

Annual Report

for the year ended 30 June 2004

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Responsibility And Access

Responsible Minister

Minister for Tourism
Bob Kucera APM JP MLA

Accountable Authority

Rottnest Island Authority

Access

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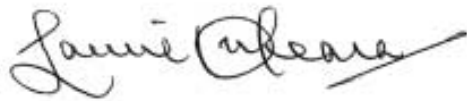


Letter of Transmittal

To Bob Kucera APM JP MLA
Minister for Tourism

In accordance with the *Financial Administration and Audit Act 1985* (Section 66), we hereby submit for your information and presentation to Parliament, the Annual Report of the Rottnest Island Authority for the financial year ending 30 June 2004.

The Annual Report has been prepared in accordance with the provisions of the *Financial Administration and Audit Act 1985*.



Laurie O'Meara
Acting Chairman

31 August 2004



Mimi Secco
Member

31 August 2004

Enabling Act

The Rottnest Island Authority was established under the Rottnest Island Authority Act 1987.

About The Rottnest Island Authority

Rottnest Island

Rottnest Island is one of Western Australia's favourite holiday experiences. Low-key, nature based holidays are offered in an environment with unique marine and terrestrial features and important Aboriginal and colonial heritage.

The Island, an A-Class Reserve, is 18 kilometres from the Port of Fremantle and is managed by a statutory body, the Rottnest Island Authority (the Authority).

Approximately 1900 hectares, containing 200 hectares of 'settlement' area and 200 hectares of salt lakes and swamps, make up the terrestrial area of the Rottnest Island Reserve. The marine portion of the Reserve consists of approximately 3800 hectares of sea surrounding the Island.

The Island was declared an A-Class Reserve in 1917. The purpose of the Rottnest Island Reserve was amended in June 2003 under the *Land Administration Act 1997* from 'public recreation' to 'for the purposes of the *Rottnest Island Authority Act 1987*' in recognition of the conservation values of the natural environment and the rich heritage of Rottnest Island.

Powers of the Authority

The *Rottnest Island Authority Act 1987* (the Act) gives the Authority the power to control and manage the Island for the following purposes:

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

The Act creates the Rottnest Island Authority as a statutory body.

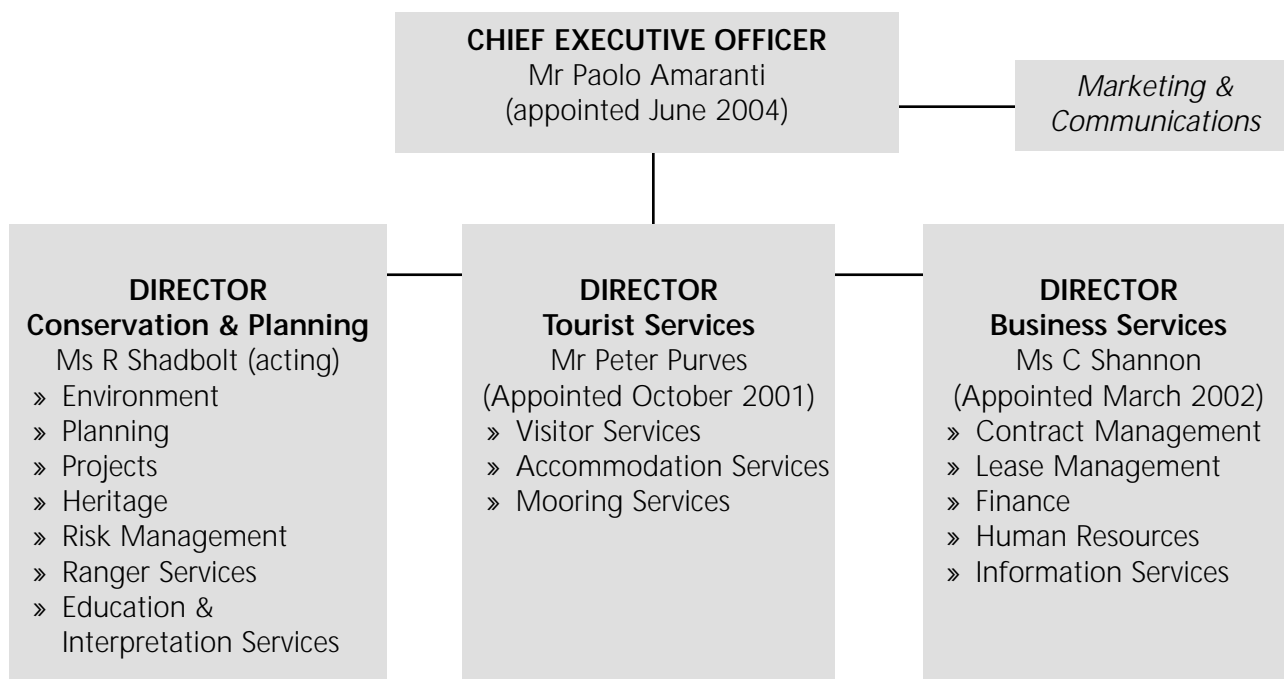
Organisational Structure

The Authority consists of a Chairman and 5 other members appointed by the Governor on the nomination of the Minister for Tourism. The Minister appoints a Deputy Chairman.

The Chief Executive Officer is responsible for providing strategic leadership in the achievement of the Authority's objectives and to manage, subject to the control of the Board of the Authority, the day to day operations of the Authority.

This year, an annual average of 106 staff supported the Chief Executive Officer. Staffing levels vary in response to seasonal requirements, with this year's staffing levels affected by the Authority resuming management of the Rottnest Island Hotel. The operations of the organisation are managed under 3 directorates as outlined in the following chart.





Strategic Plan

Vision

The Authority's vision **Rottnest: Forever Magic** reflects the community's wish that the unique Rottnest Island experience be preserved for future generations of Western Australians.

Mission

Rottnest Island provides holidays for Western Australians and other visitors while sustaining the Island's natural environment and unique heritage.

Goals

The Authority has 3 goals:

- » Rottnest Island provides a unique holiday experience that is accessible to Western Australians and other visitors;
- » Rottnest Island's environment and heritage be conserved and enhanced as a model of sustainability; and
- » The Authority conducts its business responsibly and in a way that is sustainable and beneficial to the Island.

Corporate Objectives

Outcome for Government

The Rottnest Island Authority has 1 outcome for Government, *"Provision of accessible recreational and holiday facilities, appropriate to the Island environment, for the benefit of Western Australian families and other visitors, and the conservation of natural and cultural values"*.

The success of this objective is measured against 2 outputs that reflect the core activities of the Authority and align with the Government's Strategic Planning Framework (SPF).

Output One - Provision of Services to Visitors (SPF: People and Communities)

The Authority provides and operates accessible recreational and holiday facilities on Rottneest Island with particular regard to the needs of people normally resident in Western Australia who visit or holiday on the Island as a family group.

Output Two - Conservation of the Natural and Cultural Environment (SPF: The Environment)

The Authority maintains, protects, restores and interprets the Island's natural and cultural environment.

Meeting the Government's Strategic Planning Framework

The Authority ensures it conducts its business responsibly meeting the SPF goal of "Governance" as required under the guidelines. In particular the Authority is cognisant of the State Sustainability Strategy. Since the release of the Strategy in September 2003 the Authority has established the timeline and processes relevant to those actions for which the Authority is responsible, these include ensuring:

- » Sustainability principles and practices are incorporated into the on-going implementation of the *Rottneest Island Management Plan 2003-2008*, including the review of the *Rottneest Island Authority Act 1987*;
- » The Authority creates a 'sustainability action plan' by December 2004; and
- » The resource entitled "Consulting Citizens" is used in all future consultation programs.

Financial Overview

The year has been challenging for the Authority. Since the last annual report the Authority has undergone considerable review by the Office of the Auditor General and the subsequent Rottneest Island Taskforce. While the Authority's operations have been reviewed, there was confirmation of a new Chief Executive Officer towards the end of the year and the departure of the Authority Chairman. The reporting year of 2004/2005 will see a refocus and refining of the way the Authority manages its operations which will result in an improved position for the Authority over the next few years.

The full year financial result for 2003/2004 reflects that the Authority did not meet the budgeted projection of a net loss of \$1.382 million and posted a net loss from ordinary activities of \$2.7 million. There were a number of factors that contributed to this variance.

The Authority did not proceed with the construction of a wind-turbine. Accordingly, the Authority did not progress an application for \$1 million in Commonwealth grant funding through the Australian Greenhouse Office as indicated in the 2003/2004 Financial Estimates. The Taskforce report, which was released on 31 May 2004, recommended that the Authority proceed with a revised wind turbine project, which includes the installation of 2 low load diesel generators, to improve fuel savings. The State Government has provided funding of \$2.6 million towards this project, as part of a \$20 million funding program, and it will proceed in 2004/2005. The Authority will apply to the Australian Greenhouse Office for grant funding to be made available in the 2004/2005 financial year.

Also affecting the year-end result was the resumption of direct operational management control of the Rottneest Island Hotel. Effective 1 April 2004, the Authority became directly responsible for all aspects of the Hotel's operations, including staff. As anticipated by the Authority, resuming the business at the start of the low season would result in the Authority incurring an operating loss during 2003/2004. Indications are to date that over a full financial year however, the Hotel will return a profit to the Authority. The Authority is proceeding with a range of improvements to the premises, the majority of which address issues of visitor safety and management of risk. A consequence of this work will be the improved amenity of the premises, which is expected to generate a better return from the business.

Overall, revenue generated by core tourist services functions such as the provision of holiday accommodation, tours and facilities and the collection of admission fees including those associated with boating, while 1.5% greater than last year, were lower than budget by 2.9%.

Summary of Financial Performance 2003/2004

	<i>2000/01</i>	<i>2001/02</i>	<i>2002/03</i>	<i>2003/04</i>
	<i>(\$'000)</i>	<i>(\$'000)</i>	<i>(\$'000)</i>	<i>(\$'000)</i>
Total revenue from ordinary activities	19,348	20,307	20,620	20,231
Total expenses from ordinary activities	22,052	24,580	24,230	22,946
Profit/Loss from ordinary activities before grants and subsidies from Government	(2,704)	(4,273)	(3,610)	(2,715)



The Year's Highlights and Achievements

The year was characterised by the very public recognition of challenges faced by the Rottneest Island Authority in managing for a sustainable future and the significant hope for revival provided through a \$20 million State Government injection to the Island toward the end of the reporting year.

In conjunction with planning for the Island's long term future, the Authority finalised a number of planned initiatives and responded to important issues arising during the year. It also continued to receive accolades for its attractions and staff.¹

Key highlights for the Authority this year include:

- » A commitment by the State Government of \$20 million over the next 6 years towards a program of repairs and renovations that supports the findings of the Rottneest Island Taskforce that some aspects of the Island's infrastructure require immediate attention.
- » The commencement of a comprehensive unit refurbishment program at Fays Bay and Longreach at a cost of \$3.7 million. Changes to the units will provide a new quality of accommodation on the Island including soft furnishings, microwaves, flyscreens, overhead fans and an exciting new range of colour schemes.
- » Conservation works undertaken to Cottages F and G between May and October 2003 at a cost of \$320,000. Works included the reconstruction of the timber verandahs, the removal of asbestos roof coverings, the limewashing of the building and improvements to the interior based on traditional colour schemes and design.
- » Rottneest Island Authority named as a finalist in the Heritage Council of Western Australia's annual awards in March 2004. The Authority received recognition for its commitment to conserving, interpreting and promoting places of cultural heritage significance.
- » Rottneest Island Authority named as a finalist in the Major Tourist Attraction category of the Western Australian Tourism Awards.
- » The introduction of a new trial mooring system seeking to expand the number of users on a more equitable basis. A thorough assessment of the trial system will be made prior to any further decision on moorings management.
- » The completion of a Strategic Waste and Resource Management Plan which provides a wholistic strategy taking into account extensive preliminary research which includes waste audits and broad consultation resulting in a plan tailored to the Island's needs.
- » The launch of 'Marine 1', a purpose built boat for the use of Rangers in undertaking their duties and when supporting other groups working around the Island. The boat was built and fitted in Western Australia at a cost of \$154,000.
- » Establishment of the Honorary Bay Ranger program to improve communications between the Authority and the Rottneest Island boating community. Eight bay rangers received training over the 2003/2004 summer.
- » The delivery of the new self-propelled railcar, the "Captain Hussey", named after Brigadier Frank Hussey who was involved with the Army's construction of the railway to the Oliver Hill and Bickley Bay Batteries. The railcar was built with volunteer assistance and delivered at a cost of \$171,500.
- » The continued modernisation and diversification of the Authority's Bike Hire fleet with the purchase of \$100,000 worth of new bikes. A total of 504 bikes to suit various ages and skills complement the 400 new bikes bought the previous year.

¹ Market Equity *Evaluating the Rottneest Island Experience 2003/2004* July 2004

- » Construction of a water access ramp, based on the principles of 'universal access' in North Thomson Bay at a cost of \$66,000. The ramp is suited to a wide range of people with varying degrees of mobility impairment.
- » A dedicated wildlife station established and fitted out for the treatment and observation of sick and injured wildlife. The station was built with extensive assistance of volunteers.
- » An improved approach to quokka management with the development of policy and guidelines for the management of compromised quokkas. A new quokka brochure and poster to inform visitors about the Island's favourite mammal was also produced raising awareness of the need for minimising human contact.
- » Hosting of this year's New Year's Eve celebrations saw a more peaceful and family orientated night than in previous years. New strategies and limits were introduced to ensure celebrations were held according to the resources and facilities available on the night.
- » Introducing new strategies for the school leavers' celebrations, including providing an area in Geordie Bay and Longreach exclusive to their needs, which resulted in the most positive feedback from leavers and parents to-date.
- » The launch of an innovative 'quality-range' of exclusive Rottnest Island merchandise. The merchandise was well received in its first year, achieving approximately 20% of overall visitor centre retail sales.
- » Celebration of 2004 as the "Year of the Built Environment" with the launch of a new booklet: "A Guide to the Historic Buildings of the Thomson Bay Settlement", with an accompanying exhibition and open inspections of heritage buildings for members of the public.
- » Discovery of an ancient stone tool on Rottnest Island in July 2003. Experts from the Australian National University are dating the tool. Preliminary estimates suggest it might be at least 50,000 years old.
- » Installation of a new beach access at Lady Edeline Beach (Narrowneck) reducing beach erosion along this beach system.
- » Development of a nutrient testing program for marine waters including the use of a donated Zodiac vessel and \$5000 donated through Coastwest.
- » The inaugural meeting of the new Rottnest Island Cultural Heritage Advisory Committee which aims to provide expert advice on the appropriate management of the Island's valuable heritage assets.
- » Education Officer, Jodi Ingram being a finalist in the Sir David Brand Young Achiever Medal in the Western Australian Tourism Awards.
- » The resumption of management of the Rottnest Island Hotel on 1 April 2004 to enable the Authority to assess the value of the business to the Island.

Chairman's Statement

The year under review was a watershed – a time when the business sustainability of Rottnest was fully recognised as a priority and a time when decisive action was taken to remedy the situation.

It became clear that the limited revenue stream was becoming increasingly insufficient to meet the wide range of capital, maintenance and operational costs demanded. The cost of maintaining the physical environment, both terrestrial and marine, with the preservation of priceless heritage buildings had for some time threatened the viability of the operation.

To this was added the high cost of providing infrastructure such as water, power and sewerage disposal. These are not services usually required of a local authority or a holiday destination. I see the Rottnest Island Authority as a combination of these two entities. The lack of economy of scale and the punitive transportation costs from the mainland combine to raise water and electricity charges to levels which affect all Island businesses including the core business of accommodation.

This issue was highlighted by the Auditor General in his report entitled "*Turning the Tide*". In the summary he observed that "Cost growth has increased at more than double the rate of revenue growth".

The subsequent Rottnest Island Taskforce's "Open for Business" blueprint addressed this issue in several ways. The report suggested the development of a more client focused and outward looking style of management. The report also recommended utilisation and integration with other government agencies. As an example of this, the Island will acquire the status of a national park with its non-settlement areas managed by the Department of Conservation and Land Management.

The Board of the Authority welcomed the report of the Taskforce noting that a number of proposals in the Authority's "*Rottnest Island Management Plan 2003-2008*" were given prominence. The decision of the Government to back the Taskforce recommendations with additional funding of \$20 million was seen by the Board as a clear indication that the Government was dedicated to the long-term sustainability of the Island.

The challenge has been clearly put to the Authority to use this considerable assistance to repair the degradation of the Island's utilities, heritage and accommodation assets as the base for establishing long term financial viability.

The Rottnest Island Authority, its Board and staff accept this challenge and place on record deep appreciation to the Government for this critical and timely injection of funds.

Several initiatives of the Board were placed on hold when the Taskforce was set up to carry out its overview of the infrastructure. The decision not to progress the redevelopment of the liquor outlet known locally as the Quokka Arms attracted considerable media attention. This decision was deemed appropriate as the revenue from this operation was considered essential to assist the viability of the new accommodation facility proposed by the Taskforce.

The high level of media interest underlines the continuing interest and affection the Western Australian public has for Rottnest. It has been said in jest but with possibly a degree of accuracy that there are 1.4 million West Australians who have firm ideas on how to manage Rottnest. This interest was tangibly expressed by the Government when during the State's 175th Anniversary year it declared Rottnest Island a "Heritage Icon".



The increasing number of boat owners capable of making the trip to Rottnest has put the system of mooring licence management under stress. A trial system involving an extended "Authorised User" concept was introduced during the season to broaden the availability of mooring access. This has proven to be very workable and could well be adopted as the future policy.

Another innovative trial was the training of volunteer boating persons as Honorary Bay Rangers. Using their knowledge of the regulations and policies these volunteers act as information officers to the boating community to ensure that conflict and environmental or mooring abuse is minimised.

The Board introduced new approaches to the management of the increasing stress on staff and facilities during school leavers celebrations and New Years Eve. Whilst not wishing to dampen the fun of these events it is essential that the comfort, safety and enjoyment of families and tourists to the Island does not suffer. There has been general agreement that these initiatives achieved their goal.

Rottnest Island has a national and to some extent an international profile along with other tourist areas like Margaret River and Broome. Because of its pristine environment and sympathetic physical development, Rottnest is naturally featured in most of the State's destination marketing. The result is a regular stream of day tripping tourists bringing much needed revenue to support the business of the Island.

The Taskforce recognised the need for a new accommodation style to cater for these visitors, to hold them longer and to broaden their experience as they help with the Island's sustainability. This accommodation would, of course, appeal equally to Western Australians seeking a last minute, fully catered and serviced "getaway". The appeal of such accommodation would desirably spread into the quieter winter months. Focus on this requirement will become clearer as the infrastructure improvements, recommended by the Taskforce, are implemented.

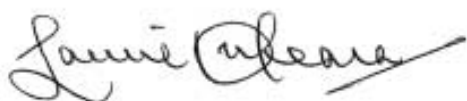
Interest in volunteering on Rottnest Island continues at a high level. The voluntary groups attract a range of skills and abilities, which have been essential to the delivery of diverse and appealing activities and the Authority's sincere thanks is extended to them.

I wish to thank my predecessor, Ms Jenny Archibald, who joined the Authority as Chairman in November 2001 overseeing a number of developments on the Island. Ms Archibald was responsible for ensuring the production of the current Management Plan. Ms Archibald resigned as Chairman in March 2004.

The Authority welcomed Paolo Amaranti as the new Chief Executive Officer in June. Mr Amaranti took over from Ms Lesley Smith who acted as Chief Executive Officer from August 2002 until March 2004. I take this opportunity to thank Ms Smith for her contribution during her time with the Authority.

In conclusion it should be recognised that regular feedback from the Island faithful indicates that great holidays continue to happen on Rottnest. It is most important that perspective be maintained and that in carrying out "improvements" we do not lose sight of why Rottnest is magic to Western Australians. Its ethos must be preserved at all costs.

The valuable financial support provided by the Government will be used to ensure that such special holidays remain available for future generations – that Rottnest remains – **Open for Business.**



Laurie O'Meara
Acting Chairman

Chief Executive Officer's Report

Rottnest Island has reached a critical milestone in its progress towards a fully sustainable future.

My appointment as Chief Executive Officer on 8 June 2004 followed a period of 8 weeks in an acting capacity. I am delighted to have been selected to take on the challenge of restoring Rottnest Island to its former status as Western Australia's premier holiday destination and to contribute towards a vibrant and sustainable future for the Island.

Like many Western Australians, the Authority wants the untouched beauty of the Rottnest environment, including simple pleasures like fishing off the beaches and jetties to remain unspoiled. Around half a million people visit Rottnest each year – and for many it is their first holiday destination offshore. Western Australians have taken Rottnest to their hearts, and are very protective of "their" Island. Rottnest Island's significance to Western Australians was formally recognised this year when the State Government announced it as a heritage icon as part of the State's 175th anniversary celebrations.



The Island's world-renowned heritage buildings, pristine beaches and crystal waters must be preserved for our children and our children's children. There is a wealth of history on Rottnest Island – indigenous, military, colonial, maritime, recreational and social. In particular, indigenous history needs to be recognised, valued and respected.

In turning around the structural and financial problems faced by Rottnest in recent years, The Authority will be seeking to improve services and facilities for people already visiting the Island and to attract new visitors - especially those Western Australians who have never considered Rottnest for their holiday experience. Progress towards commercial viability will not however, come at the expense of the special "ethos" that makes Rottnest Island unique.

Rottnest Island's importance to Western Australian tourism is considerable, based on the comparison to the visitor numbers of major tourism destinations in other states. For example, in 2003 Lake Claire National Park (Cradle Mountain) in Tasmania recorded 381,000 visitors, Fraser Island in Queensland received 217,000 visitors and Kakadu National Park in the Northern Territory 184,000 visitors. In 2003/2004 Rottnest Island had around 500,000 visitors.

The Authority's Performance

In November 2003, the Auditor General's Report: "*Turning the Tide: The Business Sustainability of the Rottnest Island Authority*" was tabled in Parliament. The Auditor General stated in his report that the Authority was "increasingly less able" to fulfil the broad range of obligations required of it under the *Rottnest Island Authority Act 1987*.

In response, the Minister for Tourism, Bob Kucera APM JP MLA, brought together a Taskforce, chaired by Mr Alex Allan. The Taskforce was established to examine the financial sustainability of the Island and draw up a prioritised infrastructure plan consistent with sound management, commercial principles and environmental sustainability.

The Taskforce released its report *Open for Business: A sustainable future for Rottnest* in May 2004 and made a total of 103 recommendations – 101 of which have been accepted by the State Government. The State Government has also committed \$20.142 million to the Island to maintain and restore the Island's infrastructure and improve facilities for visitors. A key priority for the Authority, arising out of the Taskforce report, is the development of a more commercial approach to managing its operations.

Based on the recommendations of the Rottnest Island Taskforce, work has begun on putting the framework in place to ensure the Island is managed on a commercially sustainable basis. Expenditure priorities and necessary commercial practices have been identified by the Taskforce and endorsed by the Government, thereby providing the elements to form the future direction of the Rottnest Island Authority.

In addition, rectifying a qualification from the Auditor General on the Authority's financial statements in recent years has seen some progress through improved internal auditing processes. Initiatives in 2004/2005 will address the issue further and restore confidence in the revenue collection system.

The Authority was also subject to some negative impact through other ongoing operational activities. Programming errors by the Authority's reservations service provider have incorrectly caused a number of ballot applications to be rejected for the summer ballot. The Authority has ensured that the program was re-run to include all applicants.

During the moorings renewal process held in September 2003 the Authority recognised that it needed to improve its administrative performance in the handling of licences, authorised users and annual admissions fees due to the impact of the trial mooring system. The need to improve the resourcing of the process has now been addressed.

Other difficult issues to be addressed by the Authority have included managing the transferring and integration of Kingstown's manual data to the electronic booking system; and the ability of the Authority to report accurately from the accommodation booking and billing system. Some accounting issues still need to be resolved and the Authority's business methodology will be reviewed.

While there was some impact to the Island's visitors the Authority worked hard to establish equity and probity in rectifying these situations. The Authority's staff has faced a challenging organisational environment in the course of 2 external reviews.

A general increase in the level of customer satisfaction for services and facilities offered on Rottnest Island was countered with a general downturn in business activity during 2003/2004. This was evident in the decline in visitor numbers across the 12 months and a lower take-up of services such as tours and accommodation nights in some categories.

Financial Situation

The actual net loss for the 2003/2004 financial year was \$2.7 million. This is greater than the anticipated loss of \$1.382 million when the 2003/2004 budget was formulated. This figure took into account the proposed receipt of a \$1 million Commonwealth grant for the wind turbine project. During the course of the 2003/2004 financial year the Board resolved to defer action on the wind turbine project. The non-receipt of the \$1 million grant resulted in the loss being increased.

The fundamental challenge for the Authority to achieve a sustainable and efficient operation was recognised by the Office of the Auditor General and the subsequent Rottnest Island Taskforce during the year. The highly competitive attractions of the Island's accommodation and activities are still not reaching their full potential by at least ensuring costs are covered and an appropriate financial return is achieved.

The long-term financial viability and appeal of the Island is expected to be achieved and consolidated as a result of funding by the State Government with an allocation of \$20 million over the next 6 years directed at infrastructure, and a commercially focussed management approach from the Authority. This financial viability will ensure Rottnest Island continues as an important State asset, contributing to the economic future of Western Australia.

The State Government's previous 4 year commitment established in 2001/2002 to ensure that \$14 million is allocated to the upgrade and repair of holiday accommodation and settlement areas is assured. An outline of the position for the 3 years to 30 June 2004 is outlined below.

	<i>Expenditure to June 30 2004</i>	<i>Projected Expenditure to June 2005</i>	<i>Total</i>
Holiday Accommodation	\$835,344	\$1,225,000	\$2,060,344
Visitor Facilities (incl. Universal Access)	\$591,496	\$2,886,000	\$3,477,496
Buildings and Infrastructure	\$2,117,236	\$4,072,000	\$6,189,236
Plant & Equipment	\$345,648	\$125,000	\$470,648
IT & Communications	\$437,750	\$500,000	\$937,750
Furniture, Fittings and Equipment	\$586,641	\$225,000	\$811,641
State Government Expenditure Commitment - \$14.000million	\$4,914,115	\$9,033,000	\$13,947,115

Planned expenditure during 2004/2005 will bring the total funds allocated to \$14 million.

Utilities

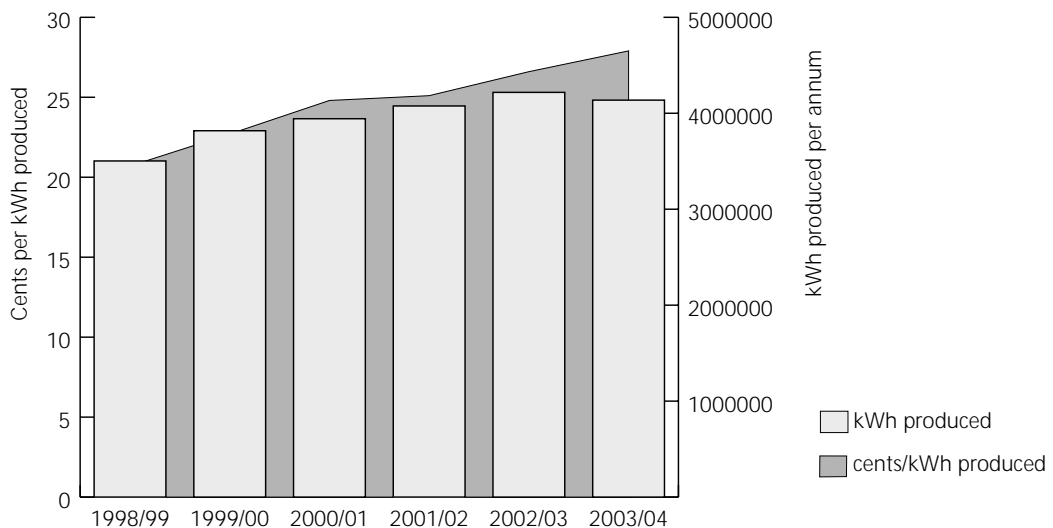
Both the Office of the Auditor General and the Rottneest Island Taskforce highlighted that commercial success of the Island relates directly to the management of the Island's utilities. The Authority is responsible for producing and managing power, water and waste services on the Island, fulfilling the role of State utility suppliers. It is anticipated that forthcoming improvements to power generation methods will not only beneficially impact on the cost of energy but subsequently the cost of producing water.

Power

The cost of power generation on the Island is high in comparison to the mainland and has continued to grow this year with 80% of the cost directly relating to the use of diesel and gas. The Rottneest Island Taskforce conducted a thorough review of the Island's power generation and distribution systems and recommended the construction of a single 600kW wind turbine on Mt Herschel accompanied by 2 'low load diesel generators' and 'dynamic grid interface' technology. This power solution will reduce the direct costs of power production on the Island.

The following graph tracks power production (volume and direct costs) since 1998/1999.

Power Production 1998 to 2004
Volume and Units Costs



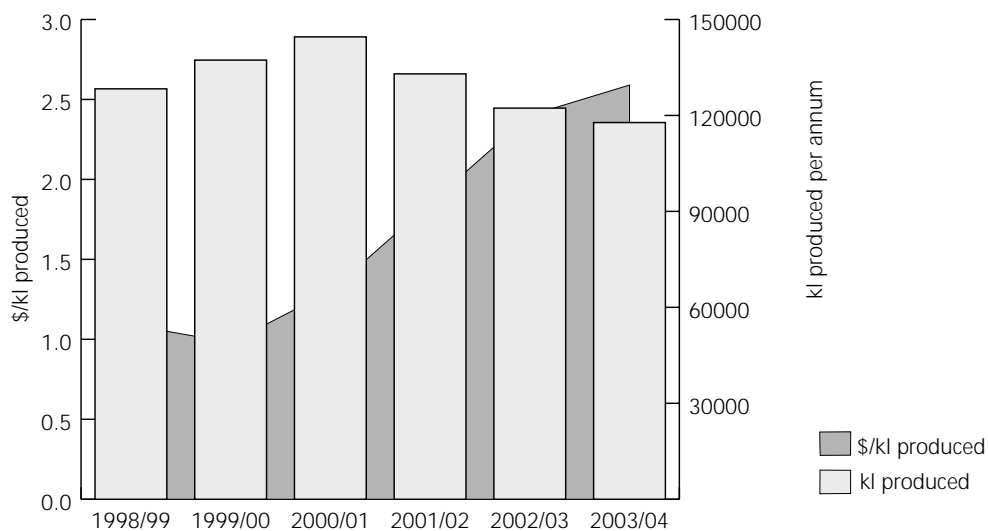
Water

The Island's potable water supply is made up of production from a reverse osmosis desalination facility (71.21%), abstraction from groundwater bores (20.16%) and rainwater catchment (8.63%). During the year, ongoing management of demand for potable water supplies has brought down consumption since the peak in 2000/2001. The Taskforce review provided a number of recommendations that will affirm a well-managed, long term potable water supply for the Island. Recommendations include:

- » Ensuring effective beach wells are in place to provide a quality source of seawater for the desalination plants;
- » Carrying out repairs to the Island's water storage tanks; and
- » Preparing groundwater management plans.

Until 2001, the Island's main source of water was through abstraction from freshwater bores, of which there were some 30 in operation during a typical year. Lower than average annual rainfall over an extended period and deteriorating water quality led to the need to identify an alternative water source and the Island's desalination capacity was more than doubled in early 2001. This resulted in a significant rise in water production costs over 2000/2001 and 2001/2002 due to the desalination process being energy intensive. The construction of the wind turbine and subsequent lower power production costs will assist in bringing down water production costs in the future.

**Water Production 1998 - 2004
Volume and Unit Costs**



Wastewater

The Island's wastewater is treated on site, fed by approximately 6 kilometres of sewer collection pipes and a series of pumping stations.

Improvements in plant management have seen unit costs decrease since 1998. Further improvements facilitated by funding as a result of findings of the Taskforce review will enable ongoing efficiencies to be realised.

Waste Management

Rottnest Island's landfill site is located on 2 hectares approximately 1.2km west of the main settlement area. The location has been used as a landfill site for approximately 25 years.

The landfill is currently licensed by Department of Environmental Protection as a putrescible landfill site and is managed under a Site Management Plan supported by regular inspections and audits of licence conditions. Upon closure of the current landfill cell in 2005, no further putrescible landfill facilities will be permitted on the Island.

During the year a project to address waste management practices on the Island was conducted which resulted in a wholistic strategy that deals with all waste streams and resource recovery options. The development involved considerable preliminary research, which included waste audits and consultation with Island businesses, visitors, staff and residents.

In 2004/2005 the comprehensive Strategic Waste and Resource Management Plan will be implemented that will ensure that the Authority remains a leader in the field of waste management. The State Government has provided funding of \$853,250 for the Strategy including \$688,250 for plant and capital equipment and \$145,000 for education, implementation and training.

Facilities Management Contract

This was Transfield Services' sixth year of service delivery under the Facilities Management Contract.

Services were delivered within budget for the year, with sound performance achieved across the suite of service delivery elements.

The following statistics indicates the level of activity on the Island during the year:

- » 6,869 maintenance jobs were completed of which 656, or 9.5% were "priority one" jobs, that is those to be completed within one half hour of advice to the contractor. One complaint was received during the year in relation to late response to a 'priority one" call-out request;
- » 15,055 units were cleaned, of which 0.96% were reworked as a result of unsatisfactory standards;
- » There were no non-compliances to statutory licences;
- » 296,940 items of luggage were handled during the year;
- » 574 tonnes of waste was collected and processed at the Island's landfill site and 216 tonnes of recyclable product was collected and processed for transportation off the Island;
- » 86,448kl of waste water was treated at the Island's waste-water treatment plant;
- » 117,776kl of water was produced on the Island from a combination of desalination, bore water and rainwater catchment; and
- » 4,136,811KwH of electricity was generated from the Island's diesel powered power station.

The Facilities Management Contract between the Authority and Transfield Services for the delivery of utilities and operations support was delivered within budget and at a high standard, reflected in the annual analysis of contract key performance indicators.

The Island's Future

As outlined, this year will mark the beginning of an important change for Rottnest Island. It is a change which is needed to ensure that the management of the Island matches the enthusiasm of the Island's visitors for 'getting it right'. This means planning to make sure an uncomplicated, smart management approach matches the simple and easy holiday experience Rottnest Island is renowned for.

The Authority would like to acknowledge the hard work and commitment of Rottnest Island Authority staff and also thank the many volunteers, including the Rottnest Island Voluntary Guides and organisations such as the Rottnest Island Foundation, Rottnest Island Society, and the Winnit Club. There are many others, who for a number of years, have provided significant amounts of their time and money towards enhancing the visitor experience of Rottnest Island.

In moving on to a vibrant and sustainable future, the Authority looks forward to new ideas and working with the staff, the Rottnest Island businesses and the community. Our vision is for Rottnest Island to take its place as the most loved and eco-friendly holiday destination for Western Australians.

Paolo Amaranti

Paolo Amaranti
Chief Executive Officer



Corporate Governance

The Rottnest Island Authority is a statutory authority created by an Act of Parliament; the *Rottnest Island Authority Act 1987* (the Act).

The Rottnest Island Authority meets monthly, or more often if necessary, to respond to specific needs. The Authority met 18 times during 2003/2004.

Authority Membership

Pursuant to the Act, 6 members are appointed so that not less than 1 member is:

- » a person experienced in conserving the environment;
- » a person experienced in preserving buildings of historic value;
- » a person with sound commercial experience; and
- » a person who is a regular user of the Island for recreational purposes.

Members are appointed for a term not exceeding 3 years, but may be re-appointed.

Ms Jenny Archibald resigned as Chairman in March 2004. Mr Laurie O'Meara, Deputy Chairman, acted as Chairman. An Acting Deputy Chairman was not appointed to the vacancy during the remainder of the reporting year.

<i>Member</i>	<i>Appointed</i>	<i>No of Board meetings during appointment (2003/04)</i>	<i>Meetings attended (2003/04)</i>
Laurie O'Meara	June 2000	18	18
Angas Hopkins	May 2001	18	14
Rachael Roberts	May 2001	18	14
Mimi Secco	May 2003	18	13
Maurie Woodworth	May 2003	18	17
Retired during reporting year:			
Jenny Archibald	November 2001	14	14

Board Member Profiles

Laurence (Laurie) O'Meara (Acting Chairman)

Laurie O'Meara has a background in local government and has had a long association with the tourism industry in Western Australia. Mr O'Meara was instrumental in the establishment of the Tourism Council of Western Australia and was elected President at its inaugural meeting. He is also President of the Australian Tourism Accreditation Association Ltd, Deputy Chairman of the Western Australian Tourism Commission, Director, Best Western Australia, and a Board member of the Perth International Arts Festival. Mr O'Meara was appointed to the Authority in June 2000, as a person with sound commercial experience, and was appointed Deputy Chairman in 2001. He became Acting Chairman in March 2004. He is also Chairman of the Rottnest Island Marine Issues Advisory Committee.

Rachael Roberts

Rachael Roberts has a Bachelor of Applied Science from Murdoch University and a Bachelor of Arts from the University of Western Australia. Ms Roberts has practical environmental experience with the Australian Conservation Foundation and ongoing involvement in community-based projects. Ms Roberts was appointed to the Authority in May 2001, as a person with practical knowledge of and experience in conserving the environment.

Angas Hopkins

Angas Hopkins has a Bachelor of Science with Honours in Ecology from the University of Queensland. He oversaw the drafting of Western Australia's first heritage legislation and has served as a Commissioner on the Australian Heritage Commission. He is a Member of the Rottnest Island Authority Finance and Audit Committee and was elected Chairman in May 2003. Mr Hopkins was appointed to the Authority in May 2001, as a person with practical knowledge of and experience in the preservation of buildings of historic value.

Mimi Secco

Mimi Secco is a Chartered Accountant with a Bachelor of Commerce from the University of Western Australia. She has a financial background in both chartered accountancy and the commercial sector, most recently in the hospitality and gaming industry. She is currently a business owner of an Australasian importing and distribution company. Ms Secco was appointed in May 2003, as a person with sound commercial experience. She is also a member of the Rottnest Island Finance and Audit Committee.

Maurice (Maurie) Woodworth

Maurie Woodworth was the Managing Partner of a company specialising in strategic planning, negotiation and conflict management. Mr Woodworth has been a regular visitor to Rottnest Island since 1973 and is currently a reciprocal member of the Fremantle Sailing Club. He previously held the position of Rear Commodore Power at the Royal Freshwater Bay Yacht Club and was a former committee member of the Claremont Yacht Club. Mr Woodworth was appointed in May 2003, as a person who is a regular user of Rottnest Island for recreational purposes. He is also an alternate member of the Rottnest Island Finance and Audit Committee.

Jennifer (Jenny) Archibald

Jenny Archibald has a Bachelor of Science from the University of Western Australia and is a member of the Australian Institute of Company Directors. She is the part owner and operator of 2 companies specialising in the mining industry. Ms Archibald was a member of the Fremantle City Council for 7 years, during which she was Mayor from 1994 to 1997. She is also Deputy Chair of the Fremantle Arts Centre Press. Ms Archibald was appointed to the Authority as Chairman in May 2001. Ms Archibald retired from the Authority in March 2004

Ministerial Directives

There were no Ministerial directives during the reporting year.

Declarations of Interest

There were no declarations of interest from Rottnest Island Authority Board members during the reporting year.

Committees

Rottnest Island Authority Finance and Audit Committee

The Finance and Audit Committee is a committee of the Rottnest Island Authority established under Schedule 1.6 of the *Rottnest Island Authority Act 1987*. This committee's role is to assist the Authority in discharging its responsibilities of overseeing responsible financial and related management, compliance, risk management and corporate governance.

<i>Member</i>	<i>Organisation</i>	<i>No of meetings during appointment (2003/2004)</i>	<i>Meetings attended (2003/2004)</i>
Angas Hopkins - Chairman	Rottnest Island Authority Board	12	10
Paul Stafford	Independent Member	12	7
Mimi Secco	Rottnest Island Authority Board	12	9
Maurie Woodworth (alt.)	Rottnest Island Authority Board	12	4
Carol Shannon	Rottnest Island Authority	12	12
Paolo Amaranti	Rottnest Island Authority	3	3
Retired during reporting year:			
Lesley Smith	Rottnest Island Authority	9	9

Rottnest Island Marine Issues Advisory Committee

The Rottnest Island Marine Issues Advisory Committee is a committee of the Rottnest Island Authority established under Schedule 1.6 of the *Rottnest Island Authority Act 1987*. This Committee has the role of advising the Authority on matters relating to the management and recreational use of the marine waters of the Rottnest Island Reserve across a broad cross-section of user groups, including the wider boating community, recreational anglers and general recreational users of the Reserve.

<i>Member</i>	<i>Organisation</i>	<i>No of meetings during appointment (2003/2004)</i>	<i>Meetings attended (2003/2004)</i>
Laurie O'Meara (Chairman)	Rottnest Island Authority Board Member	4	4
Maurie Woodworth	Rottnest Island Authority Board Member	4	4
Joe Merillo	Community representative	4	3
Peter Purves	Rottnest Island Authority	4	4
Alex Spence	Department for Planning and Infrastructure	1	1
Andrew Cribb	Department of Fisheries	4	3
Martin Box	Boating Industry Association	4	4
Meikle Meecham	Boating Western Australia	4	4
Ron Durell	Community representative	4	4
Sharon Brown	Community representative	4	2
Frits Steenhauer	Community representative	4	2
Ross Cusack	Community representative	4	2
Rick Reid	Charter Boat Owners and Operators Association	3	3
Retired during year:			
Petrina Raitt	Department for Planning and Infrastructure	3	1
Claire Wright	Rottnest Island Authority	0	0

The Authority has sought and received advice on several key issues addressed in the *Rottnest Island Management Plan 2003-2008*, including:

- » Waste water management strategies for the marine waters of the Rottnest Island Reserve (eg. on-going monitoring of the water quality testing program);
- » Implementation of the trial mooring system for season 2003/2004 to improve equity of access and increase the use of the Island's 864 licensed recreational mooring sites;
- » Application of the Boat Code Hull Identification Number (HIN) system in the management and administration of recreational moorings in the Reserve;
- » Identification of appropriate insurance levels for vessels using the marine waters of the Rottnest Island Reserve; and
- » Introduction of a volunteer, Honorary Bay Ranger program.

Rottnest Island Environmental Advisory Committee

The Rottnest Island Authority appoints the Rottnest Island Environmental Advisory Committee (RIEAC) to provide advice on major projects or policy directions that have a direct impact on Rottnest Island's environmental values.

The Committee also provides advice on environmental issues, encourages research on Rottnest Island, liaises with research bodies and advises on statutory monitoring, compliance and reporting. Ongoing issues considered by the Committee include monitoring of the landfill site, monitoring of Thomson Bay's hydrocarbon plume, impact of sullage into the bays, woodlands restoration and dune and beach restoration.

The RIEAC met 4 times in 2003/2004.

<i>Member</i>	<i>Organisation/field of expertise</i>	<i>No of meetings during appointment (2003/2004)</i>	<i>Meetings attended (2003/2004)</i>
Dr Mark Garkalis	Department of Conservation and Land Management/ Zoological expertise	4	4
Dr Peta Sanderson	Notre Dame University representative	4	2
Dr Roger Passmore	Rockwater Pty Ltd/ Hydrological expertise	4	3
Greg Keighery	Department of Conservation and Land Management/ Botanical expertise	4	2
Dr Pierre Horwitz	Edith Cowan University representative	4	2
Dr Paddy Berry (Chairman)	Western Australian Museum/ Marine Biological expertise	4	3
Dr Ian Eliot	University of Western Australia/ Coastal Geomorphology expertise	4	3
Colin Murray	Department of Environmental Protection representative	4	4
Dr Chris Simpson	Department of Conservation and Land Management representative	4	4

Roxane Shadbolt	Rottnest Island Authority (by invitation)	1	1
Claire Wright	Rottnest Island Authority (ex officio)	4	4
Harriet Davie	Rottnest Island Authority (Executive Support)	4	4
Retired during reporting year:			
Dr Pratap Pullammanappillil	Murdoch University/ Environmental Technology expertise, Organic Waste	4	0
Lesley Smith	Rottnest Island Authority (by invitation)	4	3

Rottnest Island Interpretation Facility Stakeholder Group

This group achieved its objective and finalised a conceptual model for a purpose built interpretation facility on Rottnest Island in line with recommendation 100 of the Management Plan.

<i>Member</i>	<i>Organisation</i>	<i>No of meetings during appointment (2003/2004)</i>	<i>Meetings attended (2003/2004)</i>
Angas Hopkins (Chairman)	Rottnest Island Authority Board	3	3
Rachel Roberts	Rottnest Island Authority Board (by invitation)		1
Roxane Shadbolt	Rottnest Island Authority	3	2
Claire Wright	Rottnest Island Authority	3	3
Jane McKenzie	Rottnest Island Authority	3	3
Myra Stanbury	Western Australian Maritime Museum	1	1
Karen Majer	Western Australian Maritime Museum	2	1
Robert Mitchell	Rottnest Island Military Heritage Advisory Committee	3	2
Lisa Williams	Western Australian Museum	3	3
Steven Sikirich	Croatian History Group	3	2
Louise Arnold	Heritage Council of WA	2	3
Lloyd Smith	The Rottnest Island Foundation	3	3
Elizabeth Rippey	Rottnest Voluntary Guides Association	3	3
Dr Paddy Berry	Rottnest Island Environmental Advisory Committee	3	1
Sue Folks	The Rottnest Society	3	2
Retired during reporting year:			
Lesley Smith	Rottnest Island Authority	3	2
Colin Ingham	Rottnest Island Authority	0	0

Some attendances have been by proxy.

Committee membership was offered to the National Trust of Australia (WA) and the Rottnest Island Death Group Aboriginal Corporation but was not taken up during the year.

Rottnest Island Cultural Heritage Advisory Committee

This Committee was formed in 2004 and has met once during the year. The Committee anticipates meeting on a regular basis at a minimum of 4 times per year reporting to the Authority the outcomes of each meeting and at the end of each financial year.

The Committee will undertake the following tasks:

- » Provide advice on major projects or policy directions that have a direct impact on Rottnest Island's cultural heritage values as requested by the RIA;
- » Provide advice to the Board on any aspect of management of the Island that is of concern to the Committee due to cultural heritage considerations;
- » Invite relevant persons to Committee meetings who can provide useful advice/knowledge to discussion of particular issues; and
- » Provide advice on statutory implications of heritage listings.

<i>Member</i>	<i>Organisation/Expertise</i>	<i>No of meetings during appointment (2003/2004)</i>	<i>Meetings attended (2003/2004)</i>
Robert Mitchell (Chairman)	National Trust of Australia (WA)	1	1
Angas Hopkins	Rottnest Island Authority Board	1	1
Roxane Shadbolt	Rottnest Island Authority	1	1
Jane McKenzie	Rottnest Island Authority	1	1
Philip Griffiths	Architectural History and Conservation	1	1
Peter Woodward	Cultural Landscapes	1	1
Helen Burgess	Social History	1	1
David Gilroy	Material Conservation	1	1
Graham Horne	Military History	1	1
Ian Maitland	Structural Engineering	1	1
Stephen Carrick	Heritage Council of WA	1	1
Peter Randolph	Department of Indigenous Affairs	1	1
Michael McCarthy	Maritime Archaeology	1	0

Representation on the Committee was offered to the Rottnest Island Deaths Group Aboriginal Corporation but was not taken up during the year.

Rottnest Island Marine Strategy Working Group

The past year has seen the Working Group meet 6 times. The Group has agreed to a set of objectives and has been developing a marine management strategy. A number of information sessions were presented to the Working Group on the biodiversity values of the marine waters and on recreational fishing pressures. The Group has made a number of recommendations which will form the basis for a Rottnest Island Marine Management Strategy.

<i>Member</i>	<i>Organisation</i>	<i>No of meetings during appointment (2003/2004)</i>	<i>Meetings attended (2003/2004)</i>
Angas Hopkins (Chairman)	Rottnest Island Authority Board	6	5
Claire Wright	Rottnest Island Authority	6	6
Harriet Davie	Rottnest Island Authority (Executive Support)	6	6
Andrew Cribb	Department of Fisheries	6	5
Dr Jane Fromont	Western Australian Museum	6	6
Dr Chris Simpson	Department of Conservation and Land Management	6	4
Norman Halse	Recfish West	6	6
Dr Nick Dunlop	Conservation Council of Western Australia	6	5
Hal Payne	Outdoors WA	6	1
Barry Stubbs	Charter Boat Owners and Operators Association	6	6
Dr Lynnath Beckley	Murdoch University	6	5
Dr Russ Babcock	Commonwealth Scientific & Industrial Research Organisation	6	4
Dr Ian Eliot	Rottnest Island Environmental Advisory Committee	6	2
Harry Welimnk	WA Dive Tourism Association	3	3
Ross Cusack	Rottnest Island Marine Issues Advisory Committee	6	6
Retired during reporting year:			
Jenny Archibald	Rottnest Island Authority Board	5	4
Lesley Smith	Rottnest Island Authority	5	3

Rottnest Island Railway Advisory Committee

The Rottnest Island Railway Advisory Committee replaced the Rottnest Island Railway Trust in June 2003. The Committee exists to provide the Authority with relevant professional and technical rail advice in regard to the running of accredited rail operations on the Island. The Committee, through its membership provides a means to resource and coordinate appropriately skilled track and infrastructure maintenance workers to support rail operations.

Unfortunately, rail operations on Rottnest Island were severely hampered as a result of the continued mechanical unserviceability of old shunting tractors ST1 and ST2. Lack of availability of spare parts for these vehicles caused suspension of the Island's popular train tours until delivery of the Island's new self propelled railcar in November 2003.

The new railcar, named "Captain Hussey" arrived on the Island in early November 2003 and was officially launched by Bob Kucera, Minister for Tourism on 9 November 2003.

<i>Member</i>	<i>Organisation</i>	<i>No of meetings during appointment (2003/2004)</i>	<i>Meetings attended (2003/2004)</i>
Peter Purves (Chairman)	Rottnest Island Authority	1	1
Jock Henderson	Ex-member, Rottnest Island Railway Trust	1	1
Bruce Callow	Ex-member, Rottnest Island Railway Trust	1	1
Bill Larke	Ex-member, Rottnest Island Railway Trust	1	1
Rod Vermeulen	Ex-member, Rottnest Island Railway Trust	1	1
Joe Angelucci	Ex-member, Rottnest Island Railway Trust	1	1
Max Bird	Ex-member, Rottnest Island Railway Trust	1	1

The Authority gratefully acknowledges the efforts of all committee members, as well as the many volunteers who contributed to the Island throughout the year.



Rottnest Island Management Plan 2003-2008 Implementation Report

The Rottnest Island Management Plan 2003-2008 (RIMP) was launched on 27 March 2003.

The RIMP includes 249 recommendations, intended for implementation over the 5 year life of the plan. At 30 June 2004 the plan had been in operation for 15 months. The RIMP contained 112 recommendations to be commenced in year one, and 43 recommendations to be commenced in year two.

The current status of the RIMP recommendations has been tabulated below.

Year One Recommendations:

<i>Status</i>	<i>Number</i>	<i>%</i>
Completed	19	17.0
Commenced	18	16.1
Ongoing	73	65.1
Not Commenced	2	1.8
Total	112	100

Year Two Recommendations:

<i>Status</i>	<i>Number</i>	<i>%</i>
Completed	1	2.3
Commenced	22	51.2
Ongoing	3	7.0
Not Commenced	17	39.5
Total	43	100

A full breakdown of the status of individual RIMP recommendations is detailed in Appendix "A", Part I. Progress to June 30 2003 reported in *Annual Report 2002/2003*.

Since the launch of the 2003-2008 RIMP the Rottnest Island Taskforce has been established by the State Government and reported back to it. In light of the Taskforce's recommendations to the State Government, the RIMP will be revised to reflect the new priorities and directions of the Authority.

In particular, the RIMP will be changed to incorporate a full costing schedule as recommended by The Rottnest Island Taskforce.

In its report, the Taskforce has identified a need for future management plans to include a full costing schedule of how the policies and operations proposed in a management plan will be funded. The future development of management plans in conjunction with a business plan will promote informed debate over whether activities proposed can be fully funded.

In 2004/2005 proposed amendment of the *Rottnest Island Authority Act 1987* will strengthen the requirement for inclusion of a full costing schedule in future management plans. This will underpin and enforce the agreed actions contained in a management plan.

Operations Report 2003/2004

Output 1: Provision of Services to Visitors

The Authority provides and operates accessible recreational and holiday facilities on Rottnest Island with particular regard for the needs of people normally resident in Western Australia who visit or holiday on the Island as a family group.

Our Visitors

The majority of visitors to Rottnest Island are repeat visitors. Of these repeat visitors nearly half have travelled to the Island more than 10 times before. Family groups and visitors from regional Western Australia are more likely to book an overnight or extended stay.

Day trips to Rottnest are popular with singles, couples and interstate visitors. Summer and spring continue to be the most popular times to visit the Island and most people visit the Island with the intention to relax, get away from it all and spend time with family and friends.²

Visitor numbers for the year have shown a 4.4% decrease in the total number of arrivals by ferry, a decline of some 15,000 visitors over the previous year. Samples indicate this is partly attributed to less international visitors and less Perth residents coming to the Island in comparison to the previous year.³

The decline is considered moderate when contemplating the continued effects of world events on inbound tourist numbers and the sustained negative perceptions Rottnest Island experienced locally through the year.

Number of Visitors Arriving by Commercial Ferry or Air Services

	1997/98	1998/99	1999/00	2000/01	2001/02	2002/03	2003/04
Total	338,106	332,695	348,498	347,045	351,292	353,750	338,389

The overall visitor number is still around half a million annually with visitors to the Island by private and charter recreational vessels remaining estimated at 150,000.

The downturn in visitor numbers is despite surveys showing an improvement in visitor satisfaction across many areas when compared to 2002/2003. The critical area of accommodation received a higher rating for all aspects in comparison to last year, up 9%.⁴

Rottnest Island Authority Holiday Accommodation

A wide range of accommodation is provided on Rottnest Island by the Authority. The diversity of the accommodation selection suits a number of holiday budget options.

Camping sites, a youth hostel, cabins, self-contained units, villas and heritage cottages have been the basis for the ongoing popularity of a Rottnest holiday for many years.

Figures below show that accommodation occupancy remains steady and consistent. The overall average annual occupancy of 76% remains comparable to previous years.

² Market Equity *Evaluating the Rottnest Island Experience 2003/2004* July 2004

³ Market Equity

⁴ Market Equity

Average Accommodation Occupancy

<i>2000/01</i>	<i>2001/02</i>	<i>2002/03</i>	<i>2003/04</i>
75%	80%	76%	76%

Average Occupancy by Accommodation Category 2003/2004

<i>Allison (camping only)</i>	<i>Kingstown Barracks</i>	<i>Caroline Thomson Cabins</i>	<i>Geordie Bay/ Longreach/ Fay's Bay Cabins</i>	<i>Thomson Bay Cabins</i>
29%	56%	65%	78%	76%

The popularity of the Island in the warmer months continues to see December to April accommodation occupancy ranging from 90 to 100%.

Allison Camping occupancy reflects only the tented campsite area. Following customer feedback regarding the lack of amenity and deteriorating condition of Allison cabins, it has been resolved to demolish the cabins.

Accommodation Booking System

In April 2004 the Authority assimilated the Kingstown Barracks booking system into its current electronic reservations system, transferring the bookings process to the Customer Contact Centre. The Customer Contact Centre now conducts the reservation process for all Authority accommodation, thereby improving efficiency and customer service to users of the Barracks and its associated facilities.

Booking enquiries have also improved through the use of the Authority's online system. In addition to being able to check availability, customers can now go to the Authority's website and take a virtual tour of selected accommodation, find details of how to book accommodation, compare prices and look in on the "frequently asked questions" page.

As a result, enquiry calls direct to the Customer Contact centre have declined, with a corresponding response time and service level improvement from the Customer Contact Centre being achieved.

Applying for accommodation online during balloted periods has been embraced by the Authority's customers, with over 90% being lodged on line. The Authority will continue to upgrade and improve its accommodation reservation processes through the use of on-line systems where possible. However, existing systems operated by the Authority are aged and consideration in regard to their replacement will occur during 2004/2005.

Tours and Transport Operations

The Island's Two Hour Tour and the Bayseeker services are a convenient way to explore the Island.

The total number of visitors booking the Authority's Island tours and using the Bayseeker service has declined over the year. These results reflect, and are consistent with, the view that it is partly from the international market segment where overall visitor numbers have declined. This market segment tends to reflect the 'day-tripper' visitor profile, and it is these visitors who are more inclined to avail themselves of these tour and transport services.

Ferry operators provide a steady source of tour passengers and are allocated a certain number of seats per day. However, the number of packaged passenger sales from ferry operators for 2003/2004 has also declined, contributing to the overall result.

The Authority has retired 2 of its fleet of 6 Bayseeker vehicles due to age, placing further pressure on the ability to meet passenger demand at peak times. Furthermore, the Rottneest Island Taskforce has again highlighted the incompatibility of style and presentation, as well as operating parameters of the Bayseeker vehicles and the need to review operations.

Included in any review of bus services will be the Shuttle bus service. Used to support the accommodation operations and its guests staying in the outer part of the settlement it is a highly popular service. The link runs from the main settlement to Kingstown Barracks and then on to Geordie, Fays and Longreach bays.

Transport capacity will need to be balanced carefully with demand so as to maintain effective services and the overall amenity of the Island, particularly with the Island's fundamental ethos of being "vehicle free".

Two Hour Tour Passenger Numbers

	<i>2001/02</i>	<i>2002/03</i>	<i>2003/04</i>
	48,141	43,771	39,376

Bayseeker Passenger Numbers

	<i>2001/02</i>	<i>2002/03</i>	<i>2003/04</i>
	72,166	74,042	69,497

The Rottnest Island Hotel

During the 12 month period ending June 30 2004, the Rottnest Island Hotel has been the subject of ongoing change in relation to its management and operations.

Prior to 31 March 2004, the Hotel was operated by the Axis Management Group Pty Ltd under both a management arrangement and later, an interim lease.

In 2003 the Authority released a Request For Proposal (RFP) for the development and operation of a licensed food and beverage facility on the Hotel site. After consultation with the Rottnest Island Taskforce the Authority resolved to terminate the RFP and await the Taskforce recommendations.

On 1 April 2004 the Authority assumed direct operational management of the Hotel with the assistance of accounting and audit firm, Pitcher Partners. The advantage of this was that the Authority could gain a direct understanding of the true value of the business and its trading worth for future lease and/or management negotiations.

Significant works were commenced on the Hotel during 2003/2004, addressing the finding of the Occupational Health and Safety Report commissioned by the Rottnest Island Taskforce. In addition to this the Department of Health inspected the site for the Authority highlighting issues needing attention. The Government provided supplementary funding of \$250,000 towards carrying out improvements recommended in the Report.

Rail Operations

Rail operations on Rottnest Island are an important part of the Island's heritage network, commencing in the late 1930's as part of the military installation on Rottnest servicing the Oliver Hill gun battery. The railway and train operations on Rottnest were re-introduced to Rottnest in 1994, with the reconstruction and establishment of 6.3 kilometres of narrow gauge railway linking the settlement area with Oliver Hill.

The railway is considered to be an integral component of the Island's tourist services and an important activity for day-trip and accommodated visitors alike.

Unfortunately, during the early part of 2003 continued mechanical breakdowns of vehicles ST1 and ST2, the railway's old shunting tractors that provided traction for the train, coupled with the lack of available spare parts saw the suspension of all train operations until November 2003.

The result of the unserviceability of the rail vehicles, which lead to train services being unavailable between November and October 2003 is reflected in the decline of passengers from 2001/2002 levels.

Railway Passenger Numbers

<i>2001/02</i>	<i>2002/03</i>	<i>2003/04</i>
15,826	7,298	9,054

With Authority funding, advice from the Rottneest Railway Advisory Committee and assistance from many volunteers, a new, self propelled diesel powered railcar was introduced to operations in November 2003.

Named the "Captain Hussey" and officially launched by the Minister for Tourism on the Island on 9 November 2003, train tour and passenger numbers have steadily risen to levels consistent with the results achieved in 2001/2002.

The new railcar affords better operating procedures and conditions that will allow the opening of the Kingstown spurline. This will provide an opportunity to integrate train services to Kingstown Barracks. In addition, the Authority is currently examining the implementation of new tours, involving Oliver Hill and Wadjemup Lighthouse precincts, in which it is hoped the train will play an important role.

Rottneest Island Voluntary Guides Tours and Activities

Tours and activities offered by the Rottneest Voluntary Guides Association (RVGA) promote awareness of the Island's historical significance and natural environment, while providing an educational aspect to Island visitors. There are approximately 175 Rottneest Island Voluntary Guides.

Many of the Guides tours are provided free-of-charge, offering an accessible and enjoyable experience to augment the tour products provided by the Authority. This year visitor numbers joining tours remained high:

RVGA Tours 2003/04

<i>Tour</i>	<i>Visitor numbers</i>
Daily History Tours	4,550
Lomas Cottage/Boat Shed	10,920
Quokka Walk (part year only)	728
Oliver Hill Gun Tour	9,100
Special Request Tours	225 groups

In addition to these tours, the Guides provide an extensive holiday program with additional activities. The number of participants in these activities is outlined below:

	<i>Number of participants</i>
West End and Lighthouse trip	440
Ghosts, Mysteries and Legends	880
Stargazing	275
Treasure Hunt	990
Other 'Holiday Guiding' activities	165

The heritage Salt Store building is also a highlight for visitors, and Guides are available to show its attractions, provide information and answer questions.

Bike Hire

Despite substantial competition from other bike hire services operated by ferry companies, the Authority's service performed strongly during the year providing 10% of the Tourist Services Directorate operating return.

Due to the continued strong demand for the hire service provided by the Authority, a further 504 bikes were purchased this year. This is in addition to the previous year's purchase of over 400 bikes.

The Authority's bike hire service is aiming to ensure a diversity of equipment is available to visitors. This year the fleet was enhanced with new mountain bikes, children's bikes, tandems, adult tricycles, child trailers and 'comfort' bikes. The Authority's Bike Hire also provides a hire service for mobility impaired visitors who are unable to bring their own assist vehicles to the Island.

Bike Hire staff have experienced positive comments from visitors regarding the improved service since the Authority resumed management in February 2002. Market Equity's report Evaluating the Rottnest Island Experience shows an improved satisfaction rating compared to the previous year.

Rottnest Island Website

Following development and testing, the exciting second phase of the redevelopment of the Rottnest Island Website (www.rottnestisland.com) was launched in 2004.

The site was revamped with a view to improving the visitor experience, and the range and quality of information available. The site offers a dynamic and interesting environment for visitors to get a first impression of Rottnest Island.

The main new features of the website include:

- » dynamic content linking;
- » using improved metadata management to draw items of interest together;
- » alternative forms of navigation including using a map;
- » calendar and 'theme' based navigation;
- » an improved search facility;
- » a new front page;
- » news page;
- » photo gallery;
- » media release pages;
- » facilities for more pictures and upload of audio/visual content;
- » introduction of virtual tours of accommodation units;
- » more downloadable documents, brochures and forms; and
- » improved content management facility.

A snapshot of April/May 2004 showed that an average of over 600 'unique visitors' per day, spent an average of over 10 minutes on the site. An account of unique visitors identifies the probable number of individuals as opposed to the number of 'hits' they make on different pages on the site.

Most website visitors' time was spent examining the accommodation information, photo library and activity information, downloading the Island and accommodation maps, and the Annual Reports. Visitors mostly came from Australia (particularly Western Australia). Other visitors included the US, UK, New Zealand, mainland Europe and Asia.

Universities and schools provided extensive numbers of visitors to the site, reflecting its status as a centre for information about the Island.

Moorings

From 1 September 2003 a 12 month Recreational Mooring Trial System came into effect in Rottne's waters. This concept was designed to better address the issue of equitable access to the licensed recreational moorings. The system is intended to present the best possible option to increase accessibility.

The trial system retains current arrangements for mooring licensees, while expanding the number of authorised users that can access each mooring, giving the Authority the ability to nominate authorised users to licensees' mooring sites. Existing arrangements with previous authorised users did not change and mooring licensees continue to have priority access to their mooring above all other users.

In addition to their allocated mooring/s, licensees and authorised users have "casual use" access of other suitably sized moorings provided that these sites are not being used by the mooring licensee or another nominated authorised users. Casual users are able to access any suitable site around the Island under the casual use guidelines.

The Rottne Island Taskforce considers that the trial system should be fully evaluated prior to any further changes being made in relation to the management of moorings. The Taskforce has also recommended increases in the numbers of rental moorings should be an important consideration in future mooring management plans.

To alleviate difficulties that were experienced in processing licence renewals and new user applications, the Authority has revised its administrative timings for season 2004/2005.

Events, Functions and Exhibitions

The utilisation of the Island's environment and facilities for purposes other than those directly relating to a holiday are an important part of the Island's business portfolio.

Events, functions and exhibitions can range from high profile sporting events, which in turn, generate function revenue, through to low-key wedding ceremonies which may have the hidden benefit of bringing visitors to the Island who would not normally consider a trip for their own reasons.

Major events such as the Swim Thru and the Channel Swim are estimated to bring up 1,500 to 2,000 extra visitors by ferry respectively, with an extra 1,000 people coming by support vessels for the Channel Swim.

This year 23 events and 57 functions were held in association with the Island with the highlights being:

July	Rottne Island Winter Wonders RVGA School Holiday Program NAIDOC Week
August	Rottne Island Golf Cup WA Open Surfing Series
October	Rottne Spring Splendour RGVA School Holiday Program Rottne Marathon & Fun Run
November	Boating Industry Association Safety Convoy
December	Rottne Swim Thru Rottne Volunteers Breakfast Rottne Carols on the Common
January - February	Rottne Celebrates Summer Program of Events. Summer Fun Spectacular

	RVGA School Holiday Program
February	Multiplex Living Rottnest Channel Swim
March	Rottnest Kite Surf Classic
April – May	Rottnest Island Autumn Colours RGVA School Holiday Program Rottnest Open Water Classic Australian Open Surf Masters ANZAC Day Dawn Service Boating industry Association Safety Convoy

Exhibitions

The Salt Store Gallery and Exhibition Centre is a popular attraction for Island visitors. During 2003/2004 several repeat clients and new customers hired the exhibition space to stage private shows illustrating their interpretations of the Island's scenic beauty.

In addition, a number of displays were held ranging from the "resident" interpretative display, explaining the building's original function as a saltworks, to community information displays. These depicted current-day photographic views of the Island's military heritage, and more recently a photographic display of the "Then and Now" of heritage buildings celebrating the year of the Built Environment.

Leased and Licenced Services

Leases are issued by the Rottnest Island Authority to a variety of business operators to provide services deemed suitable and comparable to the Island's objectives. Collectively this group, along with all ferry businesses operating to the Island, is known as the Rottnest Island Business Community.

The Authority is the principal provider of services on the Island and works together with the business community to ensure quality and consistent services are provided to enhance the holiday experience of visitors.

Leases currently in operation are listed below:

<i>Business</i>	<i>Lease Commencement</i>	<i>Lease Expiry</i>
Rottnest Hair and Beauty	1 July 2000	30 June 2005
Dome Café	11 November 1996	10 November 2006
Brett Heady's Family Fun Park	2 August 1998	1 August 2007
Red Rooster	3 December 1986	2 December 2007
Rottnest Tearooms	18 November 1998	17 November 2008
Rottnest Malibu Dive Shop	1 June 2003	31 May 2009
Indianic Boutique	1 May 2000	30 April 2010
Rottnest General Store	1 July 2000	30 June 2010
Geordie Bay General Store	1 July 2000	30 June 2010
Rottnest Bakery*	1 September 2002	30 April 2014
Rottnest Lodge	1 June 1983	31 May 2018

*to be signed after 30 June 2004

To complement the services provided by the Business Community and meet the needs of the high volume of visitors mainly during the summer, seasonal attractions are also provided via a licence.

Licences to operate small businesses on the Island, as distinct from lease arrangements, were devised in the late 1990's. They are a way of enhancing the visitor experience, bringing specialist operators to the Island to provide services in keeping with the Island's ethos, but which do not require significant infrastructure support.

Licence opportunities on the Island are offered through open, public Expressions of Interest. The frequency of these offers varies. Since their inception, there have been 3 separate processes. The last offer was in 2003. Licence terms vary between 3 and 5 years.

Activities available during 2003/2004 under a licence arrangement included:

- » glass-bottom boat experience of bay, reef and marine wrecks
- » scenic flights
- » astronomy tours
- » sea kayak tours
- » small glass-bottom boats operating in Geordie Bay
- » movies shown at the Picture Hall
- » mobile serving of drinks and icecreams to the outer bays
- » snorkel-diving activities
- » general catering services

Visitor Satisfaction

Maintaining customer interest and satisfaction with the Island is the basis of all visitor servicing activities on the Island. This year, the Rottneest Island Taskforce recognised the commercial importance of the Island's visitors and provided recommendations for enhancing their experiences when visiting the Island. These will be addressed in the coming year.

Despite some negative public comment about the Island, independent research showed that there was a significant improvement on the overall satisfaction rating in comparison to the previous year.

A total of 88% of visitors were either satisfied or very satisfied with recreational and holiday services on the Island. Last year the overall satisfaction rating was 81%.



Performance Measures for Output 1

<i>Measure</i>	<i>2003/04 target</i>	<i>2003/04 actual</i>	<i>2004/05 target</i>	<i>Reasons for significant variations between estimated and actual</i>
Quantity				
Number of services provided	632,000	609,055	632,000	2.6% variation due to reduced numbers
Quality				
Customer satisfaction with recreational and holiday services and facilities on Rottneest Island	85%	88%	90%	Target Exceeded
Rottneest holiday is value for money	75%	81%	85%	Target Exceeded
Timeliness				
Visitor and Accommodation services to customers every day of the year	100%	100%	100%	
Mooring renewal packs sent out in time	100%	100%	100%	
Cost				
Weighted average cost per visitor service provided	\$36.00	\$32.18	\$36.00	Reduced expenditure due partly to lower than expected staff costs.



Output 2: Conservation of the Natural and Cultural Environment

The Authority manages the Island's natural and cultural environment to conserve its value for future generations. This occurs through visitor education, interpretation, compliance with Regulations, research, monitoring and appropriate management strategies.

The Rottnest Island Environmental Advisory Committee advises the Authority on projects and management strategies to assist with the environmental management of the Island.

Environment

As a result of historical land uses and unrestricted visitor access, some areas of the natural environment on Rottnest Island have become degraded. Management strategies are in place to rehabilitate natural habitats and conserve the Island's flora and fauna. The management of potentially damaging activities, such as the disposal of waste and the abstraction of ground water for human consumption are monitored and reported by environment staff.

Following advice from the CALM Wildlife Conservation Branch changes to policy and guidelines for the management of compromised quokkas were developed. The consultation was broad ranging and included the Australian Veterinary Association, CALM, Murdoch University Research Ethics Group, Department of Local Government and Regional Development, the Rottnest Island Environmental Advisory Committee, Perth Zoo and the RSPCA (WA).

The woodland restoration program aims to restore woodland habitat on the Island to a state similar to that found by the first European settlers on the Island. The 20 year *Woodland Restoration Strategy* was reviewed in 2003. The Rottnest Island Environmental Advisory Committee has considered the extensive review from which an implementation strategy will be developed. A PhD research project (*Spatial and Temporal Dynamics of Woodland Restoration Sites on Rottnest Island*) is now in its third year and the information gained in this project has been incorporated into the reviewed *Woodland Restoration Strategy*.

There are currently 3 known and 2 suspected contaminated sites on Rottnest Island. The 2 most significant sites have been monitored regularly over a number of years with results reported to the Department of the Environment. Monitoring results indicate that the hydrocarbon plume in Thomson Bay is stable and presents negligible public health risk and low environmental risk. The leachate plume at Forbes Hill will be subject to a risk assessment and further investigation during the latter part of 2004. A project management group has been formed to assist in the future management of these sites.

The coastal environment of the Island is subject to considerable erosion from both natural pressures and human impact. The installation of formalised paths and beach access assists in reducing these impacts. CoastCare funding was received during the year which enabled a new beach access way to be constructed to Lady Edeline Beach. This was undertaken in conjunction with Conservation Volunteers.

In May 2003 the Island was lashed by an intense storm which coincided with extreme high tide. The damage inflicted from this one event was as extensive as that experienced from Cyclone Alby in 1978. The State Government allocated supplementary funding of \$800,000 in the 2003/2004 financial year to repair the damage caused by the storm and substantial works have been undertaken to repair the damage sustained. This includes large-scale renourishment and brushing of dunes at South Thomson Bay and Geordie Bay and the repair and replacement of dune fencing at South Thomson Bay, Geordie Bay, Pinkies Beach and Lady Edeline Beach. Repair and/or replacement of beach access was required at South Thomson, Geordie Bay, Little Parakeet Bay, Parker Point, Salmon Bay and Longreach Bay. Major repairs were completed for the Main Jetty, Geordie Bay Jetty and the Army Jetty with smaller scale repairs undertaken on Stark Jetty and the Hotel Jetty.

The Strategic Waste and Resource Management Plan (the Strategy) was completed in February 2004 and endorsed by the Board. The Strategy recommends a transfer station be constructed on the Island

as well as the removal of all domestic waste, recyclables and putrescible commercial waste from Rottnest Island. The landfill site will handle only inert wastes, which will extend the life of current cells. The Strategy includes a significant education program of visitors, businesses and Island staff to embrace the new waste management system. The plant and equipment costs for implementing the Strategy totals \$853,250 with an annual operating cost of \$305,720. The State Government has accepted a Rottnest Island Taskforce recommendation to adopt and fund the Plan. Implementation is due to commence later in 2004 with an expected completion by early 2005.

Maintenance of marine water quality is critical for the protection of environmental health, human health and the amenity of the Island. A marine water quality-monitoring program is in place to determine bacterial loads. Samples are taken regularly throughout the peak season with targeted sampling in busy periods such as Christmas, New Year's Eve and Easter. Results indicate that overall there is no significant problem regarding the quality of the marine waters of the Rottnest Island Reserve. The Authority has continued an awareness campaign by making the water quality monitoring results available on the Authority website.

During the year, Zodiac Australia donated a 4.2 metre inflatable vessel to assist in implementing a nutrient marine water sampling program. In addition \$5000 was allocated to the Rottnest Island Foundation to help pay for costs associated with the proposed program. Safety equipment was also donated for the vessel (Balaena) and the Foundation donated a quad bike to the Conservation Branch which can be used to launch the boat as well as undertaking other tasks.

The Rottnest Island Marine Management Strategy Working Group met 6 times during the year to develop a Marine Management Strategy. The working group outlined a set of objectives and a framework for developing the strategy. Information sessions were held with the working group on marine biodiversity values, recent research undertaken on shore-based recreational fishing activities and current marine reserve use. CALM's Marine Branch has assisted the Authority in establishing a Geographic Information System database that displays this marine information which has been vital for the group in the development of a marine management strategy. A final strategy is expected to be completed by mid 2005.

In August 2003 the Authority hosted a Research Framework Workshop to determine research topics and priorities required for management purposes. Over 40 people attended the workshop including scientists, research experts, students, Authority staff and Board members.

During the year 27 permits were issued for research projects conducted on the Island. There are a number of additional projects that are continuing from permits issued in previous years.

Heritage

Rottnest Island has a significant proportion of heritage assets including an intact Colonial settlement, 2 lighthouses, military installations, areas of Aboriginal significance and recreational heritage. Assets are listed at state and national level. The Rottnest Island Authority also maintains its own Heritage Asset Register, which is comparable with a Local Government Municipal Inventory for heritage places.

An assessment of all State heritage-listed places on Rottnest Island was undertaken during the year to determine their state of repair and priorities for further conservation.

Conservation works were undertaken to Cottages F & G between May and October 2003. These works included the reconstruction of the timber verandahs, the removal of asbestos roof coverings, the limewashing of the building and other improvements.

Conservation works were also undertaken on the Department of Interior Defence Building at Kingstown Barracks, with grant funding to the Rottnest Voluntary Guides Association from Lotterywest. The Rottnest Island Foundation were also able to commission a conservation plan for Signal Ridge with grant funding from Lotterywest.

In March 2004, the Rottneest Island Authority was named as a finalist in the Heritage Council of Western Australia's annual awards. These awards recognise outstanding commitment and ongoing contribution to heritage conservation and interpretation in Western Australia.

Interpretation

Interpretation is the informal education of visitors, as opposed to formal programs in place for education groups. Interpretation activities add to visitors' knowledge and enjoyment of the Island and help them make appropriate choices about how they interact with the natural environment and heritage assets.

Interpretative activities on Rottneest Island include guided and self-guided tours, signage, walk trails, brochures and website information.

As the Year of the Built Environment 2004 has been celebrated on Rottneest Island with the launch of a new booklet: "A Guide to the Historic Buildings of the Thomson Bay Settlement". An exhibition and open inspections of heritage buildings for members of the public accompanied the launch of the booklet.

A new brochure on quokkas was also prepared and published in early 2004. This brochure provides information that is frequently requested by visitors and also assists with managing visitor behaviour in relation to quokkas. A new poster highlighting a minimal interaction approach to viewing quokkas complements the quokka brochure.

A Rottneest Island Interpretation Facility Stakeholder Group was formed in 2003. This group developed a conceptual model for an interpretation facility, to be constructed on Rottneest Island some time in the future.

Education

On Rottneest Island, students are able to investigate first hand the Island's remarkable environment, including: history and culture; terrestrial and marine life; and conservation and sustainable management. A focal point for the Island's wide range of educational opportunities is the Environmental Education Centre based at Kingstown Barracks.

Education and community groups coming to Rottneest Island for day excursions or extended camps can participate in a range of innovative education programs. These programs are produced and delivered by the Rottneest Island Education Services.

The Environmental Education Program has been developed in line with the Western Australian Department of Education and Training's Curriculum Framework and is aimed at primary and secondary students. However, it can be modified for tertiary and adult community groups. In 2003/2004, 135 schools and over 18,985 students (face to face contact) participated in this significant program.

The Environmental Awareness Course, designed for teachers, community leaders and members of the public, covers environmental conservation and management of the Island, assisting group leaders to plan and implement their own effective education programs. Six of these comprehensive two-day courses were conducted during the year with 114 participants.

The School Holiday Program operates in all 4 school holidays and incorporates Winter Wonders, Spring Splendour, Summer Fun Spectacular, and Autumn Colours. The program aims to promote conservation of the Rottneest environment through hands on exploration and investigation. Over 995 children participated in the program this year.

The Community Service Program involves school and community groups in environmental works such as seed collection and shelling, reptile survey set up and dune brushing. The activities undertaken greatly contribute to the sustainable management of the Island and this year more than 60 schools and 3,057 students were involved.

Rottnest Island Education Services hosted the fourth annual Seaweed Teachers Expo in March as part of "Seaweed" – an ongoing public education campaign organised by the Marine Education Society of Australasia. The Authority was joined by other participating organisations including the Department of Fisheries, the Department for Planning and Infrastructure, Surf Life Saving WA, High Tide Marine Education, Capricorn Kayak Tours, Underwater Explorer II, the Aquarium of Western Australia and the Western Australian Museum. Participants could choose from 3 workshops, which included activities such as boating and beachcombing, sea kayaking and snorkelling a marine trail.

In 2003/2004 Seaweed was made possible with funding assistance from Fishcare WA and sponsorship from Capricorn Kayak Tours and Rottnest Island Underwater Explorer II.

Rangers

Rottnest Rangers are one of the high profile public faces of the Authority. A major component of their work relates to ensuring compliance to the *Rottnest Island Regulations 1988*. The Regulations are in place to protect and conserve the natural and cultural environment values and public amenity of the Island. As much as possible compliance is achieved with an educative approach rather than enforcement.

Enforcement action is taken when unlawful actions damage or place at risk facilities, wildlife, property or visitor amenity. Outcomes of enforcement include requiring people to leave the Island for a period of up to 7 days of which 89 such requests were issued this year. An additional 40 'cancellation of licences to occupy accommodation' were issued and 302 infringement notices were issued.

Critical times of the year, such as New Year's Eve and school leaver's celebrations, were well managed in conjunction with the Rottnest Island Police. The trial of new control initiatives proved highly successful and was deemed to have had a beneficial impact for all visitors to the Island.

Rangers also undertake wildlife management activities. A new wildlife station was completed in May 2004. This facility provides a treatment room and holding runs for sick and injured animals under observation. All rangers undertook further training in wildlife care and management during the year.

The Ranger group assisted with the training of participants in a new "Honorary Bay Ranger" program. The program is aimed at providing information on changes to marine management and ensuring an accessible source of advice and guidance to vessel operators. The volunteer program, with 8 representatives from the Rottnest Island boating community undertook full briefings in regard to the Island and relevant operations such as moorings management.

A total of 29 Honorary Rangers graduated after the completion of a training program run over the summer season. The ongoing interest in this program from a wide variety of the Authority staff and businesses on the Island ensures the care of the Island is seen as a broad responsibility and not just that of Authority Rangers.

Even with successful honorary ranger programs the Authority Rangers continue to be the main point of contact in regard to compliance issues for visitors to the Island and those using the marine environment.

Performance Measures for Output 2

<i>Measure</i>	<i>2003/04 target</i>	<i>2003/04 actual</i>	<i>2004/05 target</i>	<i>Reasons for significant variations between estimated and actual</i>
Quantity				
Heritage assets that have been improved in condition (percentage of State Heritage registered assets)	2%	3%	12%	Exceeded target
Number of seedlings planted	55,000	38,600	48,000	Reduced plantings due to late start to 2004 winter rains.
Quality				
Island properties listed on the State heritage register assessed to be in fair or good condition	90%	90%	90%	
Number of hectares planted	8	4.5	6.5	Late start to 2004 winter rains; decision to replant other areas affected by low rainfall and grazing by native animals
Timeliness				
Completion of heritage conservation works prior to summer season	100%	100%	60%*	* Target amended: work will continue after the commencement of the 2004 summer season due to the size of work programs.
Completion of planting before end of winter rains	100%	100%	100%	
Cost				
Total operating expenses as a percentage of conservation assets	4.0%	4.3%	4.0%	Higher expenditure resulted due to significant maintenance of heritage sites; and requirements identified resulted in unplanned investigative works for the management of contaminated sites.

Compliance Information

Comment on Events Occurring after Reporting Date

No events occurred after 30 June 2004 to the signing of this report to adversely affect the operations of the Rottneest Island Authority.

Changes in Written Law

The *Rottneest Island Regulations 1988* (the Regulations) were amended to increase the individual adult admission fee from \$10.45 to \$11.00 effective from 1 July 2003.

The Regulations were also amended to alter the annual payment in lieu of admission fees for recreational vessels visiting Rottneest Island from a flat rate of \$110 to a scale of fees based on the length of the vessel from 1 September 2003.

<i>Length of vessel</i>	<i>Admission fee</i>
8 metres or less	\$121.00
More than 8 metres but less than 10 metres	\$137.50
10 metres or more but less than 15 metres	\$165.00
15 metres or more	\$275.00

The boating annual payment in lieu of the admission fee had not been increased in line with the Consumer Price Index (CPI) for 3 years.

Mooring licence fees for recreational vessels were increased from 1 September 2003 from a rate of \$55 per metre (with a minimum payment of \$500) to \$66 per metre (with a minimum of \$660). This fee had not been increased in line with the CPI for 5 years. The Regulations were also amended to provide for an annual authorised user payment of \$33 per metre length of vessel.

The Regulations were also amended to provide for an increase in the annual admission fee payments for fishing and diving charter operators from 1 July 2003.

Annual Payment by fishing or diving charter operator

<i>Declared No. of visits to Rottneest Island</i>	<i>Existing fee</i>	<i>Proposed fee</i>
Less than 15	\$8.80 multiplied by capacity*	\$22.00 multiplied by capacity
15 to 30 visits	\$17.60 multiplied by capacity	\$44.00 multiplied by capacity
31 to 45 visits	\$26.40 multiplied by capacity	\$66.00 multiplied by capacity
More than 45 visits	\$35.20 multiplied by capacity	\$88.00 multiplied by capacity

* In this schedule, "capacity" means the maximum number of passengers the vessel is certificated to carry.

Admission fees for charter vessels were last increased in 1993. Since then these fees have only been adjusted for provision of *Goods and Services Tax*.

These amendments reflect the recommendations of the *Rottneest Island Management Plan 2003-2008*.

In December 2003 the *Rottneest Island (Restricted Areas) Notice 2003* was published in the Government Gazette. The Notice applied to the 2004 New Year's Eve celebration period and restricted anchoring, beach anchoring and beaching of vessels during that time.

The *Rottneest Island Authority Act 1987* was not amended in 2003/2004.

Recordkeeping Plans

The *State Records Act 2000* came into effect on 1 December 2001. The Authority is subject to the principles and standards contained within the Act. The Authority's Record Keeping Plan (RKP), has been approved by the State Records Commission. The Authority's Information Services Induction Training program addresses employees' roles and responsibilities to ensure compliance with the Authority's RKP.

Induction training was conducted for all new employees. Information sessions were held for existing employees on record keeping requirements and the use of the record keeping software TRIM. The efficiency and effectiveness of the recordkeeping training/induction program is reviewed annually.

Freedom of Information

For the year ended 30 June 2004, 6 applications were received in accordance with the *Freedom of Information Act 1992* (FOI Act).

In accordance with Part 5 section 94 of the FOI Act the Authority has an Information Statement available for inspection or purchase by the public.

All inquiries can be made to the Freedom of Information Coordinator at Rottneest Island Authority, Level 1, E Shed, Victoria Quay, Fremantle or PO Box 693, Fremantle 6959 or by phone (08) 9432 9300.

Public Interest Disclosures

To meet its obligations under the *Public Interest Disclosure Act 2003* the Authority has:

- » appointed the occupant of the position of human resources manager as the person responsible for disclosures of public interest information; and
- » developed and published procedures for public disclosures.

There were no public interest disclosures received in the reporting year.

Risk Management

This year nationally accredited visitor risk management training was provided by the Department of Conservation and Land Management to Authority staff with responsibilities in this area. The training also included an overview of risk management by RiskCover and the Authority's risk management program. Risk management plans were introduced for major events within the Rottneest Reserve.

Members of the Winnits Club assisted with a survey of the coastal risk signs. This information has been incorporated into a database, including the GPS location of each sign.

Additionally, significant incidents and litigation matters are reported to each Board meeting.

The Finance and Audit Committee functions as the Authority's risk management committee. The Authority has put in place policies and procedures in keeping with AS/NZS 4360:1999, to manage the diverse risks associated with management of the Authority, including visitor risk management.

In 2003/2004 the Authority undertook assessments of 12 strategic risks. Audits and risk treatment plans, for each risk identified, were provided to the Finance and Audit Committee in accordance with an approved timeframe. Procedures for management of operational risks were developed and assessments of several risks completed.

The Rottneest Island Taskforce highlighted the need for the Authority to review the existing risk management system to address concerns that:

- » the risk register provides for an assessment of controls rather than providing details of the controls;
- » risk management staff are required to audit the controls assessed (this should be done independently);
- » inherent risks are currently only reviewed every 5 years; and

- » risks relating to legal compliance, completeness of revenue and human resources do not appear to be considered.

Equal Employment Opportunity

The Authority continues to exceed the Government's equity index target of 59, for the improved distribution of women at all levels of the workforce with an equity index of 83. Women comprise 51% of the workforce.

An equity index of 100 shows group members are equitably distributed across the salary levels.

The Authority is well represented by women at the SES level (33%). The Government target is 25%. In the first 3 tiers of management, 55% of line management positions are held by women (the government target is 37%).

Disability Services Plan Outcomes

The Rottnest Island Authority provided facilities and services as per its Disability Service Plan 2002-2007.

The North Thomson ramp for water access was completed this year. The ramp, built in accordance with the principles of universal access, finishes this beach recreation area. A nearby beach shelter was refitted the previous year to ensure easier access.

The RIA's new railway car, the Captain Hussey, was launched this year with the capacity for 2 wheelchairs.

Free-of-charge push wheelchairs which are available from the Accommodation Office continued to be in demand for visitors.

Plan for Young People

Rottnest Island is a significant recreational destination for young people. The Authority plans activities to encourage an appreciation of the Island and to ensure a safe environment when participating in celebrations on the Island.

Leavers' week celebrations are an important culmination of school life for many young people. The Authority recognises this and continually plans appropriately for the event. This year a new initiative to give leavers their own area of accommodation was extremely successful. Leavers celebrated in safety and were provided with entertainment and personal support through volunteer outlets. A no glass policy significantly reduced the number of injuries in comparison to the previous year.

The environmental education program run by the Authority's education services is linked to the Department of Education and Training's *Curriculum Framework*. The activities offered on the program encourage active involvement and hands on learning for younger students in accordance with the needs of the participating students.

Language Services

Signs on the Island display international symbols and bilingual staff provide language services to visitors. To assist visitors of non-English speaking background, staff name badges signify any second languages spoken. An information brochure on safety on the Island is also produced in multiple languages.

Waste Paper Recycling

Waste paper from the Authority's Island offices and Fremantle office is collected by Western Recycling Pty Ltd.

Electoral Act 1907

In accordance with the disclosure requirements of Section 175ZE of the *Electoral Act 1907*, the Rottneest Island Authority incurred expenditure during the period 1 July 2003 to 30 June 2004 on the following:

<i>Advertising Agencies</i>	<i>Amount</i>
303 Advertising:	
» printing	\$118,045
» signage	14,845
» advertising	1,609
Total Amount	\$134,499

<i>Market Research Agencies</i>	<i>Amount</i>
Market Equity	\$34,107
Total	\$34,107

<i>Polling Organisations</i>	<i>Amount</i>
	Nil

<i>Direct Mail Organisations</i>	<i>Amount</i>
	Nil

<i>Media Advertising Organisations</i>	<i>Amount</i>
Marketforce Productions	\$19,846
Total	\$19,846

Staffing and Employee Relations

Staffing

The Authority met its obligations in 2003/2004 to maintain its staffing level from the previous year, and in fact has reduced its average staffing level from 108 FTE's to 106 FTE's.

The Department of the Premier and Cabinet determines the methodology for reporting FTE's for whole of government reporting. The methodology to determine the annual average staffing level is the aggregate of full time equivalents (FTE) paid on the last pay in September, December, March and June of each year, divided by four. All values are rounded to the nearest whole number.

Full-Time Equivalent Staff Positions (FTE) (ie: Annual Average Staffing Level)

<i>Category</i>	<i>2002/03</i>	<i>2003/04</i>
Full-time Permanent	82.00	75.00
Part-time Permanent	5.30	5.30
Full-time Contract of Service	15.00	8.00
Part-time Contract of Service	5.20	11.70
Full time secondment	.5	0
Hotel employees	0	6.00
Total	108.00	106.00

The Authority resumed direct management of the Rottneest Hotel on 1 April 2004, consequently accounting for an actual staffing level as at 30 June 2004 of 114 FTE (of which 23 were employed at the Hotel), compared to 102 FTE as at 30 June 2003.

Actual and Average Staffing Levels For the Authority and the Hotel

	<i>30 June 2003 Actual</i>	<i>2002/03 Annual Average Staffing Level</i>	<i>30 June 2004 Actual</i>	<i>2003/04 Annual Average Staffing Level</i>
Authority	102	108	91	100
Hotel	N/A	N/A	23	6
Total	102	108	114	106

The Chief Executive Officer and the Members of the Authority are continuing to review the minimum ongoing staffing level and the mix of full-time and part-time employment and seasonal employment. This is in line with the Taskforce's recommendation that the organisational structure of the Authority is examined as a priority, giving particular attention to areas of duplication and opportunities to improve the flexibility of the workforce.

Industrial Agreements

During 2003/04 the Authority concluded negotiations with the Australian Municipal Administrative and Clerical Services Union and the Western Australian Shire Councils, Municipal Road Boards, Health Boards, Parks, Cemeteries and Racecourses, Public Authorities Water Boards Union for a new Enterprise Agreement for the Authority's Coach Captains. That Agreement is awaiting registration in the Australian Industrial Relations Commission.

Occupational Health and Safety

In accordance with the Authority's focus on providing a safe and healthy workplace, Occupational Services continue to provide an employee assistance program for all employees and their immediate family. The assistance takes the form of a range of confidential personal services and includes counselling for financial or emotional matters. Staff who are in need of support may contact Occupational Services or may be referred by the Authority.

Workers Compensation and Rehabilitation

<i>Category</i>	<i>2002/03</i>	<i>2003/04</i>
Number of injuries causing lost-time	9	1
Number of workers' compensation claims	12	5
Total days lost	426	20
Average duration (days)	47	20
Rehabilitation success rate	0%	0%

Note: Rehabilitation success rate: Two employees are currently on rehabilitation programs with registered rehabilitation providers. Until that rehabilitation is completed the success rate will appear as 0%. This has also impacted on total days lost.

Public Sector Standards

The Authority has complied with the Public Sector Standards in Human Resources Management, the Western Australian Public Sector Code of Ethics and the Authority's Code of Conduct. There were no breach of standard applications lodged in 2003/2004.

The application made for breach of standards review and the corresponding outcomes for the reporting period are:

- » Number lodged – nil
- » Number of breaches found – n/a
- » Number still under review – n/a

Statement of Compliance with Relevant Written Law

Enabling Legislation and Administration

The Rottnest Island Authority was established by the *Rottnest Island Authority Act 1987* to control and manage Rottnest Island in accordance with the Act and the *Rottnest Island Regulations 1988*.



Legislation Impacting on Rottnest Island Authority Activities

Rottnest Island Authority is required to comply with the following relevant written laws:

Western Australian Legislation:

Aboriginal Heritage Act 1972

Aboriginal Heritage Regulations 1974

Animal Welfare Act 2002

Bush Fires Act 1954

Bush Fires Regulations 1954

Business Names Act 1962

Civil Liability Act 2002

Commercial Tenancy (Retail Shops) Agreement Act 1985

Commercial Tenancy (Retail Shops) Agreement Regulations 1985

Competition Policy Reform (WA) Act 1996

Conservation and Land Management Act 1984

Dangerous Goods Safety Act 2004

Debits Tax Act 1990

Disability Services Act 1993

Disability Services Regulations 1995

Electoral Act 1907

Electricity Act 1945

Electricity Corporation Act 1994

Electronic Transactions Act 2003

Energy Operators (Powers) Act 1979

Environmental Protection Act 1986

Equal Opportunity Act 1984

Evidence Act 1906

Explosive and Dangerous Goods Act 1961

Fair Trading Act 1987

Financial Administration and Audit Act 1985

Fines Penalties and Infringement Notices Act 1994

Fish Resources Management Act 1994

Freedom of Information Act 1992

Freedom of Information Regulations 1993

Gas Standards Act 1972

Government Employees Housing Act 1964

Government Employees Superannuation Act 1987

Health (Rottnest Island) By-laws 1989

Heritage of Western Australia Act 1990

Industrial Relations Act 1979

Interpretation Act 1984
Jetties Act 1926
Labour Relations Reform Act 2002
Land Administration Act 1997
Library Board of Western Australia Act 1951
Limitation Act 1935
Liquor Licensing Act 1988
Long Service Leave Act 1958
Marine and Harbours Act 1981
Metropolitan Water Supply, Sewerage and Drainage Act 1909
Minimum Conditions of Employment Act 1993
Navigable Waters Regulations 1958
Occupational Health and Safety Act 1984
Occupier's Liability Act 1985
Parliamentary Commissioner Act 1971
Public Interest Disclosure Act 2003
Public Sector Management Act 1994
Public and Bank Holidays Act 1974
Rottnest Island Authority Act 1987
Rottnest Island Regulations 1988
Salaries and Allowances Act 1975
Shipping and Pilotage Act 1967
Soil and Land Conservation Act 1945
Stamp Act 1921
State Records Act 2000
State Records (Consequential Provisions) Act 2000
State Supply Commission Act 1991
State Superannuation Act 2000
Statutory Corporations (Liability of Directors) Act 1996
Superannuation and Family Benefits Act 1938
Treasurer's Advance Authorisation Act 1996
Volunteers (Protection from Liability) Act 2002
Water and Rivers Commission Act 1995
Water Corporation Act 1995
Water Services Coordination Act 1995
Western Australian Marine Act 1982
Wildlife Conservation Act 1950
Workers' Compensation & Rehabilitation Act 1981
Workplace Agreements Act 1993

Commonwealth Legislation:

A New Tax System (Pay as you go) Act 1999

A New Tax System (Goods and Services Tax) Regulations 1999

Australian Heritage Commission Act 1975

Copyright Act 1968

Disability Discrimination Act 1992

Electronic Transactions Act 1999

Environmental Protection and Biodiversity Conservation Act 1999

Fringe Benefits Tax Act 1986

Historic Shipwrecks Act 1976

Income Tax Assessment Act 1936

Income Tax Assessment Act 1997

Lighthouses Act 1911

Native Title Act 1993

Privacy Act 1988

Racial Discrimination Act 1975

Sales Tax (Exemptions and Classifications) Act 1992

Sex Discrimination Act 1984

Trade Practices Act 1974

Workplace Relations Act 1996



Laurie O'Meara
Acting Chairman



Paolo Amaranti
Chief Executive Officer

31 August 2004

Additional Information

Publications can be obtained from the Office of the Rottnest Island Authority, Level 1, E Shed, Victoria Quay, Fremantle, WA. Those noted * are also available from www.rottnestisland.com.

Regular Publications

Rottnest Island Authority Annual Report*

Rottnest News*

Current RIA Brochures

Visitor Information 2003/2004*

Marine & Boating Guide 2003/2004*

Events Calendar 2004

Rottnest News Spring 2003*

Rottnest News Summer 2004*

Leavers Week 2003: Crucial Knowledge

Education Services flyer

Seaweek 2004 flyer

Maps & Information Summer 2003/2004

Maps & Information Winter 2004*

Other RIA Publications

Rottnest Island Management Plan 2003 – 2008*

Safety Information for Visitors

Coastal Hazards

A Guide to Safe Boating

Wedding and Function Guide*

The Quokka

A Guide to the Historic Buildings of the Thomson Bay Settlement

Signal Ridge, Wadjemup Hill

Older RIA Interpretative Publications still in distribution⁵

Rottnest Island Salt Lakes

Rottnest Island Fishes

Rottnest Island Cape Vlamingh Heritage Trail

Rottnest Island Oliver Hill Battery

⁵ These publications available from the RIA Visitor Centre, Cnr Henderson Ave and Colebatch Ave, Rottnest Island, WA.

The Rottnest Wrecks Heritage Trail

Rottnest Island Shells

Rottnest Island Oliver Hill Battery Heritage Trail

Rottnest Island Vlamingh Memorial Heritage Trail

Rottnest Island Vincent Way Heritage Trail

Rottnest Island Lighthouses

Rottnest Island Seagrasses

Rottnest Island Crustaceans



Acknowledgements

The Rottnest Island Authority acknowledges the support and assistance received during the year from the following organisations.

Rottnest Island Voluntary Groups

Fremantle Sea Rescue

Military Heritage Advisory Group

Military Heritage Working Group

Rottnest Fire and Emergency Services

Rottnest Island Foundation

Rottnest Island Railway Trust/Rottnest Island Railway Advisory Committee

Rottnest Voluntary Guides Association

The Rottnest Society

Western Australian Scouting Association

Winnit Club

Government Agencies

Coastwest

CSIRO Science Education Centre

Department of Agriculture

Department of Conservation and Land Management

Department of Consumer and Employment Protection

Department of Environment

Department of Fisheries

Department of Health

Department of Indigenous Affairs

Department for Planning and Infrastructure

Department of Premier and Cabinet

Department of Treasury and Finance

Fire and Emergency Services Authority of Western Australia

Heritage Council of Western Australia

Lotterywest

Main Roads WA

Ministry of Justice

Parliamentary Counsel's Office

Perth Zoo

RiskCover

Small Business Development Corporation

State Solicitor's Office

Tourism Western Australia

Water Corporation

Western Australian Museum

Western Australia Police Service

Other Organisations

Australian Association for Environmental Education

The Aquarium of Western Australia

The Australian Trust for Conservation Volunteers

National Trust of Australia (WA)

Surf Life Saving Western Australia

University of Western Australia

Murdoch University



Appendix A

Rottnest Island Management Plan 2003-2008 Implementation Report

As at 30th June 2004

Rec No	Year One Recommendations - for commencement in 2003	Rottnest Island Management Plan (RIMP) Statement of progress as at 30 June 2004	Status as at 30 June 2004	Rottnest Island Taskforce Recommendations - as related to RIMP (See Taskforce Recommendations following)
	<i>Sustainability</i>			
1	Develop Rottnest Island as a model of sustainability.	Background paper on objectives and targets presented to the Board.	Ongoing	
3	Promote, demonstrate and integrate environmental technologies where they meet the social and cultural requirements of the Island and are economically viable and relevant.	Biodiesel trial completed. MOU ¹ for development of solar-powered desalination plant under negotiation.	Ongoing	31. Wind turbine project expanded to include two low load diesel generators. 38. Seawater reverse osmosis plant to be retrofitted with potabilisation plants.
	<i>Reserve Zoning and Settlement Planning Scheme</i>			
6	Incorporate Swan Locations 12523, 12524, 12525, 12526, 12667, 10613, 10750 and 10614 into the Rottnest Island Reserve.		Completed	
14	Develop the Arrival and Departure Precinct to provide for a visitor-friendly experience.	Improved barriers between operations and passengers on Main Passenger Jetty. New signage installed. Planning commenced to incorporate improved seating, lighting, bike parking, signage, passenger luggage and vessel traffic from Jetty to Arrivals Precinct.	Ongoing	21. Visitor Centre to be co-located with Accommodation Services in the building that currently houses Accommodation Services.
15	Investigate and implement methods to improve the orientation of arriving visitors to their required first point of contact and other points around the Island.	New signage introduced in arrival precinct.	Commenced	
20	Maintain the Commercial Precinct to provide commercial services to enhance visitor experience, and to improve access for people with disabilities.	Concept plan developed for Hotel. Development of Bakery is underway with lessee undertaking significant improvement works approved in principle by the Authority. Ongoing study into effective configuration of businesses on eastern side of main precinct. All developments will include disability access features.	Ongoing	
25	Manage the Bathurst Visitor Accommodation Precinct to provide visitor accommodation.	Last refurbished in 1996. Will be included in future refurbishment considerations as required.	Ongoing	79. Develop a comprehensive 5-year strategy for refurbishment 80. Issue national tender for refurbishment program. 81. Support refurbishment strategy with market research. 83. Exercise greater control over number of guests in units. 84. Introduce credit card imprints for all accommodation.

¹ Memorandum of Understanding between Rottnest Island Authority and Solar Sustain

Rec No	Year One Recommendations - for commencement in 2003	Rottnest Island Management Plan (RIMP) Statement of progress as at 30 June 2004	Status as at 30 June 2004	Rottnest Island Taskforce Recommendations - as related to RIMP (See Taskforce Recommendations following)
27	Maintain and preserve the Bathurst Lighthouse and Lighthouse Keeper's cottage without additional development.	No additional development planned.	Ongoing	74. Investigate opportunities for generating further revenue through its heritage assets.
28	Manage the North Thomson Visitor Accommodation Precinct to provide visitor accommodation.	Refurbishment of heritage cottages F & G. Heritage cottages EJ&H will be refurbished in 2004/2005. Approved to demolish Alison cabins has been given. Consideration will be given to replacement project.	Ongoing	79. Develop a comprehensive 5-year strategy for refurbishment 80. Issue national tender for refurbishment program. 81. Support refurbishment strategy with market research. 83. Exercise greater control over number of guests in units. 84. Introduce credit card imprints for all accommodation.
31	Manage the existing accommodation stock in the South Thomson Visitor Accommodation Precinct.	Asbestos roofs removed from 12 South Thomson units. Eleven remaining units requiring roof upgrade will go to tender late 2004.	Ongoing	79. Develop a comprehensive 5-year strategy for refurbishment 80. Issue national tender for refurbishment program. 81. Support refurbishment strategy with market research. 83. Exercise greater control over number of guests in units. 84. Introduce credit card imprints for all accommodation. 93. Investigate scope for public-private partnerships to finance an upgrade of South Thomson area. 94. Seek expressions of interest for new low-impact ecotourism development in South Thomson area.
32	Continue to provide access to the beach via purpose-built designated access ways and stairs in the South Thomson Visitor Accommodation Precinct.	Beach access upgraded after 2003 winter storm damage.	Ongoing	
34	Manage the Geordie, Longreach and Fays Bay Visitor Accommodation Precinct to provide visitor accommodation.	\$4million refurbishment program commenced in June 2004 to upgrade Fays Bay and Longreach accommodation.	Ongoing	78. Immediately commence upgrade to Fays and Longreach Accommodation. 79. Develop a comprehensive 5-year strategy for refurbishment. 80. Issue national tender for refurbishment program. 81. Support refurbishment strategy with market research. 83. Exercise greater control over number of guests in units. 84. Introduce credit card imprints for all accommodation.
42	Control noise, odour and visual impact around the Service and Operation Precinct.	Statutory requirements and operational policies guide ongoing sound management.	Ongoing	26. Develop a traffic management plan consistent with Island ethos.

Rec No	Year One Recommendations - for commencement in 2003	Rottnest Island Management Plan (RIMP) Statement of progress as at 30 June 2004	Status as at 30 June 2004	Rottnest Island Taskforce Recommendations - as related to RIMP (See Taskforce Recommendations following)
47	Restrict vehicle numbers, size and type to the minimum required to carry out necessary operations and actively encourage alternatively powered vehicles, as replacements are required.	Regular review upon vehicle acquisition requests. New vehicle use and management policy being developed to focus on size, colour, use, parking, etc.	Ongoing	25. Remove ex-Transperth buses and replace with small units. 26. Develop a traffic management plan consistent with Island ethos.
48	Implement an approved range of landscape materials for Rottnest Island.	Will be jointly considered with CALM ² given the impact on non-settlement areas.	Ongoing	
50	Retain existing Settlement vegetation including trees, ground cover and shrubs.	Arbor specialist has reviewed significant trees in settlement, in particular tuart trees which have been stressed by low rainfall and planting within courtyards of refurbished units.	Ongoing	
51	Maintain existing canopy lines within the Settlement Zone, particularly along the ocean frontage where they are a key element of the vista.	Arbor specialist has reviewed significant trees in settlement. Tuart tree behind Accommodation Office has been assessed and treated for water stress.	Ongoing	
	<i>Terrestrial Environment</i>			
59	Monitor water and salinity levels within swamps and freshwater seeps on Rottnest Island.	Monitored monthly and reported to Department of Environment annually.	Ongoing	60. Responsibility for management of area west of settlement to be transferred to CALM .
60	Rehabilitate Lighthouse Swamp.	Rehabilitation and monitoring of swamp commenced.	Commenced	60. Responsibility for management of area west of settlement to be transferred to CALM.
64	Develop and implement a Plan to interpret the rehabilitation of Rottnest Island swamps.	Signage on Lighthouse Swamp, information on website, briefing provided to tour staff and volunteer guides.	Ongoing	60. Responsibility for management of area west of settlement to be transferred to CALM.
65	Manage the nutrient plume from Rottnest Island's landfill to ensure minimal impact to the water quality and other values of Lake Herschel.	Subcommittee of RIEAC ³ to oversee this issue. New monitoring contract established and documentation and brief for risk assessment and further investigation completed.	Ongoing	
68	Develop and implement strategies to reduce greenhouse emissions on Rottnest Island in accordance with the National Greenhouse Challenge actions.	Strategies in place.	Ongoing	31. Wind turbine project expanded to include two low load diesel generators.
69	Eliminate wood fires in Authority accommodation and replace them with an alternative environmentally sensitive and cost-effective source of accommodation heating.	Implemented in conjunction with refurbishment of accommodation.	Ongoing	
70	Investigate options to reduce the impact of aircraft noise.	Consultation will take place during 2004/2005 with high volume users who use the airstrip for touch and go training.	Not commenced	60. Responsibility for management of area west of settlement to be transferred to CALM.

² Department of Conservation and Land Management

³ Rottnest Island Environmental Advisory Committee

Rec No	Year One Recommendations - for commencement in 2003	Rottnest Island Management Plan (RIMP) Statement of progress as at 30 June 2004	Status as at 30 June 2004	Rottnest Island Taskforce Recommendations - as related to RIMP (See Taskforce Recommendations following)
71	Review and implement the Woodland Restoration Strategy in the context of a vegetation management strategy.	Revised strategy discussed by RIEAC. Implementation strategy continues to be implemented with \$20,000 funding from the Rottnest Island Foundation.	Commenced	60. Responsibility for management of area west of settlement to be transferred to CALM.
72	Assess and manage all developments on the Island to minimise possible threats to the habitats, flora and fauna of Rottnest Island.	RIEAC considered and recommended that the following projects proceed. The wind turbine, relocation of the Narrowneck Road, Parker Point beach access, Hotel landscaping and the South Thomson dune restoration.	Ongoing	60. Responsibility for management of area west of settlement to be transferred to CALM.
75	Implement an effective weed management program for Rottnest Island, based on existing procedures.	Management continues in accordance with Weed Management Plan, including several volunteers' weeding weekends. Arum Lily, Castor Oil Bush and Sea Spurge targeted.	Ongoing	60. Responsibility for management of area west of settlement to be transferred to CALM.
76	Implement an effective feral animal eradication program, based on existing procedures.	A number of feral beehives have been treated/removed. No cat sightings reported since eradication program finished.	Ongoing	60. Responsibility for management of area west of settlement to be transferred to CALM.
	<i>Marine Environment</i>			
79	Implement the Rottnest Island policy on waste discharge from vessels.	Water quality information listed on web site. Information for boat owners in 'Marine and Boating Guide'. Policy linked to State Strategy announced March 2004.	Ongoing	
80	Develop and implement a water quality-monitoring program for Rottnest Island bays, to test for bacteria and nutrients.	Vessel obtained for nutrient monitoring. Methodology and guidelines developed. Marine waters currently tested for bacterial loads in eleven popular locations.	Commenced	
81	Manage Island infrastructure to minimise land-based discharge of nutrients and debris into the marine environment.	Undertaken as part of normal operating procedures.	Ongoing	
85	Maintain the use of moorings in designated Rottnest Island bays as an environmental management tool.	Moorings have been maintained to prevent anchorage damage.	Ongoing	99. Continue the mooring trial system and fully evaluate prior to any further recommendations in relation to mooring management. 100. Evaluate ways to increase the availability of rental moorings.
92	Implement an annual program to collect litter in Rottnest Island bays.	Community service program undertaken by school groups and volunteers. Scout Invasions in Oct 2003 and May 2004 included 500 scouts collecting litter on each occasion.	Ongoing	
	<i>Cultural Heritage</i>			
100	Establish a Cultural Heritage Advisory Committee reporting to the Rottnest Island Authority to provide expert advice on heritage issues.	Inaugural meeting of RICHAC ⁴ held in May 2004.	Commenced	72. Bring forward the implementation of RIMP recommendations relating to heritage.

⁴ Rottnest Island Cultural Heritage Advisory Committee

Rec No	Year One Recommendations - for commencement in 2003	Rottnest Island Management Plan (RIMP) Statement of progress as at 30 June 2004	Status as at 30 June 2004	Rottnest Island Taskforce Recommendations - as related to RIMP (See Taskforce Recommendations following)
103	Develop and implement a strategy to increase the profile of Rottnest Island for heritage-focussed conferences, seminars and training events.	<p>National Trust seminars: Setting the Record Straight - Pages from the Defence History of Rottnest Island" (2003) and "Fortress Fremantle – Putting Rottnest Island in a Wider Context" (June 2004). Second includes a day visit to the Island.</p> <p>National Museums Australia conference in 2003 included a conference tour for conference delegates, with specialised walking & bus tours.</p> <p>Specialised walking and bus tours conducted for Australian Heritage Chairs and Officials meeting delegates (March 2004).</p> <p>Currently exploring opportunities to advertise facilities and activities in specialised publications. Working with heritage staff to develop itinerary for Heritage Council of WA.</p>	Commenced	
104	Maintain and enhance opportunities for free of charge, self-directed heritage interpretation on Rottnest Island.	Interpretation panels for F and G cottages installed. Funding obtained to commence Oliver Hill walk trail. Maintenance of Bickley Walk trail undertaken. Several heritage buildings opened for inspection in April 2004 school holidays.	Ongoing	73. The State Government shall provide \$1 million to commence heritage and conservation works.
108	Maintain and enhance relationships with Aboriginal people to further interpret the Aboriginal heritage of Rottnest Island.	Continued meetings and liaison with RIDGAC ⁵ .	Ongoing	
	<i>Holiday and Recreation Facilities</i>			
113	Annually adjust the individual admission fee commencing 1 July 2003.	Individual admission fee increased effective 1 July 2003. Amendment Regulations for 2004 adjustments to the adult admission fee gazetted 13 June 2004.	Ongoing	28. Investigate introduction of annual pass that allows unlimited access for one fee.

⁵ Rottnest Island Deaths Group Aboriginal Corporation

Rec No	Year One Recommendations - for commencement in 2003	Rottnest Island Management Plan (RIMP) Statement of progress as at 30 June 2004	Status as at 30 June 2004	Rottnest Island Taskforce Recommendations - as related to RIMP (See Taskforce Recommendations following)
117	Manage activities on the Island commensurate with optimum visitor numbers.	Initiatives to better manage School Leavers' Week successful and well accepted by participants. New Years Eve celebrations managed to ensure that number of visitors commensurate with facilities available.	Ongoing	23. Investigate feasibility of introducing a Rotto Smart Card for the forthcoming summer season. 24. Booking system to be centralised through WATC's WA Visitor Centre and operators seeking to forward sell shall be required to book through this service. 28. Investigate introduction of annual pass that allows unlimited access for one fee. 83. Exercise greater control over number of guests in units. 85. Examine pricing models for accommodation based on supply and demand, and introduces appropriate yield management practices. 86. Work with WATC and other bodies to market Rottnest more effectively, particularly in low season.
118	Assess business opportunities on a case by case basis, giving priority to the requirements to maintain control over the Reserve, preserve the ethos, equity and access, and sustain the Island's environmental and social issues.	All new businesses assessed on criteria.	Ongoing	6. Develop a business plan to cover the current RIMP. 10. Develop a comprehensive business plan following consideration of Taskforce recommendations. 14. Make provision in future leases for businesses to close briefly in low season for refurbishment. 91. Include specific provisions in new and renegotiated leases to cover numbers of staff to be accommodated on Island.
119	Retain the existing range of accommodation on Rottnest Island.	Existing range retained.	Ongoing	
124	Improve and enhance the universal access features of accommodation and visitor facilities on Rottnest Island.	Visitor centre has a recessed counter area to allow universal access to EFTPOS. Brochures and retail stock are displayed at no higher than 1500mm. Longreach and Fays Bay refurbishment includes three additional universal access cottages. Self-opening doors installed in Visitors Centre and Accommodation Centre. Beach ramp in North Thomson Bay overhauled.	Ongoing	
126	Except as otherwise specified, limit construction of accommodation on Rottnest Island to the replacement of existing accommodation as necessary.		Ongoing	94. Seek expressions of interest for new low-impact ecotourism development in South Thomson area.

Rec No	Year One Recommendations - for commencement in 2003	Rottnest Island Management Plan (RIMP) Statement of progress as at 30 June 2004	Status as at 30 June 2004	Rottnest Island Taskforce Recommendations - as related to RIMP (See Taskforce Recommendations following)
128	Investigate the feasibility of introducing on-line accommodation booking facilities.	Current software does not allow for online booking to occur. Online accommodation booking available for ballot periods.	Commenced	12. Call centre operations to be transferred to WATC' s WA Visitor Centre.
129	Investigate alternative methods to allocate accommodation during peak periods.	Ballot eliminated for third term school holidays. Online ballot introduced for School Leavers' Week. Use of online ballot process to allocate accommodation in periods of peak demand to be continued.	Ongoing	85. Examine pricing models for accommodation based on supply and demand, and introduces appropriate yield management practices.
130	Implement the schedule of accommodation charges for bookings taken from 1 January 2003 as described in Table 5 – Accommodation Charges.		Completed	
131	Charge accommodation booked for off peak periods, which is not part of a discount package, at a 20 percent discount rate.	The discount is automatically offered to all callers and is publicised via newspapers and the website.	Ongoing	85. Examine pricing models for accommodation based on supply and demand, and introduces appropriate yield management practices. 86. Work with WATC and other bodies to market Rottnest more effectively, particularly in low season.
132	Annually revise accommodation costs and operations.	Revised in 2003/2004.	Ongoing	85. Examine pricing models for accommodation based on supply and demand, and introduces appropriate yield management practices.
133	Conduct a community consultation exercise to inform the future development of the Rottnest Island Hotel site.	Community consultation process undertaken in May 2003	Completed	70. Governors Residence to be restored to it' s original heritage form as part of any future development at Hotel. 90. Carry out an exercise, with businesses on the Island, to identify how many staff are required to live on the Island and how many could commute. 91. Include specific provisions in new and renegotiated leases to cover numbers of staff to be accommodated on Island.
135	Continue to provide education and interpretation activities on Rottnest Island.	School holiday programs held in July, October (2003), January and April (2004). Comprehensive education programs available for students, teachers and community leaders.	Ongoing	77. The Environmental Education Centre at Kingstown be retained and operated on a cost recovery basis.
137	Provide a range of visitor services and attractions on Rottnest Island that are available on a self-directed, free-of-charge basis.	Self-directed free activities include walking tours, heritage trails and marine and terrestrial recreation activities.	Ongoing	

Rec No	Year One Recommendations - for commencement in 2003	Rottnest Island Management Plan (RIMP) Statement of progress as at 30 June 2004	Status as at 30 June 2004	Rottnest Island Taskforce Recommendations - as related to RIMP (See Taskforce Recommendations following)
138	Maintain and enhance the services provided by businesses operating on Rottnest Island.	New business opportunities advertised during 2003. The Request For Proposal for the available retail space in the main shopping precinct has been cancelled pending further consideration of potential uses of the site.	Ongoing	13. Develop standardised commercial lease agreements and deal with all lessees on a consistent basis. 14. Make provision in future leases for businesses to close briefly in low season for refurbishment. 90. Carry out an exercise, with businesses on the Island, to identify how many staff are required to live on the Island and how many could commute. 91. Include specific provisions in new and renegotiated leases to cover numbers of staff to be accommodated on Island.
139	Provide and enhance language services to non-English speaking visitors.	Multilingual bus tour map produced. Badges identify multilingual staff.	Ongoing	
141	Develop and implement a Rottnest Island Merchandising Plan.	First draft of Merchandising Plan prepared.	Commenced	23. Investigate feasibility of introducing a Rotto Smart Card for the forthcoming summer season.
142	Increase the number of bicycle racks on Rottnest Island.	New bicycle racks installed at Main Settlement and Hotel. Review of bicycle racks in arrival precinct initiated.	Ongoing	
143	Develop and implement a telecommunications plan.	Plan completed and implementation of recommendations commenced.	Commenced	
145	Undertake a review of charges for the full range of tours and visitor services.	Reviewed November 2003. Increases recommended.	Completed	23. Investigate feasibility of introducing a Rotto Smart Card for the forthcoming summer season.
149	Annually review and amend bus service fees and charges.	Reviewed November 2003. Increases recommended.	Ongoing	
150	Work with the Rottnest Island Police to enforce the requirement for cyclists to wear helmets on Rottnest Island.	Ongoing support of the Rottnest Island Police and the Rottnest Island Roadwise Committee received in this matter. Increased supervision of staff to ensure compliance.	Ongoing	
151	Work with the Rottnest Island Police to enforce the requirement for cyclists to use a light when cycling at night.	Raised with Rottnest Island Police. Bike hire now has lights available for hire. Consultation with Roadwise Committee ongoing.	Ongoing	
153	Implement the Rottnest Island Authority Disability Services Plan.	Ramp access to water completed in Thomson Bay. Visitor Centre installed signage to identify universal access counter.	Ongoing	
154	Refurbish the ramp to North Thomson Beach to provide beach and water access.	Ramp completed.	Completed	
159	Develop and introduce a new range of Rottnest Island Authority staff uniforms.	New uniforms were introduced in December 2002.	Completed	

Rec No	Year One Recommendations - for commencement in 2003	Rottnest Island Management Plan (RIMP) Statement of progress as at 30 June 2004	Status as at 30 June 2004	Rottnest Island Taskforce Recommendations - as related to RIMP (See Taskforce Recommendations following)
162	Work with Rottnest Island businesses and ferry operators to improve the compatibility of marketing campaigns with Rottnest Island objectives.	96fm and Coca-Cola summer sponsorship programs. Ongoing radio campaign with Breeze FM.	Ongoing	23. Investigate feasibility of introducing a Rotto Smart Card for the forthcoming summer season. 24. Booking system to be centralised through WATC's WA Visitor Centre and operators seeking to forward sell shall be required to book through this service. 28. Investigate introduction of annual pass that allows unlimited access for one fee.
163	Determine a policy on the scale and type of function and event appropriate for Rottnest Island based on considerations of social, economic and environmental benefits and impacts.	All events/functions held in accordance with event policy.	Completed	
164	Undertake a range of Rottnest Island Authority-hosted programs to enhance the visitor experience.	Two new events were held. The 2004 Kite Surf Classic and the Open Water Challenge 2004. Expressions of interest sought for new events.	Ongoing	23. Investigate feasibility of introducing a Rotto Smart Card for the forthcoming summer season. 71. Work with WA Museum to develop appropriate exhibits for the Rottnest Museum, and consider cross-promotion.
<i>Marine Recreation and Facilities</i>				
168	Increase the boating annual payment in lieu of Admission Fee from 1 September 2003 to the following GST inclusive prices: vessels up to 8 metres: \$121; vessels greater than 8 metres but less than 10 metres: \$137.50; vessels 10 metres or greater but less than 15 metres: \$165; vessels 15 metres or greater; \$275.	Fee increases implemented 1 September 2003.	Completed	
169	Annually review the boating annual payment in lieu of Admission Fee.	Reviewed in November 2004. No increases recommended.	Ongoing	
171	Maintain the current total number of licensed recreational moorings in the Rottnest Island Marine Reserve.	No changes proposed.	Ongoing	99. Continue the mooring trial system and fully evaluate prior to any further recommendations in relation to mooring management. 100. Evaluate ways to increase the availability of rental moorings.
174	Undertake a trial of a mooring system as detailed in Table 6 – Summary of Recreational Mooring Trial System of the Management Plan, in consultation with major stakeholders, commencing September 2003 with a view to ongoing implementation.	New mooring system trial underway. Board and Rottnest Island Taskforce both recommended continuation of trial into 2004/05.	Commenced	99. Continue the mooring trial system and fully evaluate prior to any further recommendations in relation to mooring management. 102. The honorary bay ranger program be continued and expanded.

Rec No	Year One Recommendations - for commencement in 2003	Rottnest Island Management Plan (RIMP) Statement of progress as at 30 June 2004	Status as at 30 June 2004	Rottnest Island Taskforce Recommendations - as related to RIMP (See Taskforce Recommendations following)
176	Revise annual recreational mooring site license fees effective 1 September 2003 to \$66 per metre of length of licensed vessels or \$660, whichever is the greater amount, for the duration of the recreational mooring trial and permanently thereafter should the trial system be implemented substantively.	License fees amended effective 1 September 2003.	Completed	
177	Introduce an Annual Authorised User Fee of \$33 per metre as at 1 September 2003.	Annual authorised fee implemented effective 1 September 2003.	Completed	
178	Maintain the Annual Administration Fee for Authorised Users of \$33 per vessel.	Maintained.	Ongoing	
179	Review all mooring fees annually.	Reviewed November 2004. Increases recommended.	Ongoing	99. Continue the mooring trial system and fully evaluate prior to any further recommendations in relation to mooring management.
181	Revise mooring renewal procedures to make the presentation of a hull identification number a prerequisite for a mooring site license renewal by 1 September 2004.	Included in 2004 legislative program. Consultation to be undertaken with RIMIAC ⁷ .	Commenced	
183	Eliminate the maximum rental period limit for rental moorings for the off-peak season of May to November.	Implemented.	Completed	99. Continue the mooring trial system and fully evaluate prior to any further recommendations in relation to mooring management. 100. Evaluate ways to increase the availability of rental moorings.
184	Introduce a maximum limit for rental moorings during the accommodation ballot periods, consistent with maximum ballot booking periods, from 1 July 2003.	Implemented.	Completed	99. Continue the mooring trial system and fully evaluate prior to any further recommendations in relation to mooring management. 100. Evaluate ways to increase the availability of rental moorings.
185	Increase rental swing mooring fees to \$33 per night, from 1 July 2003.	Implemented.	Completed	
186	Increase Bathurst Beach mooring fees to \$16.50 per night, from 1 July 2003.	Implemented	Completed	
187	Annually review rental mooring prices.	Reviewed November 2004. Increases recommended.	Ongoing	

⁷ Rottnest Island Marine Issues Advisory Committee

Rec No	Year One Recommendations - for commencement in 2003	Rottnest Island Management Plan (RIMP) Statement of progress as at 30 June 2004	Status as at 30 June 2004	Rottnest Island Taskforce Recommendations - as related to RIMP (See Taskforce Recommendations following)
190	Eliminate the maximum rental period limit for rental pens for the off-peak season of May to November.	Implemented.	Completed	99. Continue the mooring trial system and fully evaluate prior to any further recommendations in relation to mooring management. 100. Evaluate ways to increase the availability of rental moorings.
191	Introduce a maximum limit for rental pens during the accommodation ballot periods, consistent with maximum ballot booking periods, from 1 July 2003.	Implemented.	Completed	99. Continue the mooring trial system and fully evaluate prior to any further recommendations in relation to mooring management. 100. Evaluate ways to increase the availability of rental moorings.
192	Increase charges for rental pens to \$33 per night for large pens at the Fuel Jetty, and \$22 per night for small pens at the Fuel, Hotel and Stark Jetties, effective 1 July 2003.	Implemented.	Completed	
193	Annually review rental pen prices.	Considered by Board in November with annual fees and charges. Increases recommended.	Ongoing	
194	Provide information to boat owners on appropriate methods of beach anchoring.	Information in 2003/2004 Marine and Boating Guide.	Ongoing	
196	Implement mechanisms to ensure efficient and effective operation and management of the Main Passenger Jetty.	Barrier improved on Main Passenger Jetty. Risk assessment of Main Jetty commenced.	Commenced	
199	Work with commercial ferry companies to encourage affordable pricing strategies for Rottnest Island ferry tickets, accepting that the ferry fare includes the individual Admission Fee to the Island.	RIA met with ferry companies to discuss ferry route licensing taking into account Rottnest Island Taskforce recommendations.	Ongoing	95. Issue tenders for the provision of ferry services that predetermine the number of services per day at a yield agreeable to the Authority. Conduct appropriate scrutiny to ensure a competitive bidding process. 103. Work more closely with the commercial/charter boat industry to ensure appropriate fees and charges are paid for patrons of those services visiting Rottnest.
200	Adjust the annual payment to the Authority in lieu of Admission Fees for Charter Boat operators to: \$22 multiplied by the vessel' s capacity for vessels making 14 or less entries to the Reserve; \$44 multiplied by the vessel' s capacity for vessels making more than 14 but less than 31 entries into the Reserve; \$66 multiplied by the vessel' s capacity for vessels making more than 30 and less than 45 entries into the Reserve; and \$88 multiplied by the vessel' s capacity for vessels making 45 or more entries to the Reserve.	Implemented.	Completed	

Rec No	Year One Recommendations - for commencement in 2003	Rottnest Island Management Plan (RIMP) Statement of progress as at 30 June 2004	Status as at 30 June 2004	Rottnest Island Taskforce Recommendations - as related to RIMP (See Taskforce Recommendations following)
	<i>Community Involvement and Relations</i>			
205	Encourage and support volunteer groups to carry out conservation and interpretive activities on the Island.	Voluntary groups involved in conservation and interpretation include Army Reserve, Winnits, Carine Probus, Rottnest Voluntary Guides Association, Scout Association of WA, and The Rottnest Society.	Ongoing	30. Investigate opportunities for RVGA ⁸ to collect payment for tours. 68. Immediately develop a strategic alliance with the RIF to enhance attraction of grant funding and tax-deductible donations. 69. The State Government provides matching funds to those obtained by the RIF ⁹ from non-government sources for heritage and environmental projects, to a maximum of \$250,000.
206	Maintain the use of advisory committees to provide advice and guidance to the Authority on specific issues and subjects.	The following advisory committees are in place: Rottnest Island Environmental Advisory Committee, Rottnest Island Marine Issues Advisory Committee, Rottnest Island Railway Advisory Committee, Rottnest Island Cultural Heritage Advisory Committee. The Rottnest Island Hotel Site Development Steering Committee has been dissolved by resolution of the Board.	Ongoing	20. An Internal Audit Function that reports to the Audit Committee is established, to ensure strong internal controls and improve governance.
207	Operate a complaint handling process that is visible, accessible and fair.	Complaint management process implemented.	Ongoing	
	<i>Visitor Support Services</i>			
209	Maintain and promote a Ranger profile based on guidance, interpretation and high level of public contact with all user groups.	Article in The West Australian promoting role of Ranger. Joint patrols with police during Leavers Week and peak summer period as part of strategy to reduce vandalism and promote better compliance. Resulted in fewer complaints from visitors.	Ongoing	
210	Replace the Ranger 1 Marine Vessel.	New ranger vessel launched.	Completed	
211	Continue to support the Honorary Ranger Program.	29 honorary rangers graduated in 2004. Honorary bay ranger program commenced over the 2003/2004-summer season.	Ongoing	102. The honorary bay ranger program be continued and expanded.
213	Maintain and enhance relations with Rottnest Island Police	Ranger patrols implemented. Regular meetings held including joint participation on Local Emergency Management Committee. Inter-agency coordination of large events.	Ongoing	

⁸ Rottnest Island Volunteer Guides Association

⁹ Rottnest Island Foundation

Rec No	Year One Recommendations - for commencement in 2003	Rottnest Island Management Plan (RIMP) Statement of progress as at 30 June 2004	Status as at 30 June 2004	Rottnest Island Taskforce Recommendations - as related to RIMP (See Taskforce Recommendations following)
214	Maintain and enhance relations between the Nursing Post, as part of the Fremantle Hospital and Health Service, and the Authority.	Participate in Local Emergency Management Committee. Inter-agency coordination of large events.	Commenced	
215	Review the Authority's Risk Management Program.	Visitor Risk Management Training provided to key staff. Strategic risks identified and assessments of each risk being progressively undertaken. Assessment of operational risks commenced.	Commenced	18. Responsibility for risk management to be passed to the Business Services directorate and the risk Management Program to be reviewed. 19. The Risk Management processes of the Authority to be assessed independently.
218	Maintain participation in and support of the Local Emergency Management Committee.	Four Authority staff attended the monthly committee meetings. Budget and secretarial support provided.	Ongoing	
220	Progressively upgrade all buildings so that they meet the current Buildings Code of Australia requirements in regard to fire ratings.	There are 48 smoke alarm installations to be completed. A number of installations are planned for winter 2004. Where there is an asbestos roof the installation may be postponed until roof replacement.	Ongoing	79. Develop a comprehensive 5-year strategy for refurbishment. 80. Issue national tender for refurbishment program.
	<i>Utilities and Infrastructure</i>			
221	Operate the desalination plants as the primary source of potable water.	In 2003/2004, 71.1% of water produced from the Island's desalination facility.	Ongoing	38. Seawater reverse osmosis plant to be retrofitted with potabilisation plants.
227	Continue to install water-saving devices in accommodation units.	Water saving devices are installed in units during upgrade works. Taps on the Island are fitted with 'flow restricters', as these require less maintenance than other devices.	Ongoing	79. Develop a comprehensive 5-year strategy for refurbishment. 80. Issue national tender for refurbishment program.
231	Develop and implement an awareness campaign to discourage visitors from bringing non-recyclable and excessively packaged products to Rottnest Island.	'Bag for life' designed with Rottnest Island imagery. Campaign to be developed as part of Strategic Waste and Resource Management Plan.	Commenced	
232	Work with the business community to reduce the proportion of products supplied which are excessively packaged.	Red Rooster and Indianic Boutique ceased plastic bag use in favour of paper bags. General Store introduced the 'Bag for life' promotion. Eradication of plastic bags incorporated into Dome Café and Bakery lease documentation. Whole of Island project underway as part of Waste Management Strategy.	Ongoing	
233	Develop a waste management plan for Rottnest Island.	Strategic Waste and Resource Management Plan completed. Have commenced planning for implementation.	Commenced	59. The Strategic Waste and Resource Management Plan be adopted and funding of \$833,250 be approved for implementation.

Rec No	Year One Recommendations - for commencement in 2003	Rottnest Island Management Plan (RIMP) Statement of progress as at 30 June 2004	Status as at 30 June 2004	Rottnest Island Taskforce Recommendations - as related to RIMP (See Taskforce Recommendations following)
235	Construct a wind turbine on Mt Herschel and monitor its impact and efficiency.	Tenders closed. No contract awarded to-date. Contract to be re-examined with particular reference to Rottnest Island Taskforce recommendations.	Commenced	31. Wind turbine project expanded to include two low load diesel generators.
237	Use solar panels as a source of alternative power on Rottnest Island, where possible and practicable.	Some solar water heating and lighting in place. Use of solar considered in planning process.	Ongoing	
238	Investigate the benefits of biodiesel for Rottnest Island, with a view to its introduction as an alternative fuel on the Island.	Trial successfully completed. Awaiting local commercial availability of biodiesel. .	Commenced	
241	Employ appropriate passive energy and other energy-efficient technologies in all new accommodation and other buildings constructed on Rottnest Island.	Refurbishment of Longreach and Fays incorporates inclusion of gas-log fires and overhead ceiling fans.	Ongoing	94. Seek expressions of interest for new low-impact ecotourism development in South Thomson area.
	<i>Implementation</i>			
244	Annually review and amend as appropriate the Rottnest Island Regulations 1988.	2004 legislation program developed and implementation commenced. Significant modification of RIA legislation proposed in Taskforce Report.	Ongoing	
247	Implement arrangements to ensure maintenance of intellectual property in relation to Rottnest Island research projects.	Best practice model to be identified.	Not commenced	
248	Continue to seek funding from external sources, including special grants and sponsorships, to supplement income.	Secured \$15000 Lotteries West grant for Oliver Hill. Secured Zodiac, safety equipment and an additional \$5000 from Zodiac and Coastwest. Grant application submitted for Fays Bay rehabilitation.	Ongoing	68. Immediately develop a strategic alliance with the RIF to enhance attraction of grant funding and tax-deductible donations. 69. The State Government provides matching funds to those obtained by the RIF from non-government sources for heritage and environmental projects, to a maximum of \$250,000.
249	Annually report to the public on progress on the implementation of the Rottnest Island Management Plan 2003 -2008.	Rottnest Island Authority Annual Report 2003/2004 is the second progress report.	Ongoing	9. Progress on recommendations in Management Plans continue to be included in the Annual Report, and subsequent Management Plans also identify which initiatives were not completed and what is to occur next.

Rec No	Year Two Recommendations - for commencement in 2004	Statement of progress as at 30 June 2004	Status as at 30 June 2004	Rottnest Island Taskforce Recommendations - as related to RIMP
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	<i>Reserve Zoning and Settlement Planning Scheme</i>			
4	Define the boundary of the Rottnest Island Reserve in terms of a series of geo-positioning data points.	Consultation in progress with DOLI ¹⁰ to update boundary of Rottnest Island Reserve to GDA94 standard.	Commenced	
5	Amend the Rottnest Island Reserve purpose to "for the purpose of the Rottnest Island Authority Act 1987".	Reserve purpose amended 13 June 2003.	Completed	
8	Implement the Terrestrial Zones as described in Chart 3 – Terrestrial Zoning Plan that comprise the Settlement Zone, Natural Zone, Activity Nodes and Permanent and Temporary Environmental Exclusion Zones and manage in accordance with Table 1 – Activities and developments permitted in the Rottnest Island Terrestrial Zones.	Settlement and Natural Zone in place. Work on Activity Nodes underway: conservation assessment of Signal Ridge completed and partial works implemented. Facilities already exist at a number of Activity Nodes; e.g., interpretation signs, toilets, and beach access enabling visitors to more easily access these areas. Temporary exclusion zones exist as fenced woodland restoration areas and seasonal closures for nesting fairy terns are set up as required.	Commenced	60. Responsibility for the management of the A Class Reserve (west of settlement area) is transferred in a staged approach to DCLM. 61. An A Class Reserve be proclaimed on Rottnest Island.
11	Develop and implement a signage plan for Rottnest Island.	Reassessed in the context of an Island Visitor Communication Strategy.	Commenced	
12	Develop and implement a marine management strategy that promotes equity of access and opportunity for a quality experience among recreational users of the Marine Reserve, protecting it's environmental values, in coordination with the Department of Fisheries and in consultation with the relevant stakeholders	Six meetings of the RIMMSWG ¹¹ were held in 2003/2004. Substantial progress toward the development of a Marine Management Strategy has been achieved.	Commenced	
17	Develop a conceptual model for a purpose- built interpretation facility on Rottnest Island.	Brief for conceptual model finalised. Appointment of architect to develop conceptual model was delayed pending completion of Rottnest Island Taskforce report. Exploration of new concepts initiated by CEO.	Commenced	
22	Investigate the feasibility of establishing an additional food outlet in the Commercial Precinct, which provides value for money food options utilising and promoting Western Australian produce.	Redevelopment process terminated. Exploration of new concepts initiated by CEO.	Commenced	

¹⁰ Department of Land Information

¹¹ Rottnest Island Marine Management Strategy Working Group

Rec No	Year Two Recommendations - for commencement in 2004	Statement of progress as at 30 June 2004	Status as at 30 June 2004	Rottnest Island Taskforce Recommendations - as related to RIMP
29	Relocate the Hire Services Shed and the Office from the North Thomson Visitor Accommodation Precinct to the Services Precinct or the Commercial District.	Preliminary planning of proposal to integrate Bike Hire and Hire Services into Bike Hire shed underway.	Commenced	
33	Monitor beach erosion in the South Thomson Visitor Precinct.	Monitoring as community service project continues.	Ongoing	
38	Develop a plan for a dedicated Staff Accommodation Precinct including the relocation of staff from other precincts to this area.	Proposal superceded by Rottnest Island Taskforce Recommendations.	Not commenced	90. Carry out an exercise, with businesses on the Island, to identify how many staff are required to live on the Island and how many could commute. 91. Include specific provisions in new and renegotiated leases to cover numbers of staff to be accommodated on Island. 92. Explore opportunities for Kingstown to become a staff precinct during peak times.
43	Develop and implement a plan for the development of a Recreation Precinct based around the Country club.	Proposal superceded by Rottnest Island Taskforce Recommendations.	Not commenced	29. Consider entering with a private operator to take on golf course as a potential business opportunity.
44	Promote and enhance golf and undertake a feasibility study into the sustainable greening of the golf course, with view to implementation.	Proposal superceded by Rottnest Island Taskforce Recommendations.	Not commenced	29. Consider entering with a private operator to take on golf course as a potential business opportunity.
49	Define and implement a furniture style for the public open spaces of the Settlement Zone and around the island that meets customer needs and is consistent with and sympathetic to the heritage elements of Rottnest Island.	Resources of a landscape architect to be engaged to consider street furniture options for the Arrivals precinct, leading to development of settlement wide furniture styles.	Not commenced	29. Consider entering with a private operator to take on golf course as a potential business opportunity.
52	Define and implement a colour scheme that maintains the character of Rottnest Island.	Discussed at RICHAC ¹² in preparation for development of colour scheme.	Commenced	
	<i>Terrestrial Environment</i>			
55	Review and implement an interpretation program featuring the island' s geography.	To commence in later half of 2004	Not commenced	

¹² Rottnest Island Cultural Heritage Advisory Committee

Rec No	Year Two Recommendations - for commencement in 2004	Statement of progress as at 30 June 2004	Status as at 30 June 2004	Rottnest Island Taskforce Recommendations - as related to RIMP
56	Undertake research into the relationship between rainfall, groundwater and the wetlands of Rottnest Island.	No researchers currently interested. Continuing to promote this topic.	Commenced	60. Responsibility for the management of the A Class Reserve (west of settlement area) is transferred in a staged approach to DCLM. 75. The Authority, in concert with tertiary institutions, seeks to identify areas where further research is critically required for evaluating the sustainability of the Island. 76. The Authority assists in the extension of postgraduate research undertaken by providing information on the Authority website.
77	Encourage research on the island flora and fauna particularly that which contributes to the management of plant diseases on Rottnest Island.	Research framework workshop held. A number of research projects into Island fauna and flora currently in progress. Plant diseases not being studied at present. Continuing to promote this topic.	Ongoing	75. The Authority, in concert with tertiary institutions, seeks to identify areas where further research is critically required for evaluating the sustainability of the Island. 76. The Authority assists in the extension of postgraduate research undertaken by providing information on the Authority website.
	<i>Marine Environment</i>			
83	Investigate the provision of a waste receptor facility for liquid waste from vessels.	To commence in later half of 2004	Not commenced	59. The Strategic Waste and Resource Management Plan be adopted and funding of \$833,250 be approved for implementation.
88	Develop and implement a campaign to promote environmentally benign diving techniques to divers and snorkelers in the Rottnest Island Reserve.	Information included on Authority website. Incorporated into appropriate publications. Staff to provide advice to visitors.	Commenced	
93	Encourage research on the occurrence and extent of coral bleaching in the Rottnest Island Marine Reserve.	Research by WA Museum continuing.	Commenced	75. The Authority, in concert with tertiary institutions, seeks to identify areas where further research is critically required for evaluating the sustainability of the Island. 76. The Authority assists in the extension of postgraduate research undertaken by providing information on the Authority website.
	<i>Cultural Heritage</i>			
98	Develop comprehensive guidelines for the appropriate treatments for the landscapes and streetscapes on Rottnest Island in order to maintain associated heritage values.	To commence in later half of 2004.	Not Commenced	

Rec No	Year Two Recommendations - for commencement in 2004	Statement of progress as at 30 June 2004	Status as at 30 June 2004	Rottnest Island Taskforce Recommendations - as related to RIMP
101	Develop an island-wide integrated heritage interpretation approach that includes business opportunities that support heritage works.	Beyond Oliver Hill is an Island wide integrated military heritage interpretation plan that includes business opportunities supporting heritage works. Further work is envisaged in concert with the Interpretation facility	Commenced	60. Responsibility for the management of the A Class Reserve (west of settlement area) is transferred in a staged approach to CALM. 74. Investigate opportunities for generating further revenue through its heritage assets.
105	Undertake further ground probing radar work to determine the full extent of the Aboriginal burial grounds.	Work to be undertaken following the demolition of Allison Cabins and the removal of concrete slabs.	Commenced	
109	Develop and implement guidelines for the appropriate archaeological assessment and supervision of ground disturbance and hardening work on Rottnest Island.	To commence in later half of 2004.	Not Commenced	
<i>Holiday and Recreation Facilities</i>				
116	Develop and implement plans to increase the number of accommodated visitors in the cooler months.	Expression of Interest advertised for events in the cooler months. Market strategy being developed with reference to Taskforce Recommendations.	Commenced	28. Investigate introduction of annual pass that allows unlimited access for one fee. 81. Support refurbishment strategy with market research. 85. Examine pricing models for accommodation based on supply and demand, and introduce appropriate yield management practices. 86. Work with WATC and other bodies to market Rottnest more effectively, particularly in low season.
120	Investigate designs for a Rottnest Island style holiday cottage in preparation for the times when existing cottages require replacement.	Design investigation commenced in consultation with RIA Board, for appropriate style holiday cottages for the various accommodation precincts.	Commenced	
122	Refurbish the heritage cottages and the existing Geordie/Longreach units, paying particular attention to environmentally sensitive construction and operation and to winter comforts.	Inaugural meeting of RICHAC held in May 2004.	Ongoing	78. Immediately commence upgrade to Fays and Longreach Accommodation. 79. Develop a comprehensive 5-year strategy for refurbishment. 80. Issue national tender for refurbishment program. 81. Support refurbishment strategy with market research. 83. Exercise greater control over number of guests in units. 84. Introduce credit card imprints for all accommodation.
125	Determine and implement a defined building envelope within the boundary of the Settlement Zone.	To be implemented in 2004/2005.	Not commenced	

Rec No	Year Two Recommendations - for commencement in 2004	Statement of progress as at 30 June 2004	Status as at 30 June 2004	Rottnest Island Taskforce Recommendations - as related to RIMP
136	Develop and implement a Plan for visitor services and attractions, which is consistent with the Island's purpose and based on the principles of environmental, social and economic sustainability.		Not commenced	22. Introduce a staff development program that focuses primarily on customer service. 23. Investigate feasibility of introducing a Rotto Smart Card for the forthcoming summer season. 28. Investigate introduction of annual pass that allows unlimited access for one fee. 81. Support refurbishment strategy with market research.
144	Determine and provide recreation facilities targeted at youth.	Preliminary research undertaken. Comprehensive Leavers plan in place.	Commenced	
147	Investigate alternative-powered buses for Rottnest Island that will have a more positive impact on visual and environmental amenities	Biodiesel project undertaken Consideration also given to alternative size/styles of passenger transport	Commenced	25. Remove ex-Transperth buses and replace with Small units.
158	Investigate certification under national tourism accreditation schemes	To be implemented 2004/2005 in consultation with the WATC	Not commenced	
	<i>Marine Recreation and Facilities</i>			
165	Monitor the use of Personalised Powered Watercraft within the boundary of the Reserve over the peak months of 2003/2004 and 2004/2005 and determine whether they should be permitted in the Reserve.	Preliminary monitoring, survey and paper completed, April 2004.	Commenced	
172	Employ geographical positioning survey methods to determine and maintain records of mooring locations.	To commence in later half of 2004.	Not commenced	
182	Develop a business model for the rental mooring business unit to determine an optimum number of rental moorings.	To be implemented in the later half of 2004/2005 with reference to Taskforce recommendations.	Not commenced	99. Continue the mooring trial system and fully evaluate prior to any further recommendations in relation to mooring management. 100. Evaluate ways to increase the availability of rental moorings. 101. Undertake a feasibility study to investigate the viability of a floating dock system to be located in South Thompson Bay.
203	Investigate a charter vessel operators license system for the Rottnest Island Reserve.	No progress.	Not commenced	95. Issue tenders for the provision of ferry services that predetermine the number of services per day at a yield agreeable to the Authority. Conduct appropriate scrutiny to ensure a competitive bidding process. 103. Work more closely with the commercial/charter boat industry to ensure appropriate fees and charges are paid for patrons of those services visiting Rottnest.

Rec No	Year Two Recommendations - for commencement in 2004	Statement of progress as at 30 June 2004	Status as at 30 June 2004	Rottneest Island Taskforce Recommendations - as related to RIMP
	<i>Visitor Support Services</i>			
212	Identify and train a pool of staff who are available to fill short term or seasonal Ranger duties.	Authority Staff have acted in vacant ranger position.	Commenced	
216	Review and reissue the Authority's Risk Awareness Brochure.	Review completed. Risk Management message integrated into all Authority publications.	Commenced	
	<i>Utilities and Infrastructure</i>			
222	Revise the bore field management licence conditions according to current rainfall and define parameters and outcomes of research between rainfall, groundwater and wetlands, in coordination with the Department of Environmental Protection.	To commence in later half of 2004.	Not commenced	57. Bore field should be de-rated in accordance with the guidelines in the Water Allocation Licensing Manual.
225	Develop and implement a bituminised catchment maintenance program to ensure maximum, possible yield from the remaining bituminised catchment.	No longer in development – instead concentration will be on more effective water storage.	Not commenced	56. Remove the bituminised catchments at Mt Herschel.
230	Develop and implement plans for the cost - effective and environmentally sensitive use of grey water, compliant with public health requirements.	Not commenced as separate project, addressed as part of general water management.	Not commenced	46. Provide wastewater peak period balancing storage.
239	Develop and implement a program to interpret issues associated with power supply.	' Behind the scenes' tour in operation for public and school groups. Behind the scenes tour available to general public during school holidays.	Commenced	
	<i>Implementation</i>			
246	Develop and implement a research program for Rottneest Island	Seminar program of current research projects in preparation for delivery in September 2004. Current research programs include studies on recreational fishing, success of the sanctuary zone, reptiles on the island and changes to the Rottneest environment.	Commenced	60. Responsibility for the management of the A Class Reserve (west of settlement area) is transferred in a staged approach to DCLM. 75. The Authority, in concert with tertiary institutions, seeks to identify areas where further research is critically required for evaluating the sustainability of the Island. 76. The Authority assists in the extension of postgraduate research undertaken by providing information on the Authority website

List of Rottnest Island Taskforce recommendations referred to in the Rottnest Island Management Plan 2003-2008 Implementation Report.

Managing Rottnest

6. The Authority develops a clear business plan, covering at least the period of the current Management Plan.
9. Progress on recommendations in Management Plans continue to be included in the Annual Report, and subsequent Management Plans also identify which initiatives were not completed and what is to occur next.
10. The Authority develops a comprehensive business plan following the Government's consideration of the Taskforce's recommendations.
12. The Call Centre facility be transferred to the Western Australian Tourism Commission's WA Visitor Centre.
13. The Authority develops standardised commercial lease agreements with its lessees and deal with all lessees on a consistent basis.
14. The Authority makes provision in future leases for businesses to briefly close in the low season in order to undertake refurbishments.
18. The responsibility for risk management be passed to the Authority's Business Services directorate and the Risk Management Program be reviewed.
19. The Risk Management processes of the Authority be assessed independently.
20. In order to ensure strong internal controls and to improve governance, an Internal Audit Function which reports to the Audit Committee be established.

Visitor Servicing

21. The Visitor Centre be co-located with Accommodation Services in the building that currently houses Accommodation Services.
22. The Authority introduces a staff development program which focuses primarily on customer service.
23. The Authority investigates the feasibility of introducing a Rotto Smart Card for the forthcoming summer season.
24. The booking system be centralised through the WA Visitor Centre and operators seeking to forward sell be required to book through this service.
25. The Authority removes the ex-Transperth buses currently used for Bayseeker services and replace them with smaller units.
26. The Authority develops a traffic management plan consistent with the ethos of the Island.
28. The Authority investigates the introduction of an annual pass that allows families unlimited access to the Island for one fee.
29. The Authority considers entering with a private operator to take on the golf course on Rottnest Island as a potential business opportunity.
30. The Authority investigates opportunities with the Rottnest Island Volunteer Guides Association (RIVGA) to allow for the RIVGA to collect payment for tours.

Essential Services and Utilities.

Power

31. Wind Turbine
The introduction of a 600 kW wind turbine and control system should be extended to include two special Low Load Diesel (LLD) generators and Dynamic Grid Interface technology. This has the potential to achieve an IRR of over 20%. Diesel savings in 2005 would amount to \$485,099 rising through to \$765,675 in 2024.
Estimated Cost: \$4.1 million, of which up to \$1.7 million can be sourced through RPPGP

Water

38. Seawater Reverse Osmosis Plant (SWRO)
Retrofit the SWRO plants with potabilisation plants. This will ensure a potable supply, independent of bore water blending and will stop the existing corrosion of infrastructure.
Estimated Cost: \$20,000
46. Wastewater
Provide wastewater peak period balancing storage. This will also accommodate short-term growth. It is also required as temporary non-leaking storage for solids removed during plant wastewater treatment plant cleaning.
Estimated Costs: \$30,000 (design), \$80,000 (capital), \$10,000 pa thereafter
56. Bituminised Catchments
Remove the bituminised catchments at Mt Herschel.
Estimated Cost: \$140,000
57. Monitoring of Bore Fields
The bore field should be de-rated in accordance with the guidelines described in the Water Allocation Licensing Manual. Preparation of associated regulatory documents is required. Estimated cost \$50,000. Ongoing monitoring analysis and reporting is also required.
Estimated Cost: \$10,000 per year

Waste Management

59. The Strategic Waste and Resource Management Plan be adopted by the Authority and funding of \$833,250 be approved for the implementation of the program outlined in the Plan.

Environment And Heritage

60. Responsibility for the management of the A Class Reserve (west of the Settlement area) be transferred in a staged approach to the Department of Conservation and Land Management (DCLM).
61. The Government proclaims the A Class Reserve on Rottnest Island (west of the Settlement area) a National Park in recognition of its status as an environmental icon.
68. The Authority immediately develops a strategic alliance with the Rottnest Island Foundation to enhance attraction of grant funding and tax-deductible donations to the Island.
69. The State Government provides matching funds to those obtained by the Foundation from non-government sources for heritage and environmental projects on the Island, to a maximum of \$250,000.
70. The Governor's Residence be restored to its original heritage form as part of any future development at this site.
71. The Authority works with the Western Australian Museum to develop appropriate exhibits for the museum on Rottnest, and consider the scope for cross-promotion.
72. The Authority brings forward the implementation of recommendations contained in the Management Plan in relation to heritage.
73. The State Government provides immediate funding of \$1 million to commence heritage and conservation works.
74. The Authority investigates opportunities for generating further revenue through its heritage assets, including, for example, guided internal tours of the lighthouses at Bathurst Point and Wadjemup Hill.
75. The Authority, in concert with tertiary institutions, seeks to identify areas where further research is critically required for evaluating the sustainability of the Island.
76. The Authority assists in the extension of research undertaken by postgraduate students by providing information on such research projects on the Authority website.
77. The Environmental Education Centre at Kingstown be retained and operated on a cost recovery basis.

Accommodation

78. Upgrades to the Accommodation at Fay's and Longreach be undertaken immediately.
79. The Authority develops a comprehensive refurbishment strategy for the next five years.
80. The Authority issues a tender nationally for the refurbishment program.
81. Refurbishment planning be supported by market research to more accurately determine future needs of the client base.
83. The Authority exercises greater control over the numbers of guests staying in units.
84. The Authority introduces the taking of credit card imprints for all accommodation.
85. The Authority examines its pricing models for accommodation based on supply and demand and introduces appropriate yield management practices.
86. The Authority works with the WA Tourism Commission and other bodies to market Rottnest more effectively, particularly in the low-season period.
90. The Authority carry out an exercise, in conjunction with the businesses on the Island, to identify how many staff are required to live on the Island, and how many could commute.
91. The Authority includes specific provisions in new and renegotiated leases to cover numbers of staff to be accommodated on the Island
92. The Authority explores opportunities for Kingstown to become a precinct for staff housing during peak times.
93. The Authority investigates the scope for public-private partnerships to finance an upgrade of the South Thomson area.
94. The Authority seek expressions of interest for a new low-impact ecotourism development in the South Thomson area.

Transport

95. The Authority issues tenders for the provision of ferry services which predetermine the number of services per day at a yield agreeable to the Authority. This process will require appropriate scrutiny to ensure a competitive bidding process.

Boating Issues

99. The Mooring Trial System continue, and this be fully evaluated by the Authority prior to any further recommendations being made in relation to the management of moorings.
100. The Authority evaluates ways to increase the availability of rental moorings on the Island.
101. The Authority undertakes a feasibility study to investigate the viability of a floating dock system to be located at South Thomson Bay.
102. The honorary bay ranger program be continued and expanded.
103. The Authority works more closely with the commercial/charter boat industry to ensure appropriate fees and charges are paid for patrons of these services visiting the Rottnest reserve.

Part II

Certification Of Performance Indicators

For the year ended 30 June 2004

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 2004.



Laurie O'Meara
Acting Chairman



Mimi Secco
Member

31 August 2004



AUDITOR GENERAL

INDEPENDENT AUDIT OPINION

To the Parliament of Western Australia

ROTTNEST ISLAND AUTHORITY PERFORMANCE INDICATORS FOR THE YEAR ENDED JUNE 30, 2004

Audit Opinion

In my opinion, the key effectiveness and efficiency performance indicators of the Rottneest Island Authority are relevant and appropriate to help users assess the Authority's performance and fairly represent the indicated performance for the year ended June 30, 2004.

Scope

The Board's Role

The Board is responsible for developing and maintaining proper records and systems for preparing performance indicators.

The performance indicators consist of key indicators of effectiveness and efficiency.

Summary of my Role

As required by the Financial Administration and Audit Act 1985, I have independently audited the performance indicators to express an opinion on them. This was done by looking at a sample of the evidence.

An audit does not guarantee that every amount and disclosure in the performance indicators is error free, nor does it examine all evidence and every transaction. However, my audit procedures should identify errors or omissions significant enough to adversely affect the decisions of users of the performance indicators.

A handwritten signature in black ink, appearing to read 'D D R Pearson'.

D D R PEARSON
AUDITOR GENERAL
October 8, 2004

Key Performance Indicators

The Rottnest Island Authority has one outcome for Government:

Provision of accessible recreational and holiday facilities, appropriate to the Island environment, for the benefit of Western Australian families and other visitors, and conservation of the natural and cultural values.

To achieve this, the Authority has two outputs:

Provision of services to visitors. The Rottnest Island Authority provides and operates accessible recreational and holiday facilities with particular regard to the needs of people normally resident in Western Australia who visit or holiday on the Island as a family group.

Conservation of the natural and cultural environment. The Rottnest Island Authority maintains, protects, restores and interprets the Island's natural and cultural environment.

The Authority's single outcome and two outputs are derived from the functions of the Authority as established by the *Rottnest Island Authority Act 1987*.

The Authority's key performance indicators will be reviewed in 2004/2005 to ensure that they are relevant and appropriate in the light of changes arising from implementation of the Rottnest Island Taskforce report *Open for Business: A sustainable future for Rottnest*.

1. Effectiveness Indicators

Customers' perceptions of their holiday experience on Rottnest Island and the way in which the Authority manages the Island's natural and built environment are indicators of the effectiveness of the Authority's efforts to achieve its outcome for Government.

Effectiveness is measured, in part, by a telephone-based customer satisfaction survey of visitors to Rottnest Island during the reporting year. In 2002/2003 the survey methodology was revised and the sample from which visitors are selected expanded. As a consequence the customer satisfaction results reported are not comparable with those prior to 2002/2003.

An independent research organisation is contracted to survey a random sample of visitors (387 accommodation users, 202 day visitors and 100 private boat owners) to provide customer ratings on satisfaction with recreational and holiday facilities and services. The sample comprised 689 interviews from an estimated population of 488,000 visitors (338,389 by ferry/air and an estimated 150,000 by private/charter recreational vessels). This provides a confidence level of 95 percent on estimates of 50 percent with a sampling error of +/- 3.7 percent. The overall response rate was 75 percent. The lower response rate compared to 2002/2003 (91 percent) is possibly due to the increased length of the survey (12 minutes) in 2003/2004 compared to 5 minutes in 2002/2003 (8 minutes for accommodated visitors).

Some 72 percent of visitors surveyed were from the Perth metropolitan area, 12 percent from elsewhere in Western Australia with the remainder from interstate (14 percent) or overseas (two percent). This year the survey was conducted in three stages throughout the year. Respondents were asked to rate facilities and services on Rottnest Island in three key areas:

- » accommodation (used by visitors who stay overnight);
- » recreation (available to visitors who come for the day, who stay overnight and boat owners); and
- » overall satisfaction with recreational and holiday facilities and services.

Targets have been set for levels of visitor satisfaction with recreational and holiday facilities and services.

Monitoring is also undertaken to ensure that the facilities and services provided are appropriate to the environment. Appropriateness of facilities and services requires, amongst other strategies, management and monitoring of visitor impact on the Island's environment. Appropriateness of services and facilities to the Rottnest Island environment is measured through:

- » water consumption; and
- » marine water quality.

Conservation of the natural and built environment is assessed in three key areas:

- » fauna biodiversity;
- » revegetation; and
- » built heritage.

1.1 Visitor Satisfaction with Recreational and Holiday Facilities and Services Provided on Rottnest Island

During the telephone survey visitors were asked a series of questions including:

- » Satisfaction with recreational facilities and services;
- » Satisfaction with Rottnest Island Authority accommodation; and
- » Satisfaction with recreational and holiday services and facilities

To ensure that the visitor interviewed understood what comprised recreational facilities and services and accommodation the questionnaire required ratings on a number of aspects of each prior to asking visitors to rate their satisfaction overall for recreational facilities or accommodation. The question in relation to overall satisfaction was asked at the end of the questionnaire giving visitors the opportunity to review all aspects of their stay on the Island through responding to the previous questions.

Visitors were asked to rate their satisfaction with various aspects of the recreational facilities and services provided on Rottnest Island. They were then asked to rate their satisfaction overall.

Visitor satisfaction with recreational facilities and services

<i>Customer rating</i>	<i>2002/03</i>	<i>2003/04</i>
Net satisfied	84%	86%
Very satisfied	31%	37%
Satisfied	53%	49%
Neither	13%	10%
Dissatisfied	2%	3%
Very dissatisfied	1%	1%
Net dissatisfied	3%	4%
	100%	100%

Source: independent survey conducted by Market Equity¹ (Sampling error +/- 3.7 percent. Error rate at 95 percent confidence level on estimates of 50 percent). Note: percentage results allow for rounding

The majority of visitors (86 percent) said that they were satisfied or very satisfied overall with the facilities and services provided on Rottnest Island. The highest ratings of satisfaction were given for bus services and visitor information services. Overall satisfaction with the facilities and services is steady in comparison with last year. Several aspects were rated more highly this year, eg, bus services, beach access, waste management and bike hire.

¹ Market Equity *Evaluating the Rottnest Island Experience 2003/2004* July 2004

The target for visitor satisfaction with recreational facilities and services in 2003/2004 was 85 percent net satisfied. The target has been revised to 90 percent net satisfied for 2004/2005, as the Authority is working to improve services and facilities for visitors.

Visitors who stayed overnight in Authority accommodation were asked to rate various aspects of their accommodation. A composite measure was calculated as a weighted average of ratings given for each aspect of accommodation measured.

Visitor satisfaction with Rottnest Island Authority accommodation

<i>Customer rating</i>	<i>2002/03</i>	<i>2003/04</i>
Net satisfied	56%	65%
Very satisfied	21%	27%
Satisfied	35%	38%
Neither	27%	18%
Dissatisfied	11%	12%
Very dissatisfied	6%	5%
Net dissatisfied	18%	17%
	100%	100%

Source: independent survey conducted by Market Equity (Sampling error +/-4.9 percent. Error rate at 95 percent confidence level on estimates of 50 percent). Note: percentage results allow for rounding

Visitor satisfaction with every aspect of accommodation has increased in comparison to last year. This improvement is statistically significant compared to 2002/2003. Satisfaction with linen/bedding and furniture/fittings remains less positive than other accommodation aspects.

The target for visitor satisfaction with Rottnest Island accommodation is 85%. The Authority revised this target upward from 60% during the financial year.

Towards the end of the telephone survey visitors were asked to rate their overall satisfaction with the recreational and holiday services and facilities on Rottnest Island. This has been reported as a percentage of visitors who gave a satisfied rating of 4 or 5 out of 5.

Overall visitor satisfaction with recreational and holiday services and facilities on Rottnest Island

<i>Customer rating</i>	<i>2002/03</i>	<i>2003/04</i>
Net satisfied	81%	88%
Very satisfied	30%	40%
Satisfied	51%	48%
Neither	16%	8%
Dissatisfied	2%	3%
Very dissatisfied	1%	1%
Net dissatisfied	3%	4%
	100%	100%

Source: independent survey conducted by Market Equity (Sampling error +/-3.7 percent. Error rate at 95 percent confidence level on estimates of 50 percent). Note: percentage results allow for rounding

Overall, 88 percent of visitors reported being satisfied or very satisfied with the recreational and holiday services on Rottnest Island. Some four percent of visitors reported being dissatisfied overall. This resulted in a mean overall satisfaction rating of 4.23 out of 5. This improvement is statistically significant compared to 2002/2003.

The target for overall visitor satisfaction with visitor satisfaction with recreational and holiday services and facilities is 85 percent net satisfied. The target has been revised to 90% net satisfied for 2004/2005, as the Authority is looking to improve visitor services and facilities.

1.2 Access for Western Australian Families

The Island is a favoured holiday and recreation destination for Western Australians. The Government is committed to ensuring it remains easily accessible, particularly to family groups and other residents of the State. The Authority works to ensure accessibility by offering a range of accommodation types with rates suited to most holiday budgets.

This indicator compares the range of accommodation offered on the Island in comparison to the amount Western Australians spend on overnight accommodation while travelling within Western Australia. It is a measure of the amount that Western Australians have chosen to spend on accommodation, based on the standard of holiday they are seeking and their budget.

The comparison is made with data obtained from the National Visitor Survey 2003 (NVS) conducted by the Bureau of Tourism Research (BTR). The BTR interviewed Western Australians on their return from their trip away during 2003 and obtained a range of information, including the amount that was spent on accommodation. They calculate that on average in 2003 Western Australians, who paid for their overnight accommodation while away from home for holiday/leisure purposes, spent \$59.93 per person per night.

This is compared to the cost per bed for the range of accommodation offered by the Rottneest Island Authority. As the price per night decreases with the number of nights booked, comparison is provided with four nights of accommodation, as this is the average length of time that accommodation was booked in 2002/2003 (base year).

As there was a price increase for Authority accommodation from 1 January 2004, the most recent peak rate prices have been quoted. It should be noted that a 20 percent discount operates in the winter months with a further 20 percent discount offered to pensioners during this period. The price range of accommodation offered by the Authority was \$8.00 (tent site) to \$48.44 (four bed refurbished cottage with view) per bed per night.

Accessibility of Rottneest Island accommodation

	2001/02	2002/03	2003/04	Target
Percent of Authority accommodation cheaper than average paid by Western Australians holidaying in Western Australia	100%	100%	100%	80%
Price range of Authority accommodation (cost/bed/night) – 4 nights accommodation	\$6.00 - \$37.60	\$6.00 - \$45.94*	\$8.00 - \$48.44**	-
Average spent by Western Australians (BTR National Visitor Survey)	\$64.12 (2001)	\$59.64 (2002)	\$59.93 (2003)	-

*From 1 January 2003

** From 1 January 2004

There are a variety of operators offering full day tours to Rottneest Island. In comparing *accessibility* several different packaged destinations with similar components have been chosen on the mainland and compared to full day tours of the Island. Day tours of the Island remain at 74% of the cost of similar tours elsewhere.

Accessibility of Rottnest Island tours

	1999/00	2000/01	2001/02	2002/03	2003/04	Target
Cost of day trip tour packages to the Island as a percentage of the cost of other day tour packages from Perth (cost of Rottnest Island packages as a proportion of average of South-West packages)	75%	69%	66%	71%	74%	<75%

1.3 Water Consumption

On average Rottnest Island receives less rainfall than the Perth metropolitan area. Potable water is sourced from the rainwater catchment area, groundwater bores and a desalination plant.

Abstraction of groundwater may have subsequent impacts on the water quality and habitat value for fauna communities. Two shallow unconfined aquifers (known as Oliver Hill and Wadjemup mounds) are present on Rottnest Island. These aquifers may feed some freshwater seepages along swamps and lake edges. There are a number of salt lakes, swamps, and ephemeral freshwater pools located on the eastern side of the Island.

The Island's wetlands provide habitat and a water source for a range of flora and fauna. The lakes and swamps of Rottnest Island are measured for conductivity (an indicator of salinity) on a monthly basis. Piezometers have been installed at most lakes and swamps to measure the conductivity of the freshwater seeps. Because of its relatively undisturbed state, Barker Swamp is representative of pre-disturbance swamp conditions. It is also located on the edge of the Wadjemup mound and may be affected by water abstraction from bores although the relationship is not well understood.

The Authority records the production rates of the three sources of water for human consumption.

Source of water abstraction

Source	2000/01	2001/02	2002/03	2003/04
Bores	58.22%	32.02%	21.44%	20.16%
Desalination plants	34.58%	56.12%	70.15%	71.21%
Water catchment	7.20%	11.86%	8.41%	8.63%
Total water consumed (kl)	144,557	123,281	122,923	114,001

Both water catchment and groundwater abstraction from the bore field over the Wadjemup mound are rainfall dependent water sources. In 2000/2001 groundwater was the main source of potable water. In 2003/2004, desalination was the primary source of potable water and will continue to be so in the future.

1.4 Water Quality Within the Island's Marine Environment

A key indicator of success in managing the impact of visitors on the Island's natural environment is compliance with swimming water health standards.

The Rottnest Island Authority uses the ANZECC (Australian and New Zealand Environment Conservation Council) guidelines for primary contact to determine the quality of the marine environment around Rottnest Island with respect to bacterial loads. The Authority coordinates a program of water sampling from 11 locations. As well as sampling for Thermotolerant coliforms and Enterococci, details of boating numbers, boat types, swimmers, weather conditions, and environmental factors are recorded at the time of sampling.

During 2003/2004 the marine monitoring program included an increase in the frequency of sampling during high swimmer and boating activity periods (Christmas and New Year, Easter, Anzac Day and

other public holidays) to determine the marine water quality at times of heavy usage. During 2003/2004 there were 23 sampling events which provided a total of 253 samples.

Safe swimming water – Proportion of samples that met ANZECC guidelines

Indicator	2000/01	2001/02	2002/03	2003/04	Target
Thermotolerant coliforms	97.65%	98.61%	99.17%	100.00%	100%
Enterococci	92.86%	89.58%	92.53%	96.84%	100%

In May 2004, four samples collected on the same day from bay waters provided high levels of Enterococci. There had been a significant rain event the night before sampling and the high readings were likely to be caused from contaminants being washed into marine waters. Increased bacterial loading of water bodies after significant rain events is not uncommon. Other days of non-compliance occurred in January and April (Easter). These are periods of high water-based activity.

1.5 Proportion of Rottneest Island Revegetated

Since European contact, clearing, cutting of trees for timber and firewood, grazing and frequent fires have resulted in the loss of most of Rottneest Island's woodlands. To address this degradation, the Authority is implementing a 20-year *Woodland Restoration Strategy*. Good establishment of planted seedlings of the major species *Callitris preissii* and *Melaleuca lanceolata* is evident using high planting densities. Regeneration of the Island's woodland cover is an inherently lengthy process influenced by factors such as climate, fire, and grazing by native fauna. The *Woodland Restoration Strategy* was reviewed in 2003.

Every five years the Authority undertakes a major vegetation survey involving aerial photography and ground truthing to assess the extent of vegetation groups and change. The survey was conducted in 2002/2003 and will be repeated in 2007/2008. The target is to achieve the return of 66 percent of 368 hectares outside the Settlement area to woodland by 2017/2018. This remains unchanged following the review of the strategy.

Percentage of Island revegetated

1997/98	2002/03	2017/18 Target
16%	25%	66%

The Authority planned to plant 55,000 seedlings in 2003/2004 and succeeded in planting 38,600. The shortfall can be attributed to the late start to the 2004 program as planting can only commence after the winter rains have started. Approximately 4.5ha of new areas were planted. The trees were also planted to infill areas previously revegetated, but affected by low rainfall and grazing by native fauna. Planting will continue during the remainder of the 2004 winter. The target set for 2004/2005 is 48,000 seedlings.

1.6 Biodiversity of Terrestrial Vertebrate Fauna

Biodiversity is the variety of life forms, the genes they contain and the ecosystems they form. It is a measure of the resilience of the environment to recover and cope with stress caused by stressors such as drought and human induced habitat change. Measurement of biodiversity demonstrates the success of the Authority's management strategies in ameliorating threatening agents such as fire, pests, weeds, human activity and disease, which can impact on the functioning of native ecosystems.

A simple measure of biodiversity is to count the number of species present, with the higher the number, the greater the biodiversity. The Authority conducts a survey of the Island's vertebrate fauna every five years to measure biodiversity. The data generated are used to determine trends and to guide planning for responsible environmental management.

Five years is the minimum time frame over which to make meaningful measurements of biodiversity. The target is to ensure that there is no loss of local, native vertebrate fauna species from Rottnest Island.

The first survey was carried out in 1997/1998. The faunal biodiversity was measured through a variety of surveys undertaken between 1998 and 2003.

Additional reptile species were found in 2002/2003 as the surveys were more intensive, sampled more sites and were undertaken at times of high reptile activity. These species had been previously recorded on Rottnest Island and their sighting in the 2002/2003 surveys reconfirmed their presence.

The survey is programmed to be undertaken again in 2007/2008.

Number of species 1997/98 and 2002/03

	<i>1997/98</i>	<i>2002/03</i>
Amphibians	3	3
Reptiles	10	15
Birds	71	82
Mammals	5	5

The target is no decrease in the number of fauna species native to Rottnest Island.

1.7 Conservation of Cultural Heritage

Rottnest Island has been identified as one of the most important heritage places in Australia. The relative intactness of its buildings, sites and cultural landscape create a unique archive of early settlement.

The Heritage Council of Western Australia (HCWA) defines conservation as all the processes of looking after a place to retain its cultural significance. This includes maintenance and may, according to circumstances, include preservation, restoration, reconstruction and adaptation. The Authority works closely with the HCWA to ensure that buildings are appropriately conserved in accordance with the *Australian ICOMOS Charter (The Burra Charter) 1999*.

The indicator for cultural heritage has been revised to reflect the condition of all 59 Rottnest Island sites listed on the Heritage Council of Western Australia's Register of Heritage Places. A heritage maintenance checklist has been developed, based on a framework provided by the HCWA, to fully assess the condition of each heritage asset. Each heritage asset is inspected and assessed by a suitably qualified Rottnest Island Authority staff member, and then given overall rating of 'good', 'fair' or 'poor' (as defined by the HCWA). The assets are described as 'buildings' or 'other'.

A conservation plan determines the cultural significance of a heritage place and consequently develops guidelines/policies for how the place should be conserved, maintained and developed. Generally conservation plans should be reviewed at least every 10 years.

The targets set for 2003/2004 were met or exceeded.

Condition of State heritage registered buildings on Rottnest Island

<i>Condition</i>	<i>2002/03</i>	<i>2003/04</i>	<i>Target</i>
Good	33%	35%	Heritage buildings in fair or good condition: 90%
Fair	55%	56%	
Poor	12%	9%	

Condition of other* State heritage registered structures and sites on Rottnest Island

<i>Condition</i>	<i>2002/03</i>	<i>2003/04</i>	<i>Target</i>
Good	25%	25%	Other structures and sites in fair or good condition: 88%
Fair	63%	63%	
Poor	12%	12%	

* 'Other' is intended to cover a miscellany of structures and sites, including ruins, walls, monuments, and military installations that could not be described as buildings.

State heritage registered assets with conservation plans

<i>Status of conservation plan</i>	<i>2002/03</i>	<i>2003/04</i>	<i>Target</i>
In place	61%	64%	Percent of heritage buildings, and other sites and buildings with conservation plans: 64%
In place but out-dated	0%	0%	
No plan	39%	36%	

2. Efficiency Indicators

Output One: Provision of Services to Visitors

2.1 Weighted Average Cost per Visitor Service Provided

The efficiency indicator for Output One relates outputs (number of services provided by the Authority) to the level of input resources required (cost).

The services provided to visitors by the Authority vary in type, volume, and consumed resources. Therefore, a weighted average cost methodology was used to determine the cost per service provided to visitors. The weighted averages used to calculate efficiency are derived from activity based costing undertaken by the Authority in 1999/2000. Activity based costing examines the activities undertaken within an organisation, and how they contribute to an output. The activities that contribute to an output are defined, and then all relevant costs of those activities are determined. Costs are then allocated to outputs. To obtain the weightings for this indicator, activities were reviewed to determine those which were direct services to visitors.

Three significant services were identified: number of nights of accommodation sold, number of train and bus tickets sold, and number of moorings.

Costs for Output One were allocated to the three selected services based on the ratio of costs allocated through the activity based costing exercise. Weights were then determined for each service and this was used to calculate the cost per service in the base year and ensuing years. The weightings will be reviewed every 5 years.

Weighted average cost per visitor service provided

	<i>1999/00</i>	<i>2000/01</i>	<i>2001/02</i>	<i>2002/03</i>	<i>2003/04</i>
	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>
Cost per service	\$29.34	\$36.29	\$37.62	\$35.84	\$32.18
Cost per service (adjusted for CPI)		\$35.42	\$35.41	\$32.62	\$28.68

Note: Using the Perth CPI and 1999/00 as the base year. The cost per service does not include the costs associated with the management of the Rottnest Hotel. These costs have been included since 1 April 2004 only.

Expenditure was reduced on this output in 2003/2004 reflecting a more efficient management of service provision to visitors. In addition a number of minor works were deferred pending the report of the Rottnest Island TaskForce.

Output Two: Conservation of the Natural and Cultural Environment

2.2 Comparison of Total Operating Expenses as a Percentage of Conservation Assets

This is a measure of the Authority's efficiency in managing the heritage and conservation assets. Total operating costs are expressed as a percentage of the value of Rottneest Island's conservation assets as at 30 June 2004.

Total operating expenses as a percentage of conservation assets

	<i>2000/01</i>	<i>2001/02</i>	<i>2002/03</i>	<i>2003/04</i>
	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>	<i>Actual</i>
Total operating expenses as a percentage of conservation assets	3.1%	4.0%	3.2%	4.3%
Total operating expenses as a percentage of conservation assets (including the marine portion of the Reserve)	N/A	N/A	3.0%	4.0%

Significant maintenance was carried out on a number of heritage sites in 2003/2004. In addition investigative works to determine future management strategies for contaminated sites on the Island were also undertaken, resulting in a higher expenditure on Output Two than in 2002/2003.

CERTIFICATION OF FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2004

The accompanying financial statements of the Rottnest Island Authority have been prepared in compliance with the provisions of the Financial Administration and Audit Act 1985 from proper accounts and records to present fairly the financial transactions for the financial year ended 30 June 2004 and the financial position as at 30 June 2004.

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



L O'Meara
Acting Chairman

M Secco
Member



M Colyer
Principal Accounting Officer

Dated: 31 August 2004



AUDITOR GENERAL

INDEPENDENT AUDIT OPINION

To the Parliament of Western Australia

ROTTNEST ISLAND AUTHORITY FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2004

Qualification

The Authority relies on information provided by third parties to determine the landing fee revenue due to the Authority. The Authority did not have controls in place to verify the accuracy or completeness of information provided. As a result, I am unable to state whether the Admission Fees of \$3.35 million included in Revenue from Goods and Services as recognised in the Statement of Financial Performance is fairly presented.

Qualified Audit Opinion

In my opinion, except for the qualification,

- (i) the controls exercised by the Rottneest Island Authority provide reasonable assurance that the receipt, expenditure and investment of moneys, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions; and
- (ii) the financial statements are based on proper accounts and present fairly in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia and the Treasurer's Instructions, the financial position of the Authority at June 30, 2004 and its financial performance and cash flows for the year ended on that date.

Scope

The Board's Role

The Board is responsible for keeping proper accounts and maintaining adequate systems of internal control, preparing the financial statements, and complying with the Financial Administration and Audit Act 1985 (the Act) and other relevant written law.

The financial statements consist of the Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows and the Notes to the Financial Statements.

Summary of my Role

As required by the Act, I have independently audited the accounts and financial statements to express an opinion on the controls and financial statements. This was done by looking at a sample of the evidence.

An audit does not guarantee that every amount and disclosure in the financial statements is error free. The term "reasonable assurance" recognises that an audit does not examine all evidence and every transaction. However, my audit procedures should identify errors or omissions significant enough to adversely affect the decisions of users of the financial statements.

D D R PEARSON
AUDITOR GENERAL
October 8, 2004

STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 30 JUNE 2004

	Note	2003/2004 \$	2002/2003 \$
REVENUE			
Revenues from ordinary activities			
<i>Revenue from operating activities</i>			
Trading Profit	2	502,467	2,385,002
Goods and services	3	18,518,473	17,811,773
Commonwealth grants and contributions	4	7,270	12,500
<i>Revenue from non-operating activities</i>			
Interest revenue		81,140	26,097
Other revenues from ordinary activities	6	1,121,383	384,606
Total revenues from ordinary activities		20,230,733	20,619,978
EXPENSES			
Expenses from ordinary activities			
Employee expenses	7	7,042,412	6,749,292
Supplies and services	8	10,099,532	11,866,072
Depreciation expense	9	3,392,739	3,169,754
Borrowing costs expense	10	367,159	409,404
Administration expenses	11	999,254	966,523
Accommodation expenses	12	140,734	142,331
Costs of disposal of non-current assets	5	34,028	47,499
Other expenses from ordinary activities	13	870,187	879,103
Total expenses from ordinary activities		22,946,045	24,229,978
Loss from ordinary activities before grants and subsidies from State Government		(2,715,312)	(3,610,000)
Grants and subsidies from State Government	14	19,500	3,000
Initial recognition of assets not previously recognised	15	0	5,731,320
NET PROFIT/(LOSS)		(2,695,812)	2,124,320
Net increase in asset revaluation reserve		513,816	3,492,665
Total revenues, expenses and valuation adjustments recognised directly in equity		513,816	3,492,665
Total changes in equity other than those resulting from transactions with WA State Government as owners		(2,181,996)	5,616,985

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

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2004

	Note	2003/2004 \$	2002/2003 \$
Current Assets			
Cash assets	26(a)	3,164,333	1,693,197
Restricted cash assets	26(a)	5,000	10,000
Inventories	16	176,308	235,352
Receivables	17	825,823	1,152,331
Other assets	18	231,487	232,436
Total Current Assets		4,402,951	3,323,316
Non-Current Assets			
Property, plant, equipment & vehicles	19	94,026,754	95,258,053
Infrastructure	20	17,673,075	18,369,759
Total Non-Current Assets		111,699,829	113,627,812
Total Assets		116,102,780	116,951,128
Current Liabilities			
Payables	21	300,316	565,491
Provisions	23	1,049,068	811,849
Other liabilities	24	4,887,054	6,139,507
Total Current Liabilities		6,236,438	7,516,847
Non-Current Liabilities			
Interest-bearing liabilities	22	4,690,568	4,690,568
Provisions	23	524,306	672,249
Total Non-Current Liabilities		5,214,874	5,362,817
Total Liabilities		11,451,312	12,879,664
NET ASSETS		104,651,468	104,071,464
Equity			
Contributed Equity	25	4,489,000	1,727,000
Reserves		89,523,261	89,009,445
Retained Profits		10,639,207	13,335,019
TOTAL EQUITY		104,651,468	104,071,464

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

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2004

	Note	2003/2004 \$	2002/2003 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Sale of goods and services		502,467	2,384,235
Goods and services		18,592,135	17,658,329
Commonwealth grants and contributions		7,270	12,500
Interest Received		80,818	26,394
GST receipts on sales		2,369,188	2,248,570
Other receipts		711,618	321,924
Payments			
Employee costs		(7,211,347)	(6,865,523)
Supplies & services		(11,464,129)	(12,573,805)
Borrowing costs		(370,182)	(420,017)
GST payments on purchases		(1,594,562)	(1,438,502)
GST payments to taxation authority		(1,092,071)	(809,716)
Other payments		(863,192)	(922,916)
Net cash provided by/(used in) operating activities	26(b)	(331,987)	(378,527)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of non-current physical assets		(983,377)	(884,329)
Net cash provided by/(used in) investing activities		(983,377)	(884,329)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayments of Borrowings		0	(295,631)
Net cash provided by (used in) financing activities		0	(295,631)
CASH FLOWS FROM STATE GOVERNMENT			
Operating Grants & Subsidies		19,500	3,000
Equity contribution		2,762,000	1,727,000
Net cash provided by State Government		2,781,500	1,730,000
NET increase/(decrease) in cash held		1,466,136	171,513
Cash assets at the beginning of the financial year		1,703,197	1,531,684
Cash assets at the end of the financial year	26(b)	3,169,333	1,703,197

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 2004

1. Significant accounting policies

The following accounting policies have been adopted in the preparation of the financial statements. Unless otherwise stated these policies are consistent with those adopted in the preceding year.

General Statement

The financial statements constitute a general purpose financial report which has been prepared in accordance with Accounting Standards, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board, and Urgent Issues Group (UIG) Consensus Views as applied by the Treasurer's Instructions. Several of these are modified by the Treasurer's Instructions to vary application, disclosure, format and wording. The Financial Administration and Audit Act and the Treasurer's Instructions are legislative provisions governing the preparation of financial statements and take precedence over Accounting Standards, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board, and UIG Consensus Views. The modifications are intended to fulfil the requirements of general application to the public sector, together with the need for greater disclosure and also to satisfy accountability requirements.

If any such modification has a material or significant financial effect upon the reported results, details of that modification and, where practicable, the resulting financial effect, are disclosed in individual notes to these financial statements.

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting using the historical cost convention, except for certain assets and liabilities which, as noted, are measured at fair value.

(a) Grants and other Contributions Revenue

Grants, donations, gifts and other non-reciprocal contributions are recognised as revenue when the Authority obtains control over the assets comprising the contributions. Control is normally obtained upon their receipt.

Contributions are recognised at their fair value. Contributions of services are only recognised when a fair value can be reliably determined and the services would be purchased if not donated.

(b) Revenue Recognition

Revenue from the sale of goods and disposal of other assets and the rendering of services, is recognised when the Authority has passed control of the goods or other assets or delivery of the service to the customer.

(c) Acquisition of assets

The cost method of accounting is used for all acquisitions of assets. Cost is measured as the fair value of the assets given up or liabilities undertaken at the date of acquisition plus incidental costs directly attributable to the acquisition.

Assets acquired at no cost or for nominal consideration, are initially recognised at their fair value at the date of acquisition.

Assets costing less than \$5,000 are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total).

(d) *Depreciation of non-current assets*

All non-current assets having a limited useful life are systematically depreciated over their estimated useful lives in a manner which reflects the consumption of their future economic benefits.

Depreciation is calculated on the straight line basis, using rates which are reviewed annually. Depreciation rates used are as follows:

Buildings	4%
Computers & Electronic Equipment.....	33.33%
Furniture.....	20%
Plant & Vehicles	From 0-25%
Leasehold Improvements.....	20%
Infrastructure	From 1-11%

Works of art controlled by the agency are classified as heritage assets. They are anticipated to have very long and indeterminate useful lives. Their service potential has not, in any material sense, been consumed during the reporting period. As such, no amount for depreciation has been recognised in respect of them.

The Oliver Hill Battery, which forms part of the Plant and Vehicles class, has been determined to have similar characteristics to the Authority's works of art with respect to useful life and service potential.

(e) *Revaluation of Land, Buildings and Infrastructure*

The Authority has a policy of revaluing land, buildings and infrastructure at fair value. The annual revaluations of the Authority's land and buildings undertaken by the Valuer General's Office are recognised in the financial statements. Infrastructure assets are being progressively revalued to fair value under the transitional provisions in AASB 1041 (8.12)(b). The valuations have been undertaken by the Valuer General's Office. (See notes 19 and 20).

(f) *Leases*

The Authority has entered into a number of operating lease agreements for buildings, motor vehicles, office and other equipment, where the lessors effectively retain all of the risks and benefits incidental to ownership of the items held under the operating leases. Equal instalments of the lease payments are charged to the Statement of Financial Performance over the lease term, as this is representative of the pattern of benefits to be derived from the leased assets.

(g) *Cash*

For the purpose of the Statement of Cash Flows, cash includes cash assets and restricted cash assets net of outstanding bank overdrafts. These include short-term deposits that are readily convertible to cash on hand and are subject to insignificant risk of changes in value.

(h) *Inventories*

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

(i) *Receivables*

Receivables are recognised as the amounts receivable and due for settlement no more than 30 days from the date of recognition.

Collectability of receivables is reviewed on an ongoing basis. Debts that are known to be uncollectable are written off. A provision for doubtful debts is raised where some doubt as to collection exists.

(j) *Payables*

Payables, including accruals not yet billed, are recognised when the Authority becomes obliged to make future payments as a result of a purchase of assets or services. Accounts Payable are generally settled within 30 days.

(k) *Interest-bearing liabilities*

Loans from the Western Australian Treasury Corporation are recorded at an amount equal to the net proceeds received. Borrowing costs expense is recognised on an accrual basis.

(l) *Employee benefits*

Annual Leave

This benefit is recognised at the reporting date in respect of employees' services up to that date and is measured at the nominal amounts expected to be paid when the liabilities are settled.

Long Service Leave

The liability for long service leave expected to be settled within 12 months of the reporting date is recognised in the provisions for employee benefits, and is measured at the nominal amounts expected to be paid when the liability is settled. The liability for long service leave expected to be settled more than 12 months from the reporting date is recognised in the provisions for employee benefits and is measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given, when assessing expected future payments, to expected future wage and salary levels including relevant on costs, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

Time in Lieu Provision

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

Superannuation

Staff may contribute to the Pension Scheme, a defined benefits pension scheme now closed to new members, or to the Gold State Superannuation Scheme, a defined benefit lump sum scheme now also closed to new members. All staff who do not contribute to either of these schemes become non-contributory members of the West State Superannuation Scheme, an accumulation fund complying with the Commonwealth Government's Superannuation Guarantee (Administration) Act 1992. All of these schemes are administered by the Government Employees Superannuation Board (GESB).

The Pension Scheme and the pre-transfer benefit for employees who transferred to the Gold State Superannuation Scheme are unfunded and the liability for future payments is provided for at reporting date.

The liabilities for superannuation charges under the Gold State Superannuation Scheme and West State Superannuation Scheme are extinguished by payment of employer contributions to the GESB.

The note disclosure required by paragraph 6.10 of AASB 1028 (being the employer's share of the difference between employees' accrued superannuation benefits and the attributable net market value of plan assets) has not been provided. State scheme deficiencies are recognised by the State in its whole of government reporting. The GESB's records are not structured to provide the information for the Authority. Accordingly, deriving the information for the Authority is impractical

under current arrangements, and thus any benefits thereof would be exceeded by the cost of obtaining the information.

Employee benefit on-costs

Employee benefit on-costs, including payroll tax, are recognised and included in employee liabilities and costs when the employee benefits to which they relate are recognised as liabilities and expenses.

See notes 7 and 23.

(m) *Accrued Salaries*

Accrued salaries (refer note 24) represent the amount due to staff but unpaid at the end of the financial year, as the end of the last pay period for that financial year does not coincide with the end of the financial year. The Authority considers the carrying amount approximates net fair value.

(n) *Resources Received Free of Charge or for Nominal Value*

Resources received free of charge or for nominal value which can be reliably measured are recognised as revenues and as assets or expenses as appropriate at fair value.

(o) *Segment Information*

Segment information is prepared in conformity with the accounting policies of the entity as disclosed in note 1 and the segment reporting Accounting Standard AASB 1005 "Segment Reporting".

Segment revenues, expenses, assets and liabilities are allocated on the basis of direct attribution and reasonable estimates of usage.

Segment information has been disclosed by output.

(p) *Comparative Figures*

Comparative figures are, where appropriate, reclassified so as to be comparable with the figures presented in the current financial year.

(q) *Rounding of amounts*

Amounts in the financial statements have been rounded to the nearest dollar.

	2003/04 \$	2002/03 \$
2. Trading Profit		
Sales	1,018,310	3,938,724
Cost of Sales:		
Opening Inventory	(235,352)	(222,291)
Purchases	(456,799)	(1,566,783)
	(692,151)	(1,789,074)
Closing Inventory	176,308	235,352
Cost of Goods Sold	(515,843)	(1,553,722)
Trading Profit	502,467	2,385,002
3. Goods and Services		
Accommodation Charges	8,549,011	8,563,077
Lease & Licence Revenue	2,159,302	1,555,604
Admission Fees	3,349,024	3,290,608
Facilities & Tours	3,021,070	2,931,261
Utility Charges	877,045	833,337
Housing Rentals	314,235	301,813
Commissions	248,786	336,073
	18,518,473	17,811,773
4. Commonwealth grants and contributions		
Coastcare Grants Program	7,270	12,500
	7,270	12,500
5. Net profit/(loss) on disposal of non-current assets		
Loss on Disposal of Non-Current Assets		
Plant	(22,438)	(2,626)
Buildings	(11,590)	(44,873)
Net profit/(loss)	(34,028)	(47,499)
6. Other revenues from ordinary activities		
Services received free of charge	448,058	37,836
Insurance recoveries	333,646	2,378
Contribution to Works	261,437	283,364
Miscellaneous	55,676	60,802
Assets received free of charge	22,205	0
Donations	361	226
	1,121,383	384,606

	2003/04 \$	2002/03 \$
7. Employee expenses		
Wages and salaries	5,186,174	4,894,223
Superannuation	517,501	450,035
Long service leave	121,064	194,898
Annual leave	337,571	322,109
Other related expenses (i)	880,102	888,027
	7,042,412	6,749,292
<hr/>		
<small>(i) These employee expenses include superannuation, payroll tax, workers compensation insurance and other employment on-costs associated with the recognition of annual and long service leave liability. The related on-costs liability is included in employee benefit liabilities at Note 23.</small>		
8. Supplies and Services		
Consultants and contractors	8,579,411	10,815,430
Materials	107,039	110,473
Repairs and maintenance	898,109	370,939
Other	514,973	569,230
	10,099,532	11,866,072
<hr/>		
9. Depreciation expense		
Buildings	1,256,014	1,101,653
Computers & Electronic	87,523	54,831
Furniture	58,398	97,201
Plant & Vehicles	314,045	270,982
Leasehold Improvements	15,498	15,498
Infrastructure	1,661,261	1,629,589
	3,392,739	3,169,754
<hr/>		
10. Borrowing cost expense		
Interest Paid	357,750	399,727
Fees	9,409	9,677
	367,159	409,404
<hr/>		
11. Administration expenses		
Communication	235,964	200,358
Consumables	192,114	180,896
Insurance	327,752	343,849
Other	243,424	241,420
	999,254	966,523
<hr/>		
12. Accommodation expenses		
Lease rentals	105,090	97,369
Cleaning	20,219	18,497
Repairs & maintenance	1,748	10,540
Other	13,677	15,925
	140,734	142,331
<hr/>		

	2003/04 \$	2002/03 \$
13. Other expenses from ordinary activities		
Minor Works	608,534	676,331
Furniture, fittings & equipment replacement	150,006	179,917
Doubtful debts expense	6,995	158
Other	104,652	22,697
	<u>870,187</u>	<u>879,103</u>
14. Grants and subsidies from Government		
Fire and Emergency Services	16,500	0
Department of Fisheries	3,000	3,000
	<u>19,500</u>	<u>3,000</u>
15. Initial recognition of assets not previously recognised		
Marine Reserve	0	3,800,000
Main Jetty and Breakwater	0	1,931,320
	<u>0</u>	<u>5,731,320</u>
16. Inventories		
Inventories held for resale		
Hotel Food & Beverage Stock	102,246	134,801
Visitors Centre Stock	69,466	75,014
Bike Hire Stock	4,596	6,524
Post Office	0	17,249
Kingstown Stock	0	1,764
	<u>176,308</u>	<u>235,352</u>
17. Receivables		
Current		
Trade Debtors	1,512,534	1,788,931
GST Receivable	263,572	320,238
Provision for Doubtful Debts	(950,283)	(956,838)
	<u>825,823</u>	<u>1,152,331</u>

Admission fees payable by the public are collected by ferry, plane and charter operators and subsequently recovered from them by the Authority.

The Authority's Provision for Doubtful Debts includes a sum of \$846,482, with respect to admission fees and other monies collected by one ferry operator, Banwell Pty Ltd, trading as Boat Torque Cruises. The Crown State Solicitor, acting on the Authority's behalf, has taken action to seek to recover the unremitted admission fees.

	2003/04 \$	2002/03 \$
18. Other assets		
Current		
Prepayments	78,380	40,171
Other Debtors	150,898	190,378
Accrued Interest Receivable	2,209	1,887
	<u>231,487</u>	<u>232,436</u>
19. Property, plant, equipment and vehicles		
Land		
At fair value (1)	66,400,000	66,400,000
Buildings		
At cost	0	260,564
Accumulated depreciation	0	(41,817)
At fair value (1)	27,542,589	27,318,962
Accumulated depreciation	(2,190,650)	(1,126,137)
	<u>25,351,939</u>	<u>26,411,572</u>
Computers & Electronic Equipment		
At fair value (1)	264,889	172,862
Accumulated depreciation	(142,354)	(54,831)
	<u>122,535</u>	<u>118,031</u>
Furniture		
At cost	377,892	1,070,419
Accumulated depreciation	(301,904)	(936,033)
	<u>75,988</u>	<u>134,386</u>
Plant & Vehicles		
At cost	492,894	680,278
Accumulated depreciation	(402,423)	(449,386)
At fair value (1)	2,139,144	1,757,134
Accumulated depreciation	(308,381)	(179,346)
	<u>1,921,234</u>	<u>1,808,680</u>
Leasehold Improvements		
At cost	77,493	233,407
Accumulated depreciation	(55,536)	(195,952)
	<u>21,957</u>	<u>37,455</u>
Works of Art		
At fair value (2)	23,095	23,095
Work Under Construction		
At cost	110,006	324,834
	<u>94,026,754</u>	<u>95,258,053</u>

(1) The revaluation of land, buildings, computers and electronic equipment, and plant and vehicles was performed as at 1 July 2002 in accordance with an independent valuation by the Valuer General's Office. The primary valuation method to determine fair value was market comparison, supplemented by the depreciated replacement cost method where there was insufficient market data or equipment is of a specialised nature.

(2) The 2 October 1998 valuation of the Rottneest Island artworks was an independent valuation conducted by Phillips, Fine Art Valuers. The valuation was performed on a market value basis.

The Authority has determined to report its works of art at fair value in accordance with the option under AASB 1041 (para. 8.10).

Reconciliations

Reconciliations of the carrying amounts of property, plant, equipment and vehicles at the beginning and end of the current financial year are set out below.

2003/04	Land	Buildings	Computers/ Electronic	Furniture	Plant/ Vehicles	Leasehold Imprint	Works in Progress	Total
\$	\$	\$	\$	\$	\$	\$	\$	
Carrying amount at start of year	66,400,000	26,411,572	118,031	134,386	1,831,775	37,455	324,834	95,258,053
Additions		434,927	92,027		449,037		(324,834)	651,157
Transfers		(217,009)					110,006	(107,003)
Disposals		(11,590)			(22,438)			(34,028)
Recoverable Amount Write-Downs		(140,412)						(140,412)
Revaluation Increments		(9,947)						(9,947)
Depreciation expense		(1,115,602)	(87,523)	(58,398)	(314,045)	(15,498)		(1,591,066)
Carrying amount at end of year	66,400,000	25,351,939	122,535	75,988	1,944,329	21,957	110,006	94,026,754

2003/04	2002/03
\$	\$

20. Infrastructure

At cost	3,422,760	3,432,744
Accumulated depreciation	(2,314,637)	(1,984,516)
At fair value (1)	18,926,689	18,497,782
Accumulated depreciation	(2,513,248)	(1,597,754)
Under construction	151,511	21,503
	17,673,075	18,369,759

(1) The revaluation was performed as at 1 July 2002 in accordance with an independent valuation by the Valuer General's Office. The primary valuation method to determine fair value was market comparison, supplemented by the depreciated replacement cost method where there was insufficient market data or equipment is of a specialised nature.

2003/04
\$

Reconciliations

Reconciliations of the carrying amounts of infrastructure at the beginning and end of the current financial year are set out below:

Carrying amount at start of year	18,369,759
Additions	72,294
Transfers	368,520
Revaluation increments	523,763
Depreciation expense	(1,661,261)
Carrying amount at end of year	17,673,075

	2003/04 \$	2002/03 \$
21. Payables		
Trade payables	300,316	565,491
	300,316	565,491

22. Interest-bearing liabilities

Non-current

Western Australian Treasury Corporation Loans	4,690,568	4,690,568
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23. Provisions

Current

Annual leave	451,207	396,034
Long service leave	388,715	215,612
Time in lieu	26,917	52,297
Superannuation (ii)	42,202	40,097
Leave purchase	1,332	1,279
Employment on-costs (i)	138,695	106,530
	1,049,068	811,849

Non-current

Long service leave	173,655	228,364
Superannuation (ii)	322,866	407,347
Employment on-costs (i)	27,785	36,538
	524,306	672,249

(i) The settlement of annual, long service leave and time in lieu liabilities gives rise to the payment of employment on-costs including superannuation, payroll tax and workers compensation premiums. The liability for such on-costs is included here. The associated expense is included under Other related expenses (under Employee expenses) at Note 7.

(ii) The superannuation liability has been established from data supplied by the Government Employees Superannuation Board.

The Authority considers the carrying amount of employee benefits approximates their net fair value.

	2003/04 \$	2002/03 \$
Employee Benefit Liabilities		
The aggregate employee benefit liability recognised and included in the financial statement is as follows:		
Provision for employee benefits:		
Current	1,049,068	811,849
Non-current	524,306	672,249
	1,573,374	1,484,098

24. Other liabilities

Current		
Refundable deposits and bonds	3,419,274	3,667,735
Accrued expenses	1,234,177	2,190,068
Accrued salaries	109,966	154,050
Accrued interest	92,051	95,074
Unclaimed money	31,586	32,580
	4,887,054	6,139,507

25. Equity

Contributed Equity		
Opening balance	1,727,000	0
Contribution by State Government	2,762,000	1,727,000
Closing balance	4,489,000	1,727,000
Reserves		
Asset Revaluation Reserve (i)		
Opening balance	89,009,445	85,516,780
Net revaluation increments:		
Land	0	2,600,000
Buildings	(9,947)	(1,733,478)
Computers & Electronic Equipment	0	31,440
Plant & Vehicles	0	(59,621)
Infrastructure	523,763	2,654,324
Closing balance	89,523,261	89,009,445

(i) The asset revaluation reserve is used to record increments and decrements on the revaluation of non-current assets, as described in accounting policy note 1 (e).

Retained profits		
Opening balance	13,335,019	11,210,699
Net profit/(loss)	(2,695,812)	2,124,320
Closing balance	10,639,207	13,335,019

	2003/04	2002/03
	\$	\$

26. Notes to the Statement of Cash Flows

(a) Reconciliation of cash

Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

Cash assets	3,164,333	1,693,197
Restricted cash assets	5,000	10,000
	<u>3,169,333</u>	<u>1,703,197</u>

Bank accounts are maintained at BankWest and the Commonwealth Bank and cash floats are carried within the business centres. One term deposit of \$5,000 held as a guarantee in relation to the TAB facility at the Hotel is considered to be a restricted cash asset.

(b) Reconciliation of profit/(loss) from ordinary activities to net cash flows provided by/(used) in operating activities:

Profit/(Loss) from ordinary activities	(2,695,812)	2,124,320
Non-cash items:		
Depreciation expense	3,392,739	3,169,754
(Profit)/loss on sale of property, plant & equipment	34,028	47,499
Doubtful debts expense	6,995	158
Grants and subsidies from Government	(19,500)	(3,000)
Initial recognition of assets not previously recognised	0	(5,731,320)
Increase/(decrease) in assets:		
Receivables (iii)	276,397	(91,830)
Inventories	59,044	(7,069)
Other assets	952	(58,693)
(Increase)/decrease in liabilities:		
Payables (iii)	(265,175)	(542,266)
Provisions	89,276	(73,859)
Other Liabilities	(1,252,452)	885,323
Net GST receipts/(payments) (i)	(317,445)	352
Change in GST receivables/payables (ii)	358,966	(97,896)
Net cash provided by/(used in) operating activities	<u>(331,987)</u>	<u>(378,527)</u>

(i) This is the net GST paid/received, ie cash transactions

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

(iii) Note that ATO receivable/payable in respect of GST and receivable/payable in respect of the sale/purchase of non-current assets are not included in these items as they are not reconciling items

	2003/04	2002/03
	\$	\$

27. Commitments for expenditure

(a) Capital expenditure commitments

Capital expenditure commitments, being contracted capital expenditure additional to the amounts reported in the financial statements, are payable as follows:

Within 1 year	2,618,000	158,000
The capital commitments include amounts for:		
Buildings	2,618,000	53,000
Computers & Electronic	0	36,000
Plant & Vehicles	0	35,000
Infrastructure	0	34,000
	2,618,000	158,000

(b) Lease Commitments

Commitments in relation to leases contracted for at the reporting date but not recognised as liabilities, payable:

Within 1 year	239,230	351,650
Later than 1 year and not later than 5 years	241,738	361,212
	480,968	712,862
Representing		
Non-cancellable operating leases	480,968	712,862

Office accommodation is sublet from the Government Property Office and rent is payable monthly in advance. An option to renew the lease for five years, after an initial five year term, has been taken up. The rental is subject to review on predetermined dates, based on CPI adjustment.

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

28. Contingent Liabilities and Contingent Assets

Contingent Liabilities

In addition to the liabilities incorporated in the financial statements, the Authority has the following contingent liabilities:

(a) *Litigation in progress*

The Authority is currently defending two Supreme Court Actions, for which there are no formally quantified claims.

(b) *Native Title Claims*

Rottnest Island is subject to one claim (known as the 'Single Noongar Claim') under the Native Title Act 1993. This claim is not currently registered on the Register of Native Title Claims. Rottnest was previously covered by the Combined Metropolitan Working Group claim, which was registered. However, that claim was combined into the Single Noongar Claim on 9 October 2003.

On 8 December 2003 Rottnest Island (both terrestrial and marine areas) was added to the Register

of Aboriginal Sites (interim listing) under the Aboriginal Heritage Act 1972 (WA). This is in addition to specific sites listed previously. Formal advice has not been received as to whether the site has been placed on the Register permanently.

It is not practicable to estimate the potential financial impact of this claim and site listings at this point in time.

(c) *Treatment of asbestos materials*

The RIA has an ongoing management plan and in relation to the treatment of asbestos materials on the Island, has recognised the necessity to continue to address this issue.

(d) *Treatment of contaminated sites*

The RIA has an ongoing management plan to remediate contaminated sites as they are identified.

Contingent Assets

In addition to the assets incorporated in the financial statements, the Authority has the following contingent assets.

(a) *Litigation in progress*

Proofs of debt have been lodged with the Boat Torque Group of Companies Administrator in relation to unremitted Island admission fees and outstanding trading accounts.

29. Events Occurring After Reporting Date

There are no events in particular that occurred after reporting date which would materially affect the financial statements.

30. Explanatory Statement

(i) *Significant variations between actual revenues and expenditures for the financial year and revenue and expenditure for the immediately preceding financial year*

Details and reasons for significant variations between actual results with the corresponding items of the preceding year are detailed below. Significant variations are generally considered to be those greater than 10% or \$100,000.

	2003/04	2002/03	Variance
	\$	\$	\$
Trading profit	502,467	2,385,002	1,882,535
Goods and services	18,518,473	17,811,773	706,700
Interest revenue	81,140	26,097	55,043
Other revenues from ordinary activities	1,121,383	384,606	736,777
Employee expenses	7,042,412	6,749,292	293,120
Supplies and services	10,099,532	11,866,072	1,766,540
Depreciation expense	3,392,739	3,169,754	222,985
Initial recognition of assets not previously recognised	0	5,731,320	5,731,320

Trading profit

The variance relates to the Hotel, which was under a lease management arrangement for eight months of the year. In 2002/03 the Hotel was run under a lease arrangement, whereby all transactions were recorded in the Authority's books.

Goods and services

The variance reflects additional revenue from mooring licences and business leases.

Interest revenue

The variance reflects a higher level of bank deposits.

Other revenues from ordinary activities

The variance reflects an increased level of works performed by other agencies on the Authority's behalf and the receipt of insurance recovery monies.

Employee expenses

The variance reflects additional costs following public sector salary increases and the employment costs of Hotel staff for the final three months of the year.

Supplies and services

The variance relates to the Hotel, which was under a lease management arrangement for the first nine months of the year. In 2002/03 the Hotel was run under a lease arrangement, whereby all transactions were recorded in the Authority's books.

Depreciation expense

The variance reflects the effect of writing down assets so that they are not carried at amounts in excess of their remaining service potential and the unforeseen charge relating to the Main Jetty and Breakwater.

Initial recognition of assets not previously recognised

The variance relates to the Main Jetty and Breakwater and the Marine Reserve recognised in 2002/03.

(ii) Significant variations between estimates and actual revenues for the financial year

Details and reasons for significant variations between estimates and actual results are detailed below. Significant variations are generally considered to be those greater than 10% or \$100,000.

	2003/04	2002/03	Variance
	\$	\$	\$
Trading profit	218,250	502,467	284,217
Goods and services	19,198,745	18,518,473	680,272
Commonwealth grants and contributions	1,000,000	7,270	992,730
Interest revenue	24,000	81,140	57,140
Other revenues from ordinary activities	43,840	1,121,383	1,077,543
Employee expenses	6,703,030	7,042,412	339,382
Supplies and services	8,888,515	10,099,532	1,211,017
Depreciation expense	3,100,000	3,392,739	292,739
Administration expenses	1,334,990	999,254	335,736
Other expenses from ordinary activities	1,294,400	870,187	424,213

Trading profit

The variance reflects the inclusion of the Hotel as part of the Authority's activities for the final three months of the year.

Goods and services

The variance reflects lower than anticipated revenue from tourist facilities and Island admission fees.

Commonwealth grants and contributions

The variance relates to funding for the Wind Turbine project, which is now expected to be received during 2004-05.

Interest revenue

The variance reflects a higher level of bank deposits than anticipated.

Other revenues from ordinary activities

The variance reflects the Main Roads Department contribution to road maintenance.

Employee expenses

The variance reflects the employment costs of Hotel staff for the final three months of the year.

Supplies and services

The variance reflects maintenance expenditure that was covered by insurance recovery, costs associated with the Hotel and unforeseen expenditure in connection with the Facilities Management Agreement and contractors, in providing for the maintenance of facilities and provision of utility services.

Depreciation expense

The variance reflects the effect of writing down assets so that they are not carried at amounts in excess of their remaining service potential and the unforeseen charge relating to the Main Jetty and Breakwater.

Administration expenses

The variance relates to insurance and communication costs.

Other expenses from ordinary activities

The variance relates to necessary minor works expenditure.

31. Financial Instruments

(a) Interest Rate Risk Exposure

The following table details the Authority's exposure to interest rate risk as at the reporting date:

	Weighted average effective interest rate	Variable Interest rate	Fixed interest rate maturities			Non interest bearing	Total
			1 year or less \$'000	1 to 5 years \$'000	Over 5 years \$'000		
	%						
30 June 2004							
Financial Assets							
Cash Floats & Operating Account						2,597	2,597
11am Account	4.47	572					572
Receivables						1,512	1,512
Other assets						2	2
		572				4,111	4,683
Liabilities							
Payables						300	300
Accrued Interest						92	92
Borrowings from WATC	7.40		1,875	2,055	760		4,690
			1,875	2,055	760	392	5,082
30 June 2003							
Financial assets	3.00	547				2,947	3,494
Financial liabilities	7.96		1,875	2,164	651	660	5,350

(b) Credit Risk Exposure

All financial assets are unsecured.

Amounts owing by other government agencies are guaranteed and therefore no credit risk exists in respect of those amounts. In respect of other financial assets the carrying amounts represent the Authority's maximum exposure to credit risk in relation to those assets.

	2003/04	2002/03
	\$	\$

32. Remuneration of Members of the Accountable Authority and Senior Officers

Remuneration of Members of the Accountable Authority

The number of members of the Accountable Authority, whose total of fees, salaries, superannuation and other benefits for the financial year, fall within the following bands are:

\$		
0 – 10,000	5	7

The total remuneration of the members of the Accountable Authority is:	28,912	28,912
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The superannuation included here represents the superannuation expense incurred by the Authority in respect of members of the Accountable Authority.

No members of the Accountable Authority are members of the Pension Scheme.

Remuneration of Senior Officers

The number of Senior Officers, other than senior officers reported as members of the accountable authority, whose total of fees, salaries, superannuation and other benefits for the financial year, fall within the following bands are:

\$		
10,001 – 20,000	0	1
30,001 – 40,000	2	1
40,001 – 50,000	1	0
60,001 – 70,000	1	0
100,001 – 110,000	0	2
110,001 – 120,000	2	0
130,001 – 140,000	0	1
140,001 – 150,000	0	1
150,001 – 160,000	1	0

The total remuneration of senior officers is:	552,314	502,452
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The superannuation included here represents the superannuation expense incurred by the Authority in respect of Senior Officers other than senior officers reported as members of the Accountable Authority.

One former Senior Officer is a member of the Pension Scheme.

33. Remuneration of Auditor

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

Auditing the accounts, financial statements and performance indicators	60,000	53,000
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	2003/04	2002/03
	\$	\$
34. Supplementary Information		
Write-Offs approved by the Board		
Bad Debts	12,807	83
Stock Write Off	2,894	2,272
Bikes Write Off	14,914	2,626
	30,615	4,981
Cash Variances		
Net cash (surplus)/shortage	4,337	1,415

35. Segment (Output) Information

Segment information has been disclosed by output. The two outputs of the Authority are:

Output 1: Provision of Services to Visitors

This output relates to the provision and operation of affordable recreational and holiday facilities with particular regard for the needs of persons usually resident in the State, and who wish to visit or stay on the Island as a family group.

Output 2: Conservation of the Natural and Built Environment

This output relates to the maintenance and protection of the Island's natural and built environment.

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

	Services to Visitors		Conservation of Environment		Consolidated	
	2003/04	2002/03	2003/04	2002/03	2003/04	2002/03
	\$	\$	\$	\$	\$	\$
REVENUE						
Revenue from ordinary activities						
Trading profit	502,467	2,385,002			502,467	2,385,002
Goods and services	18,459,997	17,752,248	58,476	59,525	18,518,473	17,811,773
Commonwealth grants and contributions			7,270	12,500	7,270	12,500
Interest revenue	81,140	26,097			81,140	26,097
Other revenues from ordinary activities	1,011,786	371,387	109,597	13,219	1,121,383	384,606
Total revenues from ordinary activities	20,055,390	20,534,734	175,343	85,244	20,230,733	20,619,978
EXPENSES						
Expenses from ordinary activities						
Employee expenses	5,932,312	5,675,110	1,110,100	1,074,182	7,042,412	6,749,292
Supplies & services	9,324,590	11,290,680	774,942	575,392	10,099,532	11,866,072
Depreciation expense	3,165,533	3,043,050	227,206	126,704	3,392,739	3,169,754
Borrowing costs expense	324,734	377,007	42,425	32,397	367,159	409,404
Administration expenses	782,323	827,440	216,931	139,083	999,254	966,523
Accommodation expenses	136,893	138,565	3,841	3,766	140,734	142,331
Costs of disposal of non-current assets	34,028	47,499	0	0	34,028	47,499
Other expenses from ordinary activities	568,800	808,742	301,387	70,361	870,187	879,103
Total expenses from ordinary activities	20,269,213	22,208,093	2,676,832	2,021,885	22,946,045	24,229,978
Profit from ordinary activities before grants and subsidies from Government	(213,823)	(1,673,359)	(2,501,489)	(1,936,641)	(2,715,312)	(3,610,000)
Grants and subsidies from Government			19,500	3,000	19,500	3,000
Initial recognition of assets not previously recognised		1,931,320		3,800,000		5,731,320
Net Profit/(Loss)	(213,823)	257,961	(2,481,989)	1,866,359	(2,695,812)	2,124,320
Segment Assets	26,267,160	27,529,075	66,501,284	66,503,515	92,768,444	94,032,590
Unallocated assets					23,334,336	22,918,538
Total assets					116,102,780	116,951,128
Segment Liabilities	4,422,008	5,160,050	233,660	315,628	4,655,668	5,475,678
Unallocated liabilities					6,795,644	7,403,986
Total liabilities					11,451,312	12,879,664
Acquisition of property, plant, equipment and other non-current assets	788,167	353,416	23,596	76,279	811,763	429,695
Unallocated acquisitions					171,614	454,634
Total acquisitions					983,377	884,329
Non-cash expenses other than Depreciation	530,099	(24,110)	14,229	(11,755)	544,328	(35,865)

36. The Impact of Adopting International Accounting Standards

The Australian Accounting Standards Board has adopted the Standards of the International Accounting Standards Board for application to reporting periods beginning on or after 1 January 2005. Accounting Standard AASB 1 'First –time Adoption of Australian Equivalents to International Financial Reporting Standards' prescribes transitional provisions for first-time adopters.

AASB 1047 'Disclosing the Impacts of Adopting Australian Equivalents to International Financial Reporting Standards' requires financial reports to disclose information about the impacts of any changes in accounting policies in the transition period leading up to the adoption date and will apply for June 2004 reporting.

Management of Transition to International Financial Reporting Standards (IFRS)

The Authority's Principal Accounting Officer is managing the transition to Australian equivalents to (IFRS) and has:

- » identified the key differences in accounting policies, disclosures and presentation and the consequential impacts and risks to the agency;
- » assessed the changes required to financial management information systems and processes;
- » identified the necessary staff skills and training requirements; and
- » prepared a plan to convert accounting policies, financial management information systems and processes so the Authority can account and report on the IFRS basis.

The project is on schedule with the design and documentation of IFRS financial management systems and processes progressing concurrently with the preparation of an opening IFRS balance sheet in accordance with AASB 1 as at 1 July 2004 (the date of transition to IFRS).

Key differences in accounting policies that are expected to arise from adopting Australian equivalents to IFRS

The Authority has identified the following key differences:

- » Accounting Standard AASB 136 116 Property, Plant and Equipment provides that where a class has assets at cost and fair value, all assets in the class must be measured at fair value in the opening balance sheet. The Authority currently has assets in its Plant and Vehicles and Infrastructure classes at cost and fair value and will therefore be required to revalue assets at cost within those classes to fair value. In addition, the Standard introduces changes to the recognition criteria with regard to subsequent expenditure on an asset. These changes may have some impact, particularly in relation to the allocation of expenditures between maintenance and capital with respect to those Infrastructure assets that the Authority currently recognises on a "grouped basis".
- » Accounting Standard AASB 119 Employee Benefit Obligations provides for the recognition, measurement and disclosure of post-employment benefits such as superannuation. The Authority currently recognises unfunded liabilities for future payments with respect to the Pension Scheme, a defined benefits pension scheme, and the Gold State Superannuation Scheme, a defined benefit lump sum scheme. It may be necessary to make an adjustment to the liability recognised following application of the revised measurement criteria.
- » Accounting Standard AASB 114 Segment Reporting has been limited to for-profit entities by the Australian Accounting Standards Board. The classification of the Authority as a not-for-profit entity for the purposes of compliance with IFRS means that it will not be required to continue to report segment (output) information (note 35).

Quantitative information relating to the above changes was not known or reliably estimable at the time these financial statements were prepared.

Appendix A - Financial Estimates 2004/05

As required under Treasurer's Instructions (TI 953) following are the annual estimates for the Authority for the 2004/2005 financial year:

ROTTNEST ISLAND AUTHORITY

FINANCIAL ESTIMATES FOR 2004/2005

	All Operations (excl Hotel)	Hotel	All Operations	2004-05 Business Initiatives	2004-05 Total
REVENUE					
Revenues from ordinary activities					
<i>Revenue from operating activities</i>					
Trading Profit	260,000	2,335,000	2,595,000	0	2,595,000
Goods and services	18,850,000	560,000	19,410,000	250,000	19,660,000
Commonwealth grants and contributions	1,300,000	0	1,300,000	0	1,300,000
<i>Revenue from non-operating activities</i>					
Interest revenue	75,000	0	75,000	0	75,000
Other revenues from ordinary activities	575,000	0	575,000	0	575,000
Total revenues from ordinary activities	21,060,000	2,895,000	23,955,000	250,000	24,205,000
EXPENSES					
Expenses from ordinary activities					
Employee expenses	7,120,000	1,600,000	8,720,000	160,000	8,880,000
Supplies and services	9,760,000	780,000	10,540,000	1,395,000	11,935,000
Depreciation expense	3,250,000	0	3,250,000	250,000	3,500,000
Borrowing costs expense	355,000	0	355,000	0	355,000
Administration expenses	1,165,000	180,000	1,345,000	50,000	1,395,000
Accommodation expenses	140,000	0	140,000	0	140,000
Other expenses from ordinary activities	710,000	265,000	975,000	1,019,000	1,994,000
Total expenses from ordinary activities	22,500,000	2,825,000	25,325,000	2,874,000	28,199,000
Loss from ordinary activities before grants and subsidies from Government	(1,440,000)	70,000	(1,370,000)	(2,624,000)	(3,994,000)
Grants and subsidies from Government	0	265,000	265,000	2,681,000	2,946,000
NET PROFIT	(1,440,000)	335,000	(1,105,000)	57,000	(1,048,000)