promote visitation of the Island.

## Education and awareness

RIMP 1 3 4 5

### Secondary education

An estimated 5,500 visitors participated in school holiday activity programs run by the Rottnest Voluntary Guides Association in collaboration with RIA. Key developments in the education program included a greater focus on Rottnest Island culture and sustainability, and further alignment of curriculum-linked activities with RIA strategic initiatives. A suite of educational self-guided activity kits were also made available during the year.

### Summer of Safety

Run by the Rottnest Island Police in collaboration with RIA, the Summer of Safety campaign aimed to encourage all visitors to wear helmets whilst cycling on the Island. Rottnest Island Police handed out competition forms to visitors displaying good riding behaviour, with completed entries going into a draw to win a family trip to Rottnest in the off-peak months. At the end of the campaign, over 100 entries had been received.

### How to take a #quokkaselfie

To support ongoing efforts to educate Island visitors about how to interact with the Island's precious wildlife, RIA produced posters and flyers that explain how to approach quokkas for selfies, with an emphasis on not feeding or touching. The materials refer visitors to the wildlife protection information on the RIA website.

RIA collaborated with all ferry companies and Island transport operators to ensure the flyers were available onboard all commercial operators. The flyers are also stocked at the Visitor Centre and Pedal and Flipper Hire.



## Development and business assessments

RIMP 1 3 4 5

Under the key objective of increasing tourism to Rottnest Island, RIA considers development applications and business proposals that aim to enhance the visitor experience, while meeting environmental, cultural and heritage conservation requirements.

The review of applications and business proposals is undertaken in accordance with development planning guidelines. The assessment review process also includes consideration of the proposal by RIA's multi-disciplinary Development Application Assessment Team.

### Development proposals

Development applications are considered in the context of the Rottnest Island Authority Act 1987 and the Rottnest Island Regulations 1988, as well as the 20-year Rottnest Island Master Plan and RIMP.

In 2017/18, RIA received a total of seventeen development applications. Nine applications came from external sources and eight were RIA driven projects. The external development applications resulted in the most significant investment proposals in the Island by private sector in the last 35 years with a total value, on completion, estimated at over \$41 million.

The most significant development determinations were:

- Discovery Eco Village Rottnest Island (visitor accommodation, and food and beverage offering)
- Hotel Rottnest Resort (visitor accommodation, 250 person function centre and resort features including pools and roof top bar)

- staff accommodation in North Thomsons which includes twenty-five rooms and communal living space
- Thomsons (rebranding and upgrades to former Aristos restaurant), and
- Frankies on Rotto (new food and beverage offering).

### Business proposals

Five business proposals were reviewed during the year. Two have received in principle support but have not progressed to a concession agreement, another two are still being progressed and the fifth proposal is awaiting further information before a decision can be made.

A Refuelling Licence was also granted at the airport for Skydive Geronimo.

### Expression of interest for new recreational businesses

On the back of increased Island visitation, RIA released an expression of interest (EOI) for interested parties to propose additional recreational business offerings on the Island. This was supplementary to the usual pathway that exists for business proposals, with the aim of adding new offerings that complement existing businesses in time for next summer. The EOI closed on 29 June 2018 and outcomes from the process will be reported next financial year.



## Service 2: Conserving habitats, species and ecological communities

### Overview

The allure of Rottnest Island is undoubtedly linked to its unique natural environments and native flora and fauna, notably the quokka. Consequently, the conservation and management of the Island as an A Class Reserve is finely balanced against the need to leverage the Island's natural elements to grow visitor numbers.

To ensure this balance is achieved, all major projects on the Island are assessed against environmental regulations and conservation criteria. In 2017/18, RIA also reviewed the Island's Environmental Risk Register and updated risks and controls for various activities and Island businesses.

### Tourism in an A Class Reserve

With a land area of 1,900 hectares and five marine sanctuary zones, Rottnest Island and its surrounds are abundant in flora and fauna, including:

Flora	Fauna
<b>122</b> species of native flora	<b>8-10,000</b> quokkas (listed as vulnerable species)
<b>64</b> hectares of Rottnest Pine, Rottnest Tea Tree, samphire and woodland communities	<b>420</b> species of fish (285 temperate, and 135 tropical)
<b>18</b> hypersaline and brackish lakes with unique ecological and biological diversity	<b>254</b> bird species
<b>9</b> species of seagrass	<b>25</b> species of coral
	<b>19</b> reptile species
	<b>3</b> species of frog
	<b>1</b> colony of juvenile New Zealand fur seals

**Table 11: Flora and Fauna numbers**

## Protecting the Reserve and educating visitors

RIMP 1 3 4

### Ranger services

Rottnest Island Rangers provide marine and land-based services including incident response support and wildlife management. During the year, RIA Rangers completed:

- **433** wildlife management responses
- **761** hours on compliance activities related to marine visitation, mooring use and use of drones within the Reserve
- **975** hours on three projects associated with the construction of the Wadjemup Bidi.

For other incident response outcomes refer to 'Emergency preparedness, prevention and response' on [page 64](#).

### Induction of Island workers and volunteers

In collaboration with the Rottnest Voluntary Guides Association (RVGA) and the Rottnest Island Chamber of Commerce (RICC), RIA established the Wildlife Sessions to educate Island workers, contractors and volunteers to appropriately manage their interactions with wildlife, as well as assist RIA's efforts to educate visitors to do the same.

A Wildlife Session was provided to the Rottnest Island business community on 27 November 2017, in collaboration with the RICC. Approximately 30-50 percent of businesses attended.

RIA Rangers also provided a Wildlife Session to Programmed Facilities Management staff and managers on 27 December 2017, with 95 employees attending. Feedback from attendees was positive.

### Educating visitors

RIA's marketing, environment and park services teams collaborated on the development of 'protect wildlife' educational material for visitors.

The flyers and posters are titled 'How to take a #quokkaselfie' and aim to address concerns about improper visitor interactions with quokkas and other wildlife. Refer to [page 49](#) for more information about this initiative.

RIA's Wildlife website is also a key educational resource, particularly for secondary school students. Refer to [page 46](#) for more details.

## Terrestrial management

RIMP 1 3 4 5

Through the continued implementation of the Terrestrial Conservation Action Plan (TCAP), RIA 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. The TCAP aligns RIA's terrestrial management with the *Rottnest Island Management Plan 2014 - 2019* (RIMP).

In 2017/18 under the Plan, RIA:

- completed viability surveys of focal conversation targets, including frog and salt lake monitoring
- completed final two seasons of reptile surveys (summer and autumn), including trapping and targeted searches
- completed surveys for long-term shorebird (including migratory birds) monitoring through agreement with BirdLife WA
- received the completed Rottnest Island Herbarium (flora species inventory) from the RVGA
- developed the Woodlands Management Plan (refer to 'Conservation of the Island interior')
- undertook seed collection, seed treatment, maintenance of seed stores, and plant propagation with volunteers
- implemented control of declared weeds in Reserve
- progressed development of Marine Conservation Action Plan, including workshops
- conducted Wildlife Interaction Information Sessions
- upgraded the Conservation Centre accommodation for researchers and conservation volunteers, and
- constructed a shed for revegetation equipment and material storage.

## Conservation of the Island interior

### Woodlands Management Plan

Developed during the year, the Woodland Management Plan (WMP) aims to conserve ecologically threatened woodlands by expanding, enhancing and maintaining the woodland community on Rottnest Island. In addition, the WMP aims to improve the natural surrounds of the Island and provide unique woodland recreational opportunities for visitors. The WMP will be launched in the next financial year.

Operations connected to woodlands conservation were completed during the year, including woodland planting and tree guard maintenance, as well as the removal of old fencing.

### Rottnest Island Herbarium

Since 2013, RIA has collaborated with botanical experts from the Rottnest Voluntary Guides Association (RVGA) to create a herbarium (a collection of preserve plant specimens) and collect associated data. This information assists RIA with flora management across the Island.

The project culminated this year with the RVGA handing over the completed Herbarium to RIA, with an estimated value of \$40,000. The Herbarium includes a total of 19 new plant species, including eight native species. Out of a total of 18 species of native plants thought to be extinct, nine have been rediscovered as part of the Herbarium study, including two not recorded since the 1830s!

The project was made possible through the collaborative spirit and expertise of the RVGA volunteers who dedicated over 4,000 hours to the Herbarium's completion. RIA contributed where possible through specimen collection and logistical support.

### Revegetation program

With the help of dedicated conservation volunteers, and refined methods of seed collection and propagation, RIA has grown thousands of seedlings at the Rottnest Island Nursery and planted thousands more across the Island.

Overseen by the RIA conservation team, the Revegetation Program involves identifying sites for revegetation at least 12 months before planting. From August to March each year volunteers assist with seed and cutting collection, propagating, and finally growing and monitoring the plants at the Nursery.

From here species and numbers are allocated for each identified planting site and planting days are run from June to August involving other volunteer groups such as Rottnest Society.

Nursery volunteers then monitor the plantings over 12-24 months at each planting site. Volunteers dedicated 2,386 hours to the program during the year, resulting in over 14,000 seedlings planted, including native Rottnest plants, trees, shrubs and groundcovers.

**“14,000+** native seedlings planted in 2017/18 through this dedicated program **40-50** species propagated, including the Rottnest Island Daisy”

**“The Herbarium recorded two species of native plants not seen since the 1830s”**



## Wadjemup Bidi

Over the years uncontrolled access to the Island's coastline for sightseeing, fishing, and general recreation activities created a number of informal tracks that led to environmental degradation at coastal sites. At popular bays, the impact on the coastal environment and vegetation was significantly higher.

The Wadjemup Bidi provided a way to address conservation issues while appreciably enhancing the visitor experience through a network of sustainable formal trails that link visitors to the natural, cultural and historical attractions of the Island, including previously inaccessible coastal areas (refer to Figure 12).

Planned as a five-year \$8 million project, the Wadjemup Bidi was delivered in only four and a half years at \$4,317,941. The project has been marked by an unprecedented level of cooperation and support from the community with volunteers, corporate partners, the Aboriginal community and Government working together.

Table 12 indicates the growth of the trail and the construction of associated amenities since works were commenced in 2013/14.

**Table 12: Cumulative construction of Wadjemup Bidi**

Aspects	2013/14	2014/15	2015/16	2016/17	2017/18
Length of trail	14.15km	26.3km	31km	34.3km	45kms
Directional markers	31	85	104	148	177
Bench seats	4	13	17	19	27
Interpretative signs	9	25	37	52	77
Composite structures	5	7	8	10	13
Bike racks	5	6	12	19	23
Shade shelters	-	-	2	2	4





In April, this year the Minister for Tourism launched the completed trail network, following the construction of the final trail, the Ngank Wen Bidi, in February. The final instalment showcases the spectacular coastline of the West End and connects visitors with a colony of New Zealand fur seals that play in the waters at Cathedral Rocks. An audio station also tells a cultural story of the West End, narrated by a Whadjuk traditional custodian.

The Ngank Wen Bidi section was funded by a \$210,000 grant acquired by the Rottnest Foundation through the Australian Government Tourism Demand Driver Infrastructure (TDDI) Program which was managed by Tourism WA.

This grant was achieved on the back of a significant contribution from BHP totalling \$559,100 which funded the construction of the Karlinyah Bidi and Wardan Nara Bidi sections. BHP's contribution was used as matching funds to obtain the TDDI grant from the Australian Government. The TDDI funding also facilitated the direct employment of one staff member to oversee the planning, design, construction and purchase of materials for the Wadjemup Bidi project.

Overall, staff and volunteers contributed 3,115 hours to the construction of the final section of the trail. Notable outcomes include:

- provision of formal, safe accesses to Rocky Bay and Marjorie Bay
- remediation of damaged dunes with native seedlings grown on Rottnest Island
- pathways, signage and bench seats built with sustainable long-life composites made from single-use plastic bags.

## All about the wildlife

### Reptile monitoring

During the year, RIA conducted important research on the Island's abundant reptile population. Reptile surveys were undertaken with the assistance of volunteers across two weeks during December and April. The surveys involved 14 nights of reptile trapping, as well as targeted searches for geckos at night. Trapping infrastructure was removed following the study for environmental protection and visitor safety.

The majority of records taken during April were sub-adults and juveniles, which indicates a healthy population on the Island. The public was kept up-to-date with the progress of the survey with daily social media posts, which led to an increase in the number of followers for the RIA Conservation Team's Instagram @rotnnestconservationcommunity.

The surveys were the final two of four surveys completed over the past two years. The data from these studies will be analysed to develop a long-term monitoring program for Rottnest Island's reptile population.

### Frog monitoring

Forming part of the Terrestrial Conservation Action Plan, RIA's Frog Monitoring Program has been underway since 2013. It involves fortnightly monitoring of nine key sites from Autumn to Spring by RIA Environment staff. Data collected includes the number and species of frogs calling and sighted, water quality, and number of tadpoles.

“ In April, Napoleon's Skink (*Egernia napoleonis*) was rediscovered on the Island where it was previously believed to be extinct ”

Records of the abundance and distribution of frogs provides an important indicator of the health of aquatic ecosystems due to the frogs' sensitivity to changes in their environment. Tadpole presence subsequently offers an indicator of water quality in the freshwater seep and brackish swamps on Rottnest.

The results indicate Rottnest's ecosystems are in good health, and results have met or exceeded targets since the program commenced in 2013.

During the year over 6,000 tadpoles were counted and all three frog species were again represented on the Island.

## Quokka conservation

Important benchmark data on population size, home range and habitat use, and the seasonal variance of the Rottnest Island quokka was gained last year following the conclusion of a three-year collaborative project with the former Department of Parks and Wildlife, and the University of Western Australia.

This data was incorporated into RIA's conservation management framework during the year, and RIA continued to develop long-term monitoring plans for the Island's quokkas. The monitoring program aims to incorporate community participation in the conservation of this unique Western Australian icon. The monitoring program will be implemented in the next financial year, partly funded by the joint arrangement between the Margaret River Chocolate Company and Rottnest Foundation, which sees \$2 of every sale of the chocolate company's 'Chokka the Quokka' donated to conservation of the Island's quokkas.

## Marine management



RIA's conservation and biodiversity management has evolved to a more adaptive, integrated approach since its Marine Management Strategy was released in 2007.

During the year, RIA commenced development of the Rottnest Island Marine Conservation Action Plan. This included stakeholder consultation through expert workshops aimed at determining conservation targets. RIA also undertook viability assessments to establish long-term monitoring programs.

Collaborations and partnerships with State and national marine conservation groups also continued during the year, including the continued implementation the Seagrass Monitoring Program with the assistance of Western Australian Divers for Diversity Incorporated, and the completion of the 11th annual Rottnest Island reef health survey by not-for-profit organisation Reef Life Survey (RLS). RLS celebrated their 10-year anniversary this year. Refer to [page 68](#) for more details about associated outcomes and trends from RLS across the past decade of monitoring at Rottnest.

## Moorings

Facilitating private and public moorings and management of associated infrastructure also contributes to management of the overall marine reserve.

Outcomes from the Moorings team are included under 'Recreational services and infrastructure' on [page 33](#).

## Sustainability



### EarthCheck certification

RIA benchmarks its environmental and social performance against the internationally recognised EarthCheck Sustainability Certification Program, receiving Silver Certification since 2015. Last financial year RIA transitioned from the EarthCheck Company Standard to the Destination Standard in recognition of the Island's tourism status and the contribution of the Island's business community to Rottnest's environmental, cultural, social and economic performance.

The process of meeting the various certification criteria and maintaining benchmark key performance indicators has improved business practices and provided the added credibility of meeting external standards that are verified through a third-party audit.

This year RIA has resolved minor items that were noted during the previous certification process, and achieved certification again this year following a third party audit.

## Destination Sustainability Team

With the understanding that meeting sustainability aspirations requires engagement with the Island business community and operators, the Rottneest Island Destination Sustainability Team (DST) was established in 2017 to facilitate the development of public-private partnerships that help to drive quality sustainability outcomes in all facets of Island operations and services. The DST includes representatives from commercial operators and major contractors on the Island.

Through this forum, RIA remains committed to leading by example, collaborating on initiatives, and seeking community participation to achieve defined sustainability goals.



## Sustainability Action Plan

Balancing the growth of visitor numbers through the provision of best in-class tourism products and services, with the conservation of Rottneest Island's unique natural and heritage environments, and its native flora and fauna, requires a holistic approach.

This year RIA finalised and released Rottneest Island's first *Sustainability Action Plan 2018 - 2024* (SAP). Aligned with the lifespan of the next iteration of the Rottneest Island Management Plan, the SAP has been developed in consultation with Island stakeholders to facilitate community-wide participation in sustainability objectives.

It provides sustainability aspirations for the Island community to collectively work towards longer-term while achieving an established and agreed set of sustainability targets over the short-term to 2024 across ten key performance areas:

1. Carbon emissions
2. Renewable energy
3. Pollution controls
4. Water usage
5. Ecosystem health
6. Cultural heritage conservation
7. Transport management
8. Waste management
9. Land use and development
10. Social and economic viability

Results across each key performance area will be monitored through an iterative process of evaluation and adjustment to ensure objectives and targets remain achievable.

Ultimately the SAP aims to empower the Rottneest Island Sustainability Destination Team and other community members to write their own sustainability stories, and in doing so, help RIA to maintain the balance between development and conservation of the Island for generations to come.

“The Sustainability Action Plan defines a set of **short to long-term sustainability goals** for the Island community”





## Wastewater treatment plant

“ This was the first year that zero water was extracted from the Wadjemup Aquifer ”

The Wastewater Treatment Plant ensures the Island's water sustainability into the future. It produces 68 million litres of high quality reuse water per annum and greatly reduces the potential impact to the Island's subsurface catchment.

Water from the plant is solely used for the irrigation of the Island's golf course and sports oval and is classified for "unrestricted irrigation", allowing for use during any time of day in areas that are likely to have human contact.

During the construction and upgrade of the WWTP there were importantly no interruptions to services and the plant remained within compliance levels throughout.

This major project received recognition when the Rottneest Island WWTP was awarded the 2017 Australian Water Association WA Award for Infrastructure Project Innovation. This award recognises innovation and excellence in delivery of water projects and programs and is testament to the difficulties involved in the completion of a project of this complexity.

In a record first for the Island, there was also zero water extracted from the Wadjemup freshwater borefield during 2017/18. This achievement was only possible by replacing the Island's potable water consumption with reuse water in the irrigation of the golf course and sports oval. It is envisioned that this change will provide an ongoing benefit to the Island in the form of improvements to the health and diversity of the ecosystems as the Wadjemup Aquifer is allowed to recover and replenish.

## Powering the Island

As a self-powered Island, Rottneest Island has been steadily moving away from costly diesel-powered generators (in both an environmental and fiscal sense), to renewable energy sources.

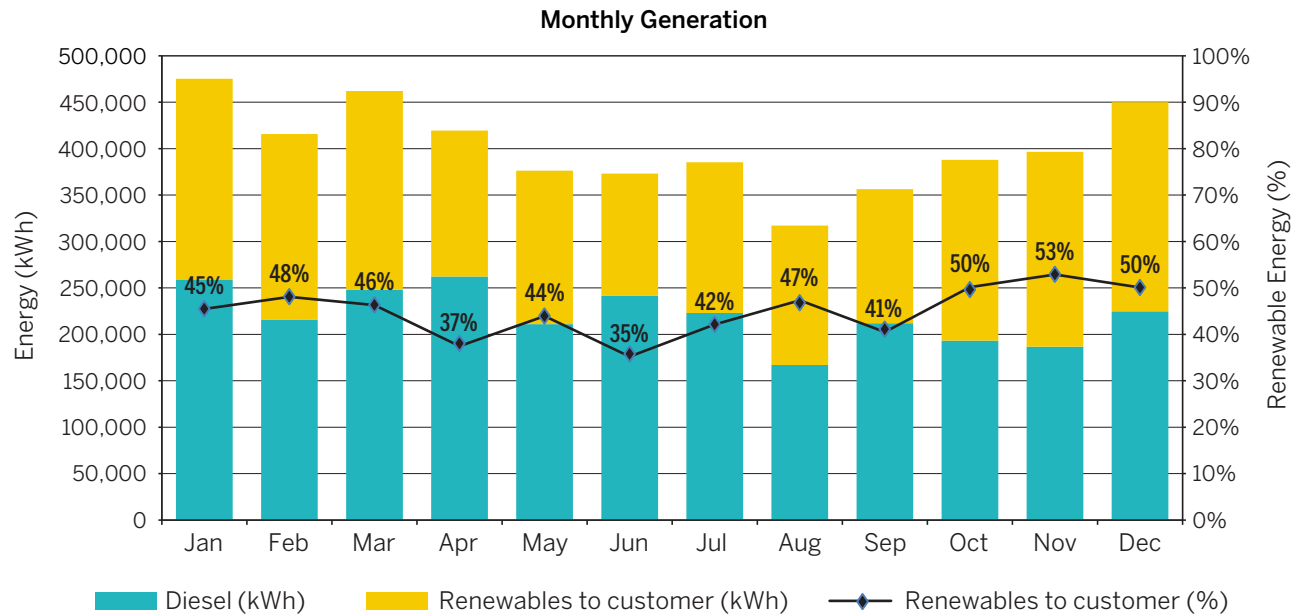
This journey went forward in leaps and bounds last financial year with the installation of a solar farm capable of producing 600KW of solar energy in conjunction with Hydro Tasmania and the Australian Renewable Energy Agency (ARENA). The installation complemented upgrades to the existing Power House, Wind Turbine and Desalination Plant. The addition of an advanced control side management system also enabled the Island to use desalinated water a form of energy storage, strengthening the relationship between energy and potable water production.

This financial year was the first complete year of operation for this now fully implemented and integrated renewable energy program.

The new demand side management system has allowed for automated and highly efficient use of the Island's desalination plant, which only utilises renewable energy when it is being produced beyond the immediate needs of the Island's infrastructure and facilities. As a result, the significant excess electrical energy produced from solar and wind sources is now stored as potable water for use on the Island.

The renewable energy project including the desalination demand side management system is now responsible for meeting approximately 45 percent of the Island's power requirements, with levels reaching as high as an incredible 98 percent on some days. Figure 13 highlights the steadiness of the supply, with the highest monthly average for renewable energy consumption recorded in November last year at 53 percent. The lowest monthly average was 35 percent in June this year.

Figure 13 represents energy consumption over the past 12 months



### Mobile phone application

RIA also released a mobile phone app titled Rottnest Island Water and Renewable Energy Nexus (WREN). The app displays the Island's power production in real time and educates users about the Island's power sources, and the Reserve more generally, increasing awareness of the complexities involved in managing sustainable tourism on Rottnest Island.

### Plastic Free July

Single-use plastic bags are become an immediate environmental hazard from the moment they are thrown away. RIA has participated in Plastic Free July since 2016. During the month, visitors, business and residents are challenged to reduce the consumption of single-use plastic.

All Island businesses supported the initiative and participated in efforts to reduce single-use plastic on the Island, encouraging visitors to do the same. Other activities involved calico bag printing and recycled sculpture workshops for staff and volunteers run by artist Sandy McKendrick, and a recycled plastic art exhibition in the Salt Store.

## Wadjemup Conservation Centre

During the year, the RIA Board endorsed a Concept Plan for a Wadjemup Conservation Centre, which would see an expansion of the existing conservation setup near the Rottnest Island Nursery, which supports researchers and conservationists studying and completing research projects on the Island. The Concept Plan incorporates sustainable design principles and will markedly enhance the conservation outputs and capabilities on Rottnest Island. As part of the next steps to bring the concept to life, RIA is consulting with the Rottnest Foundation which is looking to fund their next priority project now the Wadjemup Bidi project has been completed.

## Commercialisation of conservation products

RIMP 3 4 5

### Rottnest Island Daisy Seeds

On the back of the work of the Nursery volunteers and RIA conservation team, handpicked seeds from the Rottnest Island Daisy (*Trachymene coerulea*) were packaged for sale this year, offering visitors the opportunity to grow a little piece of Rottnest in their home garden.

Propagating the seeds originally involved the collection of daisies during December and January the previous year, snipping flowering seed heads and collecting loose seeds by hand. The collected seeds were then run through a seed cleaning machine to remove unwanted debris, before the cleaned seeds were vacuum sealed in bags with moisture absorbing sachets and stored in the seed collection fridge. Seeds were later weighed, with individual packets made up for sale.

With an eye on self-sufficiency, new daisy seeds are propagated from existing stock, with weighed seed spread evenly over soil in propagation trays. The seeds are then covered with a light layer of soil and after only 1-2 weeks the seeds germinate and begin to grow. After 3-4 weeks individual seeds are 'pricked out' from the propagation trays and re-potted in forestry tubes. They are then grown in the Nursery until they are ready to be planted in the ground.

Sold with the message that 'for every packet sold, two seeds are planted in rehabilitation on Rottnest Island', the seeds first went on sale at Rottnest Carnivale. To date, 279 packets have been sold, raising \$1,116 for conservation.

The success of the Rottnest Island Daisy seed program offers a blueprint for creating self-sufficient income streams that support sustainability practices and community conservation efforts on the Island. RIA plans to expand conservation enterprise activities moving forward.

## 'Adopt a Quokka'

This initiative commenced last year in support of quokka conservation. The fun 'Adopt a Quokka' program sees visitors receive a 'Quokka adoption certificate' when purchasing a large or small quokka soft toy. One dollar from each sale goes to quokka conservation, providing another invaluable opportunity to educate visitors about the Island's quokkas. This year 2,485 quokkas were 'adopted', raising \$2,485 toward conservation efforts of Western Australia's favourite marsupial.

## Chokka the Quokka

In collaboration with Rottnest Foundation, money raised through sales of the Margaret River Chocolate Company's 'Chokka the Quokka' products contribute to quokka conservation, and will help fund RIA's new quokka monitoring program due to start in spring this year.

With quokkas enjoying international attention, the Minister for Tourism promoted the contribution of 'Chokka the Quokka', which has helped raise more than \$10,000 since 2017, with \$2 from every sale donated to the Rottnest Foundation for quokka conservation. The chocolates were sold on the Island for the first time this year in time for Easter.

## Research in the Reserve

RIA's conservation and sustainability planning is underpinned by world-class research into the natural, cultural and built environments of Rottnest Island, as well as third party environments that share the same complexities as those found on the Island.

In 2017/18, RIA issued 20 research permits for a variety of projects including:

- seagrass damage by boats within Rottnest Island Reserve Sanctuary Zones.
- movements and population structure of Fairy Terns breeding within the Perth metropolitan area
- marine reserves: Their effect on the abundance and distribution of the Australian Herring (*Arripis georgianus*) at Rottnest Island
- biology: Distribution and genetics of the invasive snail (*Theba pisano*) on Rottnest Island
- comparison of sponge-associated faunal diversity between sponges with distinct morphologies from Ningaloo Reef and Rottnest Island

- Bottlenose Dolphin population structure, connectivity and boundaries along the Perth metropolitan coast
- incorporation of 'pollutant' chemicals into skeletons of marine calcifiers
- morphological and genetic variation in Western Australian Angaria
- Rottnest Island web cams: Installation of web cams, and streaming images to receiving monitors on the Island and online
- persistence of tropical herbivorous (rabbitfish and parrotfish) fish in temperate ecosystems and its impact on habitat-forming macrophytes.

## Animal behaviour as an indicator of habitat restoration

Conducted on Rottnest Island, a thesis project from the University of Western Australia was completed this year into 'The use of animal behaviour as a bio-indicator of restoration quality'. The study focused on Red-capped Robins and Golden Whistlers, with results identifying microhabitat preferences that will inform the development of RIA's Woodland Management Plan and assist with revegetation planning.

Further research highlights are available under 'Research projects' from [page 62](#) in *Section 3: Opportunities and challenges*.

## Section 3:

# Opportunities and challenges





## Forward focus

### Future development

Increasing demand from visitors is driving development of new and diverse accommodation offerings on the island. These major new offerings will offer luxury resort and glamping experiences.

The Rottnest Island Authority (RIA) is planning for the next phase of opportunities and will be reviewing and consulting on its Rottnest Island Management Plan (2020 to 2025) in the coming year. This will target the continued sustainable expansion and improvement of experiences for visitors to the Island.

### Ageing infrastructure

Ageing infrastructure continues to present significant challenges for RIA. Improved asset management and maintenance is assisting administration of key infrastructure in the short and long term.

### Department of Biodiversity, Conservation and Attractions

RIA continues to work with the Department of Biodiversity, Conservation and Attractions (DBCA) to establish efficiencies through centralised processes, functions and systems. In the later stages of the year, this included the transitioning of human resources and information technology personnel and systems to the main DBCA office at Kensington.

Functional realignments remain ongoing, however forward planning will continue to ensure minimal disruption of day-to-day operations and services for visitors and staff on Rottnest Island.

## Response to challenges

### Severe weather

In January, Rottnest Island broke its rainfall record for the month when 103.4 millimetres fell in a single day, causing minor flooding and disruption in some areas. Severe storms through the month of June also caused damage to beach accesses, structures and trees, obstructing pathways and severely eroding some beaches. On both occasions, Rottnest Island's emergency and facilities management services sprang into action, responding to calls for assistance by visitors and residents, and ensuring public areas were first made safe, and then remediated once the weather improved.

### Free roaming quokkas

Most visitors to Rottnest Island understand they are entering an A Class Reserve and are respectful of the freedom with which the Island's quokkas move through the Settlement and other areas.

Incidence of visitor interference with the Island's wildlife are rare, however the RIA Ranger's pride themselves on rapid response to poor behaviour. Late in June, a video depicting an international visitor feeding a quokka alcohol was posted on social media. In rapid time, with the aid of the Island's CCTV network, RIA Rangers identified that the visitors were still on the Island and assisted Rottnest Island Police in locating them. The visitors were later issued with infringement notices and expelled from the Island.

## Delivery of essential services

### Visitor information

When a full ferry docks at the main jetty, visitors can arrive on the Island several hundred strong. Situated in front of the ferry landing, the Visitor Centre is a focal point for new arrivals to the Island. It caters for check-ins, tour bookings and general information.

RIA made a focus of updating information at the Visitor Centre during the year, and continued to introduce new branded gifts and souvenirs. A stall promoting the Margaret River Chocolate Company's Chokka the Quokka was also established in the lead up to Easter.

### Facilities management

Through the primary goal of establishing Rottnest Island as one of WA's premier holiday destinations, RIA is charged with protecting its natural (flora and fauna) and heritage assets. Due to the extent of these assets and the accompanying holiday and recreational services, maintenance of facilities and utilities is a comprehensive task.

In 2006, Programmed Facility Management (FM) was successful in securing the facilities, operations and utilities contract with the Rottnest Island Authority (RIA). Under the contract, PFM are responsible for the ongoing maintenance of RIA's assets on the Island and decisions regarding maintenance or asset replacement. The contract was renewed in 2014 for a further 10 years, with an increased scope that includes housekeeping and cleaning services.

Working in alignment with RIA objectives, PFM's management of facilities is wide-ranging incorporating baggage handling (ferry and aerodrome), power generation and distribution services, airport management, fire services, water, facility management, recycling and waste management, and property maintenance.

In 2017/18, PFM responded to over 10,200 maintenance work orders which included plumbing and drainage, carpentry and electrical works. PFM also dealt with 726,040 pieces of incoming luggage, conducted 8,570 water tests, and sent 1,216 tonnes of waste off the Island.

## Emergency preparedness, prevention and response

### Rottnest Island Local Emergency Management Committee

Emergency prevention, preparedness, response and recovery capability for the Island is coordinated by RIA through the Fire and Emergency Services Coordinator (FESC) in conjunction with the Rottnest Island Local Emergency Management Committee (LEMC). The functions of the LEMC are:

- to advise and assist RIA in ensuring that Local Emergency Management Arrangements (LEMAs) are established for its area of responsibility
- to liaise with public authorities and other persons in the development, review and testing of the LEMA, and
- to carry out other emergency management activities as directed by the FESC or prescribed by the regulations.

Meeting quarterly, the LEMC is comprised of members from RIA, WA Police, Department of Fire and Emergency Services, the Office of Emergency Management, Department for Communities, Programmed Facilities Management, Rottnest Island Nursing Post (Department of Health), as well as representatives from ferry transport service providers Rottnest Express, Rottnest Fast Ferries, and Pelagic Marine Services.

In 2017/18, the Committee reviewed existing emergency management and response arrangements for large scale events. A Memorandum of Understanding (MoU) was also signed between RIA, Rottnest Express, Rottnest Fast Ferries, and Pelagic Marine Services in relation to the provision of logistical support for large scale emergency incidents.

SeaLink commenced operations to Rottnest Island after the MoU was established. It is intended that SeaLink is included in the next iteration of the MoU within the upcoming financial year.

### Fire and emergency services

RIA coordinates emergency services in conjunction with the WA Police and the Department of Health. Fire and rescue response is provided by the Rottnest Island Fire and Rescue Service (RIFRS). Managed by RIA's FESC, the RIFRS is a volunteer private fire brigade registered under the *Fire Brigades Act 1942*.

The RIFRS trains one night a week, with training including the testing of Island emergency response plans and procedures. Facilitated training courses are also provided by the Department of Fire and Emergency Services (DFES) through a MoU for key foundation skills, ensuring members receive the best training possible.

A total of six formal training courses were conducted in 2017/18, including key skills refresher training. Brigade members also undertook over 750 hours of training activities during the financial year, and attended 40 DFES-registered calls for assistance.

### Sea Rescue Fremantle

Sea Rescue Fremantle is a group of devoted boat enthusiasts who volunteer their time to manage a fleet of five rescue vessels and a 24-hour emergency radio service. The group works with the WA Water Police on all emergency situations on local coastal waters, and alongside RIA Rangers when managing boating emergencies in the waters surrounding the Island.

### Rottnest Island Nursing Post

The Nursing Post is staffed by Fiona Stanley Hospital nursing staff, with two permanent registered nurses who reside on the Island, a part-time administrative assistant, and a doctor who is present during peak season and school holidays. This arrangement ensures Island visitors have access to a range of essential health services including emergency care, wound care, antenatal and postnatal care, pharmaceutical supplies, x-rays and more.

The Nursing Post provided a range of health services to an average of 258 visitors per month during 2017/18. A total of 48 aeromedical evacuations were undertaken during the financial year.

## Community engagement

RIA appreciates that the management of Island operations and services is a community effort.

### Rottnest Island Chamber of Commerce

RIA works collaboratively with the Rottnest Island Chamber of Commerce (RICC) to enhance the visitor experience and increase visitor numbers in a sustainable manner. The RICC represents the commercial interests of the businesses that operate on or in connection with the Island, including the ferries, accommodation, entertainments, shops, cafés and restaurants, as well as the maintenance and supply services.

The RICC supports the responsible development of Rottnest Island in ways that preserve the pristine beauty and the cultural heritage of the Class A Reserve for generations to come.

This year RIA worked closely with the RICC to develop new signage to provide visitors with additional information when arriving on the Island. The new signage, to be facilitated by RIA, will be located on the main jetty, and will comprise four permanent signs promoting the Island's activities and businesses.

## Volunteer associations

Strong community engagement with the Island is exemplified by the large number of independent volunteer organisations that support RIA's management of the Island. Over 40,000 hours were contributed by volunteers during 2017/18 to a range of tasks including dune rehabilitation, seed collection, tree planting, weeding, fauna monitoring, maintenance and construction works, and provision of interpretive and educational visitor tours.

Throughout the year RIA continued to coordinate several public volunteer events including beach clean-ups and planting days.

### Rottnest Voluntary Guides Association

The Rottnest Volunteer Guides Association (RVGA) has contributed countless hours to the Rottnest Island visitor experience since 1986. An average of 17 Guides headed to the Island each day during the financial year.

With over 280 active members, including 24 new Guides inducted this year, the RVGA offers visitors memorable insights into the historical, environmental and cultural landscapes of Rottnest Island. Guides conduct free daily tours covering the history of the Settlement, the quokka, the Island's World War II guns and tunnels, and the Wadjemup lighthouse. Activities and tours increase during the school holiday periods, with the addition of tours such as night time Ghost and Pioneer Stories. The RVGA also run special request tours for school camps and corporate groups who visit the Island.

A Maintaining Excellence Committee ensures the RVGA continues to provide quality, relevant information to Island visitors.

In 2017/18, the RVGA also provided invaluable support for large Island events that included Rottnest Carnivale, New Years Eve, ANZAC Day, WA Day and the National Reconciliation Week Opening Ceremony. Other contributions include assisting RIA with the raven and silver gulls count which is important to pest bird management plans, and the completion of the comprehensive and vital Rottnest Herbarium during the year.

The RVGA's 'Archives Group' maintain an historical archive and conduct oral histories on a regular basis, and its 'Defence Heritage Group' assist with researching the histories of the Island's defence sites, as well as cleaning and maintenance of the gun batteries. The group also helped fund, design and install a sound simulation in the Oliver Hill engine room, which replicates the noise produced by the Ruston and Hornsby 180hp engine that powered the guns during WWII.

RVGA tour outcomes are reported on under 'Tours' in *Section 2: Report on operations* on [page 24](#).

For more information about the Rottnest Herbarium refer to [page 53](#).

### Conservation Volunteers Australia (Green Army)

Conservation Volunteers Australia (CVA) have a longstanding relationship with RIA. The group has had many successful programs over the years with tasks including tree planting, dune rehabilitation, seawall painting, maintenance of planting sites, beach litter clean ups, removal of old fencing and more recently the initiation of full time Green Army teams on the Island.

## Nursery Volunteers

The Rottnest Island Nursery has 10-15 active volunteers who complete work in the Nursery on a fortnightly basis, under supervision by RIA staff.

Each year nursery volunteers assist with propagation of up to 30,000 tube stock for winter plantings; seed collection, cleaning, treatment and storage; horticulture trials; tree guard maintenance; revegetation success monitoring; maintenance of the nursery facility; and tree planting.

## Rottnest Island Railway Volunteers

The railway on Rottnest was originally built during World War II to service the two sets of 9.2 inch guns placed on the Island to defend Fremantle Port. In 1990, the guns and railway were reconstructed as a historical monument and tourist attraction, with railway stations at the Settlement, Kingstown and Oliver Hill. The railway operates a single diesel hydraulic railcar named 'Captain Hussey', with seating for 64 passengers.

Since the early 1990s, the 'Captain Hussey', has owed its maintenance and operation to a small team of dedicated volunteers. For several weeks a year, the conscientious and much valued Rottnest Island Railway Advisory Committee provides invaluable advice to RIA on the maintenance of the Captain Hussey train and railway track.

The Committee assist with meeting audit targets and organising weekend track maintenance programs. In addition to these volunteer hours, Brookfield Rail and John Holland also make generous donations of skilled personnel and specialised maintenance equipment.

## Rottnest Society

The Rottnest Society is an incorporated, not-for-profit group that formed in 1984. The Society recruits up to 50 volunteers to plant trees and remove environmental weeds on Rottnest Island across four weekends every year. Over the years, the Society has planted tens of thousands of seedlings, assisted with dune rehabilitation works and helped keep weeds under control across the Island.

## Scouts WA

Scouts WA makes considerable annual contributions to the natural environment of Rottnest Island. In the past, large groups of Scouts and Venturers took part in an annual 'Rottnest Invasion', a two-day litter collecting and environmental blitz. With increased public awareness about appropriate rubbish disposal, the Scout groups now focus on environmental tasks such as tree planting, seed collection and dune rehabilitation.

## Winnits

Established in 1930-31, the Winnit Club is the Island's longest-standing volunteer organisation. The founding members initially came together for annual sailing and camping on the Island. However, they soon decided they wanted to give something back to their favourite Island, and over the years, almost all aspects of Rottnest have benefited from the efforts of the Winnits. Examples of their efforts include assisting construction of the Wadjemup Bidi, dune rehabilitation, maintenance works at the Lighthouses and other sites, and removal of several kilometres of old quokka-proof fencing.

## Wadjemup Aboriginal Reference Group

Last year RIA established the Wadjemup Aboriginal Reference Group (WARG), which consists of a number of Aboriginal community members, including members of the Whadjuk traditional owner community. The WARG provides cultural guidance to RIA on the Burial Ground project and future planning for the former Aboriginal prison known as the Quod. The Quod returned to RIA custodianship on 31 May 2018 at the cessation of a commercial lease on the building.

Disclosures related to the WARG are available on [page 75](#) and [page 77](#) in *Section 4: Disclosures and legal compliance*.

# Collaborations and partnerships

## State

### Government

RIA collaborates and partners with a range of State government agencies and departments to deliver essential services on Rottnest Island, and effective management of the Island Reserve. This includes WA Police, Department of Fire and Emergency Services, the Office of Emergency Management, Department for Child Protection and Family Support, Department of Health, Fiona Stanley Hospital which operates the Nursing Post on the Island, and the Department of Water and Environmental Regulation.

RIA also works with the Department of Parks and Wildlife, Perth Zoo, Department of Aboriginal Affairs, Department of Fisheries, Department of Transport and the Fremantle Port Authority. Volunteers from Fisheries also run fishing clinics on the Island.

### Better Bees WA

Rottnest Island was first gazetted as a Carniolan bee sanctuary in the 1920s. In the 1970s the Island was re-gazetted as a sanctuary to mate Italian queen bees which were better suited to Western Australian conditions.

Honeybees play a substantial role in the pollination of agricultural and horticultural crops, with estimates indicating they are both directly and indirectly responsible for pollinating one third of the world's food! Bee diseases affecting a number of overseas countries having a substantial impact on global food production.

Through a Service Agreement with RIA, Rottnest Island is used annually by Better Bees WA as an isolated mating station for breeding queen bees. The mating of bees on Rottnest Island plays a crucial role in keeping the State's bees free of exotic bee diseases that exist in other parts of Australia, as well as protecting the stock from serious pests and diseases present in most overseas countries.

Hives are brought to the Island for a period of six weeks in spring from early September to mid-October. This includes the placement of approximately 20 hives of drone bees in early September, followed by nucleus hives containing virgin queen bees in late September. The drones mate with the queen bees within a few days, and are left on the Island for another few weeks until they have a sealed brood. All hives and nuclei are then returned to the mainland.

The disease-free status of Western Australian bees provides State and national universities, particularly The University of Western Australia and its Centre for Integrative Bee Research (CIBER), with an invaluable source of bees for genetic research.

The Service Agreement between RIA and Better Bees WA also covers a control program to minimise the impact of feral bees on the Island.

### Boating WA

Boating Western Australia is a not-for-profit association established to promote and develop safe, economic and enjoyable recreational boating throughout WA. The association provides a central body to represent the WA boating community on common matters of interest. Since 2017, Boating WA has held regular meetings with RIA's Executive Director as part of a Memorandum of Understanding to investigate issues and facilities relating to marine visitation, mooring use and access, in order to make 'Rottnest more enjoyable for boaters'.

### Leeuwin Ocean Adventure Foundation

The Leeuwin II is a dedicated sail training ship based in Fremantle that usually anchors off Rottnest Island a few times a year. Crews and trainees come ashore to conduct beach clean ups during their visits.

### Maritime Archaeological Association of WA

The Maritime Archaeological Association of WA visits Rottnest Island annually, with teams of scuba divers cleaning the underwater plaques of shipwrecks and snorkel trails to maintain their visibility for divers and snorkellers.

## Margaret River Chocolate Company

In a joint arrangement with the Rotttnest Foundation, RIA partnered with the Margaret River Chocolate Company in 2016/17 to create 'Chokka the Quokka' to raise awareness and funds for quokka conservation research and initiatives. The partnership continued this year, with the chocolates sold on the Island for the first time this Easter. To date, the initiative has raised more than \$10,000, with \$2 from every sale donated to Rotttnest Foundation to support quokka conservation on the Island.

## Rotttnest Foundation

Established in 1985, the Rotttnest Foundation is an independent not-for-profit organisation which sources the majority of grant and sponsorship funding for the Island. The Foundation aims to 'conserve the essence of Rotttnest' by encouraging community involvement and raising funds to protect and enhance the Island's unique environmental, cultural and historical assets. The Foundation Board holds representation from a variety of community and business leaders, many who have had considerable involvement with Rotttnest Island.

To date, the Foundation has raised a remarkable \$1.85m towards Island projects. This funding has been integral to the successful implementation of several key projects, such as the Wadjemup Bidi Walk Trail.

## Rotttnest ferry operators

Through an established agreement, Rotttnest Express donates a large number of ferry fares each year to support volunteer-run programs and events on the Island. Rotttnest Fast Ferries and SeaLink also supported volunteer fares during the year, with SeaLink providing additional support for the National Reconciliation Week Opening Ceremony event.

## South West Aboriginal Land and Sea Council

The South West Aboriginal Land and Sea Council (SWALSC) is the representative body for the Noongar people, cultural and lands. RIA regularly consults with SWALSC in their capacity of representing the traditional custodians of Wadjemup (Rotttnest Island) with regards to cultural and Aboriginal heritage matters on the Island.

## West Australian Divers for Diversity Inc.

West Australian Divers for Diversity Inc. (WADDI) is a citizen science group that engages community volunteers in monitoring projects in Western Australia. RIA has a current Memorandum of Understanding with WADDI worth roughly \$250,000 in value in order to monitor the marine environments and seagrass around Rotttnest Island. RIA provides two staff members to assist as needed.

## Whadjuk Working Party

RIA has ongoing formal engagement with the traditional custodians of Wadjemup through regular meetings with the Whadjuk Working Party regarding cultural and Aboriginal heritage matters on the Island. This includes seeking approvals related to Aboriginal heritage sites or consulting on future planning for these sites.

## National

### Birds Australia

Birds Australia is a national organisation working for the conservation and protection of Australia's native birds and their habitats. Since 1998, Birds Australia has been conducting shorebird and bushbird surveys at Rotttnest Island. The data collected is used to assist RIA in managing the Island's terrestrial environment.

### Hydro Tasmania and Australian Renewable Energy Agency

Hydro Tasmania were lead partners in the Island's renewable energy project with the help of funding provided by the Australian Renewable Energy Agency (ARENA), as part of their Community and Regional Renewable Energy Program.

### Reef Life Survey

Reef Life Survey (RLS) is a national organisation involving trained recreational scuba divers which aims to improve biodiversity conservation and the sustainable management of marine resources through the production of high-quality survey information.

RIA has supported RLS since 2008 to conduct up to two long weekends of surveying per year at Rotttnest Island. The data collected by RLS this year involved 14 divers completing 36 surveys, to record a total of 148 species at 13 sites around the Island. This work continues to assist RIA with management of the marine environment, and in May this year RIA joined RLS to celebrate their 10-year anniversary.

## Research projects

Some of the important research collaborations that will inform RIA's conservation management planning moving forward are highlighted below.

### Seagrass restoration

In partnership with the University of Western Australia, Curtin University, Virginia Institute of Marine Science, Shark Bay Resources Pty Ltd, and BMT Oceanica Pty Ltd, RIA successfully obtained a highly competitive Australian Research Council Grant in 2016/17 to undertake seagrass restoration trials at Rottneest Island, as well as various locations across the State, including Shark Bay and Owen Anchorage.

Titled 'Circumventing demographic processes that limit seagrass restoration', the planning, site selection and surveying for the project was commenced last year and a seed tank was set up at the Rottneest Conservation Centre, known as the Nursery, during this financial year. The first collections of seed and pilot restoration work also commenced this year.

Overall, the project will look to develop large-scale collection, storage, culturing and remote seafloor delivery processes for restoration of seagrasses. Components of the project works such as seed collection, dispersion and monitoring will provide opportunities for community volunteers to participate. By demonstrating the potential for seagrass restoration and offset within the Rottneest Island Reserve, the project will assist future environmental approvals from the Western Australian Environmental Protection Agency required for development proposals within the marine environments, such as upgrades to jetty facilities on the Island.

Through sediment quality surveys, the study will also increase RIA's knowledge of siltage threat and impact at key locations within the Reserve, which will inform our Marine Conservation Action Plan. Outcomes will be reported as available.

### Unlocking the secrets of the groundwater cycle

In partnership with The University of NSW, Australian Nuclear Science and Technology Organisation (ANSTO) and the Department of Water, RIA received an Australian Research Council Grant in 2016/17 to determine how the nonconventional lithium and silicon isotopes can be used to understand groundwater processes using an innovative source-to-target approach.

The research project aimed to establish constraints on ground water processes and management in the water source limited environment of Rottneest Island. The use of groundwater isotope methods in the complex fractured limestone karst system helped to identify ground water flow paths.

During the year, the project traced the geochemical evolution of waters from rainfall to fresh groundwater, determining the process was dominated by carbonate dissolution and mineral recrystallisation reactions. This allowed comparison with other groundwaters of varying salinity to determine whether they had evolved through similar pathways. Two water types were identified in the transition zone of the aquifer, one which is older. This finding assists the understanding of how groundwaters evolve and will inform long-term management of the freshwater lens on Rottneest Island. The work has national significance with the results pertaining to a wide range of Australian ground water environments, as well as Island environments around the globe.



## Next steps under the *Rottnest Island Management Plan 2014 - 2019*

This year saw several exceptional achievements completed under the *Rottnest Island Management Plan 2014 - 2019* (RIMP), against the five policy statements.

Initiatives slated for completion in 2018/19 are tabled below, grouped under the two Agency Services.

**Figure 14A: 2018/19 Agency 'Service 1' initiatives under the RIMP**



<b>Service 1: Visitor services and public programs provided at Rottnest Island</b>	<b>Aligns with RIMP Policy no.</b>
<p><b>Discovery Eco Village – Rottnest Island</b>                      The Discovery Eco Village is the first major private development to occur on the Island in the last 35 years. Construction has commenced with works estimated to be completed by December 2018. The development will provide visitors with 83 glamping accommodation sites, a pool, and a food and beverage experience near the pristine waters of Pinky Beach. RIA will continue to work closely with the proponent to ensure minimal disruption to visitors during the construction period.</p>	<b>1, 4, 5</b>
<p><b>Hotel Rottnest Resort development</b>                      The expansion of the Hotel Rottnest Resort will bring a new resort-style experience to Rottnest Island and provide a variety of accommodation options to suit various budgets. The existing 18 rooms at the Hotel will be demolished to make way for 80 new rooms across two levels and will also include four pools, a restaurant, function room and a roof-top bar. Construction of the first phase of the Hotel Rottnest Resort expansion is scheduled to commence in the next financial year, once approval conditions have been completed. RIA will work with the proponent to develop a construction management plan that will ensure minimal disruption to visitors during the construction period, which is expected to remain ongoing until 2020.</p>	<b>1, 4, 5</b>
<p><b>Rottnest Island Management Plan 2020-2024</b>                      The preparation of the next RIMP has commenced. The next iteration will set RIA's strategic direction and objectives for Rottnest Island for the next 5-year period, in accordance with the Rottnest Island Authority Act 1987. The development of the RIMP will involve several strategic workshops, review of the 20-year Rottnest Island Master Plan and a public consultation process to ensure the public asset of Rottnest Island is conserved, protected and enjoyed by future generations of Western Australians and visitors to the State.</p>	<b>All</b>



**Figure 14B: 2018/19 Agency 'Service 2' initiatives under the RIMP**

<b>Service 2: Conserving Habitats, Species and Ecological Communities</b>	<b>Aligns with RIMP Policy no.</b>
<p><b>Woodland Management Plan</b>                      A key initiative under the Terrestrial Conservation Action Plan (2015) is to prepare a Woodland Management Plan. The aim of the plan is to expand, enhance and maintain the woodland community on Rottnest Island to contribute toward the conservation of the ecologically threatened community, and provision of fauna habitat. It will ultimately improve the natural recreation amenity of the Island, while providing unique woodland recreation experience opportunities for visitors.</p>	<p><b>1, 3</b></p>
<p><b>Organic Waste Feasibility</b>                      The RIA is planning to undertake an organic waste feasibility study as a first step in recovering organic waste from the general (landfill) waste stream on Rottnest Island. The study will include a focus on on-Island versus off-Island options, cost-benefit analysis, product demand as well as the infrastructure and operations required. It is envisioned that the study will present a variety of scenarios to enable a decision towards developing and implementing a strategy to recover organic waste generated on Rottnest Island.</p>	<p><b>3</b></p>
<p><b>Marine Conservation Action Planning (Continuing)</b>                      Undertake planning prepare a Marine Conservation Action Plan for Rottnest Island that identifies the natural values of the Rottnest Island Marine environment, determines current and desired health, considers threatening processes, and identifies priority conservation actions to enable resources to be directed where most needed.</p>	<p><b>3</b></p>



## Section 4:

# Disclosures and legal compliance

## Financial overview

The Rottnest Island Authority's actuals result at 30 June 2018 shows a surplus of \$2.121 million. Total Cost of Services (TCOS) at year's end was \$46.628 million. This included employment expenses of \$11.554 million and operational expenses of \$35.074 million. This is an underspend of \$0.114 million on the expense limit of \$46.742 million.

The actuals revenue at 30 June 2018 was \$48.749 million, an increase of \$3.301 million or 7.3 percent above the revenue budget of \$45.448 million.

## Annual estimates

In accordance with Treasurer's Instruction 953, statutory authorities are required to include annual estimates for the current financial year in the annual report of the preceding year. The following estimates have been submitted and approved by the Minister for Tourism for 2018/19.

**Table 13: Rottnest Island Authority Annual Estimates for 2018/19**

	Total \$000	Roofing restoration \$000	Operating Budget \$000
<b>EXPENSE</b>			
Cost of sales	454		454
Employee benefits expense	10,853		10,853
Supplies and services	22,959	1,850	24,809
Depreciation and amortisation expense	5,723		5,723
Finance costs	345		345
Accommodation expenses	361		361
Other Expenses	984		984
<b>TOTAL COST OF SERVICES</b>	<b>43,529</b>		<b>43,529</b>
<b>INCOME</b>			
Revenue			
Sales	560		560
User charges and fees	35,672		35,672
Commonwealth grants and contributions	-		-
Interest revenue	642		642
Other revenue	191		191
<b>TOTAL REVENUE</b>	<b>37,065</b>		<b>37,065</b>
Total income other than income from State Government	37,065		37,065
<b>NET COST OF SERVICES</b>	<b>6,464</b>		<b>6,464</b>
<b>INCOME FROM STATE GOVERNMENT</b>			
Service appropriation			
Services received free of charge	4,729		4,729
<b>TOTAL INCOME FROM STATE GOVERNMENT</b>	<b>4,729</b>		<b>4,729</b>
<b>SURPLUS(DEFICIT) FOR THE PERIOD</b>	<b>(1,735)</b>		<b>(1,735)</b>

## Other financial disclosures

### Capital works

Rottnest Island Authority's expenditure on capital works for 2017/18 is outlined below.

**Table 14: 2017/18 Capital Works expenditures**

Type	2017/18 \$'000
<b>Island Utility infrastructure</b>	
Electricity utility projects	645
Potable water and sewerage projects	583
Wastewater management	170
Potable Water	136
<b>Visitor accommodation</b>	
Unit refurbishments	440
Furniture and fittings	210
<b>Visitor experience</b>	
Building and infrastructure works	2,814
Bike purchases	175
Assets and equipment	138
<b>Total</b>	<b>5,311</b>

## Board and committee remuneration

### Board remuneration

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

**Table 15: Rottnest Island Authority Board remuneration**

Position	Name	Type	Remuneration
Chairman	John Driscoll	Annual	\$16,233
Chairman*	John Langoulant	Annual	\$16,233
Deputy Chairman	Hamish Beck	Annual	\$15,330
Member	Suzanne Hunt	Annual	\$15,330
Member	Robert McDonald	Annual	\$15,330
Member	Peter Hick	Annual	\$7,665
Member**	Hannah Fitzhardinge	Annual	\$7,665
Member	Marina Hogan	Annual	\$15,330

\* Mr John Langoulant replaced Mr John Driscoll as Chairman in October 2017.

\*\* Ms Hannah Fitzhardinge replaced Dr Peter Hick as Board member in October 2017.

### Directors' and Officers' Liability Insurance

An insurance premium 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's insurer and is renewed annually.

### Committee remuneration

#### Wadjemup Aboriginal Reference Group

**Table 16: Wadjemup Aboriginal Reference Group remuneration 2017/18**

Member	No. meetings attended	Gross remuneration
Walter McGuire	3	\$1,702*
Brendan Moore	3	\$1,574*
Pamela Thorley	3	\$1,336**
Lindsay Dean	3	\$1,702*
Barbara Bynder	3	\$1,702*
Michelle Reynolds	3	N/A
Peter Hick	0	N/A

\* Includes two retrospective payments from the 2016/17 financial year.

\*\* Includes one retrospective payment from the 2016/17 financial year.

## Employment and industrial relations

Employees at Rottnest Island Authority (RIA) are employed under the provisions of the Public Service Award 1992 and the Public Service and Government Officers General Agreement 2014.

**Table 17: Rottnest Island Authority FTE Status at 30 June**

Employment type	2017	2018
Full-time permanent	71	64
Fixed term	22	28
Casual	15	13
<b>Total</b>	<b>108</b>	<b>105</b>

### Internal workers' compensation claims

Two internal workers' compensation claims were made by RIA staff during the year.



## Advertising

RIA expenditure on advertising, market research, polling and direct mail in 2017/18 is outlined below.

**Table 18: 2017/18 Advertising expenditure**

Type	Organisation	2017/18 expenditure (\$)
Advertising agencies	Nil	Nil
Direct mail	Nil	Nil
Market research	Painted Dog	\$75,900
Media advertising	Adcorp Australia Ltd Australian Traveller Concept Media Pty Ltd Dept of Premier & Cabinet Experience Perth Hello Perth Optimum Media Decisions (OMD) West Australian Newspaper Ltd	\$228,973
Polling organisations	Nil	Nil
Design	Identity Creative	\$8,230

## Unauthorised use of credit cards

RIA had four instances of unauthorised credit card use in 2017/18, totalling \$68. The instances involved inadvertent purchases, and each matter was settled promptly, warranting no further action.

## Governance disclosures

### Board policies and responsibilities

The Agency 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 Agency'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 Board responsibilities include:

- the power to do all things necessary or convenient in connection with the management and control of the Island under the Act
- 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 disclosures

### Attendance

**Table 19: Board meeting attendance 2017/18**

Member	First appointed	No. meetings eligible to attend	No. meetings attended
John Driscoll	Dec 2010	3	2
John Langoulant*	Oct 2017	9	9
Hamish Beck	Mar 2016	12	11
Suzanne Hunt	May 2010	12	9
Robert McDonald	July 2011	12	11
Peter Hick	Aug 2011	3	3
Hannah Fitzhardinge**	Oct 2017	9	9
Marina Hogan	Jan 2017	12	11

\* Mr John Langoulant replaced Mr John Driscoll as Chairman in October 2017.

\*\* Ms Hannah Fitzhardinge replaced Dr Peter Hick as Board member in October 2017.

## Conflicts 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.

## Committee

### Wadjemup Aboriginal Reference Group

The Wadjemup Aboriginal Reference Group was established to provide information to the RIA Executive Director and the RIA Board on:

- a future strategy for the Wadjemup (Rottneest Island) Aboriginal Burial Ground, and
- the possible future uses and conservation of the former Aboriginal prison, known as the Quod.

**Table 20: Attendance 2017/18**

Member	First appointed	No. meetings eligible to attend	No. meetings attended
Walter McGuire	6 June 2017	3	3
Brendan Moore	6 June 2017	3	3
Pamela Thorley	6 June 2017	3	3
Lindsay Dean	6 June 2017	3	3
Barbara Bynder	6 June 2017	3	3
Michelle Reynolds	Ex-officio	3	3
Peter Hick*	Ex-officio	0	0

\* Dr Peter Hick concluded his term on the RIA Board in October 2017 prior to the first meeting.

## Ministerial directives

No ministerial directives were received during the financial year.



## Legal compliance

### Public Sector standards and ethical codes

RIA has policies, procedures and processes in place to ensure it meets all required obligations under Public Sector Standards, the WA Public Sector Code of Ethics, and the RIA Code of Conduct.

These policies and supporting materials are available to RIA staff on RIA's intranet.

#### RIA Code of Conduct

There were no claims lodged relating to RIA's Code of Conduct in 2017/18.

#### Public Sector Code of Ethics

There were no claims lodged relating to the Public Sector Code of Ethics in 2017/18.

#### Public Sector Commissioner's Instruction Employment Standard

There were no claims lodged relating to the Employment Standard in 2017/18.

#### Grievance Resolution Standard

There were no claims lodged against the Grievance Resolution Standard in 2017/18.

### Recordkeeping Plan

Under the *State Records Act 2000*, every State government agency is required to have a Recordkeeping Plan (RKP). Agencies must also review the plan every five years or when there is significant change to the organisation's functions. RIA's recordkeeping compliance is achieved by:

- maintaining the system infrastructure at latest release levels to ensure equivalence with required standards
- regularly auditing the use of the HPE Content Manager recordkeeping system to ensure its effectiveness and efficiency in meeting compliance and operational requirements
- ensuring the RIA Induction Program provides new employees with information regarding their recordkeeping roles and responsibilities
- ensuring all new staff successfully complete an online Recordkeeping Awareness Training course
- providing all relevant employees with HPE Content Manager Records Management training
- regularly providing employees with information on contemporary recordkeeping practices
- providing ongoing assistance to HPE Content Manager users.

All facets were maintained during 2017/2018.

Our RKP was first approved by the State Records Commission in December 2005. The first review was undertaken on schedule, with an updated RKP provided to the State Records Office (SRO) in June 2011.

A second review of RIA's RKP was provided to the SRO in December 2016. The review noted some amendments were required to the RKP, which are currently being progressed. The revised RKP will be provided to the SRO by the end of October 2018.

## Other government policy requirements

### Substantive equality

RIA's obligations against equality and inclusion are detailed in *Section 1: Agency in focus* from [page 6](#).

### Disability Access and Inclusion Plan

RIA's Disability and Inclusion Plan is outlined under 'Equality and inclusion' on [page 21](#) in *Section 1: Agency in focus*.

### Occupational safety, health and injury management

#### 2017/18 performance

RIA's OSH and injury management statistics are disclosed in Table 21. Comparative data is included where possible.



**Table 21: 2017/18 OSH performance statistics**

OSH indicator	2014/15	2015/16	2016/17	2017/18 T	2017/18 A	Comment
Number of fatalities	0	0	0	0	0	Met target
Lost-time injury/disease incidence rate*	1.9%	1.1%	0%	0-10% reduction over past 3 years	1.58%	Not met
% injured workers return to work within 13 weeks	0%	100%	0%	greater than or equal to 80%	50%	Not met
% injured workers returned to work within 26 weeks	0%	100%	0%	greater than or equal to 80%	50%	Not met
% managers trained in OSH and injury management responsibilities	50%	25%	25%	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 on day/shift or more was lost in the financial year per 100 employees.

### OSH training for staff

All new RIA staff will have access to online training opportunities relating to OSH and injury management awareness and responsibilities within the next few months via the systems available through the Department of Biodiversity, Conservation and Attractions.

### Government Building Training Policy

During 2017/18 RIA issued no contracts which met the scope of the Government Building Training Policy. The major facilities and utilities contract (which includes maintenance) was awarded in the 2014/15 financial year.

As good practice, RIA includes this commitment when employing construction apprentices and trainees in large contracts.

**Section 5:**

# Financial statements & key performance indicators



## Certification of Financial Statements **For the reporting period ended 30 June 2018**

The accompanying financial statements of the Rottneest Island Authority have been prepared in compliance with the provisions of the *Financial Management Act 2006* from proper accounts and records to present fairly the financial transactions for the financial year ended 30 June 2018 and the financial position as at 30 June 2018.

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.



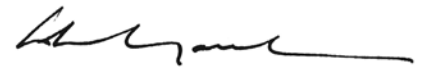
Sydney Tong  
**Chief Finance Officer**

13 September 2018



Robert McDonald  
**Member of Accountable Authority**

13 September 2018



John Langoulant  
**Chairman of Accountable Authority**

13 September 2018

# Independent 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 2018, 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 2018 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.

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 2018.

**Basis for Qualified Opinion**

Information technology and financial controls for the systems used to record accommodation, bike and equipment hire and other miscellaneous revenue were inadequate. These weaknesses could result in inappropriate changes to prices, and in some cases, invalid refunds. Our sample testing did not identify any inappropriate changes to prices.

# Independent Audit Opinion

**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 2018. 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 2018.

**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 2018 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  
 17 September 2018

## Statement of Comprehensive Income For the year ended 30 June 2018

	Note	2018 \$000	2017 \$000
<b>COST OF SERVICES</b>			
<b>Expenses</b>			
Cost of sales	4.3	456	434
Employee benefits expense	3.1(a)	11,554	10,360
Supplies and services	3.2	27,169	23,077
Depreciation and amortisation expense	5.1.1 5.2.1	5,732	5,186
Finance costs	7.1	340	295
Accommodation expenses	3.3	353	369
Other expenses	3.3	1,024	770
<b>Total cost of services</b>		<b>46,628</b>	<b>40,491</b>
<b>Income</b>			
Revenue			
Sales	4.3	658	535
User charges and fees	4.2	38,130	34,744
Commonwealth grants and contributions	4.4	93	3,661
Interest revenue	4.5	587	616
Other revenue	4.6	576	626
<b>Total Revenue</b>		<b>40,044</b>	<b>40,182</b>
Gains/(Loss)			
Gain on disposal of non-current assets	4.7	37	-
Loss on disposal of non-current assets	4.7	(46)	(341)
<b>Total Gains/(Loss)</b>		<b>(9)</b>	<b>(341)</b>
<b>Total income other than income from State Government</b>		<b>40,035</b>	<b>39,841</b>
<b>NET COST OF SERVICES</b>		<b>6,593</b>	<b>650</b>

	Note	2018 \$000	2017 \$000
<b>Income from State Government</b>			
Service Appropriation	4.1	8,669	8,652
Services received free of charge	4.1	45	38
<b>Total income from State Government</b>		<b>8,714</b>	<b>8,690</b>
<b>SURPLUS FOR THE PERIOD</b>		<b>2,121</b>	<b>8,040</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
<b>Items not reclassified subsequently to profit or loss</b>			
Changes in asset revaluation surplus		(1,860)	(2,396)
<b>Total other comprehensive income</b>		<b>(1,860)</b>	<b>(2,396)</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>261</b>	<b>5,644</b>

See also the '[Schedule of Income and Expenses by Service](#)'.

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

## Statement of Financial Position **As at 30 June 2018**

	Note	2018 \$000	2017 \$000
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	7.2	7,819	4,273
Inventories	4.3	210	193
Receivables	6.1	1,518	1,303
Other current financial assets	7.2	16,872	12,850
Other current assets	6.2	147	97
<b>Total Current Assets</b>		<b>26,566</b>	<b>18,716</b>
<b>Non-Current Assets</b>			
Infrastructure, property, plant and equipment	5.1	254,355	256,345
Intangible assets	5.2	1,190	1,365
Receivables	6.1	130	136
Other non-current financial assets	7.2	2,000	6,000
<b>Total Non-Current Assets</b>		<b>257,675</b>	<b>263,846</b>
<b>TOTAL ASSETS</b>		<b>284,241</b>	<b>282,562</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables	6.3	7,801	6,819
Employee related provisions	3.1b	1,565	1,697
Other current liabilities	6.4	12,836	11,977

	Note	2018 \$000	2017 \$000
<b>Total Current Liabilities</b>		<b>22,202</b>	<b>20,493</b>
<b>Non-Current Liabilities</b>			
Employee related provisions	3.1b	525	677
Other non-current liabilities	6.4	683	822
<b>Total Non-Current liabilities</b>		<b>1,208</b>	<b>1,499</b>
<b>TOTAL LIABILITIES</b>		<b>23,410</b>	<b>21,992</b>
<b>NET ASSETS</b>		<b>260,831</b>	<b>260,570</b>
<b>EQUITY</b>			
Contributed equity	9.7	50,032	50,032
Reserves	9.7	193,012	194,872
Accumulated surplus	9.7	17,787	15,666
<b>TOTAL EQUITY</b>		<b>260,831</b>	<b>260,570</b>

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 2018**

	Note	Contributed equity \$000	Reserves \$000	Accumulated surplus/ \$000	Total Equity (deficit) \$000
<b>Balance at 1 July 2016</b>		<b>50,032</b>	<b>197,268</b>	<b>7,626</b>	<b>254,926</b>
Surplus		-	-	8,040	8,040
Other comprehensive income	9.7	-	(2,396)	-	(2,396)
Total comprehensive income for the period		-	(2,396)	8,040	5,644
<b>Balance at 30 June 2017</b>		<b>50,032</b>	<b>194,872</b>	<b>15,666</b>	<b>260,570</b>
<b>Balance at 1 July 2017</b>		<b>50,032</b>	<b>194,872</b>	<b>15,666</b>	<b>260,570</b>
Surplus		-	-	2,121	2,121
Other comprehensive income	9.7	-	(1,860)	-	(1,860)
Total comprehensive income for the period		-	(1,860)	2,121	261
<b>Balance at 30 June 2018</b>		<b>50,032</b>	<b>193,012</b>	<b>17,787</b>	<b>260,831</b>

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 2018

	Note	2018 \$000	2017 \$000
<b>CASH FLOW FROM STATE GOVERNMENT</b>			
Service appropriation		8,669	8,652
<b>Net cash provided by State Government</b>		<b>8,669</b>	<b>8,652</b>
Utilised as follows:			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Payments</b>			
Employee benefits		(11,835)	(10,668)
Supplies and services		(27,123)	(29,222)
Finance costs		(340)	(295)
GST payments on purchases		(3,491)	(3,260)
GST payments to taxation authority		(665)	-
Other payments		(1,033)	(1,467)
<b>Receipts</b>			
Sale of goods and services		658	535
User charges and fees		38,568	34,807
Interest received		584	700
GST receipts on sales		4,037	3,624
GST receipts from taxation authority		-	6
Other Receipts		404	373
<b>Net cash provided by/(used in) operating activities</b>	7.2	<b>(236)</b>	<b>(4,867)</b>

	Note	2018 \$000	2017 \$000
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>Payments</b>			
Purchase of non-current assets		(4,902)	(4,272)
<b>Receipts</b>			
Proceeds from sale of non-current assets		37	-
<b>Net cash (used in) investing activities</b>		<b>(4,865)</b>	<b>(4,272)</b>
Net increase (decrease) in cash and cash equivalents		3,568	(487)
Cash and cash equivalents at the beginning of the period		23,123	23,610
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	7.2	<b>26,691</b>	<b>23,123</b>

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

# Notes to the Financial Statements **For the year ended 30 June 2018**

## NOTE 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 2018.

### 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 (the Instructions or TI)
- 3) Australian Accounting Standards (AAS) including applicable interpretations
- 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 AAS. Several AAS are modified by the Instructions 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

## NOTE 2. AUTHORITY OUTPUTS

### How the Authority operates

This section includes information regarding the nature of funding the Authority receives and how this funding is utilised to achieve the Authority's objectives.

	Note
Agency Objectives	2.1
Schedule of Income and Expenses by Service	2.2

### 2.1 Authority Objectives

#### Mission

The Authority's mission is 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.

#### Services

The Authority provides the following services:

*Service 2: Visitor Services and public programs provided at Rottnest Island.*

Comprises various visitor services and public programs to the public sector.

*Service 6: Conserving habitats, species and ecological communities*

Comprises various conserving activities relating to conserving habitats, species and ecological communities.

## Notes to the Financial Statements

### 2.2 Schedule of Income and Expenses by Services for the Year Ended 30 June 2018

	Visitor Services and public programs provided at Rottneest Island		Conserving habitats, species and ecological communities		Total	
	2018 \$000	2017 \$000	2018 \$000	2017 \$000	2018 \$000	2017 \$000
<b>COST OF SERVICES</b>						
<b>EXPENSES</b>						
Cost of sales	456	434	-	-	456	434
Employee benefits expense	10,730	9,378	824	982	11,554	10,360
Supplies and services	26,662	22,630	507	447	27,169	23,077
Depreciation and amortisation expense	5,63	5,092	97	94	5,732	5,186
Finance costs	340	295	-	-	340	295
Accommodation expenses	342	354	11	15	353	369
Other expenses	968	715	56	55	1,024	770
<b>Total cost of services</b>	<b>45,133</b>	<b>38,898</b>	<b>1,495</b>	<b>1,593</b>	<b>46,628</b>	<b>40,491</b>
<b>INCOME</b>						
Sales	658	535	-	-	658	535
User charges and fees	38,122	34,744	8	-	38,130	34,744
Commonwealth grants and contributions	90	3,517	3	144	93	3,661
Interest revenue	568	592	19	24	587	616
Other revenues	568	596	8	30	576	626
<b>Total Revenue</b>	<b>40,006</b>	<b>39,984</b>	<b>38</b>	<b>198</b>	<b>40,044</b>	<b>40,182</b>
Gains/(Loss)						
Gain on disposal of non-current assets	37	-	-	-	37	-
Loss on disposal of non-current assets	(45)	(328)	(1)	(13)	(46)	(341)
<b>Total Gains/(Loss)</b>	<b>(8)</b>	<b>(328)</b>	<b>(1)</b>	<b>(13)</b>	<b>(9)</b>	<b>(341)</b>
<b>Total income other than income from State Government</b>	<b>39,998</b>	<b>39,656</b>	<b>37</b>	<b>185</b>	<b>40,035</b>	<b>39,841</b>
<b>NET COST OF SERVICES</b>	<b>5,135</b>	<b>(758)</b>	<b>1,458</b>	<b>1,408</b>	<b>6,593</b>	<b>650</b>
<b>Income from State Government</b>						
Service Appropriation	6,067	6,063	2,602	2,589	8,669	8,652
Services received free of charge	44	36	1	12	45	38
<b>Total income from State Government</b>	<b>6,111</b>	<b>6,099</b>	<b>2,603</b>	<b>2,591</b>	<b>8,714</b>	<b>8,690</b>
<b>SURPLUS/(DEFICIT) FOR THE PERIOD</b>	<b>976</b>	<b>6,857</b>	<b>1,145</b>	<b>1,183</b>	<b>2,121</b>	<b>8,040</b>

## Notes to the Financial Statements

### NOTE 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	2018 \$000	2017 \$000
Employee benefits expenses	3.1(a)	11,554	10,360
Employee related provisions	3.1(b)	2,090	2,374
Supplies and services	3.2	27,169	23,077
Other Expenses	3.3	1,377	1,139

#### 3.1(a) Employee Benefits Expenses

	2018 \$000	2017 \$000
Wages and salaries	9,845	9,414
Termination benefits	725	47
Superannuation - defined contribution plans <sup>(a)</sup>	948	857
Superannuation - defined benefit plans <sup>(b)</sup>	36	42
<b>Total employee benefit expenses</b>	<b>11,554</b>	<b>10,360</b>

(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 agency purposes because the concurrent contributions (defined contributions) made by the agency to GESB extinguishes the agency's obligations to the related superannuation liability.

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.

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

The expected future payments are discounted to present value 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.

## Notes to the Financial Statements

### 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.

	2018 \$000	2017 \$000
<b>Current</b>		
<u>Employee benefits provision</u>		
Annual leave <sup>(a)</sup>	560	667
Long service leave <sup>(b)</sup>	719	666
Time in lieu	18	60
Superannuation <sup>(d)</sup>	143	144
Leave purchase	-	14
	<b>1,440</b>	<b>1,551</b>
<i>Other provisions</i>		
Employment on-costs <sup>(c)</sup>	125	146
<b>Total current employee related provisions</b>	<b>1,565</b>	<b>1,697</b>
<b>Non-current</b>		
<u>Employee benefits provision</u>		
Long service leave <sup>(b)</sup>	262	368
Super provision – long term	26	35
Superannuation <sup>(d)</sup>	211	233
	499	636
<i>Other provisions</i>		
Employment on-costs <sup>(c)</sup>	26	41
<b>Total non-current employee related provisions</b>	<b>525</b>	<b>677</b>
<b>Total employee related provisions</b>	<b>2,090</b>	<b>2,374</b>

**(a) Annual Leave Liabilities:** Classified as current where there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period. Assessments indicate that actual settlement of the liabilities is expected to occur as follows:

	2018 \$000	2017 \$000
Within 12 months of the end of the reporting period	417	469
More than 12 months after the end of the reporting period	143	198
	<b>560</b>	<b>667</b>

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.

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.

## Notes to the Financial Statements

Assessments indicate that actual settlement of the liabilities is expected to occur as follows:

	2018 \$000	2017 \$000
Within 12 months of the end of the reporting period	265	269
More than 12 months after the end of the reporting period	716	765
	981	1,034

The long service leave liabilities are 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 expenses, 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'.

	2018 \$000	2017 \$000
<b>Employment on-costs provision</b>		
Carrying amount at start of period	187	178
Additional provisions recognised	44	77
Payments/other sacrifices of economic benefits	(80)	(68)
<b>Carrying amount at end of period</b>	<b>151</b>	<b>187</b>

## Notes to the Financial Statements

### (d) Defined Benefit Superannuation Plans

	Pension Scheme	
	2018 \$000	2017 \$000
The amounts recognised in the Statement of Comprehensive Income are as follows:		
Interest cost (unwinding of the discount)	6	6
Net actuarial losses/(gains) recognised	14	27
<b>Total included in Employee benefits expense</b> (see note 3.1(a) 'Employee benefits expense')	<b>20</b>	<b>33</b>
The amounts recognised in the Statement of Financial Position are as follows:		
Present value of unfunded obligations	246	267
<b>Liability in the statement of financial position</b>	<b>246</b>	<b>267</b>
Reconciliation of the unfunded liability recognised in the statement of financial position is as follows:		
Liability at start of period	267	274
Interest cost (unwinding of the discount)	6	6
Net actuarial losses/(gains) recognised	14	27
Benefits paid	(41)	(40)
Liability at end of period	246	267
Reconciliation of the fair value of plan assets is as follows:		
<b>Fair value of plan assets at start of year</b>	-	-
Employer contributions	41	-
Benefits paid	(41)	-
<b>Fair value of plan assets at end of year</b>	-	-

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

	2018	2017
Discount rate	2.6%	2.26%
Future salary increases	3.7%	3.7%

Historic Summary	2017 \$000	2016 \$000	2015 \$000	2014 \$000
Pension Scheme:				
Present value of unfunded obligation	267	274	283	284
Fair value of plan assets	-	-	-	-
<b>Deficit</b>	<b>267</b>	<b>274</b>	<b>283</b>	<b>284</b>
<i>Pre-transfer Benefit - Gold State Superannuation Scheme:</i>				
Present value of unfunded obligation	40	39	41	41
Fair value of plan assets	-	-	-	-
<b>Deficit</b>	<b>40</b>	<b>39</b>	<b>41</b>	<b>41</b>
<i>Experience adjustments arising on plan liabilities:</i>				
Pension scheme	27	17	16	17
Pre-transfer Benefit - Gold State Scheme	-	(2)	(1)	2



## Notes to the Financial Statements

### Employer funding arrangements for the defined benefit plans

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

Employer contributions of \$40,000 are expected to be paid to the Pension Scheme in the subsequent annual reporting period.

### 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.

### 3.2 Supplies and Services

	2018 \$000	2017 \$000
Contractors – Facilities Operations and Utilities	12,697	12,264
Contractors – Housekeeping	2,045	2,056
Contractors – Other	2,940	1,993
Administration expense	1,863	2,012
Other Staffing Costs	316	437
Repairs and maintenance – Roofing Project	3,845	1,078
Repairs and maintenance – Other	2,357	1,821
Vehicle leasing	58	63
IT system development	123	28
Marketing expenses	462	749
Other supplies & services costs	463	576
	<b>27,169</b>	<b>23,077</b>

### Supplies and Services

Supplies and services are recognised as an expense in the reporting period in which they are incurred, except the repairs and maintenance - other expense where they relate to the replacement of a significant component of an asset. In that case, the costs are capitalised and depreciated.

## Notes to the Financial Statements

### 3.3 Other Expenses

	2018 \$000	2017 \$000
<b>Accommodation expenses</b>		
Lease rentals	252	280
Cleaning	52	49
Other accommodation expenses	49	40
<b>Total accommodation expenses</b>	<b>353</b>	<b>369</b>
<b>Other expenditures</b>		
Furniture, fittings and equipment maintenance	127	92
Doubtful debts expense	14	(28)
Employment on-costs	783	624
Research and development	69	53
Donations	31	29
<b>Total other expenditures</b>	<b>1,024</b>	<b>770</b>
<b>Total other expenses</b>	<b>1,377</b>	<b>1,139</b>

#### Accommodation Expenses

Operating lease payments are recognised on a straight line basis over the lease term.

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

#### Other Expenditures

**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 Debt Expense** is recognised as the movement in the provision for doubtful debt. Please refer to note 6.1.1 Movement of the allowance for impairment of receivables.

**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 provision. 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.

## NOTE 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:

	Notes	2018 \$000	2017 \$000
Income from State Government	4.1	8,714	8,690
User charges and fees	4.2	38,130	34,744
Sales	4.3	658	535
Commonwealth grants and contributions	4.4	93	3,661
Interest revenue	4.5	587	616
Other revenue	4.6	576	626
Gains/(Loss)	4.7	(9)	(341)

## Notes to the Financial Statements

### 4.1 Income from State Government

	2018 \$000	2017 \$000
Appropriation received during the period:		
Service appropriation <sup>(a)</sup>	8,669	8,652
	<b>8,669</b>	<b>8,652</b>
Services received free of charge from other State government agencies during the period:		
State Solicitors Office	45	38
<b>Total services received</b>	<b>45</b>	<b>38</b>
<b>Total income from State Government</b>	<b>8,714</b>	<b>8,690</b>

(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.

### 4.2 User Charges and Fees

	2018 \$000	2017 \$000
Accommodation Charges	18,205	17,307
Facilities & Tours	4,596	3,548
Admission Fees	8,827	7,465
Lease & Licence Income	4,479	4,315
Utility Charges	1,389	1,515
Housing Rentals	634	594
	<b>38,130</b>	<b>34,744</b>

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

	2018 \$000	2017 \$000
Sales	658	535
Cost of Sales:		
Opening Inventory	(27)	(33)
Purchases	(487)	(428)
	(514)	(461)
Closing Inventory	58	27
Cost of Goods Sold	(456)	(434)
<b>Trading profit</b>	<b>202</b>	<b>101</b>
<b>Closing inventory comprises:</b>		
<b>Current inventories</b>		
Inventories held for resale		
Visitors Centre Stock	54	20
Bike stock	4	7
	58	27
Inventories not held for resale		
Materials	8	8
Fuels	144	158
	152	166
<b>Total Inventories</b>	<b>210</b>	<b>193</b>

## Notes to the Financial Statements

### 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 Commonwealth Grants and Contribution

	2018 \$000	2017 \$000
Capital Grants	93	3,661

Capital grants for 2018 include a non-reciprocal grant of \$93,000 from Australian Renewable Energy Agency (ARENA).

### 4.5 Interest Revenue

	2018 \$000	2017 \$000
Interest revenue	587	616
	<b>587</b>	<b>616</b>

Interest revenue is recognised as the interest accrues.

### 4.6 Other Revenue

	2018 \$000	2017 \$000
Insurance Claims, fines and etc.	309	281
Non-Government grants	267	345
<b>Total other income</b>	<b>576</b>	<b>626</b>

### 4.7 Gains

	2018 \$000	2017 \$000
<b>Net proceeds from disposal of non-current assets</b>		
Plant, equipment and vehicles	37	-
<b>Carrying amount of non-current assets disposed</b>		
Plant, equipment and vehicles	(46)	(341)
<b>Net gain/(loss)</b>	<b>(9)</b>	<b>(341)</b>

**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

### NOTE 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	2018 \$000	2017 \$000
Infrastructure, property, plant and equipment	5.1	254,355	256,345
Intangibles	5.2	1,190	1,365
<b>Total key assets</b>		<b>254,545</b>	<b>257,710</b>

## Notes to the Financial Statements

### 5.1 Infrastructure, Property, Plant and Equipment

Year ended 30 June 2017	Land \$000	Buildings \$000	Computers and electronic equipment \$000	Furniture \$000	Plant and vehicles \$000	Infrastructure \$000	Leasehold improvements \$000	Works of art \$000	Work in progress \$000	Total \$000
<b>1 July 2016</b>										
Gross carrying amount	135,377	81,218	1,661	5,122	5,032	31,941	318	26	8,214	268,909
Accumulated depreciation	-	-	(1,336)	(3,880)	(4,179)	(5,751)	(222)	-	0	(15,368)
<b>Carrying amount at start of period</b>	<b>135,377</b>	<b>81,218</b>	<b>325</b>	<b>1,242</b>	<b>853</b>	<b>26,190</b>	<b>96</b>	<b>26</b>	<b>8,214</b>	<b>253,541</b>
Additions	-	-	-	-	-	-	-	-	10,427	10,427
Transfers	67	1,227	7	1,774	737	7,816	-	21	(11,663)	(14)
Other disposals	-	(216)	-	(1)	(3)	(122)	-	-	-	(342)
Adjustments	-	-	-	-	(85)	87	1	-	-	3
Revaluation increments (decrements)	(444)	(1,952)	-	-	-	-	-	-	-	(2,396)
Depreciation	-	(1,979)	(250)	(875)	(427)	(1,323)	(20)	-	-	(4,874)
<b>Carrying amount at 30 June 2017</b>	<b>135,000</b>	<b>78,298</b>	<b>82</b>	<b>2,140</b>	<b>1,075</b>	<b>32,648</b>	<b>77</b>	<b>47</b>	<b>6,978</b>	<b>256,345</b>

## Notes to the Financial Statements

### 5.1 Infrastructure, Property, Plant and Equipment (cont.)

Year ended 30 June 2018	Land \$000	Buildings \$000	Computers and electronic equipment \$000	Furniture \$000	Plant and vehicles \$000	Infrastructure \$000	Leasehold improvements \$000	Works of art \$000	Work in progress \$000	Total \$000
<b>1 July 2017</b>										
Gross carrying amount	135,000	78,303	1,594	6,787	5,262	39,795	278	47	6,978	274,044
Accumulated depreciation		(5)	(1,512)	(4,647)	(4,187)	(7,147)	(201)	-	-	(17,699)
<b>Carrying amount at start of period</b>	<b>135,000</b>	<b>78,298</b>	<b>82</b>	<b>2,140</b>	<b>1,075</b>	<b>32,648</b>	<b>77</b>	<b>47</b>	<b>6,978</b>	<b>256,345</b>
Additions	-	-	-	-	-	-	-	-	5,470	5,470
Transfers	-	1,186	240	520	391	8,680	-	-	(11,017)	-
Other disposals	-	(31)	-	(4)	(11)	-	-	-	-	(46)
Adjustments	-	3	-	-	-	-	-	-	-	3
Revaluation increments (decrements)	-	(1,860)	-	-	-	-	-	-	-	(1,860)
Depreciation	-	(1,987)	(75)	(829)	(425)	(2,222)	(19)	-	-	(5,557)
<b>Carrying amount at 30 June 2018</b>	<b>135,000</b>	<b>75,609</b>	<b>247</b>	<b>1,827</b>	<b>1,030</b>	<b>39,106</b>	<b>58</b>	<b>47</b>	<b>1,431</b>	<b>254,355</b>
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)

# Notes to the Financial Statements

## 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 2017 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 2018 and recognised at 30 June 2018.

**Infrastructure** is independently valued every 3 to 5 years. Infrastructure assets were independently revalued by Griffin Valuation Advisory at 2015.

Fair value for infrastructure assets is determined by reference to the cost of replacing the remaining future economic benefits embodied in the asset, i.e. the current replacement cost. Current replacement cost is generally determined by reference to the market observable replacement cost of a substitute asset of comparable utility and the gross project size specifications, adjusted for obsolescence. Obsolescence encompasses physical deterioration, functional (technological) obsolescence and economic (external) obsolescence.

*Revaluation model:*

Fair value in the absence of market-based evidence:

**Buildings and infrastructure are Specialised or Where Land is Restricted:** Fair value of land, buildings and infrastructure is determined on the basis of existing use.

**Existing Use Buildings and Infrastructure:** Fair value is determined by reference to the cost of replacing the remaining future economic benefits embodied in the asset, i.e. the current replacement cost. Where the fair value of buildings and infrastructure is determined on the current replacement cost basis, the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset and the accumulated depreciation is adjusted to equal the difference between the gross carrying amount and the carrying amount of the asset.

**Restricted Use Land:** Fair value is determined by comparison with market evidence for land with similar approximate utility (high restricted use land) or market value of comparable unrestricted land (low restricted use land).



## Notes to the Financial Statements

**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.

### 5.1.1 Depreciation and Impairment

Change for the Period	2018 \$000	2017 \$000
<b>Depreciation</b>		
Buildings	1,987	1,979
Computers and electronic equipment	75	250
Furniture	829	875
Plant and vehicles	425	427
Leasehold improvements	19	20
Infrastructure	2,222	1,323
<b>Total depreciation for the period</b>	<b>5,557</b>	<b>4,874</b>

As at 30 June 2018 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 exceptions to this rule include assets held for sale, land and investment properties.

Depreciation is generally 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

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.

Land and works of art, which are considered to have an indefinite life, are not depreciated. Depreciation is not recognised in respect of these assets because their service potential has not, in any material sense, been consumed during the reporting period.

## Notes to the Financial Statements

### 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

	Right to receive the Rottneest Dome Building \$000	Computer Software \$000	Total \$000
<b>Year Ended 30 June 2017</b>			
<b>1 July 2016</b>			
Gross carrying amount	778	2,891	3,669
Accumulated amortisation	-	(2,006)	(2,006)
<b>Carrying amount at start of period</b>	<b>778</b>	<b>885</b>	<b>1,663</b>
Additions	-	14	14
Amortisation expense	-	(312)	(312)
<b>Carrying amount at 30 June 2017</b>	<b>778</b>	<b>587</b>	<b>1,365</b>
<b>Year Ended 30 June 2018</b>			
<b>1 July 2017</b>			
Gross carrying amount	778	2,668	3,446
Accumulated amortisation	-	(2,081)	(2,081)
<b>Carrying amount at start of period</b>	<b>778</b>	<b>587</b>	<b>1,365</b>
Amortisation expense	-	(175)	(175)
<b>Carrying amount at 30 June 2018</b>	<b>778</b>	<b>412</b>	<b>1,190</b>

## Notes to the Financial Statements

### Initial Recognition

Acquisitions for intangible assets costing \$5,000 or more and internally generated intangible assets costing \$50,000 or more are capitalised. The cost of utilising the assets is expensed (amortised) over their useful life.

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

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.

### 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	2018 \$000	2017 \$000
Computer software	175	312
<b>Total amortisation for the period</b>	<b>175</b>	<b>312</b>

As at 30 June 2018 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:

Software <sup>(a)</sup>	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.

## NOTE 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	2018 \$000	2017 \$000
Receivables	6.1	1,648	1,438
Other current assets	6.2	147	97
Payables	6.3	7,801	6,819
Other liabilities	6.4	13,519	12,799

## Notes to the Financial Statements

### 6.1 Receivables

	2018 \$000	2017 \$000
<b>Current</b>		
Receivables	545	547
Allowance for impairment of receivables	(23)	(9)
GST receivable	639	417
Interest receivable	289	287
Other receivables	68	61
<b>Total current</b>	<b>1,518</b>	<b>1,303</b>
<b>Non-current</b>		
Accrued revenue	130	136
<b>Total non-current</b>	<b>130</b>	<b>136</b>
<b>Total receivables</b>	<b>1,648</b>	<b>1,438</b>

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

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.

### 6.1.1 Movement of the Allowance for Impairment of Receivables

	2018 \$000	2017 \$000
<b>Reconciliation of changes in the allowance for impairment of receivables</b>		
Balance at the start of period	9	69
Doubtful debts expense	14	(28)
Amounts written off during the period	-	(32)
<b>Balance at end of period</b>	<b>23</b>	<b>9</b>

The collectability of receivables is reviewed on an ongoing basis and any receivables identified as uncollectible are written-off against the allowance account. The allowance for uncollectible amounts (doubtful debts) is raised when there is objective evidence that the Authority will not be able to collect the debts.

### 6.2 Other Assets

	2018 \$000	2017 \$000
<b>Current</b>		
Prepayments	147	97
<b>Total current</b>	<b>147</b>	<b>97</b>

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.

## Notes to the Financial Statements

### 6.3 Payables

	2018 \$000	2017 \$000
Trade payables	7,440	6,498
Accrued expenses	51	49
Accrued salaries	310	272
<b>Total current</b>	<b>7,801</b>	<b>6,819</b>

**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.

### 6.4 Other Liabilities

	2018 \$000	2017 \$000
<b>Current</b>		
Refundable deposits and bonds	12,234	11,719
Leases in advance	100	100
Deferred Income	41	41
Unclaimed money	28	28
Sinking fund provision	24	23
General Provisions	409	66
<b>Total current</b>	<b>12,836</b>	<b>11,977</b>
<b>Non-current</b>		
Deferred Income	350	389
Leases in advance	333	433
<b>Total non-current</b>	<b>683</b>	<b>822</b>
<b>Balance at end of period</b>	<b>13,519</b>	<b>12,799</b>

# Notes to the Financial Statements

## NOTE 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
Reconciliation of cash	7.2.1
Reconciliation of operating activities	7.2.2
Commitments	7.3
Non-cancellable operating lease commitments	7.3.1
Capital commitments	7.3.2
Other expenditure commitments	7.3.3

### 7.1 Finance Costs

	2018 \$000	2017 \$000
Bank Charges	340	295
	340	295

## 7.2 Cash and Cash Equivalents

### 7.2.1 Reconciliation of Cash

	Notes	2018 \$000	2017 \$000
Cash and cash equivalents	8.1	7,819	4,273
Other financial assets (current & non-current)		18,872	18,850
<b>Balance at end of period</b>		<b>26,691</b>	<b>23,123</b>

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.

## Notes to the Financial Statements

### 7.2.2 Reconciliation of Profit After Income Tax Equivalent to Net Cash Flows Provided by/(Used in) Operating Activities

Notes	2018 \$000	2017 \$000
Net cost of services	(6,593)	(650)
<b>Non-cash items</b>		
Depreciation and amortisation expense	5,732	5,186
Net loss on disposal of property, plant and equipment	9	341
Doubtful debts expense	14	(28)
Services received free of charge	45	38
Contribution of assets	(265)	(3,912)
<b>(Increase) / decrease in assets</b>		
Current receivables <sup>(a)</sup>	6	97
Current inventories	(16)	(21)
Other current assets	(50)	21
Non-current receivables	7	(5)
<b>Increase / (decrease) in liabilities</b>		
Current payables <sup>(a)</sup>	778	(6,111)
Current employee related provisions	(132)	(303)
Other current liabilities	859	229
Non-current employee related provisions	(150)	25
Non-current liabilities	(139)	(138)
Net GST receipts / (payments) <sup>(b)</sup>	(119)	370
Change in GST receivables / payables <sup>(c)</sup>	(222)	(6)
<b>Net cash provided by / (used in) operating activities</b>	<b>(236)</b>	<b>(4,867)</b>

(a) Note that the Australian Taxation Office (ATO) receivable / payable in respect of GST and the receivable / payable in respect of the sale / purchase of non-current assets are not included in these items as they do not form part of the reconciling items.

(b) This is the net GST paid / received, i.e. cash transactions

(c) This reverses out the GST in receivables and payables

### 7.3 Commitments

#### 7.3.1 Non-Cancellable Operating Lease Commitments

	2018 \$000	2017 \$000
Commitments for minimum lease payments are payable as follows:		
Within 1 year	339	250
Later than 1 year and not later than 5 years	833	710
	<b>1,172</b>	<b>960</b>

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

### 7.3.2 Capital Expenditure Commitments

	2018 \$000	2017 \$000
Capital expenditure commitments, being contracted capital expenditure additional to the amounts reported in the financial statements, are payable as follows:		
Within 1 year	1,134	1,015
Later than 1 year and not later than 5 years	-	-
Later than 5 years	-	-
	<b>1134</b>	<b>1,015</b>

The totals presented for capital commitments are GST inclusive.

### 7.3.3 Other Expenditure Commitments

	2018 \$000	2017 \$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	16,179	14,825
Later than 1 year and not later than 5 years	58,465	17,015
Later than 5 years	19,163	-
	<b>93,807</b>	<b>31,840</b>

The total presented for other expenditure commitments are GST inclusive.

## NOTE 8. RISKS AND CONTINGENCIES

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

	Notes
Financial risk management	8.1
Contingent assets and liabilities	8.2
Contingent liabilities	8.2.1
Fair value measurements	8.3

### 8.1 Financial Risk Management

Financial instruments held by the Authority are cash and cash equivalents, restricted cash and cash equivalents, loans and receivables, payables.

The Authority has limited exposure to financial risks. The Authority's overall risk management program focuses on managing the risks identified below.

#### (a) Summary of Risks and Risk Management

##### Credit risk

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

The maximum exposure to credit risk at the end of the reporting period in relation to each class of recognised financial asset is the gross carrying amount of those assets inclusive of any allowance for impairment as shown in the table at Note 8.1(c) 'Financial instruments disclosures' and Note 6.1 'Receivables'.



## Notes to the Financial Statements

Credit risk associated with the Authority's financial assets is minimal.

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

### Liquidity Risk

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

The Authority has appropriate procedures to manage cash flows including drawdown of appropriations by monitoring forecast cash flows to ensure that sufficient funds are available to meet its commitments.

### Market Risk

Market risk is the risk that changes in market prices such as foreign exchange rates and interest rates will affect the Authority's income or the value of its holdings of financial instruments. The Authority does not trade in foreign currency and is not materially exposed to other price risks.

The Authority is not exposed to interest rate risk on financial liabilities as all borrowings are finance leases at fixed interest rates. The table at note 8.1(c) details the interest rate sensitivity on cash and cash equivalents and other financial assets, all of which is invested in interest bearing accounts.

### (b) Categories of Financial Instruments

	2018 \$000	2017 \$000
<b>Financial Assets</b>		
Cash & Cash Equivalents	7,819	4,273
Receivables <sup>(a)</sup>	1,009	1,022
Term deposits	18,872	18,850
<b>Total financial assets</b>	<b>27,700</b>	<b>24,145</b>
<b>Financial Liabilities</b>		
Financial Liabilities measured at amortised cost	7,801	6,819
<b>Total financial liability</b>	<b>7,801</b>	<b>6,819</b>

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

## Notes to the Financial Statements

### (c) Ageing Analysis of Financial Assets

	Carrying Amount \$000	Not past due and not impaired \$000	Past due but not impaired					Impaired financial assets \$000
			Up to 1 month \$000	1 - 3 months \$000	3 months to 1 year \$000	1 - 5 years \$000	More than 5 years \$000	
<b>2018</b>								
Cash and cash equivalents	7,819	7,819	-	-	-	-	-	-
Receivables <sup>(a)</sup>	1,009	918	56	17	16	2	-	-
Other financial assets	18,872	18,872	-	-	-	-	-	-
	<b>27,700</b>	<b>27,609</b>	<b>56</b>	<b>17</b>	<b>16</b>	<b>2</b>	-	-
<b>2017</b>								
Cash and cash equivalents	4,273	4,273	-	-	-	-	-	-
Receivables <sup>(a)</sup>	1,022	1,004	11	4	1	2	-	-
Other financial assets	18,850	18,850	-	-	-	-	-	-
	<b>24,145</b>	<b>24,127</b>	<b>11</b>	<b>4</b>	<b>1</b>	<b>2</b>	-	-

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

## Notes to the Financial Statements

### (d) Liquidity Risk and Interest Rate Exposure

The following table details the Authority's interest rate exposure and the contractual maturity analysis of financial assets and financial liabilities. The maturity analysis section includes interest and principal cash flows. The interest exposure section analyses only the carrying amounts of each item.

#### Interest rate exposure and maturity analysis of financial assets and financial liabilities

	Weighted Average Effective Interest rate %	Carrying Amount \$000	Interest rate exposure			Nominal amount \$000	Maturity dates				
			Fixed interest rate \$000	Variable Interest rate \$000	Non-Interest Bearing \$000		Up to 1 month \$000	1 - 3 months \$000	3 months to 1 year \$000	1 - 5 years \$000	More than 5 years \$000
<b>2018</b>											
<b>Financial Assets</b>											
Cash and cash equivalents	1.57	7,819	-	7,092	727	7,819	7,819	-	-	-	-
Receivables (a)		1,009	-	-	1,009	1,009	1,009	-	-	-	-
Other financial assets	2.54	18,872	18,872	-	-	18,872	4,000	8,000	4,872	2,000	-
		<b>27,700</b>	<b>18,872</b>	<b>7,092</b>	<b>1,736</b>	<b>27,700</b>	<b>12,828</b>	<b>8,000</b>	<b>4,872</b>	<b>2,000</b>	<b>-</b>
<b>Financial Liabilities</b>											
Payables		7,801	-	-	7,801	7,801	7,801	-	-	-	-
		<b>7,801</b>	<b>-</b>	<b>-</b>	<b>7,801</b>	<b>7,801</b>	<b>7,801</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

## Notes to the Financial Statements

### (d) Liquidity Risk and Interest Rate Exposure (cont.)

#### Interest Rate Exposure and Maturity Analysis of Financial Assets and Financial Liabilities

	Weighted Average Effective Interest rate	Carrying Amount	Interest rate exposure			Nominal amount	Maturity dates				
			Fixed interest rate	Variable Interest rate	Non-Interest Bearing		Up to 1 month	1 - 3 months	3months to 1 year	1 - 5 years	More than 5 years
	%	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>2017</b>											
<b>Financial Assets</b>											
Cash and cash equivalents	1.5	4,273	-	4,198	75	4,273	4,273	-	-	-	-
Receivables (a)		1,022	-	-	1,022	1,022	1,022	-	-	-	-
Other financial assets	2.93	18,850	18,850	-	-	18,850	3,000	2,500	7,350	6,000	-
		<b>24,145</b>	<b>18,850</b>	<b>4,198</b>	<b>1,097</b>	<b>24,145</b>	<b>8,295</b>	<b>2,500</b>	<b>7,350</b>	<b>6,000</b>	<b>-</b>
<b>Financial Liabilities</b>											
Payables		6,819	-	-	6,819	6,819	6,819	-	-	-	-
		<b>6,819</b>	<b>-</b>	<b>-</b>	<b>6,819</b>	<b>6,819</b>	<b>6,819</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

## Notes to the Financial Statements

### (e) Interest Rate Sensitivity Analysis

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

	Carrying Amount \$000	- 100 basis points		+100 basis points	
		Surplus \$000	Equity \$000	Surplus \$000	Equity \$000
<b>2018</b>					
<b>Financial Assets</b>					
Cash and cash equivalents	7,092	(71)	(71)	71	71
<b>Total Increase/(Decrease)</b>		<b>(71)</b>	<b>(71)</b>	<b>71</b>	<b>71</b>

	Carrying Amount \$000	- 100 basis points		+100 basis points	
		Surplus \$000	Equity \$000	Surplus \$000	Equity \$000
<b>2017</b>					
<b>Financial Assets</b>					
Cash and cash equivalents	4,198	(42)	(42)	42	42
<b>Total Increase/(Decrease)</b>		<b>(42)</b>	<b>(42)</b>	<b>42</b>	<b>42</b>

### 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 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 Environment 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 2017/18 financial year, the Authority continued to invest in monitoring activities to address financial and environmental management commitments. Contaminated sites, including Thomson's Bay (remediated for Restricted Use) and Forbes Hill (possibly contaminated) require investigation.

The Authority committed to undertaking a Contaminated Site Investigation for Forbes Hill in the 2017/18 financial year. The second discharge basin is planned to be tested and the land proposed to be utilized for development.

The proposed development is predicted to reduce the quantity of treated water entering the ground.

The Authority completed an upgrade to the Waste Water Treatment Plant (WWTP) during the 2017/18 financial year which will enable the use of treated waste water for irrigation. The Authority has undertaken a thorough planning process and has submitted relevant approvals.

The WWTP site is recognised as an environmental and potential health risk due to long-term discharge of treated effluent into infiltration/evaporation basins located adjacent to the plant.

## Notes to the Financial Statements

This practice has resulted in a measurable impact on the groundwater quality immediately surrounding the WWTP. Sampling of bores has historically shown elevated nitrogen and phosphorus concentrations as well as the presence of thermo- tolerant coliform. The Authority now operates only one discharge basin which is lined.

### Other

During the 2016/17 financial year the Authority reported a former leaseholder had initiated a dispute in connection with its lease and that this dispute was in arbitration. The matter has continued to be in arbitration throughout the reporting period. The matters falling within the arbitrator's jurisdiction are still in contention. For this reason and because the arbitration is ongoing, it is not possible to reliably quantify any potential obligation.

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 another matters. Insufficient information has been provided about the claim to enable the contingent liability to be quantified.

### 8.3 Fair Value Measurements

Assets Measured at Fair Value: 2018	Level 1 \$000	Level 2 \$000	Level 3 \$000	Fair Value At end of period \$000
Land (Note 5.1)	-	-	135,000	135,000
Buildings (Note 5.1)	-	-	75,609	75,609
Infrastructure (Note 5.1)	-	-	39,106	39,106
	-	-	<b>249,715</b>	<b>249,715</b>

Assets Measured at Fair Value: 2017	Level 1 \$000	Level 2 \$000	Level 3 \$000	Fair Value At end of period \$000
Land (Note 5.1)	-	-	135,000	135,000
Buildings (Note 5.1)	-	-	78,298	78,298
Infrastructure (Note 5.1)	-	-	32,648	32,648
	-	-	<b>245,946</b>	<b>245,946</b>

There were no transfers between Levels 1, 2 or 3 during the current and previous periods.

## Notes to the Financial Statements

Fair Value Measurements Using Significant Unobservable Inputs (Level 3)	Land \$000	Buildings \$000	Infrastructure \$000
<b>2018</b>			
Fair Value at Start of period	135,000	78,298	32,648
Transfers from work in progress	-	1,186	8,680
Adjustments	-	3	-
Revaluation increments / (decrements) recognised in Other Comprehensive Income	-	(1,860)	-
Disposals	-	(31)	-
Depreciation Expense	-	(1,987)	(2,222)
<b>Fair Value at end of period</b>	<b>135,000</b>	<b>75,609</b>	<b>39,106</b>
Total gains or losses for the period included in profit or loss, under "Other Gains"	-	-	-

Fair Value Measurements Using Significant Unobservable Inputs (Level 3)	Land \$000	Buildings \$000	Infrastructure \$000
<b>2017</b>			
Fair Value at Start of period	135,377	81,218	26,190
Transfers from work in progress	67	1,227	7,816
Adjustments	-	-	87
Revaluation increments / (decrements) recognised in Other Comprehensive Income	(444)	(1,952)	-
Disposals	-	(216)	(122)
Depreciation Expense	-	(1,979)	(1,323)
<b>Fair Value at end of period</b>	<b>135,000</b>	<b>78,298</b>	<b>32,648</b>
Total gains or losses for the period included in profit or loss, under "Other Gains"	-	-	-

### Valuation Processes

There were no changes in valuation techniques during the period.

Transfers in and out of a fair value level are recognised on the date of the event or change in circumstances that caused the transfer. Transfers are generally limited to assets newly classified as non-current assets held for sale as Treasurer's instructions require valuations of land, buildings and infrastructure to be categorised within Level 3 where the valuations will utilise significant Level 3 inputs on a recurring basis.

## Notes to the Financial Statements

### Land (Level 3 Fair Values)

Fair value for restricted use land is based on comparison with market evidence for land with low level utility (high restricted use land). The relevant comparators of land with low level utility is selected by the Western Australian Land Information Authority (Valuation Services) and represents the application of a significant Level 3 input in this valuation methodology. The fair value measurement is sensitive to values of comparator land, with higher values of comparator land correlating with higher estimated fair values of land.

### Buildings and Infrastructure (Level 3 Fair Values)

Fair value for existing use specialised buildings and infrastructure assets is determined by reference to the cost of replacing the remaining future economic benefits embodied in the asset, i.e. the depreciated replacement cost. Depreciated replacement cost is the current replacement cost of an asset less accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired economic benefit, or obsolescence, and optimisation (where applicable) of the asset. Current replacement cost is generally determined by reference to the market observable replacement cost of a substitute asset of comparable utility and the gross project size specifications.

Valuation using depreciation replacement cost utilises the significant Level 3 input, consumed economic benefit/obsolescence of asset which is estimated by the Western Australian Land Information Authority (Valuation Services). The fair value measurement is sensitive to the estimate of consumption/obsolescence, with higher values of the estimate correlating with lower estimated fair values of buildings and infrastructure.

### Basis of Valuation

In the absence of market-based evidence, due to the specialised nature of some non-financial assets, these assets are valued at Level 3 of the fair value hierarchy on an existing use basis. The existing use basis recognises that restrictions or limitations have been placed on their use and disposal when they are not determined to be surplus to requirements. These restrictions are imposed by virtue of the assets being held to deliver a specific community service.

## NOTE 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
Future impact of Australian standards issued not yet operative	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

### 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 Future Impact of Australian Accounting Standards not yet Operative

The Authority cannot early adopt an Australian Accounting Standard unless specifically permitted by TI 1101 'Application of Australian Accounting Standards and Other Pronouncements' or by an exemption from TI 1101. Where applicable, the Authority plans to apply the following Australian Accounting Standards from their application date.



## Notes to the Financial Statements

		Operative for Reporting Periods Beginning on/after
AASB9	<p><i>Financial Instruments</i></p> <p>This Standard supersedes AASB139 Financial Instruments: Recognition and Measurement, introducing a number of changes to accounting treatments.</p> <p>The Authority has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2018
AASB15	<p><i>Revenue from Contracts with Customers</i></p> <p>This Standard establishes the principles that the Authority shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The mandatory application date of this Standard is currently 1 January 2019 after being amended by AASB 2016-7.</p>	1 Jan 2019
AASB16	<p><i>Leases</i></p> <p>This Standard introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. The Authority has not yet determined the application or the potential impact of the Standard. The Authority has operating lease commitments of \$1.2M which may need to be recognised in the Statement of Financial Position.</p>	1 Jan 2019
AASB1058	<p><i>Income of Not-for-Profit Entities</i></p> <p>This Standard clarifies and simplifies the income recognition requirements that apply to notforprofit (NFP) entities, more closely reflecting the economic reality of NFP entity transactions that are not contracts with customers. Timing of income recognition is dependent on whether such a transaction gives rise to a liability, or a performance obligation (a promise to transfer a good or service), or, an obligation to acquire an asset. The Authority has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2019
AASB2010-7	<p><i>Amendments to Australian Accounting Standards arising from AASB9 (December 2010) [AASB1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 &amp; 1038 and Int 2, 5, 10, 12, 19 &amp; 127]</i></p> <p>This Standard makes consequential amendments to other Australian Accounting Standards and Interpretations as a result of issuing AASB9 in December 2010.</p> <p>The mandatory application date of this Standard has been amended by AASB20126 and AASB20141 to 1 January 2018. The Authority has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2018
AASB2014-1	<p><i>Amendments to Australian Accounting Standards</i></p> <p>Part E of this Standard makes amendments to AASB9 and consequential amendments to other Standards. It has not yet been assessed by the Authority to determine the application or potential impact of the Standard.</p>	1 Jan 2018

## Notes to the Financial Statements

		Operative for Reporting Periods Beginning on/after
AASB 2014-5	<p><i>Amendments to Australian Accounting Standards arising from AASB 15</i></p> <p>This Standard gives effect to the consequential amendments to Australian Accounting Standards (including Interpretations) arising from the issuance of AASB 15. The mandatory application date of this Standard has been amended by AASB 2015-8 to 1 January 2018.</p> <p>The Authority has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2018
AASB 2014-7	<p><i>Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)</i></p> <p>This Standard gives effect to the consequential amendments to Australian Accounting Standards (including Interpretations) arising from the issuance of AASB 9 (December 2014). The Authority has not yet determined the application or the potential impact of the Standard.</p>	1 Jan 2018
AASB 2015-8	<p><i>Amendments to Australian Accounting Standards – Effective Date of AASB 15</i></p> <p>This Standard amends the mandatory effective date (application date) of AASB 15 Revenue from Contracts with Customers so that AASB 15 is required to be applied for annual reporting periods beginning on or after 1 January 2018 instead of 1 January 2017. For NotForProfit entities, the mandatory effective date has subsequently been amended to 1 January 2019 by AASB 2016-7. The Authority has not yet determined the application or the potential impact of AASB 15.</p>	1 Jan 2019
AASB 2016-3	<p><i>Amendments to Australian Accounting Standards – Clarifications to AASB 15</i></p> <p>This Standard clarifies identifying performance obligations, principal versus agent considerations, timing of recognising revenue from granting a licence, and, provides further transitional provisions to AASB 15. The Authority has not yet determined the application or the potential impact when the deferred AASB 15 becomes effective from 1 January 2019</p>	1 Jan 2018
AASB 2016-7	<p><i>Amendments to Australian Accounting Standards Deferral of AASB 15 for NotforProfit Entities</i></p> <p>This Standard amends the mandatory effective date (application date) of AASB 15 and defers the consequential amendments that were originally set out in AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15 for notforprofit entities to annual reporting periods beginning on or after 1 January 2019, instead of 1 January 2018. There is no financial impact.</p>	1 Jan 2018
AASB 2016-8	<p><i>Amendments to Australian Accounting Standards Australian Implementation Guidance for NotforProfit Entities</i></p> <p>This Standard insert Australian requirements and authoritative implementation guidance for notforprofit entities into AASB 9 and AASB 15. This guidance assists not-for-profit entities in applying those Standards to particular transactions and other events. There is no financial impact.</p>	1 Jan 2019

## Notes to the Financial Statements

### 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 (\$)	2018	2017
30,001 - 40,000	-	1
10,001 - 20,000	6	5
1 - 10,000	2	1
	<b>\$000</b>	<b>\$000</b>
Short term employee benefits	100	100
Post employment benefits	9	9
<b>Total compensation of members of the accountable authority</b>	<b>109</b>	<b>109</b>

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

Compensation of Senior Officers Compensation Bands (\$)	2018	2017
350,001 - 360,000	1	-
300,001 - 310,000	1	-
210,001 - 220,000	-	1
160,001 - 170,000	-	1
150,001 - 160,000	1	1
140,001 - 150,000	1	-
130,001 - 140,000	1	1
120,001 - 130,000	-	1
80,001 - 90,000	1	-
60,001 - 70,000	-	1
40,001 - 50,000	1	2
	<b>\$000</b>	<b>\$000</b>
Short term employee benefits	856	789
Post employment benefits	100	83
Other long term benefits	92	81
Termination benefits	174	-
<b>Total Compensation of key management personnel</b>	<b>1,222</b>	<b>953</b>

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

## Notes to the Financial Statements

### 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 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).

### Significant Transactions with Government-related Entities

In conducting its activities, the Authority is required to transact with the State and entity related to the state. These transactions are generally based on the standard terms and conditions that apply to all agencies. Such transactions include:

- service appropriation – (Note 4.1)
- superannuation payment to GESB (\$1,048K) – (Note 3.1a)
- lease rental payments to Fremantle Ports (\$252K) – (Note 3.3)
- remuneration for services provided by the Auditor General – (Note 9.5)
- services received free of charge from State Solicitor’s Office – (Note 4.1)
- commitments for future lease payments to Fremantle Ports (\$1,091K) – (Note 7.3.1)

### Material Transactions with 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.

### 9.5 Related Bodies or 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:

	2018 \$000	2017 \$000
Auditing the accounts, financial statements, controls and performance indicators	108	106

## Notes to the Financial Statements

### 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.

	2018 \$000	2017 \$000
<b>Contributed Equity</b>		
Balance at start of period	50,032	50,032
Contributions by owners	-	-
Distribution to owners	-	-
<b>Balance at end of Period</b>	<b>50,032</b>	<b>50,032</b>

	2018 \$000	2017 \$000
<b>Reserves</b>		
<b>Asset revaluation surplus</b>		
Balance at the start of period	194,872	197,268
Net revaluation increments/(decrements)		
– Land	-	(444)
– Buildings	(1,860)	(1,952)
– Infrastructure	-	-
<b>Balance at end of period</b>	<b>193,012</b>	<b>194,872</b>

	2018 \$000	2017 \$000
<b>Accumulated surplus</b>		
Balance at start of period	15,666	7,626
Result for the period	2,121	8,040
<b>Balance at end of period</b>	<b>17,787</b>	<b>15,666</b>
<b>Total equity at end of period</b>	<b>260,831</b>	<b>260,570</b>

### 9.8 Supplementary Financial Information

	2018 \$000	2017 \$000
<b>Write-offs Approved by the Accountable Authority</b>		
Amounts already provided for and written off as uncollectible	-	32
	-	<b>32</b>

# Notes to the Financial Statements

## 9.9 Explanatory Statement

All variances between estimates (original budget) and actual results for 2018, and between the actual results for 2018 and 2017 are show below. Narratives are provided for key major variances, which are generally greater than:

- 5% and \$810K (2% of total costs of services) for the Statements of Comprehensive Income and Cash Flows, and
- 5% and \$5,612K (2% of total Assets) for the Statement of Financial Position.

### 9.9.1 Statement of Comprehensive Income Variances

	Variance Note \$000	Estimate 2018 \$000	Actual 2018 \$000	Actual 2017 \$000	Variance between estimate and actual \$000	Variance between actual results for 2018 and 2017 \$000
<b>Expenses</b>						
Cost of sales		430	456	434	26	22
Employee benefits expense	A	11,590	11,554	10,360	(36)	1,194
Supplies and services	B	27,060	27,169	23,077	109	4,092
Depreciation and amortisation expense		5,723	5,732	5,186	9	546
Finance Costs		345	340	295	(5)	45
Accommodation expenses		303	353	369	50	(16)
Other expenses		1,079	1,024	770	(55)	254
<b>Total cost of services</b>		<b>46,530</b>	<b>46,628</b>	<b>40,491</b>	<b>98</b>	<b>6,137</b>
<b>Income</b>						
<i>Revenue</i>						
Sales		510	658	535	148	123
User charges and fees	1, C	35,154	38,130	34,744	2,976	3,386
Commonwealth grants and contributions	D	-	93	3,661	93	(3,568)
Interest revenue		578	587	616	9	(29)
Other revenue		190	576	626	386	(50)
<b>Total Revenue</b>		<b>36,432</b>	<b>40,044</b>	<b>40,182</b>	<b>3,612</b>	<b>(138)</b>

## Notes to the Financial Statements

### 9.9.1 Statement of Comprehensive Income Variances (Cont.)

	Variance Note \$000	Estimate 2018 \$000	Actual 2018 \$000	Actual 2017 \$000	Variance between estimate and actual \$000	Variance between actual results for 2018 and 2017 \$000
Gains/(loss)						
Gain(loss) on disposal of non-current assets		(212)	(9)	(341)	203	332
<b>Total Gains</b>		<b>(212)</b>	<b>(9)</b>	<b>(341)</b>	<b>203</b>	<b>332</b>
<b>Total income other than income from State Government</b>		<b>36,220</b>	<b>40,035</b>	<b>39,841</b>	<b>3,815</b>	<b>194</b>
<b>NET COST OF SERVICES</b>		<b>10,310</b>	<b>6,593</b>	<b>650</b>	<b>(3,717)</b>	<b>5,943</b>
<b>Income from State Government</b>						
Service Appropriation		8,653	8,669	8,652	17	17
Service received free of charge		62	45	38	(18)	7
<b>Total income from State Government</b>		<b>8,715</b>	<b>8,714</b>	<b>8,690</b>	<b>(1)</b>	<b>24</b>
<b>SURPLUS(DEFICIT) FOR THE PERIOD</b>		<b>(1,595)</b>	<b>2,121</b>	<b>8,040</b>	<b>3,716</b>	<b>(5,919)</b>
<b>OTHER COMPREHENSIVE INCOME</b>						
<b>Items not reclassified subsequently to profit or loss</b>						
Changes in asset revaluation surplus		-	(1,860)	(2,396)	(1,860)	536
<b>Total other comprehensive income</b>		<b>-</b>	<b>(1,860)</b>	<b>(2,396)</b>	<b>(1,860)</b>	<b>536</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>(1,595)</b>	<b>261</b>	<b>5,644</b>	<b>1,856</b>	<b>(5,383)</b>

#### Major Estimate and Actual (2018) Variance Narratives

1. User charges and fees increased by \$2,976 (8%) mainly due to the increased visitor numbers.

#### Major Actual (2018) and Comparative (2017) Variance Narratives

- A. Employee benefit expenses increased by \$1.2M (12%) due to a combination of Voluntary Targeted Separation Scheme payments linked to Machinery of Government changes and costs associated with organisational restructure following the Public Service Commission Governance Review 2016.
- B. Supplies and services increased by \$4.0M (18%) due to the increased building maintenance costs (roofing projects).
- C. User charges and fees increased by \$34M (10%) mainly due to the increased visitor numbers.
- D. Commonwealth grants and contributions decreased by \$3.6M due to the contribution of assets from Australian Renewable Energy Agency in prior year.

## Notes to the Financial Statements

### 9.9.2 Statement of Financial Position Variances

Variance Note \$000	Estimate 2018 \$000	Actual 2018 \$000	Actual 2017 \$000	Variance between estimate and actual \$000	Variance between actual results for 2018 and 2017 \$000
<b>ASSETS</b>					
<b>Current Assets</b>					
Cash and cash equivalents	4,387	7,819	4,273	3,432	3,546
Inventories	173	210	193	37	17
Receivables	2,498	1,518	1,303	(980)	215
Other current financial assets	15,750	16,872	12,850	1,122	4,022
Other current assets	484	147	97	(337)	50
<b>Total Current Assets</b>	<b>23,292</b>	<b>26,566</b>	<b>18,716</b>	<b>3,274</b>	<b>7,850</b>
<b>Non-Current Assets</b>					
Infrastructure, property, plant and equipment	253,318	254,355	256,345	1,037	(1,990)
Intangible assets	1,590	1,190	1,365	(400)	(175)
Receivables	136	130	136	(6)	(6)
Other non-current financial assets	2,276	2,000	6,000	(276)	(4000)
<b>Total Non-Current Assets</b>	<b>257,320</b>	<b>257,675</b>	<b>263,846</b>	<b>355</b>	<b>(6,171)</b>
<b>TOTAL ASSETS</b>	<b>280,612</b>	<b>284,241</b>	<b>282,562</b>	<b>3,629</b>	<b>1,679</b>



## Notes to the Financial Statements

### 9.9.2 Statement of Financial Position Variances (Cont.)

	Variance Note \$000	Estimate 2018 \$000	Actual 2018 \$000	Actual 2017 \$000	Variance between estimate and actual \$000	Variance between actual results for 2018 and 2017 \$000
<b>LIABILITIES</b>						
<b>Current Liabilities</b>						
Payables		11,559	7,801	6,819	(3,758)	982
Employee related provisions		2,009	1,565	1,697	(444)	(132)
Other current liabilities		12,961	12,836	11,977	(125)	859
<b>Total Current Liabilities</b>		<b>26,529</b>	<b>22,202</b>	<b>20,493</b>	<b>(4,327)</b>	<b>1,709</b>
<b>Non-Current Liabilities</b>						
Employee related provisions		652	525	677	(127)	(152)
Other non-current liabilities		-	683	822	683	(139)
<b>Total Non-Current liabilities</b>		<b>652</b>	<b>1,208</b>	<b>1,499</b>	<b>556</b>	<b>(291)</b>
<b>TOTAL LIABILITIES</b>		<b>27,181</b>	<b>23,410</b>	<b>21,992</b>	<b>(3,771)</b>	<b>1,418</b>
<b>NET ASSETS</b>		<b>253,431</b>	<b>260,831</b>	<b>260,570</b>	<b>7,400</b>	<b>261</b>
<b>EQUITY</b>						
Contributed equity		50,032	50,032	50,032	-	-
Reserves		197,268	193,012	194,872	(4,256)	(1,860)
Accumulated surplus		6,131	17,787	15,666	11,656	2,121
<b>TOTAL EQUITY</b>		<b>253,431</b>	<b>260,831</b>	<b>260,570</b>	<b>7,400</b>	<b>261</b>

#### Major Estimate and Actual (2018) Variance Narratives

Nil

#### Major Actual (2018) and Comparative (2017) Variance Narratives

Nil

## Notes to the Financial Statements

### 9.9.3 Statement of Cash Flow Variances

	Variance Note \$000	Estimate 2018 \$000	Actual 2018 \$000	Actual 2017 \$000	Variance between estimate and actual \$000	Variance between actual results for 2018 and 2017 \$000
<b>CASH FLOW FROM STATE GOVERNMENT</b>						
Service appropriation		8,653	8,669	8,652	16	17
Net cash provided by State Government		8,653	8,669	8,652	16	17
<b>Utilised as follows:</b>						
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
<b>Payments</b>						
Employee benefits	E	(13,069)	(12,321)	(10,668)	748	(1,653)
Supplies and services	F	(27,273)	(26,637)	(29,222)	636	2,585
Finance costs		-	(340)	(295)	(340)	(45)
GST payments on purchases		(2,945)	(3,491)	(3,260)	(546)	(231)
GST payments to taxation authority		(559)	(665)	-	(106)	(665)
Other payments		(677)	(1,033)	(1,467)	(356)	434
<b>Receipts</b>						
Sale of goods and services		535	658	535	123	123
User charges and fees	2, G	34,591	38,568	34,807	3,977	3,761
Interest received		813	584	700	(229)	(116)
GST receipts on sales		3,504	4,037	3,624	533	413
GST receipts from taxation authority		-	-	6	-	(6)
Other Receipts		556	404	373	(152)	31
<b>Net cash provided by/ (used in) operating activities</b>		<b>(4,524)</b>	<b>(236)</b>	<b>(4,867)</b>	<b>4,288</b>	<b>4,631</b>

## Notes to the Financial Statements

### 9.9.3 Statement of Cash Flow Variances (Cont.)

Variance Note \$000	Estimate 2018 \$000	Actual 2018 \$000	Actual 2017 \$000	Variance between estimate and actual \$000	Variance between actual results for 2018 and 2017 \$000
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
<b>Payments</b>					
Purchase of non-current assets	(4,365)	(4,902)	(4,272)	(537)	(630)
<b>Receipts</b>					
Proceeds from sale of non-current assets	-	37	-	37	37
<b>Net cash (used in) investing activities</b>	<b>(4,365)</b>	<b>(4,865)</b>	<b>(4,272)</b>	<b>(500)</b>	<b>(593)</b>
Net increase (decrease) in cash and cash equivalents	(236)	3,568	(487)	3,804	4,055
Cash and cash equivalents at the beginning of the period	22,623	23,123	23,610	500	(487)
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>22,387</b>	<b>26,691</b>	<b>23,123</b>	<b>4,304</b>	<b>3,568</b>

#### Major Estimate and Actual (2018) Variance Narratives

2. User charges and fees receipts increased by \$3,977K (11%) is due to the increased visitor to the island in 2017/2018.

#### Major Actual (2018) and Comparative (2017) Variance Narratives

E. Employee benefits payments increased by \$1,167K (11%) is mainly due to the Voluntary Service Payments in 2017/2018.

F. Suppliers and services payments decreased by \$2,99K (7%) is mainly due to the additional payments in 2017 (Payables decreased by \$3,866K as of 30 June 2017 compared to the same point in time in 2016).

G. User charges and fees receipts increased by \$3,761K (11%) which is in line with the increased revenue in 2017/2018.

## Certification of Key Performance Indicators **For reporting period ended 30 June 2018**

We hereby certify that the performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Rottnest Island Authority's performance and fairly represent the performance of the Rottnest Island Authority for the financial year ended 30 June 2018.



Sydney Tong  
**Chief Finance Officer**

13 September 2018



Robert McDonald  
**Member of Accountable Authority**

13 September 2018



John Langoulant  
**Chairman of Accountable Authority**

13 September 2018

# Key Performance Indicators

## Desired Outcome

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

*Plants and animals are conserved and habitat, ecosystem and landscape-scale conservation utilises evidenced based science.*

Rottnest Island Authority's (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.

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

### Government Goal: Better Places

Ensuring a quality environment with liveable and affordable communities and vibrant regions.

Key Performance Indicators	Services Provided to the Community
<b>EFFECTIVENESS</b> Average level of visitor satisfaction at Rottnest Island Biodiversity health of Rottnest Island	Visitor Services and Public Programs provided at Rottnest Island
<b>EFFICIENCY</b> Average cost per Visitor at Rottnest Island Average cost per Hectare of Wildlife Habitat	Conserving Habitats, Species and Ecological Communities

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 year's results are included (where available) to enable performance trends to be identified.

## Effectiveness Indicators

### Average level of visitor satisfaction at Rottnest Island

An independent research company is engaged to survey the Island's visitors. Visitors are selected at random and requested to complete questionnaires. In 2017-18 there were 1,792 completed questionnaires providing a confidence level of 95% with an error rate of +/- 2.31 %.

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

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

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

### Average level of visitor satisfaction at Rottnest Island

Visitor Rating	2017-18 Target	2017-18 Result	2016-17 Result	2015-16 Result	2014-15 Result	2013-14 Result
Met or exceeded expectations	97%	97%	97%	97%	97%	97%

### Comments:

**Visitors continue to rate their experience at a high level similar to previous years.**

## Key Performance Indicators

### Biodiversity Health of Rottnest Island

The Nature Conservancy’s Conservation Action Planning (CAP) process has been applied internationally to thousands of conservation estates. In 2011, RIA adopted CAP as its standard for planning, implementing and measuring success of its conservation practices on the Island. Through the CAP process, five focal conservation targets were established:

1. Woodland Heath
2. Limestone Heath
3. Coastal Habitat
4. Wetlands
5. Quokkas

Indicator and acceptable ranges of variation were established for each focal target in order to determine the current and desired viability status (or ‘health’) of each target. These were established through a series of workshops, consultation with key stakeholders and environmental advisors, and analysis of past research and monitoring data.

Monitoring for each indicator is undertaken in accordance with monitoring programs and the required frequencies. Note that not all indicators are monitored annually, monitoring frequency is shown in each annual indicator report.

A 3 year PHD Research Project on Quokka demographic and population has been completed in 2017 and viability assessment criteria determined. A Quokka Monitoring Program has been developed and monitoring planned to commence October 2018. It is anticipated that reporting against the proposed Quokka viability framework shall commence in 2019.

The viability status reflects the ‘health’ of the associated conservation target, which in more general terms indicates the ability of plants and animals being conserved and habitat, ecosystem and landscape-scale conservation utilises evidence-based science.

The rating scales of **very good**, **good**, **fair** or **poor** are based on a quantitative assessment for each aspect. However, the quantitative measure for each aspect is different. The ratings for each aspect are then averaged to arrive at an overall rating. The results for the year are provided in the table below:

### Biodiversity Health of Rottnest Island

2017-18 Target	2017-18 Result	2016-17 Result	2015-16 Result	2014-15 Result	2013-14 Result
Rating Good (75%)	Rating Good (83%)	Rating Good (82%)	Rating Good (83%)	Rating Good (81%)	Rating Good (83%)

#### Comments:

**The health of the Rottnest Island’s biodiversity continues to be maintained.**

## Efficiency Indicators

### Visitor Services and Public Programs Provided at Rottnest Island

This indicator reflects the cost of providing Rottnest Island’s recreational and holiday services on a per visitor basis. For the purposes of this indicator, visitors are defined as those people arriving by commercial ferry services, boats and aircraft. The indicator is intended to track the level of resources used to service Rottnest Island visitors.

The indicator is calculated by dividing the total annual cost of providing all holiday and recreation related services to visitors, by the number of visitors for the year.

Title	2017-18 Target	2017-18 Result
Average cost per Visitor on Rottnest Island	\$72	\$62

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

#### Comments:

**The 2017-18 result is significantly better than the target due to the substantial increase in visitor numbers, which exceeded the budgeted target by over 104,600 visits (16.6%).**

## Key Performance Indicators

### Conserving Habitats, Species and Ecological Communities

This indicator concerns the cost of conserving Rottneest Island's natural environment. 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 Rottneest Island Reserve's total area of 5,659 hectares. The Reserve refers to the land and waters defined in Part 1 of the *Rottneest Island Authority Act 1987*.

Title	2017-18 Target	2017-18 Result
Average cost per Hectare of Wildlife Habitat	\$238	\$264

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

#### Comments:

**The average costs in 2017-18 are higher than expected due to the costs associated with implementation of new initiatives (e.g. Conservation Action Plan, Woodland Plan) and the additional expenditure required to manage wildlife (in particular, protection of quokkas).**

Due to the amalgamation with the Department of Biodiversity, Conservation and Attractions results prior to 2015-17 have not been included in this report as the methodology for calculating average costs has changed.

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