



ROTTNEST IS

ANNUAL REPORT

2021-2022

Rottnest Island Authority

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Acknowledgement

Rottnest Island Authority kaadatj Wadjak Noongar moort. Baalap Wadjemup kaaradjiny, baalabang malayin nakolak-ngat wer wirn kalyakoorl noyinyang koort boodja-k wer kep-ak.

Ngalak kaadatj nedingar, birdiya wer boordakan Noongar moort. Ngalak karnadjil kaadatj maaman wer noba wirn Ali kalka Nino noyiyang Wadjemap ngardak boodja-k.

Baalabang moort maambart-boort, ngooni-boort, kongk-boort wer Birdiya-boort.

RIA acknowledge Whadjuk Noongar families. They Wadjemup caring, their culture and spirits always connected Island-to and water-to.

We acknowledge ancestors, Elders and future Noongar families. We truly acknowledge men and boys' spirits who still remain connected Wadjemup under ground-in.

Their family's father-without, brother-without, uncle-without and Elder-without.

Translation courtesy of Sharon Gregory.



Wanju Wadjemup.

Nidja wadjemup whadjuk boodja unna.
Welcome to wadjemup,
a place of great significance for whadjuk
Nyoongar people, the traditional owners of this
land.

Koora koora whadjok nyoongar wadjemup wangking woolah! Nyoongar wangkingy
yeye, benang boordawan. Stories have been passed down through generations,
long before wadjemup was separated from the mainland around 7000 years
ago. They still hold great spiritual connections to this place today.



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Statement of Compliance

To the Hon Roger Cook MBA MLA, Deputy Premier; Minister for State Development, Jobs and Trade; Tourism; Commerce; Science.

In accordance with Section 63 of the *Financial Management Act 2006* and in fulfilment of the obligations imposed on Rottnest Island Authority, we hereby submit for your information and presentation to Parliament, the Annual Report of Rottnest Island Authority for the reporting period ending 30 June 2022.

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

The financial statements comply with Australian Accounting Standards – Simplified Disclosures issued by the Australian Accounting Standards Board.



Hamish R Beck

Chair
Rottnest Island Authority

15 September 2022



Dr Marina Hogan

Deputy Chair
Rottnest Island Authority

15 September 2022

Overview of Rottnest Island Authority

Chair's Overview



Following my appointment as Chair in November 2021, I convened the Board for a Strategic Planning Session, focusing on our engagement with Government, our border reopening actions and visitation recovery. In recognition of these priorities,

the Minister for Tourism, the Hon Roger Cook MLA, requested an update of the Rottnest Island Management Plan as part of the State's recovery strategy.

A key initial focus last financial year has been a 360-degree review of RIA's corporate governance to enhance the strategic management of the Island. Contemporary good governance is important and core to the values and ongoing focus of myself and my Board colleagues.

We have made it a priority of our relationships with businesses and contractors to ensure that an improved visitor experience is our focus in all operational activities.

We are actively working to renew and standardise the provision of power and water services on the Island. We were privileged to host the Premier of Western Australia, the Hon Mark McGowan MLA, for the April announcement of \$55 million to help secure Rottnest Island's renewable energy future. This major investment in Rottnest will help transition the Island to operate on 75% renewable energy and will help abate an estimated 4,000 tonnes of carbon emissions annually. An additional \$7 million was also announced by the Premier to add to the already committed \$26 million to replace aging water infrastructure.

Federal, State, and corporate funding opportunities will be an essential contribution to deliver future key projects. In 2021-22, we completed the first stage of our Island Gateway project – to revitalise the mall, its surrounds, and The Basin. These projects have been transformative for the Island, made possible by the National Tourism Icons Program. There are also future opportunities for investment across the Island, including undertaking stage two of the Island Gateway project, which would provide a covered walkway on the Main Jetty, shaded areas on arrival and departure and redevelopment of the Visitor Centre.

This past year we released RIA's fourth Reconciliation Action Plan to increase the voice and participation of Aboriginal communities in the management of Wadjemup. By acknowledging the past, the plan will help guide us in our relationship and ongoing partnership with Wadjemup's Traditional Owners. I thank the Wadjemup Aboriginal Reference Group for their work and guidance on this and other culturally important initiatives.

In December 2021, we unveiled the culturally significant welcome statement, entitled Koora-Yeye-Boordawan-Kalyakoorl (Past-Present-Future-Forever), a spectacular nine-metre-high sculpture depicting a Noongar warrior and breaching whale which put the finishing touch on a range of improvements to embrace the Island's cultural heritage, including an upgrade to our museum.

I am excited about Place Development's project, with site handover on 1 June 2022, that will redevelop the Lodge as part of our ongoing effort to renew and expand the range of accommodation options on the Island. The proposal includes 109 accommodation rooms and new resort facilities.

Thank you to the Deputy Premier the Hon Roger Cook MLA in his role as Minister for Tourism, for his support and advocacy of RIA Board endeavours.

My sincere thanks to John Langoulant AO for his leadership and commitment to the agency from 2017 to 2021, and my passionate and committed Board colleagues for their service, Deputy Chair Dr Marina Hogan, Ann Robinson, Louise Watson, Peter Lee OAM and Guy Houston. I also extend my gratitude to Mark Webb, CEO, Jason Banks, Executive Director, and RIA Executive, staff and volunteers for their dedication and support to deliver on RIA Board's vision.

Hamish R Beck
Chair
Rottnest Island Authority



Executive Director's Report



This year has marked the rebuilding of tourism on Rottnest Island.

While the impact of the COVID-19 pandemic has continued to reverberate through the tourism sector, including on Rottnest Island,

we are seeing positive signs of recovery.

We look forward to welcoming back interstate and international travellers to enjoy what we consider the jewel in Western Australia's tourism crown.

RIA continued to work with and support the Island business community. To enhance the attractiveness of the Island, we continue to increase and diversify the Island's accommodation offerings. Place Development has taken possession of the Lodge site, which will have 109 rooms, and has commenced its redevelopment. Works are scheduled for completion in the summer of 2023-24.

We also continue to make significant progress on the objectives set out in the Rottnest Island Management Plan 2020-24, particularly with regard to strengthening infrastructure and services.

Two significant Island projects were completed as part of a \$17.2 million investment from the Commonwealth's National Tourism Icons Program. A \$4.5 million revitalisation of the Settlement Mall improved accessibility and provided family-friendly amenities. And \$2.2 million in new comforts were added at the Island's premier swimming spot, The Basin, including new seating, shade shelters, barbecues and beach showers.

I am again very grateful for the support of the Rottnest Island business community and the wonderful efforts of our many volunteers.

The RIA Board has provided direction, guidance and governance to enable us to achieve much, despite a challenging environment.

Finally, I am indebted to the wonderful team at RIA who have worked diligently to provide a great service to our visitors and continue to exceed my expectations with their capability and capacity.

Jason Banks
Executive Director
Rottnest Island Authority

About Rottnest Island

Rottnest Island, or Wadjemup, lies in the Indian Ocean, 18 kilometres west of Fremantle in south-west Western Australia. The Island is 11 kilometres long and 4.5 km wide at its widest point, with a land area of 1859 hectares and an associated marine reserve of some 3800 hectares.

Rottnest Island is a Class A reserve housing unique flora and fauna including quokkas, over 150 bird species, 64 hectares of native woodland, 63 sheltered beaches and 20 bays. It has made the Island a favourite holiday destination for visitors from around the country and the world.

The Island's natural attractions are mirrored by its rich and diverse cultural history. Known as Wadjemup or "place of spirits" to the Whadjuk Noongar people, the Island is managed by Rottnest Island Authority (RIA), a statutory body created by the WA Parliament in 1987. RIA has the responsibility to maintain the delicate balance between the environment, cultural heritage and the Island's iconic role as a tourism destination.

RIA is guided by the Rottnest Island Management Plan 2020-24 which focuses on making the Island a place where those who visit, whether as day visitors or extended-stay holiday makers, can engage positively with the environment and recognise the heritage of the Island, including the Island's Aboriginal cultural heritage.

About Rottnest Island Authority

RIA operates the Island according to the *Rottnest Island Authority Act 1987* (the Act). The control and management of the Island is vested in RIA for the purpose of enabling it to:

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

OUR VISION

RIA's vision for Rottnest Island is for it to be a visitor destination of national significance for its recreational, environmental and cultural heritage values.

OUR VALUES

Our organisational values drive the way we make decisions, interact with each other, and work together to achieve results.

Our five core values are Integrity, Collaboration, Accountability, Respect and Excellence — and represent our commitment to a professional and inclusive workplace culture we can all enjoy.

RESPONSIBLE MINISTER

The Minister responsible for RIA is Hon Roger Cook MBA MLA, Deputy Premier; Minister for State Development, Jobs and Trade; Tourism; Commerce; Science.

ADMINISTRATION

The Act provides for the appointment of a Chief Executive Officer (CEO) and other staff. Following the incorporation of RIA into the Department of Biodiversity, Conservation and Attractions (DBCA) in 2017, the Director General of DBCA is the designated CEO for the purposes of the Act. The management of RIA and the Island on a day-to-day basis is the responsibility of the Executive Director.

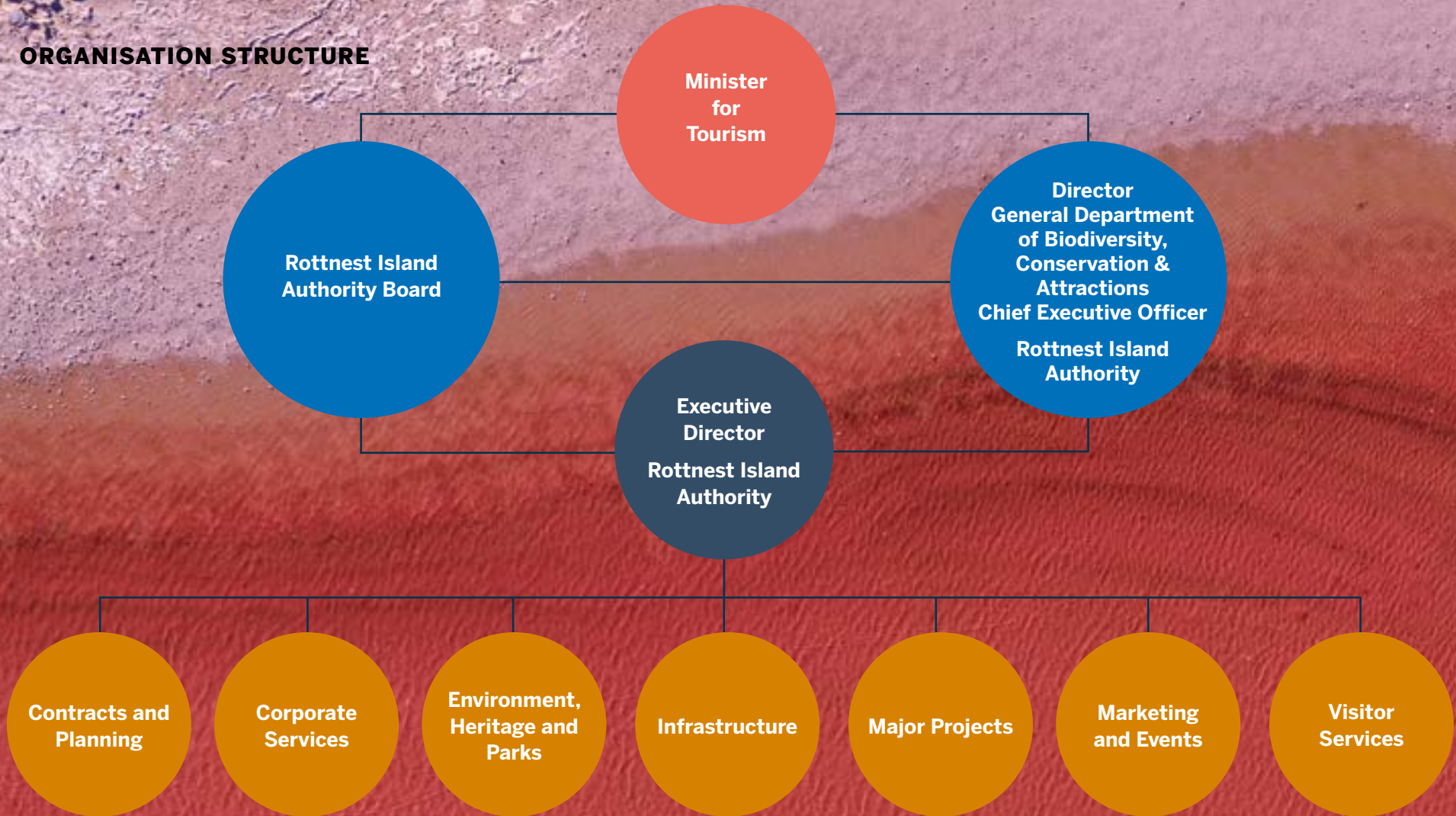
ENABLING LEGISLATION

RIA is constituted under the *Rottnest Island Authority Act 1987*.

In administering the Act, RIA adheres to the following key legislation:

- *Financial Management Act 2006*
- *Public Sector Management Act 1994*
- *Procurement Act 2020*
- *Aboriginal Heritage Act 1972*
- *Conservation and Land Management Act 1984*
- *Health (Rottnest Island) By-Laws 1989*
- *Jetties Act 1926*
- *Biodiversity Conservation Act 2016*
- *South West Native Title Settlement Act 2016*

ORGANISATION STRUCTURE



THE BOARD

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

- Conservation of the environment
- Preservation of buildings of historic value
- Commerce
- Use of the Island for recreational purposes



Chair — Hamish Beck

(Appointment expires 15 November 2024)

Hamish Beck was appointed Member in March 2016 and Chairman in November 2021.

During his 30-year executive career, Hamish has held senior roles with some of WA's largest development and construction companies and been involved with an extensive range of committees, boards, trusts, development groups and foundations.

He is Chair of the Swan River Trust, Deputy Chair of the Historic Heart of Perth, and Member of the Western Australian Maritime Museum Advisory Committee and the Central Perth Planning Committee.

Hamish was previously Non-Executive Director of Primewest, one of Australia's leading private real estate funds management firms.

Also, he is Managing Director and founder of Beck Advisory, an independent property funds management firm providing specialist strategic property advice and asset management to large private and public companies and not-for-profit institutions since 2000.



Deputy Chair — Dr Marina Hogan

(Appointment expires 31 December 2022)

Dr Marina Hogan was appointed in January 2017. Through her long association with both Scoop Publishing and Scoop Digital, Marina has extensive experience in marketing services and digital transformation strategy.

Marina teaches on a casual basis in the School of Humanities at the University of Western Australia. She currently sits on the Board of the Lester Prize for Portraiture. From 2013 to early 2022, Marina was Deputy Chair of the Foundation for the Western Australian Museum and chaired its Remuneration and Nominations Committee. From 2018 to 2022, she sat on the Australian Multicultural Advisory Council and she has also served on the boards of North Metropolitan TAFE and Subiaco Primary School, which she chaired for six years.

Marina is a graduate and member of the Australian Institute of Company Directors.



Peter Lee

(Appointment expires 30 June 2025)

Peter Lee OAM was appointed in July 2019. Peter is a WA architect with extensive experience in large-scale developments in Australia and around the world. He is the recipient of many design awards. As a Principal of design firm HASSELL, Peter has been involved in the design of major Perth developments including Optus Stadium, Westin Perth, Crown Towers, Brookfield Place and the city and stadium railway stations.

Peter is also on the boards of FORM, Foundation Housing and Open House Perth. He is an Adjunct Professor at Curtin University, a member of the State and Metropolitan Redevelopment Authority's design review panels, and a specialist member of the WA Development Assessment Panels.

In June 2022 Peter was awarded an Order of Australia for his service to community housing initiatives and to architecture.



Ann Robinson

(Appointment expires 30 June 2024)

Ann Robinson was appointed in July 2019. She is a commercially focused non-executive director and a graduate of the Australian Institute of Company Directors.

Ann's executive experience includes senior roles at Wesfarmers Limited in mergers and acquisitions, commercial business management and as Chief Financial Officer of Wesfarmers Chemicals, Energy & Fertilisers. Ann's experience spans project evaluation, corporate strategy, financial reporting, risk management, governance and audit.

Before joining Wesfarmers, Ann worked as a management consultant in Australia, South Africa and the United States, supporting clients across a wide range of industries with operational performance improvement and strategy setting. Ann currently serves as Deputy Chair of the Lionel Samson Saddleirs Group, Member of Curtin University's Audit, Risk and Compliance Committee and Non-Executive Director of D'Orsogna Limited.



Louise Watson

(Appointment expires 30 June 2023)

Louise Watson was appointed in July 2020. She is the HR/OHS Advisor with Neometals and brings more than a decade of experience working on Western Australian projects encompassing mining, port, rail and pipelines.

Louise has a Bachelor of Science (Hon) in Eco Chemistry from the University of Adelaide and both a Graduate Diploma in Occupational Health and Safety and a Graduate Certificate in Human Resource Management from Perth's Edith Cowan University.

She is also a board member of the Rottnest Foundation.



Guy Houston

*(Appointment expires
15 November 2024)*

Guy Houston was appointed in November 2021. He is Strategic Projects Advisor for Australian Capital Equity, owner of Seven Group Holdings.

Guy has more than 36 years' experience in communications, politics and government affairs in the public and corporate sectors. This comprises 16 years' working in the media as a print, radio and TV journalist with the Australian Broadcasting Corporation and Channel 7.

This was followed by nearly two decades in government and the corporate sector at senior levels, specialising in public affairs, political strategy, policy development, communications and staff management.

Guy was Chief of Staff to the Premier of Western Australia from 2017-21.

CORPORATE EXECUTIVE AND OPERATIONAL AREAS

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

The Corporate Executive is RIA's senior management team who work with the Executive Director to deliver services through the following operational areas:

- **Contracts and Planning** — is responsible for managing RIA's major contracts together with the commercial and residential leases of buildings and commercial agreements with recreational businesses on the Island. The Directorate also manages development applications and processes.
- **Corporate Services** — provides services that ensure RIA has the required financial, information technology and corporate support (including Governance, Strategic Planning, Policy and Legislation, Human Resources, Work Health and Safety, Business Intelligence, Audit and Risk, Board administration and Ministerial Liaison functions).
- **Environment, Heritage and Parks** — is responsible for developing and delivering strategies to protect, conserve and enhance the natural and cultural values of the Island.
- **Infrastructure** — is responsible for Rottnest Island's utilities, major and minor projects within the capital works program, assets and infrastructure.
- **Major Projects** — is responsible for delivery of major projects including projects funded by the Commonwealth Government under its National Tourism Icons program (\$17.2 million over three years from April 2019) and the State Government under its WA Recovery Plan (\$26 million over four years from July 2020). The projects span the Island from the West End to the mall and surrounds, and will deliver improved visitor experience and sustainable infrastructure upgrades.
- **Marketing and Events** — leads destination marketing to stimulate diversified visitation demand for Rottnest Island and increase opportunities for visitors to experience Rottnest.
- **Visitor Services** — leads RIA's commercial operations across Rottnest Island including RIA accommodation services, Pedal and Flipper and retail outlets at the Salt Store and Visitor Centre.



The Corporate Executive of RIA's senior management team is:

Jason Banks — Executive Director

Jason has more than 30 years' public service experience from policing to chief executive and director general in the energy and environment portfolios, respectively.

Jason was heavily involved in key micro-economic reforms and deregulation of the State's gas and electricity markets. As the inaugural Director General of the former Department of Environment Regulation, Jason led reform and implementation of an improved environmental licensing regime.

He holds a Bachelor of Commerce and post-graduate qualifications in Economics.

Claire Piper — Director, Contracts and Planning

Claire is a qualified lawyer and has over 15 years' post-qualification experience working in both the public and private sector, specialising in commercial property law. She previously held a senior position at South Wales Fire and Rescue Service in the United Kingdom, managing the Legal and Insurance team.

Since arriving in Australia in 2015, Claire held the position of Associate at Corrs Chambers Westgarth where she was responsible for the commercial property portfolio of a major bank and worked on substantial agricultural property acquisitions for a major foreign investor. Claire has broad senior management experience encompassing both legal and commercial capabilities.

Peta Davis — Director, Corporate Services

Peta Davis has more than 25 years' experience in both the public and private sectors specialising in Governance, Risk and Audit.

Peta been with RIA since 2006 working in the Governance, Audit and Risk field and commenced the role of Director, Corporate Services in 2021. Peta was previously an Audit Manager at the Office of the Auditor General and managed some of the largest State Government agency's financial audits. Her professional experiences have led to refined skills in governance and optimising business processes to efficiently achieve key objectives.

Peta holds a Bachelor of Business degree and is a Certified Practising Accountant (CPA).

Arvid Hogstrom — Director, Environment, Heritage and Parks

Arvid has spent more than three decades managing marine and terrestrial reserves. He has worked extensively on overseeing the day-to-day management of the Ningaloo Coast World Heritage Area, with a focus on joint management with traditional owners and the development and management of new coastal reserves. He has significant experience in working with tourism enterprise and tourism-based infrastructure in conservation estate, as well as overseeing conservation and land management programs.

Arvid has also worked in species conservation with not-for-profit organisations and with Aboriginal corporations assisting with managing natural values and developing Aboriginal ranger programs. Arvid has a degree in Natural Resource Management.

Nigel Hindmarsh — Director, Infrastructure

Prior to joining the WA Public Sector in 2013, Nigel was Strategic Planner and Operations Manager for the Ministry of Defence during the London 2012 Olympic Games, the culmination of a 20-year career as an officer in the Corps of Royal Engineers in the British Army.

Since moving to Perth, he has held senior executive positions in the WA Housing Authority and latterly Department of Communities, responsible for the delivery of all housing and land development programs conducted by the Authority, as well as the strategic planning and management of the Authority's asset portfolio.

Nigel assumed the role of Director, Infrastructure in July 2021. He holds a Bachelor of Civil Engineering.

Meg Delahoy — Director, Major Projects

For over two decades Meg has supported the delivery of major infrastructure and event projects. Professional highlights include supporting the delivery of two Summer Olympic Games — London 2012 and Rio 2016 — and as Manager of Engineering Services for the Gold Coast 2018 Commonwealth Games, one of the largest sporting events held in Australia.

Meg is currently leading a program of annual capital, State and Federal funded major projects on Rottnest Island to improve the visitor experience and deliver sustainable infrastructure upgrades. Meg is also currently completing a Master of Emergency and Disaster Management with Charles Darwin University.

Brooke Gregory — Director, Marketing and Events

Brooke has more than 25 years of experience in the travel and tourism sector and specialises in consumer, partnership and trade marketing across global markets.

With a background in destination marketing, product development, retail travel and operations management, Brooke has held previous global marketing roles at Tourism Western Australia and Curtin University. She was a Forum Advocating Cultural and Eco-Tourism (FACET) committee member and a Western Australia Tourism Awards judge. Brooke joined RIA in February 2019. She holds a Bachelor of Arts degree and postgraduate qualifications in Marketing.

Deborah Taylor — Director, Visitor Services

Deborah has a career in hospitality spanning more than 28 years. Having started in hotels in Perth, she has managed a wide range of properties including corporate, leisure, casino and remote resorts. Deborah has worked in both broad and specialist hospitality roles in Western Australia, Victoria and New South Wales. Prior to joining RIA, Deborah was a business coach and then the Director of Learning for Quest Apartment Hotels in Melbourne.

Deborah has a Master of Business Administration from the Curtin Graduate School of Business.

COMMITTEES OF THE RIA BOARD

Audit and Risk Committee

The key responsibility of the Audit and Risk Committee is to report and make recommendations to RIA on the effectiveness of risk management processes, the agency's control environment and corporate governance processes.

The committee consists of three Board Members. Committee meetings are attended by the Chief Executive Officer; Executive Director; Director, Corporate Services; and the Manager, Audit and Risk.

Contracts and Infrastructure Committee

The key responsibilities of the Committee are to:

- Review all major proposed EOIs, lease options and other contracts
- Review performance of existing major contracts
- Review all proposed major contract variations
- Evaluate the merits and impact of proposed major contract variations

The Contracts and Infrastructure Committee comprises three Board Members. Committee meetings are attended by the Chief Executive Officer; Executive Director; Director, Contracts and Planning; Director, Infrastructure; and Director, Major Projects. Other members can be included as needed and as approved by the Chair.

Information and Communications Technology, Brand and Marketing (ICTBM) Committee

The key responsibilities of the ICTBM Committee are to:

- Oversee the implementation of RIA's Digital & IT Plan
- Oversee the implementation of RIA's Destination Marketing Strategic Plan 2020-24
- Monitor ICT, brand and marketing project implementations including the achievement of project objectives, timing and budget

The ICTBM Committee comprises three Board Members. Committee meetings are attended by the Chief Executive Officer; Executive Director; Director, Corporate Services; Director, Marketing and Events; Director, Visitor Services; and ICT Manager.





MINISTER-APPOINTED REFERENCE GROUPS

Wadjemup Aboriginal Reference Group

Consisting of Aboriginal community members including Whadjuk traditional custodians and RIA representatives, the Wadjemup Aboriginal Reference Group (WARG) provides cultural guidance to RIA on cultural heritage management and reconciliation matters.

The following were members of WARG for the reporting period:

Walter McGuire

A Whadjuk man with a 30-year career across Indigenous health, housing and education, Walter is a leading Indigenous tour guide in WA. He currently runs cultural tours on Wadjemup with his business, Go Cultural Aboriginal Tours and Experiences.

Brendan Moore

A Whadjuk man, Brendan is currently the Aboriginal Engagement Officer for the City of Fremantle and an Executive Director at the South West Aboriginal Land and Sea Council. He has a Masters in International Studies and a Bachelor of Science in Environmental Management.

Pamela Thorley

A Noongar woman with connections to the South West and Great Southern regions of WA, Pam is a qualified primary school teacher. Currently Pam is the Office Manager at the Goldfields Aboriginal Language Centre and has previously worked at the Department of Aboriginal Affairs.

Lindsay Dean

A Minang, Koreng, Bardi and Karrijarri man, Lindsay lives in Albany. He is the Community Liaison Officer for the Great Southern Region and sits on the Aboriginal Cultural Material Committee.

Lindsay has a degree in Electronic Engineering and has previously worked in information technology.

Casey Kickett

A Noongar woman from Whadjuk, Yued and Ballardong and Wardandi countries, Casey works in a not-for-profit environmental protection agency and has a background in cultural heritage, Indigenous land use agreement compliance and customary access to public drinking water sources in WA.

Kathleen Musulin

A Malgana/Yawuru woman born and raised in Carnarvon in the Gascoyne Region, Kathleen has worked in the health field as a drug and alcohol counsellor and as a mental health worker in prisons, helping Aboriginal women with issues with mental health and alcohol and other drugs. Kathleen has worked tirelessly in Native Title Affairs.

Strategic Direction

ROTTNEST ISLAND MANAGEMENT PLAN

The Act requires RIA to control and manage Rottnest Island in accordance with a management plan.

Sections eighteen and nineteen of the Act provide for the Rottnest Island Management Plan (RIMP) to be reviewed and approved by the Minister for Tourism every five years.

RIA is currently operating under the RIMP 2020-24.

The RIMP 2020-24 sets out RIA's priorities and the following four strategic focus areas in managing the Island and its associated waters for the next five years:

1. Diversify visitor base and enhance visitor experience
2. Strengthen Island infrastructure
3. Engage with the Island's environment and cultural heritage, with a focus on Aboriginal cultural heritage
4. Establish a new way of doing business



PERFORMANCE MANAGEMENT FRAMEWORK

RIA operates under the outcome-based management (OBM) framework of the Department of Biodiversity, Conservation and Attractions (DBCA). The DBCA is aligned to the State Government's goal of "Growing Our Communities: Protecting our environment with thriving suburbs and regions."

RIA contributes to two of the four DBCA Desired Outcomes and two of the ten DBCA Services (DBCA Services 2 and 6) within the approved OBM structure of the DBCA. The DBCA OBM did not change during 2021-22.

RIA's key effectiveness and efficiency indicators include those RIA specific indicators forming part of the DBCA budget statements, along with an additional approved indicator.

The figure opposite illustrates the relationship between services delivered by RIA, desired agency outcomes and the State Government goal it contributes to.

| Government goal | |
|--|---|
| Growing Our Communities: Protecting our environment with thriving suburbs and regions.. | |
| Agency desired outcomes | |
| 1. Community enjoyment, appreciation and understanding of attractions under the Department's care. | 2. Plants and animals, and the landscape they occupy, are conserved through evidenced-based conservation actions. |
| Effectiveness KPIs | |
| 1. Average level of visitor satisfaction at Rotttnest Island. | 2. Biodiversity health of Rotttnest Island. |
| Agency services | |
| 1. Visitor services and public programs provided at Rotttnest Island. | 2. Conserving habitats, species and ecological communities. |
| Efficiency KPIs | |
| 1. Average cost per visitor to Rotttnest Island. | 2. Average cost per hectare of wildlife habitat. |

Rottnest Island Authority's performance



Report on operations

The following report provides an overview of RIA's activities and operational achievements by delivering required services.

These achievements for 2021-22 are reported against RIA's Agency Services as follows:

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

Service 2: Conserving habitats, species and ecological communities.

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

DIVERSIFY VISITOR BASE AND ENHANCE VISITOR EXPERIENCE

New recreational offerings

RIA manages 19 recreational and leisure businesses on the Island via concession agreements. Services offered include water-based activities, guided tours, food and beverage offerings, adventure experiences and an Aboriginal Cultural walking tour.

In accordance with the Rottnest Island Management Plan (RIMP) 2020-24, RIA releases annual Expressions of Interest (EOI) calling for new activities and experiences to enhance visitor experience.

In 2021 the EOI resulted in seven new businesses commencing operation on the Island over summer 2021-22, including a variety of food and beverage pop-ups, a snorkelling tour, a photography tour and a destination management company offering packaged escorted experiences. Several other proposals are being progressed as longer-term arrangements.

The 2022 EOI closed in May and submissions are under assessment. A number of exciting new offerings are expected to commence in summer 2022 to provide additional amenities and new experiences for visitors, including a new retail offering at the iconic Salt Store building.

Destination Strategic Marketing Plan

The Destination Strategic Marketing Plan 2020-24 is the primary vehicle for delivery of RIMP 2020-24 initiatives to diversify the Island's visitor base and enhance the visitor experience.

Completed in 2019, the Plan identifies actions and bodies of work to grow destination awareness, inspire consumers to travel to the Island, increase the value perception of the Island, and make it easy to book Island offerings.

The priorities identified in the product and market strategies contained in the Plan are designed to increase demand in the shoulder and low seasons, increase yield per visitor, promote visitor dispersal into the Reserve, attract new market segments, develop new products and events to meet changing consumer demands, attract and retain new geographical markets and initiate new marketing channels.

Actions completed as a part of the Plan in 2021-22

- Refresh of Rottnest Island Brand Guidelines and Brand Positioning
- Implementation of tactical and brand destination advertising campaigns
- Consumer journey mapping
- Development of audience personas
- Development of Marketing Measurement Framework
- Development and implementation of Social Media Strategy
- Photography and videography content production
- Implementation of digital asset management tool for photographs and video
- Development of Events Strategy 2022-24
- Development and implementation of Industry Engagement Plan
- Development and implementation of Trade Engagement Plan
- Aboriginal Reference Guide for Wadjemup
- Delivery of Events Calendar 2021-22

The West End visitor site

The West End of Rottnest Island will be enhanced in keeping with its significance as a place for reflection, appreciation of the wonder of nature and a place of acknowledgement for the rich culture of Australia's First Nation communities.

This project will implement several West End initiatives outlined in the Rottnest Island Management Plan 2020-24.

The West End looks out over the ocean to 'Kooranup', a spiritual resting place on the horizon for the Island's traditional owners, the Whadjuk Noongar people. In response to growing visitor numbers, it is proposed to open the western side of the Island through a West End Transport Hub, provide enhanced visitor experiences, and further reveal the outstanding natural, Aboriginal cultural heritage and built heritage features of the area.

Key elements of the project completed this financial year include construction of a new public ablutions building, revegetation planting, commissioning of new public artwork and commencement of procurement for stage two of works on the transport hub.

Rottnest Island Lodge redevelopment

As part of the RIMP's key initiative to facilitate new private developments and specifically to re-create the Lodge in harmony with its natural setting, while respecting the Aboriginal history of the area,

RIA released an Expression of Interest in 2020 to identify an appropriate developer and operator for the Lodge site.

In May 2021, a WA consortium led by Place Development Australia was selected as the preferred proponent to redevelop the site.

The Lodge redevelopment project will bring a new tourism offering to the Island and is further recognition of the growing significance of Rottnest as a key tourist destination for the State.

The \$40 million development is expected to include 109 rooms; a conference facility, gelato bar, restaurant, bar, and new pool; and landscaping which recognises the unique natural and cultural environment.

The site was handed over to the developer in June 2022 and construction has commenced with expected completion in summer of 2023-24.

The development is expected to generate significant numbers of construction and hospitality jobs and provide an exciting new accommodation option for visitors with a range of amenities and pricing.

South Thomson accommodation refurbishment

The enhancement of visitor accommodation on the Island is a key priority of the RIMP.

The works proposed will renew and refresh RIA's accommodation offerings for visitors and are in line with the strategic direction set by the RIMP.

The works for selected accommodation units will include:

- Refurbishment of kitchens, bathrooms and bedrooms
- New flooring installed throughout
- Replacement of aging windows and doors
- New internal paint
- Upgrade of courtyard amenities

The works commenced in May 2022 and are due to be completed by September 2022.

Pedal and Flipper upgrade

Pedal and Flipper is RIA's bicycle and recreational equipment hire business on Rottnest Island. It is the largest bike hire facility in the Southern Hemisphere, with over 2000 product types for hire including bikes, trailers, and mobility assist devices.

In 2021-22 hire revenue increased by almost 20%, representing an additional \$600,000. Additional electric and mobility products were also added to the hire inventory, to expand options for Island visitors.

RIA is considering the development of a multipurpose recreation services destination on the Island. With Pedal and Flipper as the anchor tenant, this facility would seek to develop new products and services to better meet growing visitor demands.

Planning for the new facility has commenced. Key opportunities identified for the new facility include expanding Pedal and Flipper's offering, such as with increasingly popular electric bikes and scooters, and improving the interface with adjacent back-of-house operations and other amenities.

Settlement Greening Plan

The Settlement Greening Plan, now in its second year of implementation, is focused on a number of activities throughout the settlement of Rottnest to establish smaller ground-level plants and tree planting to improve amenity and presentation while protecting biodiversity.

Actions completed for the 2021-22 period focused on the Longreach area, which assisted with dune stabilisation works including installation of fencing and jute matting, and planting.

The program offers volunteer groups an opportunity to participate in programs to assist in the works, and this year RIA was pleased to receive assistance from Alinta Energy and HBF.

Online booking system upgrade

The project to replace RIA's online booking software (WebHotel provided by Oracle) and further enhance booking functionality continued in 2021-22.

The new system, due in late 2022 will provide enhanced booking functionality including a calendar view of availability by location and accommodation type and the ability to filter search criteria by price, location, accommodation type and specific amenities. Greater information on various accommodation options will also be available with detailed descriptions, internal and external images, and indicative floor plans.

The new system provides enhanced booking functionality including calendar view of availability and ability to filter search criteria by price, location, accommodation type and specific amenities. Information on various accommodation options will also be enhanced with detailed descriptions, internal and external images, and indicative floor plans.



Island Gateway

The Island Gateway project incorporates upgrades within the main arrival and departure point of Rottnest Island including the Settlement Mall, Wadjemup Museum and surrounds.

The first stage of the project is nearing completion. It includes making the Settlement Mall an even more pedestrian-friendly place and improving services and family-friendly amenities in the surrounding areas.

Works in 2021-22 included new public artwork to welcome visitors at the main arrival and departure point of the Island located between the Main Jetty and the Visitor Centre.

Refurbishment of the Visitor Centre public toilets was completed in 2022.

Directional signage

Implementation of new and consistent directional and informational signage that is both pedestrian and cyclist friendly will assist to orientate and direct visitors to Rottnest as they explore the Island's many attractions.

The initial focus will be on the Settlement area and will complement the Island Gateway project, as well as enhance signage and the interpretation of the Island's natural and cultural heritage offerings.

Development of the suite of directional signs has progressed during 2021-22 and installation is planned for 2022-23.

The new signage addresses a key initiative within the RIMP 2020-24.

STRENGTHEN ISLAND INFRASTRUCTURE AND SERVICES

Main Jetty upgrade

The Main Jetty on Rottnest Island is the primary entry and exit point for visitors, guests, staff and contractors.

The Berth 4 and 5 concrete deck area was constructed in the late 1970s and will be demolished and reconstructed to better serve the growing needs of the Island for the next 50 years. The project scope includes demolition and removal of the concrete deck and steel piles of the existing structure, driving of new steel piles and installation of precast concrete panels to form the new jetty deck area.

A full-depth wave screen will be installed along the northern edge of the deck area to provide protection to Berth 4 and improve jetty operability during strong northerly winds.

The overall length of the jetty will be increased by five metres and the width will be increased to match the existing end of Berth 3.

The project commenced in May, with an expected completion in late 2022. As at 30 June, the old Berths 4 and 5 have been demolished and manufacture of the new concrete deck was underway.

South Thomson Bay seawall

In 2019, South Thomson Bay was identified as an erosion 'hotspot' in a study commissioned by the Department of Planning, Lands and Heritage and the Department of Transport.

The shoreline of the bay has experienced an ongoing trend of erosion which is expected to impact RIA holiday accommodation units on Vlamingh Way. To remedy erosion at the site, a limestone seawall was completed on 30 June 2022 to provide at least 50 years of protection to accommodation units. Replanting and landscaping works continued until mid-July.

Renewable and electrical infrastructure upgrade

In 2021-22, \$54.8 million was committed to vital infrastructure upgrades to Rottnest Island's energy assets, to support expanded growth.

Commencing in 2022-23, this major investment will see renewables power 75% of the Island's energy needs and provide the network improvements necessary to move towards 100% renewable generation in the future.

Strengthening the Island's infrastructure is a strategic focus area of the RIMP. The project will help to meet the needs of the increasing number of visitors and ensure the long-term sustainability of the Island.

Utilities Master Plan

The development of master plans for electrical, potable and firefighting water and wastewater will provide the framework for development of these Island utilities over the next 20 years.

The Potable and Firefighting Water Master Plan was completed as part of the State-funded Water Upgrade Program. The Electrical Master Plan commenced in April 2022 to inform the newly funded Electrical Upgrade Program. Wastewater catchment planning and sewer modelling, core components of the Wastewater Master Plan, have largely been completed.



Drinking and firefighting water network upgrade

An investment of \$33 million has been allocated for vital infrastructure upgrades to overhaul Rotttnest Island's aging water production and supply network. The project will help to meet the needs of increasing visitation and ensure the long-term sustainability of the Island.

This program of works has commenced, with the Water Infrastructure Master Plan finalised, preliminary design underway and early works to replace the aging water main in Kingstown precinct completed.

Enterprise Asset Management System

RIA is developing an Enterprise Asset Management System based on the Assetic platform and customised to the agency's specifications. The system includes all of RIA's assets, whether or not managed and maintained under the Facilities, Utilities and Support Services contract.

Work on the system, which commenced in August 2020, is well advanced with the majority of asset data loaded and Asset Management Plans for key utilities and maritime assets developed.

Completion of the project is expected by September 2022.

ENGAGE WITH THE ISLAND'S ENVIRONMENT AND CULTURAL HERITAGE

Wadjemup Project

The Department of the Premier and Cabinet (DPC) and RIA, on behalf of DBCA, continued to work together on the Wadjemup Project to reconcile the historical incarceration of Aboriginal peoples on Wadjemup. It is proposed to achieve this reconciliation through the appropriate memorialisation of the Wadjemup Aboriginal Burial Ground and the development of a future strategy for the Quod (former Island prison).

In November 2021 the Wadjemup Whadjuk Cultural Authority Reference Group (WWCARG) was formed through a process facilitated by Dr Richard Walley OAM from Aboriginal Productions and Promotions (APP).

APP was engaged by DPC to develop a Cultural Authority Framework and engagement process for consultation to guide future truth-telling, healing and memorialisation of the burial ground and the Quod. APP identified a three-stage consultation process. Stage one of the process for Whadjuk consultation was completed in 2020-21.

In May 2022, APP completed stage two of Noongar consultation. The third stage of Statewide consultation commenced in June, using online platforms.

RIA's Board, the Wadjemup Aboriginal Reference Group (WARG) and the Wadjemup Project Whadjuk Noongar Cultural Authority Reference Group (Cultural Authority Group) endorsed *The Wadjemup Project: An opportunity to reconcile the past, honour the truth and walk together in the future*. The report provides truth-telling of the Island's Aboriginal history and details recent work and outcomes.

Reconciliation Action Plan

In November 2021, RIA released its fourth Reconciliation Action Plan (RAP) /second Innovate RAP.

The Reconciliation Action Plan 2021-23 contained a public apology to the Aboriginal people of Western Australia.

The apology acknowledged that many past practices of those entrusted with management of the Island were not respectful of Aboriginal peoples or the cultural significance of the Island. RIA's Board recognised that this has caused great pain and anguish within Aboriginal communities.

The apology was also delivered at the launch of the plan on the Island by the Hon David Templeman MLA, Minister for Tourism; Culture and the Arts; Heritage.

Apology

Wadjemup is a place of pain and sadness for many Western Australian Aboriginal peoples.

Between 1838 and 1931 the Island was used as an Aboriginal prison. State records indicate that approximately 4000 Aboriginal men and boys from Western Australia were imprisoned on the Island. At least 373 of these prisoners died in custody and were buried in an area currently referred to as the Wadjemup Aboriginal Burial Ground.

In 1907, the Colonial Secretary's department drafted a scheme to transform the Island from an Aboriginal penal settlement to a recreation and holiday destination. As part of this transformation, the area where the burial ground is located was repurposed as a camping ground known as Tentland and the Quod (main prison building) was converted into a hostel. Over time the history of the Island as a place of incarceration was concealed.

The Rottnest Island Authority (RIA), as the statutory authority established in 1987, and vested with the management of recreational and holiday facilities on

the Island, has played a historically significant role in the obfuscation of the Aboriginal prison history. It is acknowledged that many past practices of those entrusted with management of the Island were not respectful of Aboriginal peoples or the cultural significance of the Island.

We recognise that this has caused great pain and anguish within Aboriginal communities.

For this we apologise.

The closure of Tentland in 2007 and the return of the Quod to RIA management in 2018 marked important steps forward in the RIA journey towards reconciliation with Aboriginal peoples.

We will continue to work in collaboration with the Whadjuk Noongar people and the wider Aboriginal communities of Western Australia to promote reconciliation and acknowledge the past.



RIA is responsible for the implementation of the RAP. The Director of Environment, Heritage and Parks is the appointed RAP Champion, with the Reconciliation Working Group (RWG) made up of members of RIA's Corporate Executive; the Environment, Heritage and Parks team; and members of WARG. WARG, the Cabinet-appointed advisory group to RIA, endorsed the RAP and look forward to walking hand in hand with RIA staff as they progress this plan.

The Innovate RAP — with a vision focused on opportunity, truth-telling and respect — will foster reconciliation within our workplace by engaging all RIA staff in reconciliation and endeavour to involve the wider Wadjemup community.

RIA's main goal will be to increase Aboriginal and Torres Strait Islander employment within the agency and increase Aboriginal and Torres Strait Islander participation in the Island's management.

Defence Heritage Interpretation Plan

In December 2021, RIA completed an upgrade of trail signage at Oliver Hill, the first priority project in the *Rottnest Island WWII Coastal Defence Heritage Interpretation Plan 2020-30*.

The new interpretive signage has improved the self-guided experience by enhancing the existing walk trail that connects the key defence features. It provides an expanded program of activities and encourages longer visitation to Oliver Hill, supported by other ongoing projects and improvements to transport infrastructure to the site.

In March, work began on producing a new concept and interpretation plan for Oliver Hill H1 Engine Room to create a replica of the old generator that once powered the massive 9.2-inch guns located at the site.

Heritage Structures Management

Wadjemup Museum

Re-opened in December 2020 following a \$1 million refurbishment, Wadjemup Museum continues to attract visitors to explore the unique and diverse history of the Island through themes exploring cultural connections, early exploration, Aboriginal incarceration, volunteering, tourism and holidays.

The museum was recognised at the 2021 Western Australian Heritage Awards with a Commendation for Best Interpretation Project for reinvigorating the museum with new exhibits that include both contemporary and historic stories while being sensitive to the Aboriginal heritage of the Island.

The *Survivors of Wadjemup* temporary exhibition opened in April, addressing truth-telling in relation to Wadjemup's prison history. RIA collaborated with the Department of Local Government, Sport and Cultural Industries and descendent families of prisoners to curate a temporary exhibition that showcased stories of survival and resilience. The exhibition included a film produced by Black Russian Productions, narrating the journey of survival of descendent families. The exhibition was formally launched at RIA's Reconciliation Action Week event in May at the WA Maritime Museum.

Museum satellite spaces — Wadjemup Museum for Children (Lomas Cottage) and Pilot Boat House

In July 2021 two new concept designs commenced for the design and refurbishment of the Wadjemup Museum satellite spaces: Wadjemup Museum for Children (Lomas Cottage) and the Pilot Boat House.

The exhibition concept and designs were completed in December and work commenced on the design and coordination. In May 2022, both buildings were closed to the public in readiness for the physical refurbishment and installation, with works to the Pilot Boat House completed in June.

Works on Lomas Cottage are well progressed and will be completed early in the 2022-23 financial year.

WARG provided assistance and guidance on both projects.

Wadjemup Museum for Children (Lomas Cottage)

Lomas Cottage, originally constructed in 1870 and restored in 1997, has been operating as an exhibition space. The new design, once completed, will see the space recreated as a children's museum which will engage families and children in the stories of Wadjemup through interactive and educational exhibits.

Pilot Boat House

Through modern interpretive design approaches, the refurbished Pilot Boat House captures the venue's spirit of adventure and complements the rustic charm of the space. It is designed to engage visitors in stories relating to the Pilot service, their lives, stories of boating adventures and the Island's broader maritime history.

Oliver Hill Battery

Oliver Hill Battery remedial works commenced in April and were completed at the end of June. Works undertaken were designed to stabilise and preserve the structure and façade and prevent further deterioration.

Battery Observation Post

Battery Observation Post remedial works were undertaken to the external façade, including restoration of the roof of the building to its original form. Works were completed in December 2021.

Cultural Landscape Management Plan

This year's key initiatives include ongoing engagement with regard to Aboriginal heritage. RIA is assisted in this work by WARG, which consists of Aboriginal community members with traditional custodianship or other links to the island.

Aboriginal site management

In April 2022 an Asset Management Plan was developed for conservation and management of the Quod. It identified the repair, remedial and conservation works required. In May the first package of conservation repair works was undertaken. This involved the removal of the surface render from the interior of several rooms and perimeter walls (noting that the render is not part of the original fabric), to allow the limestone to dry out in order to slow deterioration of the walls.

RIA conducted four Aboriginal Heritage Surveys as required under the Noongar Standard Heritage Agreement. These were related to planned works at the North Thomson Pump station, the nursery area, the workers' accommodation at Windy Hill and the northern services corridor.

Service 2: Conserving habitats, species and ecological communities

ENGAGE WITH THE ISLAND'S ENVIRONMENT AND CULTURAL HERITAGE

Terrestrial Conservation Action Plan

RIA's Terrestrial Conservation Action Plan (TCAP), an important part of Strategic Focus Area 3 of the Rottnest Island Management Plan (RIMP) 2020-24, provides an overview of the planning process and system that is applied by RIA in the biodiversity conservation management on Rottnest Island. The Plan establishes the natural values of the Rottnest Island terrestrial reserve, determines current and desired health, considers threats, and identifies the conservation actions necessary for the reserve's effective management.

The scope of the TCAP encompasses the terrestrial environment up to the high-water mark (i.e., the level reached by the ocean at high tide) and includes offshore islets and the Settlement area.

RIA's environmental management work spans a range of elements that include conservation, compliance, and sustainability. Key highlights of 2021-22 include:

- 29,467 plants have been planted as part of the Woodland Management Plan and coastal restoration projects, using the help of 1608 volunteer hours
- Over seven hectares of revegetation was completed, with plant protection, 4265 tree guards and 1.4 km of fencing
- The secondment of a senior scientist from DBCA to redevelop the quokka monitoring program
- A camera trap network was established across the Island to aid in a more extensive quokka monitoring program
- A new frog monitoring program was developed, using sound recorders, burrow counts and tadpole traps to monitor the Island's wetlands.

Marine Conservation Management Plan

In 2021-22, RIA completed the development of a Marine Conservation Action Plan (MCAP) for the Island that sets out RIA's marine conservation priorities.

The MCAP was developed, with assistance from researchers and experts in the Department of Biodiversity Conservation and Attractions Marine Science program, to align with other marine biodiversity monitoring programs used in Western Australia. The purpose of the document is to detail specific marine conservation targets, the key environmental attributes of these targets and the threats to these targets, and to identify what indicators should be monitored to be able to track their condition.

Importantly, it also identifies additional actions and activities to improve environmental attributes. These will build on existing management programs run by Parks Services and the many volunteer and university research projects that have helped inform much of the current understanding of Rottnest's marine environment.

Key highlights for this new program included:

- Mapped the Island's seagrass using aerial imagery, which will be used to monitor changes in the extent of the seagrass meadows at Rottnest
- Completed the first fieldwork for a finfish monitoring program, using baited remote underwater video (BRUV), which will be used to compare fish populations inside and outside Rottnest's marine sanctuaries
- Commenced monitoring the long-nosed fur seal and endangered Australian sea lion populations on Rottnest Island

Woodland Management Plan

The Woodland Management Plan aims to expand, enhance, and maintain the Island's woodland community as part of efforts to conserve this threatened ecological community, provide fauna habitat and improve the natural recreation amenity of the Island. The Plan was established in 2019 and three years of works have been completed. Within the 2021-22 reporting period over 4000 plants were planted.

Conservation Centre

Design concepts have been developed for the proposed Wadjemup Conservation Centre. The centre is planned to be a state-of-the-art conservation facility with an emphasis on visitor engagement and showcasing the Island's outstanding natural environments. It will be a hub for conservation volunteers and a place for terrestrial and marine research on the Island's flora and fauna.

The design concepts will be used for further internal and external consultation to assist with developing more detailed designs and further site planning.



Coastal Management Plan

Many coastal dune areas are eroded and destabilised through a combination of human activity and natural forces. If not managed, these areas can erode quickly, leading to loss of beaches and impacts on surrounding vegetation as well as direct impacts on infrastructure such as roads, fences and buildings. Many of these areas protect adjacent infrastructure and habitat, so it is essential that efforts are made to stabilise, revegetate and, where possible, fully restore fragile coastal areas.

RIA is implementing a conservation program for coastal management which is focused on Parakeet Bay, Longreach, Fays Bay and South Thomson. In these areas, fragile dunes and eroded pathways have been fenced off, with disturbed ground stabilised with jute matting and vegetation. Over 25,000 seedlings have been planted by volunteers and staff to revegetate and stabilise dune systems. Extensive dune fencing and stabilisation works were carried out at Fays Bay, which has been a site of major erosion in recent years.

Sustainability Action Plan

The Sustainability Action Plan puts in place a foundation to realise the long-term vision of the Island to be a visitor destination of national significance, recognised for its recreational, environmental, and cultural heritage values.

The Plan provides a set of goals for the Island community to collectively work towards longer-term sustainability while achieving an established set of sustainability targets.

The Plan is currently under revision and will be focusing on three pillars for sustainability, renewables/carbon emissions, water and waste. The new Plan will cover the period from 2022–27.

Collaborations and partnerships

RIA acknowledges that the management of Island operations and services is a community effort and we thank our partners and collaborators including the following:

- Better Bees WA
- BirdLife Australia
- Boating WA
- Clontarf Foundation
- Conservation Volunteers Australia
- Leeuwin Ocean Adventure Foundation
- Maritime Archaeological Association of WA
- Margaret River Chocolate Company
- Reef Life Survey
- Rottnest Channel Swim Association
- Rottnest Island Chamber of Commerce
- Rottnest Island Fire Service
- Rottnest Island Nursery Volunteers
- Rottnest Island Offshore Boardriders Club
- Rottnest Foundation
- Rottnest ferry operators — Rottnest Express, Rottnest Fast Ferries and SeaLink Rottnest Island
- Rottnest Voluntary Guides Association
- Rottnest Island Railway Advisory Committee
- Rottnest Society
- Scouts WA
- Sea Rescue Fremantle
- South West Aboriginal Land and Sea Council
- The Winnit Club
- Underwater Explorers Club of WA
- Wadjemup Aboriginal Reference Group
- Wadjemup Whadjuk Cultural Authority
- West Australian Divers for Diversity Inc



Significant issues impacting Rottnest Island Authority

- The Rottnest Lodge site was handed over to the selected developer in June 2022 to commence refurbishment and construction of new visitor accommodation, resulting in 109 rooms ranging from boutique to budget, a relocated pool, a conference facility, and new food and beverage facilities. The project will deliver an improved use and configuration of the site and incorporate acknowledgements of the proximity to important surrounding Aboriginal heritage buildings and places. Completion is expected in the summer of 2023-24.
- Maintenance and renewal of marine infrastructure, especially Rottnest Island's jetties, to preserve visitor safety and enhance operational efficiency, is a priority. The existing concrete deck and piles of Berths 4 and 5 on the Main Jetty will be replaced and extended during 2022.
- Rottnest Island Authority is progressing with the delivery of the National Tourism Icons suite of projects made possible by funding from the Australian Government. An investment of \$17.2 million has been provided for vital infrastructure upgrades to enhance the visitor experience, embrace cultural heritage and ensure the long-term sustainability of Rottnest Island.
- Increasing Rottnest Island drinking water production and renewal, and replacement of the water distribution network is a high priority to meet growing demand and avoid constraints on future development. RIA is progressing with the delivery of the WA Recovery Plan funded project to upgrade Rottnest Island water production capability and renew the aging water distribution network.
- The coastline and adjacent foreshore reserves are an intrinsic component of the Island and support a variety of conservation, recreation and commercial land uses. Managing the high-value terrestrial and marine environment, and the unique heritage and visitor infrastructure close to the shoreline, is a high risk, with visitor pressures, natural variability in sea level, coastal processes and climate change threatening the coastal environment. RIA has commissioned a Coastal Hazard Risk Management and Adaptation Plan to be developed to provide strategic guidance for coordinated, integrated and sustainable land use planning and management along the island's coastline.

Disclosures and legal compliance

Certification of financial statements

For the reporting period ended 30 June 2022

The accompanying financial statements of Rottnest Island Authority have been prepared in compliance with the provisions of the *Financial Management Act 2006* from proper accounts and records to present fairly the financial transactions for the financial year ended 30 June 2022 and the financial position as at 30 June 2022.

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



Lyn Cassettai
Chief Financial Officer
Rottnest Island Authority

15 September 2022



Hamish R Beck
Chair
Rottnest Island Authority


15 September 2022



Dr Marina Hogan
Deputy Chair
Rottnest Island Authority

15 September 2022

Independent audit opinion



Auditor General

**INDEPENDENT AUDITOR'S REPORT
2022
Rottneest Island Authority**

To the Parliament of Western Australia

Report on the audit of the financial statements

Opinion

I have audited the financial statements of the Rottneest Island Authority (Authority) which comprise:

- the Statement of Financial Position at 30 June 2022, and the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended
- Notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements are:

- based on proper accounts and present fairly, in all material respects, the operating results and cash flows of the Rottneest Island Authority for the year ended 30 June 2022 and the financial position at the end of that period
- in accordance with Australian Accounting Standards (applicable to Tier 2 Entities), the *Financial Management Act 2006* and the Treasurer's Instructions.

Basis for opinion

I conducted my audit in accordance with the Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my report.

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

Responsibilities of the Board for the financial statements

The Board is responsible for:

- keeping proper accounts
- preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards (applicable to Tier 2 Entities), the *Financial Management Act 2006* and the Treasurer's Instructions
- such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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In preparing the financial statements, the Board is responsible for:

- assessing the entity's ability to continue as a going concern
- disclosing, as applicable, matters related to going concern
- using the going concern basis of accounting unless the Western Australian Government has made policy or funding decisions affecting the continued existence of the Authority.

Auditor's responsibilities for the audit of the financial statements

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial statements. The objectives of my audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

A further description of my responsibilities for the audit of the financial statements is located on the Auditing and Assurance Standards Board website. This description forms part of my auditor's report and can be found at https://www.augas.gov.au/auditors_responsibilities/ar4.pdf.

Report on the audit of controls

Opinion

I have undertaken a reasonable assurance engagement on the design and implementation of controls exercised by the Rottneest Island Authority. The controls exercised by the Board are those policies and procedures established to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions (the overall control objectives).

In my opinion, in all material respects, the controls exercised by the Rottneest Island Authority are sufficiently adequate to provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities have been in accordance with legislative provisions during the year ended 30 June 2022.

The Board's responsibilities

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

Page 2 of 5

Independent audit opinion

Auditor General's responsibilities

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

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

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

Limitations of controls

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

Report on the audit of the key performance indicators

Opinion

I have undertaken a reasonable assurance engagement on the key performance indicators of the Rotttnest Island Authority for the year ended 30 June 2022. The key performance indicators are the Under Treasurer-approved key effectiveness indicators and key efficiency indicators that provide performance information about achieving outcomes and delivering services.

In my opinion, in all material respects, the key performance indicators of the Rotttnest Island Authority are relevant and appropriate to assist users to assess the Authority's performance and fairly represent indicated performance for the year ended 30 June 2022.

The Board's responsibilities for the key performance indicators

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

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

Auditor General's responsibilities

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

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

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

My independence and quality control relating to the report on financial statements, controls and key performance indicators

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

Other information

Those charged with governance are responsible for the other information. The other information is the information in the entity's annual report for the year ended 30 June 2022, but not the financial statements, key performance indicators and my auditor's report.

My opinions on the financial statements, controls and key performance indicators do not cover the other information and, accordingly, I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, controls and key performance indicators, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and key performance indicators or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I did not receive the other information prior to the date of this auditor's report. When I do receive it, I will read it and if I conclude that there is a material misstatement in this information, I am required to communicate the matter to those charged with governance and request them to correct the misstated information. If the misstated information is not corrected, I may need to retract this auditor's report and re-issue an amended report.

Independent audit opinion

Matters relating to the electronic publication of the audited financial statements and key performance indicators

This auditor's report relates to the financial statements, and key performance indicators of the Rotttnest Island Authority for the year ended 30 June 2022 included in the annual report on the Authority's website. The Authority's management is responsible for the integrity of the Authority's website. This audit does not provide assurance on the integrity of the Authority's website. The auditor's report refers only to the financial statements, controls and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to/from the annual report. If users of the financial statements and key performance indicators are concerned with the inherent risks arising from publication on a website, they are advised to contact the entity to confirm the information contained in the website version.



Grant Robison
Assistant Auditor General Financial Audit
Delegate of the Auditor General for Western Australia
Perth, Western Australia
16 September 2022

Statement of comprehensive income for the year ended 30 June 2022

| | Note | 2022 \$000 | 2021 \$000 |
|--|------------------|---------------|---------------|
| COST OF SERVICES | | | |
| Expenses | | | |
| Employee benefits expense | 2.1(a) | 13,313 | 12,565 |
| Supplies and services | 2.2 | 32,960 | 31,593 |
| Depreciation and amortisation expense | 4.1, 4.2, 4.3 | 6,758 | 6,524 |
| Cost of sales | 3.3 | 824 | 618 |
| Finance costs | 6.3 | 3 | 9 |
| Accommodation expenses | 2.3 | 241 | 124 |
| Loss on disposal of non-current assets | 2.3 | 30 | 667 |
| Other expenses | 2.3 | 2,329 | 1,255 |
| Total cost of services | | 56,458 | 53,355 |
| Income | | | |
| User charges and fees | 3.2 | 46,771 | 41,152 |
| Sale of goods | 3.3 | 1,101 | 839 |
| Commonwealth grants | 3.4 | 4,899 | 3,438 |
| Interest income | 3.5 | 136 | 124 |
| Other income | 3.6 | 370 | 460 |
| Total income | | 53,277 | 46,013 |
| NET COST OF SERVICES | | 3,181 | 7,342 |

| | Note | 2022 \$000 | 2021 \$000 |
|--|------|---------------|---------------|
| Income from State Government | | | |
| Income from other public sector entities | 3.1 | 6,257 | 14,256 |
| Resources received | 3.1 | 369 | 4,946 |
| Total income from State Government | | 6,626 | 19,202 |
| SURPLUS / (DEFICIT) FOR THE PERIOD | | 3,445 | 11,860 |
| OTHER COMPREHENSIVE INCOME | | | |
| <i>Items not reclassified subsequently to profit or loss</i> | | | |
| Changes in asset revaluation surplus | 4.1 | 35,515 | - |
| Total other comprehensive income | | 35,515 | - |
| TOTAL COMPREHENSIVE INCOME FOR THE PERIOD | | 38,960 | 11,860 |

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

Statement of financial position as at 30 June 2022

| | Note | 2022 \$000 | 2021 \$000 |
|---|------|----------------|----------------|
| ASSETS | | | |
| Current Assets | | | |
| Cash and cash equivalents | 6.4 | 20,746 | 11,443 |
| Inventories | 3.3 | 407 | 314 |
| Receivables | 5.1 | 2,847 | 1,812 |
| Other current financial assets | 6.5 | 12,000 | 17,000 |
| Other current assets | 5.2 | 256 | 327 |
| Total Current Assets | | 36,256 | 30,896 |
| Non-Current Assets | | | |
| Infrastructure, property, plant and equipment | 4.1 | 328,751 | 278,094 |
| Intangible assets | 4.2 | 989 | 1,118 |
| Right-of-use assets | 4.3 | 101 | 227 |
| Receivables | 5.1 | 118 | 124 |
| Total Non-Current Assets | | 329,959 | 279,563 |
| TOTAL ASSETS | | 366,215 | 310,459 |

| | Note | 2022 \$000 | 2021 \$000 |
|--------------------------------------|--------|----------------|----------------|
| LIABILITIES | | | |
| Current Liabilities | | | |
| Payables | 5.3 | 11,247 | 7,869 |
| Lease liabilities | 6.1 | 31 | 182 |
| Employee related provisions | 2.1(b) | 2,245 | 2,107 |
| Contract liabilities | 5.5 | 4,478 | 4,768 |
| Grant liability | 5.6 | - | - |
| Other current liabilities | 5.4 | 1,194 | 1,423 |
| Total Current Liabilities | | 19,195 | 16,349 |
| Non-Current Liabilities | | | |
| Lease liabilities | 6.1 | 71 | 50 |
| Employee related provisions | 2.1(b) | 698 | 822 |
| Other non-current liabilities | 5.4 | 3,316 | 3,563 |
| Total Non-Current liabilities | | 4,085 | 4,435 |
| TOTAL LIABILITIES | | 23,280 | 20,784 |
| NET ASSETS | | 342,935 | 289,675 |
| EQUITY | | | |
| Contributed equity | | 71,332 | 57,032 |
| Reserves | | 241,388 | 205,873 |
| Accumulated surplus | | 30,215 | 26,770 |
| TOTAL EQUITY | | 342,935 | 289,675 |

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

Statement of changes in equity for the year ended 30 June 2022

| | Contributed equity \$000 | Reserves \$000 | Accumulated surplus \$000 | Total Equity \$000 |
|--|--------------------------------|-------------------|---------------------------------|-----------------------|
| Balance at 1 July 2020 | 51,232 | 205,873 | 14,910 | 272,015 |
| Surplus | - | - | 11,860 | 11,860 |
| Other comprehensive income | - | - | - | - |
| Total comprehensive income for the period | - | - | 11,860 | 11,860 |
| <i>Transactions with owners in their capacity as owners:</i> | | | | |
| Capital appropriations | 5,800 | - | - | 5,800 |
| Total | 5,800 | - | - | 5,800 |
| Balance at 30 June 2021 | 57,032 | 205,873 | 26,770 | 289,675 |
| Balance at 1 July 2021 | 57,032 | 205,873 | 26,770 | 289,675 |
| Surplus | - | - | 3,445 | 3,445 |
| Other comprehensive income | - | 35,515 | - | 35,515 |
| Total comprehensive income for the period | - | 35,515 | 3,445 | 38,960 |
| <i>Transactions with owners in their capacity as owners:</i> | | | | |
| Capital appropriations | 14,300 | - | - | 14,300 |
| Total | 14,300 | - | - | 14,300 |
| Balance at 30 June 2022 | 71,332 | 241,388 | 30,215 | 342,935 |

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

Statement of cash flows for the year ended 30 June 2022

| | Note | 2022 \$000 | 2021 \$000 |
|--|------|---------------|----------------|
| CASH FLOWS FROM STATE GOVERNMENT | | | |
| Funds from other public sector entities | | 6,257 | 14,256 |
| Capital appropriations | | 14,300 | 5,800 |
| Net cash provided by the State Government | | 20,557 | 20,056 |
| <i>Utilised as follows:</i> | | | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Payments | | | |
| Employee benefits | | (13,328) | (12,772) |
| Supplies and services | | (30,707) | (30,895) |
| Finance costs | | (3) | (9) |
| GST payments on purchases | | (5,452) | (4,830) |
| GST payments to taxation authority | | - | - |
| Other payments | | (1,493) | (1,570) |
| Receipts | | | |
| Sale of goods | | 1,101 | 839 |
| User charges and fees | | 45,463 | 33,434 |
| Commonwealth grants | | 4,899 | 1,000 |
| Interest received | | 104 | 174 |
| GST receipts on sales | | 4,754 | 3,352 |
| GST receipts from taxation authority | | 623 | 1,051 |
| Other receipts | | 370 | 460 |
| Net cash provided by / (used in) operating activities | | 6,331 | (9,766) |

| | Note | 2022 \$000 | 2021 \$000 |
|--|------|-----------------|-----------------|
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Payments | | | |
| Purchase of non-current assets | | (22,259) | (16,076) |
| Receipts | | | |
| Proceeds from sale of non-current assets | | 28 | - |
| Proceeds from maturing term deposits | | 5,000 | 5,000 |
| Net cash provided by / (used in) investing activities | | (17,231) | (11,076) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Payments | | | |
| Principal elements of lease payments | | (192) | (328) |
| ARENA loan repayment | | (162) | (148) |
| Net cash provided by / (used in) financing activities | | (354) | (476) |
| Net increase / (decrease) in cash and cash equivalents | | | |
| | | 9,303 | (1,262) |
| Cash and cash equivalents at the beginning of the period | | | |
| | | 11,443 | 12,705 |
| CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD | 6.4 | 20,746 | 11,443 |

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 2022

1. BASIS OF PREPARATION

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

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

These annual financial statements were authorised for issue by the Accountable Authority of the Authority on 15 September 2022.

Statement of compliance

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

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

The FMA and the TIs take precedence over AASs. Several AASs are modified by TIs to vary application, disclosure format and wording. Where modification is required and has had a material or significant financial effect upon the reported results, details of that modification and the resulting financial effect are disclosed in the notes to the financial statements.

Basis of preparation

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

Fair Values

The details in relation to the fair value of various assets and liabilities are provided in the respective notes relating to those assets and liabilities.

Accounting for Goods and Services Tax (GST)

Income, expenses and assets are recognised net of the amount of goods and services tax (GST), except that the:

- (a) Amount of GST incurred by the Agency as a purchaser that is not recoverable from the Australian Taxation Office (ATO) is recognised as part of an asset's cost of acquisition or as part of an item of expense; and
- (b) Receivables and payables are stated with the amount of GST included.

Cash flows are included in the Statement of cash flows on a gross basis. However, the GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

Notes to the financial statements for the year ended 30 June 2022

Contributed equity

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

Comparative information

Except when an AAS permits or requires otherwise, comparative information is presented in respect of the previous period for all amounts reported in the financial statements. AASB 1060 provides relief from presenting comparatives for:

- Property, Plant and Equipment reconciliations;
- Intangible Asset reconciliations; and
- Right-of-Use Asset reconciliations.

Judgements and estimates

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

2. USE OF OUR FUNDING

Expenses incurred in the delivery of services

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

| | Notes |
|-----------------------------|--------|
| Employee benefits expense | 2.1(a) |
| Employee related provisions | 2.1(b) |
| Supplies and services | 2.2 |
| Other expenditure | 2.3 |

2.1 (a) Employee benefits expense

| | 2022 \$000 | 2021 \$000 |
|---|---------------|---------------|
| Employee benefits | 11,990 | 11,448 |
| Termination benefits | 97 | - |
| Superannuation - defined contribution plans | 1,191 | 1,100 |
| Superannuation - defined benefit plans | 35 | 17 |
| Employee benefits expense | 13,313 | 12,565 |
| Add: AASB 16 Non-monetary benefits | 47 | 45 |
| Less: Employee Contributions (per the Statement of Comprehensive Income) | (1) | - |
| Total employee benefits provided | 13,359 | 12,610 |

Notes to the financial statements for the year ended 30 June 2022

Employee benefits: Include wages, salaries and social contributions, accrued and paid leave entitlements and paid sick leave, profit-sharing and bonuses; and non-monetary benefits (such as medical care, housing, cars and free or subsidised goods or services) for employees.

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

Superannuation: The amount recognised in profit or loss of the Statement of Comprehensive Income comprises employer contributions paid to the GSS (concurrent contributions), the WSS, other GESB schemes, or other superannuation funds.

AASB 16 Non-monetary benefits: Non-monetary employee benefits, that are excluded from employee benefits expenses and recognised under AASB 16, predominantly relate to the provision of vehicle and housing benefits are measured at the cost incurred by the Authority.

Employee Contributions: Contributions made to the Authority by employees towards employee benefits that have been provided by the Authority. This includes both AASB-16 and non-AASB 16 employee contributions.

2.1 (b) Employee related provisions

| | 2022 \$000 | 2021 \$000 |
|--|---------------|---------------|
| Current | | |
| Employee benefits provision | | |
| Annual leave | 1,207 | 1,111 |
| Long service leave | 866 | 821 |
| Time in lieu | 8 | 4 |
| Defined benefit liability | 37 | 39 |
| | 2,118 | 1,975 |
| <i>Other provisions</i> | | |
| Employment on-costs | 127 | 132 |
| Total current employee related provisions | 2,245 | 2,107 |
| Non-current | | |
| Employee benefits provision | | |
| Long service leave | 498 | 604 |
| Defined benefit liability | 170 | 176 |
| | 668 | 780 |
| <i>Other provisions</i> | | |
| Employment on-costs | 30 | 42 |
| Total non-current employee related provisions | 698 | 822 |
| Total employee related provisions | 2,943 | 2,929 |

Notes to the financial statements for the year ended 30 June 2022

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

Annual leave liabilities are classified as current as there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period.

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

Long service leave liabilities are unconditional long service leave provisions are classified as current liabilities as the Authority does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

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

The provision for long service leave is calculated at present value as the Authority does not expect to wholly settle the amounts within 12 months. The present value is measured taking into account the present value of expected future payments to be made in relation to services provided by employees up to the reporting date. These payments are estimated using the remuneration rate expected to apply at the time of settlement and discounted using market yields at the end of the reporting period on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

Deferred salary scheme liabilities are classified as current where there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period.

Defined benefit liability: The Authority has recognised the unfunded superannuation liability for a Pension Scheme relating to a former employee. This obligation has been measured using actuarial assumptions and on a discounted basis.

Employment on-costs involve settlements of annual and long service leave liabilities which gives rise to the payment of employment on-costs including workers' compensation insurance. The provision is the present value of expected future payments.

Employment on-costs, including workers' compensation insurance, are not employee benefits and are recognised separately as liabilities and expenses when the employment to which they relate has occurred. Employment on-costs are included as part of 'Other Expenditure', Note 2.3 (apart from the unwinding of the discount (finance cost)) and are not included as part of the Authority's 'employee benefits expense'. The related liability is included in 'Employment on-costs provision'.

| | 2022 \$000 | 2021 \$000 |
|--|---------------|---------------|
| Employment on-costs provision | | |
| Carrying amount at start of period | 174 | 155 |
| Additional provisions recognised | 74 | 44 |
| Payments/other sacrifices of economic benefits | (82) | (25) |
| Unwinding of the discount | (9) | - |
| Carrying amount at end of period | 157 | 174 |

Notes to the financial statements for the year ended 30 June 2022

Key sources of estimation uncertainty – long service leave

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

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

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

Changes in these estimations and assumptions may impact on the carrying amount of the long service leave provision. Any gain or loss following revaluation of the present value of long service leave liabilities is recognised as employee benefits expense.

2.2 Supplies and services

| | 2022 \$000 | 2021 \$000 |
|---|---------------|---------------|
| Contractors – facilities operations and utilities | 14,222 | 14,158 |
| Contractors – housekeeping | 3,532 | 2,432 |
| Contractors – other | 4,369 | 4,707 |
| Administration expense | 2,157 | 2,126 |
| Other staff costs | 659 | 541 |
| Repairs and maintenance – Building, infrastructure and equipment | 5,166 | 4,510 |
| Assets under \$5,000 expensed | 915 | 1,181 |
| Marketing expenses | 1,241 | 1,006 |
| Other supplies and services costs | 699 | 932 |
| Total supplies and services expenses | 32,960 | 31,593 |

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

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

Other supplies and services costs generally represent the day-to-day running costs incurred in normal operations.

Notes to the financial statements for the year ended 30 June 2022

2.3 Other Expenditure

| | 2022 \$000 | 2021 \$000 |
|---|---------------|---------------|
| Accommodation expenses | | |
| Rental expenses | 156 | 10 |
| Cleaning and other accommodation expenses | 85 | 114 |
| Total accommodation expenses | 241 | 124 |
| Loss on disposal of non-current assets | | |
| <u>Net proceeds from disposal of non-current assets</u> | | |
| Plant, equipment and vehicles | (28) | - |
| <u>Carrying amount of non-current assets disposed</u> | | |
| Plant, equipment and vehicles | 58 | 667 |
| Loss on disposal of non-current assets | 30 | 667 |
| Other expenses | | |
| Expected credit losses expense | - | - |
| Employment on-costs | 846 | 997 |
| Bank and merchant fees | 373 | 258 |
| Software implementation costs | 1,102 | - |
| Intangible assets written off | - | - |
| Bad debts written off | 8 | - |
| Total other expenses | 2,329 | 1,255 |
| Total other expenditure | 2,600 | 2,046 |

Rental expenses include:

- Short-term leases with a lease term of 12 months or less;
- Low-value leases with an underlying value of \$5,000 or less; and
- Variable lease payments, recognised in the period in which the event or condition that triggers those payments occurs.

Expected credit losses is recognised for movement in allowance for impairment of trade receivables. Please refer to Note 5.1 Receivables for more details.

Employment on-costs includes workers' compensation insurance and other employment on-costs. The on-costs liability associated with the recognition of annual and long service leave liabilities is included at Note 2.1(b) Employee related provisions. Superannuation contributions accrued as part of the provision for leave are employee benefits and are not included in employment on-costs.

Realised and unrealised gains are usually recognised on a net basis. These include gains arising on the disposal of non-current assets and some revaluations of non-current assets.

Gains and losses on the disposal of non-current assets are presented by deducting from the proceeds on disposal the carrying amount of the asset and related selling expenses. Gains and losses are recognised in profit or loss in the Statement of Comprehensive Income.

Software implementation costs are recognised as expenses as incurred.

Notes to the financial statements for the year ended 30 June 2022

3. OUR FUNDING SOURCES

How we obtain our funding

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

| | Notes |
|------------------------------|-------|
| Income from State Government | 3.1 |
| User charges and fees | 3.2 |
| Sale of goods | 3.3 |
| Commonwealth grants | 3.4 |
| Interest income | 3.5 |
| Other income | 3.6 |

3.1 Income from State Government

| | 2022 \$000 | 2021 \$000 |
|---|---------------|---------------|
| Income from other public sector entities during the period: | | |
| Grants received from Department of Biodiversity, Conservation and Attractions (DBCA) ^(a) | 4,782 | 14,241 |
| Grants received from other government entities ^(b) | 1,475 | 15 |
| Total income from other public sector entities | 6,257 | 14,256 |
| Resources received from other public sector entities during the period: | | |
| Assets received free of charge ^(a) | 227 | 4,773 |
| Services received free of charge ^(b) | 142 | 173 |
| Total resources received | 369 | 4,946 |
| Total income from State Government | 6,626 | 19,202 |

Income from other public sector entities are recognised as income when the Authority has received a recurrent appropriation through a central department (i.e. Department of Biodiversity, Conservation and Attractions) and/or when the Authority has satisfied its performance obligations under the funding agreement. If there is no performance obligation, income will be recognised when the Authority receives the funds.

- (a) Relates to the Authority's recurrent service appropriation received via DBCA.
 (b) Relates to a grant received from the Department of Transport for Hotspot Coastal Adaptation and Protection, which was used for the construction of a seawall at South Thomson Bay.

Notes to the financial statements for the year ended 30 June 2022

3.1 Income from State Government (continued)

Resources received from other public sector entities are recognised as income (and assets or expenses) equivalent to the fair value of the assets, or the fair value of those services that can be reliably determined and which would have been purchased if not donated.

- (a) Assets received free of charge relates to road works performed on the Island's roads by Main Roads WA at no cost to the Authority.
- (b) Services received free of charge relates to legal services received from State Solicitor's Office and services received from Landgate.

3.2 User charges and fees

| | 2022 \$000 | 2021 \$000 |
|-------------------------------------|---------------|---------------|
| Accommodation revenue | 23,749 | 21,770 |
| Equipment hire and tours | 5,300 | 4,646 |
| Admission fees | 9,034 | 8,220 |
| Other fees and charges | 2,211 | 2,120 |
| Commercial lease and licence income | 3,341 | 1,970 |
| Utility charges | 2,084 | 1,688 |
| Residential lease income | 1,052 | 738 |
| Total user charges and fees | 46,771 | 41,152 |

Revenue is recognised at the transaction price when the Authority transfers control of the services to customers. Revenue is recognised for the major business activities as follows:

- Accommodation revenue is recognised over the course of the visitors' stay on the Island,
- Admissions fees are generally recognised when the visitors arrive on the Island,
- Other revenue, including residential and commercial rental income, is recognised as the goods/services are provided.

3.3 Sale of goods

| | 2022 \$000 | 2021 \$000 |
|--------------------------|---------------|---------------|
| Sale of goods | 1,101 | 839 |
| Cost of Sales: | | |
| Opening Inventory | (152) | (237) |
| Purchases | (813) | (533) |
| | (965) | (770) |
| Closing Inventory | 141 | 152 |
| Cost of Goods Sold | (824) | (618) |
| Gross profit | 277 | 221 |

Notes to the financial statements for the year ended 30 June 2022

| | 2022 \$000 | 2021 \$000 |
|-------------------------------------|---------------|---------------|
| Closing inventory comprises: | | |
| <u>Current Inventories</u> | | |
| Inventories held for resale | | |
| - Visitors Centre and bike stock | 141 | 152 |
| Inventories not held for resale | | |
| - Fuels | 266 | 162 |
| Total current inventories | 407 | 314 |
| Total Inventories | 407 | 314 |

Sale of Goods

Revenue is recognised at the transaction price when the Authority transfers control of the goods to customers.

Inventories

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

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

3.4 Commonwealth grants

| | 2022 \$000 | 2021 \$000 |
|---|---------------|---------------|
| Commonwealth grants: | | |
| - Capital grants - Enhancing National Tourism Icons | 4,880 | 3,438 |
| - Other | 19 | - |
| Total Commonwealth grants | 4,899 | 3,438 |

Capital grants are recognised as income over time as the projects are constructed to the extent that the grant has been received. Refer to Note 5.6.

3.5 Interest income

| | 2022 \$000 | 2021 \$000 |
|------------------------------|---------------|---------------|
| Interest income | 136 | 124 |
| Total interest income | 136 | 124 |

Interest income is recognised as the interest accrues.

Notes to the financial statements for the year ended 30 June 2022

3.6 Other income

| | 2022 \$000 | 2021 \$000 |
|---|---------------|---------------|
| Insurance claims | 47 | 96 |
| Expected credit losses provision written back | 6 | 111 |
| Non-government grants / sponsorships | 18 | 21 |
| Public donations | 24 | 29 |
| Other income | 275 | 203 |
| Total other income | 370 | 460 |

4. KEY ASSETS

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

| | Notes |
|---|-------|
| Infrastructure, property, plant and equipment | 4.1 |
| Intangible assets | 4.2 |
| Right-of-use assets | 4.3 |

Notes to the financial statements for the year ended 30 June 2022

4.1 Infrastructure, property, plant and equipment

| Year ended 30 June 2022 | Land \$000 | Buildings \$000 | Computers and electronic equipment \$000 | Furniture and fittings \$000 | Plant and vehicles \$000 | Infrastructure \$000 | Leasehold improvements \$000 | Works of art \$000 | Work in progress \$000 | Total \$000 |
|---|----------------|--------------------|--|------------------------------------|--------------------------------|-------------------------|------------------------------------|--------------------------|------------------------------|----------------|
| 1 July 2021 | | | | | | | | | | |
| Gross carrying amount | 135,000 | 80,346 | 1,972 | 5,817 | 4,447 | 63,871 | 279 | 76 | 6,029 | 297,837 |
| Accumulated depreciation | - | (2,041) | (1,928) | (5,435) | (3,576) | (6,500) | (263) | - | - | (19,743) |
| Carrying amount at start of period | 135,000 | 78,305 | 44 | 382 | 871 | 57,371 | 16 | 76 | 6,029 | 278,094 |
| Additions | - | - | - | - | - | 227 | - | - | 22,259 | 22,486 |
| Transfers | (356) | 1,953 | - | 140 | 596 | 11,034 | - | 421 | (13,788) | - |
| Disposals | - | (10) | - | (18) | (2) | (18) | (10) | - | - | (58) |
| Adjustments | - | - | - | (8) | 8 | - | - | - | (825) | (825) |
| Revaluation increments / (decrements) | 24,356 | 7,474 | - | - | - | 3,685 | - | - | - | 35,515 |
| Depreciation | - | (2,107) | (24) | (119) | (284) | (3,917) | (6) | (4) | - | (6,461) |
| Carrying amount at end of period | 159,000 | 85,615 | 20 | 377 | 1,189 | 68,382 | - | 493 | 13,675 | 328,751 |
| Gross carrying amount | 159,000 | 85,615 | 1,437 | 3,120 | 4,678 | 68,382 | - | 497 | 13,675 | 336,404 |
| Accumulated depreciation | - | - | (1,417) | (2,743) | (3,489) | - | - | (4) | - | (7,653) |
| | 159,000 | 85,615 | 20 | 377 | 1,189 | 68,382 | - | 493 | 13,675 | 328,751 |

Notes to the financial statements for the year ended 30 June 2022

4.1 Infrastructure, property, plant and equipment (continued)

Initial recognition

Items of property, plant and equipment and infrastructure, costing \$5,000 or more are measured initially at cost. Where an asset is acquired for no or nominal cost, the cost is valued at its fair value at the date of acquisition. Items of property, plant and equipment and infrastructure costing less than \$5,000 are immediately expensed direct to the Statement of Comprehensive Income.

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

Subsequent measurement

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

- land;
- buildings; and
- infrastructure.

Land is carried at fair value.

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

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

Land and buildings are independently valued annually by the Western Australian Land Information Authority (Landgate) to ensure that the carrying amount does not differ materially from the asset's fair value at the end of the reporting period.

Land and buildings were revalued as at 1 July 2021 by Landgate. The valuations were performed during the year ended 30 June 2022 and recognised at 30 June 2022. The fair value of land was determined by reference to current use based on comparable utility basis. The fair value of buildings was determined by reference to current use based on depreciated replacement value.

Infrastructure is independently valued every 3 to 5 years. Infrastructure assets were independently revalued by Landgate as at 1 July 2021. These valuations were performed during the year ended 30 June 2022 and recognised at 30 June 2022. The fair value for infrastructure assets was determined by reference to the current use based on depreciated replacement value.

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

Useful lives

All infrastructure, property, plant and equipment having a limited useful life are systematically depreciated over their estimated useful lives in a manner that reflects the consumption of their future economic benefits. The exception to this rule is land.

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

Notes to the financial statements for the year ended 30 June 2022

| Asset | Useful life: years |
|------------------------------------|--------------------|
| Buildings | 20 to 40 years |
| Computers and electronic equipment | 3 to 5 years |
| Furniture and fittings | 3 to 15 years |
| Vehicles | 4 to 20 years |
| Plant and equipment | 4 to 20 years |
| Infrastructure | 4 to 50 years |
| Leasehold improvements | 10 to 15 years |

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

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

Impairment

Non-financial assets, including items of infrastructure, plant and equipment, are tested for impairment whenever there is an indication that the asset may be impaired. Where there is an indication of impairment, the recoverable amount is estimated. Where the recoverable amount is less than the carrying amount, the asset is considered impaired and is written down to the recoverable amount and an impairment loss is recognised.

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

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

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

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

The risk of impairment is generally limited to circumstances where an asset's depreciation is materially understated, where the replacement cost is falling or where there is a significant change in useful life. Each relevant class of assets is reviewed annually to verify that the accumulated depreciation/amortisation reflects the level of consumption or expiration of the asset's future economic benefits and to evaluate any impairment risk from declining replacement costs.

As at 30 June 2022, there were no indications of impairment to infrastructure, property, plant and equipment.

All surplus assets at 30 June 2022 have either been classified as assets held for sale or have been written-off.

Notes to the financial statements for the year ended 30 June 2022

4.2 Intangible assets

| | Right to receive the Rottnest Dome Building \$000 | Computer Software \$000 | Total \$000 |
|---|---|-------------------------------|----------------|
| Year ended 30 June 2022 | | | |
| 1 July 2021 | | | |
| Gross carrying amount | 778 | 2,506 | 3,284 |
| Accumulated amortisation | - | (2,166) | (2,166) |
| Carrying amount at start of period | 778 | 340 | 1,118 |
| Adjustment | - | (20) | (20) |
| Amortisation expense | - | (109) | (109) |
| Carrying amount at end of period | 778 | 211 | 989 |

Initial recognition

Intangible assets are initially recognised at cost. For assets acquired at significantly less than fair value, the cost is their fair value at the date of acquisition.

Acquisitions for intangible assets costing \$5,000 or more and internally generated intangible assets at minimum of \$5,000 that comply with the recognition criteria as per AASB 138 Intangible Assets are capitalised.

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

Costs incurred in the research phase of a project are immediately expensed.

Subsequent measurement

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

Useful lives

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

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

| | |
|-------------------------|--------------|
| Software ^(a) | 3 to 5 years |
|-------------------------|--------------|

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

Impairment of intangible assets

Intangible assets with finite useful lives are tested for impairment annually or when an indication of impairment is identified. As at 30 June 2022, there were no indications of impairment to intangible assets.

The policy in connection with testing for impairment is outlined in Note 4.1.

Notes to the financial statements for the year ended 30 June 2022

4.3 Right-of-use assets

| Year ended 30 June 2022 | Buildings \$000 | Vehicles \$000 | Plant & Equipment \$000 | Total \$000 |
|--|--------------------|-------------------|-------------------------------|----------------|
| Carrying amount at beginning of period | 130 | 63 | 34 | 227 |
| Additions | - | 62 | - | 62 |
| Impairment losses | - | - | - | - |
| Impairment losses reversed | - | - | - | - |
| Depreciation | (130) | (45) | (13) | (188) |
| Net carrying amount as at end of period | - | 80 | 21 | 101 |

The Authority has leases for vehicles, office accommodation and office equipment.

The lease contracts are typically made for fixed periods of 1 to 6 years. There are generally no options to renew the leases after that lease end date.

The Authority's office accommodation lease expired in December 2021 and was extended for six months whilst arrangements for new office accommodation were ongoing. Further delays with the new lease arrangements, have resulted in the existing lease being further extended. At the date of signing of the financial statements, no new lease has been entered into.

Notes to the financial statements for the year ended 30 June 2022

Initial recognition

At the commencement date of the lease, the Authority recognises right-of-use assets and a corresponding lease liability for most leases. Right-of-use assets are measured at cost including the following:

- the amount of the initial measurement of lease liability,
- any lease payments made at or before the commencement date less any lease incentives received,
- any initial direct costs; and
- restoration costs, including dismantling and removing the underlying asset.

The corresponding lease liabilities in relation to these right-of-use assets have been disclosed in Note 6.1.

The Authority has elected not to recognise right-of-use assets and lease liabilities for short-term leases (with a lease term of 12 months or less) and low value leases (with an underlying value of \$5,000 or less). Lease payments associated with these leases are expensed over a straight-line basis over the lease term.

Subsequent Measurement

The cost model is applied for subsequent measurement of right-of-use assets, requiring the asset to be carried at cost less any accumulated depreciation and accumulated impairment losses and adjusted for any re-measurement of lease liability.

Depreciation and impairment of right-of-use assets

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the underlying assets.

If ownership of the leased asset transfers to the Authority at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Right-of-use assets are tested for impairment when an indication of impairment is identified. The policy in connection with testing for impairment is outlined in Note 4.1.

Notes to the financial statements for the year ended 30 June 2022

5. OTHER ASSETS AND LIABILITIES

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

| | Notes |
|----------------------|-------|
| Receivables | 5.1 |
| Other assets | 5.2 |
| Payables | 5.3 |
| Other liabilities | 5.4 |
| Contract liabilities | 5.5 |
| Grant liability | 5.6 |

5.1 Receivables

| | 2022 \$000 | 2021 \$000 |
|---|---------------|---------------|
| Current | | |
| Trade receivables | 1,597 | 871 |
| Allowance for impairment of trade receivables | (6) | (12) |
| GST receivable | 945 | 867 |
| Interest receivable | 39 | 7 |
| Other receivables | 272 | 79 |
| Total current | 2,847 | 1,812 |
| Non-current | | |
| Accrued revenue | 118 | 124 |
| Total non-current | 118 | 124 |
| Total receivables at end of period | 2,965 | 1,936 |

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

For trade receivables, the Authority recognises an allowance for ECLs measured at the lifetime expected credit losses at each reporting date. The Authority has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. Please refer to Note 2.3 and 3.6 for the amount of ECLs expensed or written back in this financial year.

Notes to the financial statements for the year ended 30 June 2022

5.2 Other assets

| | 2022 \$000 | 2021 \$000 |
|--|---------------|---------------|
| Current | | |
| Prepayments | 256 | 327 |
| Total other assets at end of period | 256 | 327 |

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

5.3 Payables

| | 2022 \$000 | 2021 \$000 |
|--|---------------|---------------|
| Current | | |
| Trade payables | 10,524 | 7,231 |
| Accrued salaries and wages | 268 | 312 |
| Payroll related payables | 443 | 134 |
| Other payables | 12 | 192 |
| Total payables at end of period | 11,247 | 7,869 |

Payables are recognised at the amounts payable when the Authority becomes obliged to make future payments as a result of a purchase of assets or services. The carrying amount is equivalent to fair value, as settlement is generally within 20 to 30 days.

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

5.4 Other liabilities

| | 2022 \$000 | 2021 \$000 |
|---------------------------------|---------------|---------------|
| Current | | |
| Leases in advance | 33 | 100 |
| Deferred income | 928 | 1,107 |
| Unclaimed money | 8 | 8 |
| Sinking fund provision | 40 | 45 |
| General provisions | 23 | 15 |
| ARENA loan | 162 | 148 |
| Total current | 1,194 | 1,423 |
| Non-current | | |
| Deferred income | 195 | 233 |
| Leases in advance | - | 33 |
| ARENA loan | 3,121 | 3,297 |
| Total non-current | 3,316 | 3,563 |
| Balance at end of period | 4,510 | 4,986 |

Notes to the financial statements for the year ended 30 June 2022

5.5 Contract liabilities

| | 2022 \$000 | 2021 \$000 |
|---|---------------|---------------|
| Current | | |
| Opening balance at the beginning of the period | 4,768 | 13,501 |
| Additions | 23,459 | 13,037 |
| Income recognised in the reporting period | (23,749) | (21,770) |
| Closing balance at the end of period | 4,478 | 4,768 |

The Authority's contract liabilities relate to refundable accommodation deposits for booking dates after the reporting period.

5.6 Grant liability

| | 2022 \$000 | 2021 \$000 |
|---|---------------|---------------|
| Opening balance at the beginning of the period | - | 2,438 |
| Additions (grants received) | 4,880 | 1,000 |
| Income recognised in the reporting period | (4,880) | (3,438) |
| Closing balance at the end of period | - | - |
| Current | - | - |
| Non-current | - | - |

The Authority's grant liability relates to a capital grant received from the Commonwealth for Enhancing National Tourism Icons projects. Income is recognised over time as the projects are constructed to the extent that the grant has been received. Refer to Note 3.4.

6. FINANCING

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

| | Notes |
|---------------------------------|-------|
| Lease liabilities | 6.1 |
| Assets pledged as security | 6.2 |
| Finance costs | 6.3 |
| Cash and cash equivalents | 6.4 |
| Other current financial assets | 6.5 |
| Capital expenditure commitments | 6.6 |

6.1 Lease Liabilities

| | 2022 \$000 | 2021 \$000 |
|---|---------------|---------------|
| No later than one year | 31 | 182 |
| Later than one year and not later than five years | 71 | 50 |
| Later than five years | - | - |
| | 102 | 232 |
| Current | 31 | 182 |
| Non-current | 71 | 50 |
| | 102 | 232 |

Notes to the financial statements for the year ended 30 June 2022

Initial Measurement

The Authority measures a lease liability, at the commencement date, at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the Authority uses the incremental borrowing rate provided by Western Australia Treasury Corporation.

Lease payments included by the Authority as part of the present value calculation of lease liability include:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or a rate initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options (where these are reasonably certain to be exercised); and
- Payments for penalties for terminating a lease, where the lease term reflects the Authority exercising an option to terminate the lease.

Periods covered by extension or termination options are only included in the lease term by the Authority if the lease is reasonably certain to be extended (or not terminated).

The interest on the lease liability is recognised in profit or loss over the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Lease liabilities do not include any future changes in variable lease payments (that depend on an index or rate) until they take effect, in which case the lease liability is reassessed and adjusted against the right-of-use asset.

Variable lease payments, not included in the measurement of lease liability, that are dependent on sales are recognised by the Authority in profit or loss in the period in which the condition that triggers those payments occurs.

Subsequent Measurement

Lease liabilities are measured by increasing the carrying amount to reflect interest on the lease liabilities; reducing the carrying amount to reflect the lease payments made; and remeasuring the carrying amount at amortised cost, subject to adjustments to reflect any reassessment or lease modifications.

This section should be read in conjunction with Note 4.3.

| | 2022 \$000 | 2021 \$000 |
|--|---------------|---------------|
| Lease expenses recognised in the Statement of Comprehensive Income | | |
| Lease interest expense | 3 | 9 |
| Expenses relating to variable lease payments not included in lease liabilities | - | - |
| Short-term leases | 156 | 10 |
| Low-value leases | - | - |
| Gains or losses arising from sale and leaseback transactions | - | - |
| Total lease expense | 159 | 19 |

Short-term leases are recognised on a straight-line basis with a lease term of 12 months or less.

Low-value leases with an underlying value of \$5,000 or less are recognised on a straight-line basis.

Variable lease payments that are not included in the measurement of the lease liability are recognised in the period in which the event or condition that triggers those payments occurs.

Notes to the financial statements for the year ended 30 June 2022

6.2 Assets pledged as security

| | 2022 \$000 | 2021 \$000 |
|---|---------------|---------------|
| Assets pledged as security | | |
| The carrying amounts of non-current assets pledged as security are: | | |
| Right-of-use-asset – vehicles | 80 | 63 |
| Total assets pledged as security | 80 | 63 |

The Authority has secured the right-of-use assets against the related lease liabilities. In the event of default, the rights to the leased assets will revert to the lessor.

6.3 Finance costs

| | 2022 \$000 | 2021 \$000 |
|-------------------------------|---------------|---------------|
| Lease interest expense | 3 | 9 |
| Finance costs expensed | 3 | 9 |

'Finance cost' includes the interest component of lease liability repayments.

6.4 Cash and cash equivalents

| | 2022 \$000 | 2021 \$000 |
|---------------------------------|---------------|---------------|
| Cash and cash equivalents | 10,746 | 11,443 |
| Short-term deposits | 10,000 | - |
| Balance at end of period | 20,746 | 11,443 |

For the purpose of the Statement of Cash Flows, cash and cash equivalent assets comprise cash on hand and short-term deposits with original maturities of three months or less that are readily convertible to a known amount of cash and which are subject to insignificant risk of changes in value.

6.5 Other current financial assets

| | 2022 \$000 | 2021 \$000 |
|---------------------------------|---------------|---------------|
| Term Deposits (current) | 12,000 | 17,000 |
| Balance at end of period | 12,000 | 17,000 |

6.6 Capital expenditure commitments

| | 2022 \$000 | 2021 \$000 |
|---|---------------|---------------|
| Capital expenditure commitments, being contracted capital expenditure additional to the amounts reported in the financial statements, are payable as follows: | | |
| Within 1 year | 17,744 | 5,794 |
| | 17,744 | 5,794 |

The totals presented for capital commitments are GST inclusive.

Notes to the financial statements for the year ended 30 June 2022

7. FINANCIAL INSTRUMENTS AND CONTINGENCIES

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

| | Notes |
|-----------------------------------|-------|
| Financial Instruments | 7.1 |
| Contingent assets and liabilities | 7.2 |

7.1 Financial Instruments

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

| | 2022 \$000 | 2021 \$000 |
|---|---------------|---------------|
| Financial Assets | | |
| Cash and cash equivalents | 20,746 | 11,443 |
| Receivables at amortised cost ^(a) | 2,020 | 1,069 |
| Term deposits | 12,000 | 17,000 |
| Total financial assets | 34,766 | 29,512 |
| Financial Liabilities | | |
| Financial liabilities measured at amortised cost ^(b) | 11,349 | 8,101 |
| Total financial liability | 11,349 | 8,101 |

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

(b) The amount of financial liabilities excludes GST payable to the ATO (statutory payable).

7.2 Contingent assets and liabilities

Contingent assets and contingent liabilities are not recognised in the Statement of Financial Position but are disclosed and, if quantifiable, are measured at the best estimate. Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

7.2.1 Contingent assets

The Authority has historically included GST on its various categories of admission fees. In 2019 the Authority requested a ruling from the Australian Taxation Office (ATO) on whether its various admission fees are subject to GST. The ATO has issued initial advice that fees in respect of mooring and authorised user licences are exempt from GST. The applicability of GST to other visitor admission fees has yet to be determined by the ATO.

The question of whether the Authority is entitled to a refund on GST paid in prior years on mooring and authorised user licences is also to be determined by the ATO. If the ATO determines that the Authority is entitled to recover GST paid in prior years, this may result in a contingent asset. The refund would only be payable to the Authority, as the GST was not passed on, but absorbed within the regulated fee. As the matter as to whether a debt exists is still undecided, the value of the contingent asset cannot be quantified.

7.2.2 Contingent liabilities

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

Notes to the financial statements for the year ended 30 June 2022

Contaminated Sites

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

Where sites are classified as contaminated and requiring remediation, or possibly contaminated, investigation is required, the Authority may have a liability in respect to investigation or remediation expenses. The Authority has one contaminated site that is under investigation. During the 2021-22 financial year, no additional sites were reported to DWER. The Authority continues to invest in monitoring activities to address financial and environmental management commitments.

Other

A number of claims have been lodged against the Authority in respect to alleged personal injuries sustained on the Island. Based on legal advice, the contingent liabilities could amount to \$2,000,000, all of which would be reimbursable under the Authority's public liability insurance.

The Authority has a contingent liability in respect of disputed contract variations totalling approximately \$1,200,000 in relation to capital works undertaken.

8. OTHER DISCLOSURES

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

| | Notes |
|--|-------|
| Events occurring after the end of reporting period | 8.1 |
| Correction of prior period errors/changes in accounting policy | 8.2 |
| Key management personnel | 8.3 |
| Related party transactions | 8.4 |
| Related bodies and affiliated bodies | 8.5 |
| Remuneration of auditors | 8.6 |
| Supplementary financial information | 8.7 |
| Explanatory statement | 8.8 |

8.1 Events occurring after the end of the reporting period

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

Notes to the financial statements for the year ended 30 June 2022

8.2 Correction of prior period errors/changes in accounting policy

There were no correction of prior period errors or changes in accounting policies during the reporting period.

8.3 Key management personnel

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

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

| Compensation of members of accountable authority Compensation Bands (\$) | 2022 | 2021 |
|---|--------------|--------------|
| 30,001 – 40,000 | - | 1 |
| 20,001 – 30,000 | 1 | - |
| 10,001 – 20,000 | 4 | 5 |
| 0 – 10,000 | 2 | - |
| | 2022 | 2021 |
| | \$000 | \$000 |
| Total compensation of members of the accountable authority | 106 | 109 |

| Compensation of senior officers Compensation Bands (\$) | 2022 | 2021 |
|--|--------------|--------------|
| 230,001 – 240,000 | - | 1 |
| 220,001 – 230,000 | 1 | - |
| 180,001 – 190,000 | 1 | - |
| 170,001 – 180,000 | 2 | 2 |
| 160,001 – 170,000 | 2 | 3 |
| 150,001 – 160,000 | 2 | 1 |
| 130,001 – 140,000 | - | 1 |
| 110,001 – 120,000 | - | 1 |
| 60,001 – 70,000 | - | 1 |
| 50,001 – 60,000 | 1 | - |
| 40,001 – 50,000 | 1 | - |
| | 2022 | 2021 |
| | \$000 | \$000 |
| Total compensation of senior officers | 1,503 | 1,541 |

Total compensation includes the superannuation expense incurred by the Authority in respect of members of the accountable authority and senior officers.

8.4 Related party transactions

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

Notes to the financial statements for the year ended 30 June 2022

Related parties of the Authority include:

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

Material transactions with other related parties

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

8.5 Related bodies and affiliated bodies

The Authority has no related bodies or affiliated bodies.

8.6 Remuneration of auditors

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

| | 2022 \$000 | 2021 \$000 |
|--|---------------|---------------|
| Auditing the accounts, financial statements, controls and key performance indicators | 141 | 137 |

8.7 Supplementary financial information

(a) Write-offs

During the financial year, \$8,336.34 (2021: Nil) of bad debts were written off the Authority's books under the authority of:

| | 2022 \$000 | 2021 \$000 |
|---------------------------|---------------|---------------|
| The accountable authority | 8 | - |
| The Minister | - | - |
| The Treasurer | - | - |
| | 8 | - |

(b) Losses through theft, defaults and other causes

| | 2022 \$000 | 2021 \$000 |
|--|---------------|---------------|
| Losses of public money, other money and public and other property through theft or default | - | - |
| Amounts recovered | - | - |
| | - | - |

(c) Forgiveness of debts

| | 2022 \$000 | 2021 \$000 |
|---|---------------|---------------|
| Forgiveness (or waiver) of debts by the Authority | - | - |
| | - | - |

(d) Gifts of public property

| | 2022 \$000 | 2021 \$000 |
|--|---------------|---------------|
| Gift of public property by the Authority | - | - |
| | - | - |

Notes to the financial statements for the year ended 30 June 2022

8.8 Explanatory statement

This explanatory section explains variations in the financial performance of the Authority undertaking transactions under its own control, as represented by the primary financial statements.

All variances between estimates (original budget) and actual results for 2022, and between the actual results for 2022 and 2021 are shown below. Narratives are provided for key major variances which vary more than 10% from their comparative and that the variation is more than 1% of the dollar aggregate of:

- Total Cost of Services for the Statements of comprehensive income and the Statement of cash flows (i.e. 1% of \$53,355,000, being \$533,550); and
- Total Assets for the Statement of financial position (i.e. 1% of \$310,459,000 being \$3,104,590).

8.8.1 Statement of Comprehensive Income Variances

| | Variance Note | Estimate 2022 \$000 | Actual 2022 \$000 | Actual 2021 \$000 | Variance between estimate and actual \$000 | Variance between actual results for 2022 and 2021 \$000 |
|--|------------------|---------------------------|-------------------------|-------------------------|--|---|
| Expenses | | | | | | |
| Employee benefits expense | 1 | 14,880 | 13,313 | 12,565 | (1,567) | 748 |
| Supplies and services | | 31,695 | 32,960 | 31,593 | 1,265 | 1,367 |
| Depreciation and amortisation expense | | 6,839 | 6,758 | 6,524 | (81) | 234 |
| Cost of sales | | 479 | 824 | 618 | 345 | 206 |
| Finance costs | | 21 | 3 | 9 | (18) | (6) |
| Accommodation expenses | | 52 | 241 | 124 | 189 | 117 |
| Loss on disposal of non-current assets | A | 51 | 30 | 667 | (21) | (637) |
| Other expenses | 2, B | 1,609 | 2,329 | 1,255 | 720 | 1,074 |
| Total cost of services | | 55,626 | 56,458 | 53,355 | 832 | 3,103 |

Notes to the financial statements for the year ended 30 June 2022

| | Variance Note | Estimate 2022 \$000 | Actual 2022 \$000 | Actual 2021 \$000 | Variance between estimate and actual \$000 | Variance between actual results for 2022 and 2021 \$000 |
|--|------------------|---------------------------|-------------------------|-------------------------|--|---|
| Income | | | | | | |
| User charges and fees | C | 48,991 | 46,771 | 41,152 | (2,220) | 5,619 |
| Sale of goods | | 673 | 1,101 | 839 | 428 | 262 |
| Commonwealth grants | 3, D | 12,110 | 4,899 | 3,438 | (7,211) | 1,461 |
| Interest income | | 187 | 136 | 124 | (51) | 12 |
| Other income | | 474 | 370 | 460 | (104) | (90) |
| Total Income other than income from State Government | | 62,435 | 53,277 | 46,013 | (9,158) | 7,264 |
| NET COST OF SERVICES | | (6,809) | 3,181 | 7,342 | 9,990 | (4,161) |
| Income from State Government | | | | | | |
| Income from other public sector entities | E | 6,701 | 6,257 | 14,256 | (444) | (7,999) |
| Resources received | F | - | 369 | 4,946 | 369 | (4,577) |
| Total income from State Government | | 6,701 | 6,626 | 19,202 | 75 | (12,576) |
| SURPLUS / (DEFICIT) FOR THE PERIOD | | 13,510 | 3,445 | 11,860 | (10,065) | (8,415) |
| OTHER COMPREHENSIVE INCOME | | | | | | |
| Items not reclassified subsequently to profit or loss | | | | | | |
| Changes in asset revaluation surplus | | - | 35,515 | - | 35,515 | 35,515 |
| Total other comprehensive income | | - | 35,515 | - | 35,515 | 35,515 |
| TOTAL COMPREHENSIVE INCOME FOR THE PERIOD | | 13,510 | 38,960 | 11,860 | 25,450 | 27,100 |

Notes to the financial statements for the year ended 30 June 2022

8.8.1 Statement of Comprehensive Income Variances – continued

Major Estimate and Actual (2022) Variance Narratives

1. Employee benefits expense is less than the Estimate by \$1.6m (11%) due to the Estimate not being adjusted as part of the 2021-22 Budget Process to reflect forecast costs for 2021-22.
2. Other expenses are higher than the Estimate by \$0.7m (45%) due to the expensing of software implementation costs in 2021-22 which was not included in the Estimate.
3. Commonwealth grant income is less than the Estimate by \$7.2m (60%) due to a delay in receiving grant money with \$4.5m received in July 2022 rather than in June 2022. The balance of the grant is expected to be received in the third quarter of 2022-23 due to the project being extended from June 2022 until December 2022.

Major Actual (2022) and Comparative (2021) Variance Narratives

- A. The decrease in the loss on disposal of non-current assets of \$0.6m (95%) is due to the disposal of the fuel jetty in the prior year. There were no major non-current assets disposed of during the current year.
- B. The increase in other expenses of \$1.1m (86%) is due to the expensing of software implementation costs in the current year. There were no software implementation costs expensed in the prior year.
- C. The increase in user charges and fees of \$5.6m (14%) is due to higher accommodation occupancy, higher admission fee revenue and hire revenue as a result of increased visitation to the Island compared to the prior year. Rental income was also higher due to the prior year including rental waivers due to COVID-19.
- D. The increase in Commonwealth grants of \$1.5m (42%) is due to higher revenue recognised in the current year reflecting a higher level of capital expenditure spend and grant received in the current year.
- E. Income received from other public sector entities which includes the service appropriation received via DBCA, is \$8.0m (56%) lower than the prior year due to supplementary funding received in 2020-21 to assist with the impact to revenue caused by COVID-19 restrictions. This reduction was offset by the grant received from the Department of Transport for the construction of a seawall at South Thomson Bay in 2021-22.
- F. The decrease in resources received of \$4.6m (93%) is due to the decrease in road works performed by Main Roads WA (which is at no cost to the Authority).

Notes to the financial statements for the year ended 30 June 2022

8.8.2 Statement of Financial Position Variances

| | Variance Note | Estimate 2022 \$000 | Actual 2022 \$000 | Actual 2021 \$000 | Variance between estimate and actual \$000 | Variance between actual results for 2022 and 2021 \$000 |
|---|------------------|---------------------------|-------------------------|-------------------------|--|---|
| ASSETS | | | | | | |
| Current Assets | | | | | | |
| Cash and cash equivalents | | 13,361 | 20,746 | 11,443 | (7,385) | (9,303) |
| Inventories | | 359 | 407 | 314 | 48 | 93 |
| Receivables | | 3,120 | 2,847 | 1,812 | (273) | 1,035 |
| Other current financial assets | 4, G | 22,000 | 12,000 | 17,000 | (10,000) | (5,000) |
| Other current assets | | 127 | 256 | 327 | 129 | (71) |
| Total Current Assets | | 38,967 | 36,256 | 30,896 | (2,711) | 5,360 |
| Non-Current Assets | | | | | | |
| Infrastructure, property, plant and equipment | H | 306,306 | 328,751 | 278,094 | 22,445 | 50,657 |
| Intangible assets | | 511 | 989 | 1,118 | 478 | (129) |
| Right-of-use assets | | 724 | 101 | 227 | (623) | (126) |
| Receivables | | 128 | 118 | 124 | (10) | (6) |
| Total Non-Current Assets | | 307,669 | 329,959 | 279,563 | 22,290 | 50,396 |
| TOTAL ASSETS | | 346,636 | 366,215 | 310,459 | 19,579 | 55,756 |

Notes to the financial statements for the year ended 30 June 2022

8.8.2 Statement of Financial Position Variances – continued

| | Variance Note | Estimate 2022 \$000 | Actual 2022 \$000 | Actual 2021 \$000 | Variance between estimate and actual \$000 | Variance between actual results for 2022 and 2021 \$000 |
|--------------------------------------|------------------|---------------------------|-------------------------|-------------------------|--|---|
| LIABILITIES | | | | | | |
| Current Liabilities | | | | | | |
| Payables | | 7,309 | 11,247 | 7,869 | 3,938 | 3,378 |
| Lease liabilities | | 304 | 31 | 182 | (273) | (151) |
| Employee related provisions | | 2,527 | 2,245 | 2,107 | (282) | 138 |
| Contract liabilities | 5 | 14,217 | 4,478 | 4,768 | (9,739) | (290) |
| Grant liability | | - | - | - | - | - |
| Other current liabilities | | 147 | 1,194 | 1,423 | 1,047 | (229) |
| Total Current Liabilities | | 24,504 | 19,195 | 16,349 | (5,309) | 2,846 |
| Non-Current Liabilities | | | | | | |
| Lease liabilities | | 555 | 71 | 50 | (484) | 21 |
| Employee related provisions | | 581 | 698 | 822 | 117 | (124) |
| Other non-current liabilities | | 3,875 | 3,316 | 3,563 | (559) | (247) |
| Total Non-Current liabilities | | 5,011 | 4,085 | 4,435 | (926) | (350) |
| TOTAL LIABILITIES | | 29,515 | 23,280 | 20,784 | (6,235) | 2,496 |
| NET ASSETS | | 317,121 | 342,935 | 289,675 | 25,814 | 53,260 |
| EQUITY | | | | | | |
| Contributed equity | | 71,332 | 71,332 | 57,032 | - | 14,300 |
| Reserves | 6, 1 | 205,873 | 241,388 | 205,873 | 35,515 | 35,515 |
| Accumulated surplus | | 39,916 | 30,215 | 26,770 | (9,701) | 3,445 |
| TOTAL EQUITY | | 317,121 | 342,935 | 289,675 | 25,814 | 53,260 |

Notes to the financial statements for the year ended 30 June 2022

Major Estimate and Actual (2022) Variance Narratives

4. Other current financial assets are \$10.0m (45%) lower than the Estimate due to the reclassification of short-term deposits (term deposits with original maturities of three months or less) from Other current financial assets to Cash and cash equivalents. These short-term deposits were included in Other current financial assets in the Estimate.
5. Contract liabilities are \$9.7m (69%) lower than the Estimate due to a change in the accommodation deposit policy from 100% deposit to 25% deposit in the prior year however the Estimate was not amended to reflect the change.
6. Reserves are \$35.5m (17%) higher than the Estimate due to an increase in the asset revaluation reserve due to the revaluation of land, buildings and infrastructure in the current year. There was no change in the asset revaluation reserve in the prior year.

Major Actual (2022) and Comparative (2021) Variance Narratives

- G. Other current financial assets (being term deposits with original maturities of more than three months) are \$5.0m (29%) lower than prior year principally due to the reclassification of short-term deposits (term deposits with original maturities of three months or less) from Other current financial assets to Cash and cash equivalents.
- H. Infrastructure, property, plant and equipment is \$50.7m (18%) higher than prior year principally due to various major capital works projects including Enhancing National Tourism Icons projects, Water Network and Production Upgrade projects, the Main Jetty project and South Thomson Seawall. The majority of the increase is due to the revaluation of land, buildings and infrastructure at 30 June 2022 totalling \$35.5m.
- I. Reserves are \$35.5m (17%) higher than prior year due to an increase in the asset revaluation reserve due to the revaluation of land, buildings and infrastructure in the current year. There was no change in the asset revaluation reserve in the prior year.

Notes to the financial statements for the year ended 30 June 2022

8.8.3 Statement of Cash Flow Variances

| | Variance Note | Estimate 2022 \$000 | Actual 2022 \$000 | Actual 2021 \$000 | Variance between estimate and actual \$000 | Variance between actual results for 2022 and 2021 \$000 |
|--|------------------|---------------------------|-------------------------|-------------------------|--|---|
| CASH FLOWS FROM STATE GOVERNMENT | | | | | | |
| Funds received from other public sector entities | J | 6,701 | 6,257 | 14,256 | (444) | (7,999) |
| Capital appropriations | K | 14,300 | 14,300 | 5,800 | - | 8,500 |
| Net cash provided by State Government | | 21,001 | 20,557 | 20,056 | (444) | 501 |
| Utilised as follows: | | | | | | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | | |
| Payments | | | | | | |
| Employee benefits | 7 | (15,014) | (13,328) | (12,772) | 1,686 | (556) |
| Supplies and services | | (33,661) | (30,707) | (30,895) | 2,954 | 188 |
| Finance costs | | (15) | (3) | (9) | 12 | 6 |
| GST payments on purchases | 8, L | (2,945) | (5,452) | (4,830) | (2,507) | (622) |
| GST payments to taxation authority | 9 | (559) | - | - | 559 | - |
| Other payments | | (1,702) | (1,493) | (1,570) | 209 | 77 |
| Receipts | | | | | | |
| Sale of goods | | 673 | 1,101 | 839 | 428 | 262 |
| User charges and fees | M | 49,573 | 45,463 | 33,434 | (4,110) | 12,029 |
| Commonwealth grants | 10, N | 12,110 | 4,899 | 1,000 | (7,211) | 3,899 |
| Interest received | | 423 | 104 | 174 | (319) | (70) |
| GST receipts on sales | 11, O | 3,504 | 4,754 | 3,352 | 1,250 | 1,402 |
| GST receipts from taxation authority | 12 | - | 623 | 1,051 | 623 | (428) |
| Other receipts | | 474 | 370 | 460 | (104) | (90) |
| Net cash provided by / (used in) operating activities | | 12,861 | 6,331 | (9,766) | (6,530) | 16,097 |

Notes to the financial statements for the year ended 30 June 2022

| | Variance Note | Estimate 2022 \$000 | Actual 2022 \$000 | Actual 2021 \$000 | Variance between estimate and actual \$000 | Variance between actual results for 2022 and 2021 \$000 |
|--|------------------|---------------------------|-------------------------|-------------------------|--|---|
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | |
| Payments | | | | | | |
| Purchase of non-current assets | 13, P | (33,482) | (22,259) | (16,076) | 11,223 | (6,183) |
| Receipts | | | | | | |
| Proceeds from sale of non-current assets | | - | 28 | - | 28 | 28 |
| Proceeds from maturing term deposits | 14 | - | 5,000 | 5,000 | 5,000 | - |
| Net cash provided by / (used in) investing activities | | (33,482) | (17,231) | (11,076) | 16,251 | (6,155) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | | |
| Payments | | | | | | |
| Principal element of lease payments | | (296) | (192) | (328) | 104 | 136 |
| ARENA loan repayment | | - | (162) | (148) | (162) | (14) |
| Net cash provided by / (used in) financing activities | | (296) | (354) | (476) | (58) | 122 |
| Net increase / (decrease) in cash and cash equivalents | | 84 | 9,303 | (1,262) | 9,219 | 10,565 |
| Cash and cash equivalents at the beginning of the period | | 35,277 | 11,443 | 12,705 | (23,834) | (1,262) |
| CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD | | 35,361 | 20,746 | 11,443 | (14,615) | 9,303 |

Notes to the financial statements for the year ended 30 June 2022

8.8.3 Statement of Cash Flow Variances – continued

Major Estimate and Actual (2022) Variance Narratives

7. Employee benefits is less than the Estimate by \$1.7m (11%) due to the Estimate not being adjusted as part of the 2021-22 Budget Process to reflect forecast cashflows for employee benefits.
8. GST payments on purchases is \$2.5m (85%) higher than the Estimate due to the Estimate being understated ie not reflecting the higher capital expenditure in 2021-22.
9. GST payments to taxation authority is \$0.6m (100%) lower than the Estimate due to no actual GST payment being made to the ATO in 2021-22 (ie GST payments on purchases exceeding GST received on sales).
10. Commonwealth grant income is less than the Estimate by \$7.2m (60%) due to the delay in receiving grant money with \$4.5m received in July 2022 rather than in June 2022. The remaining grant balance is expected to be received in the third quarter of 2022-23 due to the project being extended from June 2022 until December 2022.
11. GST receipts on sales is \$1.2m (36%) higher than the Estimate due to an increase in sale of goods and user charges and fee revenue in the current year.
12. GST receipts from taxation authority is \$0.6m (100%) higher than the Estimate due to the GST payments on purchases exceeding GST received on sales in 2021-22, which was not reflected in the Estimate.
13. Purchase of non-current assets are \$11.2m (34%) lower than the Estimate due to delays in capital projects including Commonwealth and State funded Water and Jetty projects, with expenditure carried over to 2022-23.
14. Proceeds from maturing term deposits is \$5m (100%) higher than the Estimate due to term deposits with original maturities of more than three months being excluded from Cash and cash equivalents. These term deposits were included in Cash and Cash Equivalents in the Estimate.

Notes to the financial statements for the year ended 30 June 2022

Major Actual (2022) and Comparative (2021) Variance Narratives

- J. Income received from other public sector entities which includes the service appropriation received via DBCA, is \$8.0m (56%) lower than the prior year due to supplementary funding received in 2020-21 to assist with the impact to revenue caused by COVID-19 border restrictions. This reduction was offset by the grant received from the Department of Transport for the construction of a seawall at South Thomson Bay in 2021-22.
- K. Capital appropriation is \$8.5m (147%) higher than prior year due to a \$4.4m increase on the capital grant received from the State government for Water Projects under the State Recovery Plan and a \$4.1m increase on grants received from the State government for Jetty projects.
- L. GST payments on purchases is \$0.6m (13%) higher due to the increase in capital expenditure.
- M. Increase in user charges and fees of \$12.0m (36%) is principally due to higher accommodation occupancy, admission fees and hire revenue as a result of increased visitation to the Island compared to the prior year. Rental income was also higher due to the prior year including rental waivers due to COVID-19.
- N. Commonwealth grant income received is \$3.9m (390%) higher than the prior year due to the grant money which was estimated to be received in 2020-21 being delayed and received in 2021-22 due to project milestone variations.
- O. GST receipts on sales is \$1.4m (42%) higher than the prior year due to higher sale of goods and user charges and fee revenue than the prior year.
- P. Purchase of non-current assets is higher by \$6.2m (38%) due to higher spending on capital projects including Commonwealth, Jetty and Water projects than the prior year.

Certification of Key Performance Indicators

For the reporting period ended 30 June 2022

We hereby certify that the key performance indicators are based on proper records, are relevant and appropriate for assisting users to assess Rottnest Island Authority's performance, and fairly represent the performance of Rottnest Island Authority for the financial year ended 30 June 2022.



Hamish R Beck

Chair
Rottnest Island Authority

15 September 2022



Dr Marina Hogan

Deputy Chair
Rottnest Island Authority

15 September 2022

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

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

DESIRED OUTCOMES

The overall agency outcomes of '*Community enjoyment, appreciation and understanding of attractions under the Department's care*' and '*Plants and animals, and the landscapes they occupy, are conserved through evidence-based conservation actions.*' have also been adopted by all portfolio agencies and link to the RIA profile, purpose and vision through:

- Achieving community enjoyment and appreciation through *increasing the number and diversity of visitors by providing products, services and experiences that reflect, sustain and preserve the Island's unique location, environment and cultural heritage.*
- Using evidence-based science to conserve and maintain the Island's natural and man-made environments within available resources for the protection of its flora and fauna.

AGENCY SERVICES

To achieve these desired outcomes, RIA delivers the following services:

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

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

| Government goal | |
|--|---|
| Growing Our Communities: Protecting our environment with thriving suburbs and regions.. | |
| Agency desired outcomes | |
| 1. Community enjoyment, appreciation and understanding of attractions under the Department's care. | 2. Plants and animals, and the landscape they occupy, are conserved through evidenced-based conservation actions. |
| Effectiveness KPIs | |
| 1. Average level of visitor satisfaction at Rottnest Island. | 2. Biodiversity health of Rottnest Island. |
| Agency services | |
| 1. Visitor services and public programs provided at Rottnest Island. | 2. Conserving habitats, species and ecological communities. |
| Efficiency KPIs | |
| 1. Average cost per visitor to Rottnest Island. | 2. Average cost per hectare of wildlife habitat. |

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

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

As well as comparing results to an annual target, comparisons to previous years' results are included (where available) to enable performance trends to be identified.

DESIRED OUTCOMES AND EFFECTIVENESS INDICATORS

Agency Desired Outcome 1

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

Effectiveness KPI 1

Average level of visitor satisfaction at Rotttnest Island

The provision of recreational and holiday facilities on the Island is the responsibility of the Authority under section 11 of the *Rotttnest Island Authority Act 1987* (Act) and the growth of visitor numbers is a focus of strategic planning. Along with the RIA vision for the Island to make it 'a visitor destination of national significance for its recreation, environmental and cultural heritage values' is the mission to 'increase the number and diversity of visitors by providing products, services and experiences that reflect, sustain, and preserve the Island's unique location, environment, and cultural heritage.'

This KPI is designed to provide information on how well RIA is performing in relation to these requirements by gauging visitor satisfaction with the Island experience.

An independent research company is engaged to survey the Island's visitors throughout the year to ensure a valid representation of all visitors, including seasonal changes are captured in the responses.

A multi-modal approach to collecting data allows for various methods of obtaining participants to undertake the survey and reducing the level of response bias and include:

- Face-to-face recruitment to an online survey
- Business cards to encourage self-completes via an online survey distributed via the Rotttnest Island Visitor Centre, businesses on the Island and the Rotttnest Voluntary Association Guide information hub.
- Digital sign on TV screen at the Rotttnest Island Visitor Centre to promote self-completes.

Respondents are asked to provide an overall satisfaction rating of their visit to Rotttnest Island on a scale of 1-7. The responses to this question are used to inform the average level of visitor satisfaction with the Island KPI.

In 2021-22 there were 598 survey questionnaires completed providing confidence level of 95% with an error rate of +/- 4%.

| Title | 2021-22 Target | 2021-22 Result | 2020-21 Result |
|---|----------------|----------------|----------------|
| Average level of satisfaction with the Island | 75% | 84% | 84% |

DESIRED OUTCOMES AND EFFECTIVENESS INDICATORS

Agency desired outcome 2

Plants and animals, and the landscape they occupy, are conserved through evidence-based conservation actions.

Effectiveness KPI 2

Biodiversity health of Rottnest Island.

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

Maintenance and protection of the Island and its natural environment, including flora and fauna, are vested in RIA under section 11 of the Act and preserving the unique environment is a Strategic Focus Area of the Rottnest Island Management Plan.

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

For this purpose, RIA has adopted the Nature Conservancy's Conservation Action Planning process which is applied internationally to thousands of conservation estates. This process, and its Five-S Framework for site conservation (see below), is used by RIA as its standard for planning, implementing and measuring the success of its conservation practices on the Island.

Along with the management of Island facilities and

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

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

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

Woodland Heath

- Native flora species diversity
- Bush bird diversity and presence
- Woodland seed viability
- Seeding survival
- Tree health



Limestone Heath

- Native flora species diversity

Coastal Habitat

- Native flora species diversity
- Spatial distribution of vegetated area (ha)

Wetlands

- Presence of tadpoles in freshwater seeps and brackish swamps
- Groundwater salinity: average electrical conductivity of Wadjemup Aquifer
- Average nutrients: total nitrogen and total phosphorus of Rottnest Island's salt lakes
- Spatial distribution of endemic littoral vegetation (ha)

Quokkas

- Tail circumference
- Weight
- Parasite load
- General health
- Weaning rates

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

An assessment of quokka monitoring undertaken between 2018-20 is being conducted, with a revised quokka monitoring program being developed from the outcomes.

The performance for each area is determined via a specific quantitative measure and compared to a pre-set upper limit to determine performance as a percentage. In 2019-20 a change in methodology was introduced to account for the higher number of monitoring points used in the assessment of quokka health compared to the other focal areas.

The new methodology ensures all indicators are given equal weighting in their contribution to the health of the relevant Focal Conservation Target and averaged to determine a combined measure. The average of the final five measures is then calculated to determine one overall holistic value and rating.

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

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

| Focal Conservation Target | Percentage | Health Rating |
|---------------------------|------------|---------------|
| Woodland Heath | 74% | Fair |
| Limestone Heath | 92% | Good |
| Wetlands | 75% | Good |
| Coastal Habitat | 97% | Very Good |
| Quokkas | 94% | Very Good |
| Overall Rating | 86% | Good |

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

| 2021-22 Target | 2021-22 Actual | 2020-21 Result | 2019-20 Result | 2018-19 Result | 2017-18 Result |
|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Rating Good (75%) | Rating Good (86%) | Rating Good (84%) | Rating Good (83%) | Rating Good (86%) | Rating Good (88%) |

Biodiversity Health rating has been maintained in good condition during the 2021-22 financial year. With ratings for all five focal targets being maintained or improved this year, the overall rating has increased to 86% exceeding the 75% target rating.

The RIA has continually reduced extraction of shallow groundwater resources from the Wadjemup Aquifer, achieving a reduction of approximately 80% since 2013, which correlates with improved ground water quality results. All monitoring programs are currently being reviewed. These updates will incorporate new technology that to provide efficiencies and scientific robustness of results.

SERVICES AND EFFICIENCY INDICATORS

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

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

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

RIA's vision for the Island is to make it 'a visitor destination of national significance for its recreation, environmental and cultural heritage values' and its mission is to 'increase the number and diversity of visitors by providing products, services and experiences that reflect, sustain and preserve the Island's unique location, environment and cultural heritage'.

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

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

| Title | 2021-22 Target | 2021-22 Result | 2020-21 Result | 2019-20 Result | 2018-19 Result |
|--|----------------|----------------|----------------|----------------|----------------|
| Average cost per visitor at Rotttnest Island | \$130 | \$130 | \$125 | \$99 | \$80 |

RIA's methodology for calculating the average cost per Island visitor was amended during the 2018-19 reporting period to reflect only the visitors arriving by ferry. Previously, the visitor numbers used to calculate this KPI included an estimate of the private boating visitors, based on extrapolation of boating survey results, and the visitors arriving by plane.

The significant increase in the target and actual costs per visitor on Rotttnest Island, compared to prior years, is due to the significant reduction in visitor numbers following the closure of the state and international borders due to the COVID-19 pandemic.

SERVICES AND EFFICIENCY INDICATORS

Agency service 2

Conserving habitats, species and ecological communities.

Efficiency KPI 2

Average cost per hectare of wildlife habitat.

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

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

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

The indicator is calculated by dividing the total cost of managing the natural environment by the Rottnest Island Reserve's total area of 5,659 hectares. The Reserve refers to the land and waters defined in Part 1 of the Act.

| Title | 2021-22 Target | 2021-22 Result | 2020-21 Result | 2019-20 Result | 2018-19 Result |
|--|----------------|----------------|----------------|----------------|----------------|
| Average cost per hectare of wildlife habitat | \$315 | \$263 | \$312 | \$357 | \$267 |

The 2021-22 result of \$263 is below the target of \$315 due to actual expenditure for this service being lower than forecast.

Other financial disclosures

CAPITAL WORKS EXPENDITURE

Rottnest Island Authority's expenditure on capital works for 2021-22 is outlined below:

| Type | 2021-22 \$'000 |
|---------------------------------------|-------------------|
| ANNUAL PROGRAM | |
| Buildings | 3,985 |
| Visitor accommodation | 2,014 |
| Heritage | 581 |
| Other | 802 |
| Ablutions | 588 |
| Digital and Telecommunications | 440 |
| IT systems | 440 |
| Infrastructure | 633 |
| Seawall | 633 |
| Utilities | 1,971 |
| Electricity | 394 |
| Wastewater | 1,577 |
| Other | 311 |
| Plant and equipment | 311 |
| Total Annual Program | 7,340 |

| Type | 2021-22 \$'000 |
|--|-------------------|
| COMMONWEALTH GRANTS | 6,413 |
| Enhancing National Tourism Icons | 6,413 |
| STATE GRANTS | 8,506 |
| Maritime/Jetty | 2,473 |
| Seawall | 1,691 |
| WA Recovery Plan – Water Network and Production Projects | 4,342 |
| Total | 22,259 |

EMPLOYMENT AND INDUSTRIAL RELATIONS

Staff profile

RIA employees are employed under the provisions of the Public Service Award 1992 and the Public Sector CSA General Agreement 2021.

| Employment Type | 30 June 2021 | 30 June 2022 |
|---------------------|-----------------|-----------------|
| Permanent | 86 | 77 |
| Fixed-term contract | 13 | 21 |
| Casual | 14 | 18 |
| Total | 113 | 116 |

Internal workers compensation claims

One approved internal workers compensation claim was made by an RIA staff member during the reporting period.

STAFF TRAINING AND WORKFORCE DEVELOPMENT

Training courses conducted in 2021-22 included:

- Aboriginal Cultural Awareness Training — September, November 2021 and May 2022 (34 participants)
- Ergonomic Train the Assessor — September 2021 (6 participants)
- Performance Management with Corporate Executive — July 2021 (8 participants)
- Excellent Customer Service Training — November 2021 (19 participants)
- TEAMS Calling Training — June 2021 (73 participants)
- Power BI — October 2021 (12 participants)

All new staff were provided with online induction courses including Accountable and Ethical Decision-making, Sexual Harassment Prevention, Disability Awareness, Work Health and Safety Awareness and Mental Health Awareness.

TRAINEESHIPS AND PATHWAYS

The Indigenous Career Program was established to support RIA's Innovative Reconciliation Action Plan and its goal to increase Aboriginal and Torres Strait Islander employment. The appointment of a Project Officer 50D (Level 2) occurred in early 2022 and the officer has been provided with a career development opportunity within three different RIA divisions.

Rottnest Island Authority also made an application to host an Aboriginal trainee as part of the Public Sector Commission's Aboriginal Traineeship Program 2021; however, it was unsuccessful.

UNAUTHORISED USE OF CREDIT CARD

RIA had no instances of unauthorised credit card use in 2021-22.

GOVERNANCE DISCLOSURES

Board appointment and responsibilities

RIA Board Members are appointed by the Minister in accordance with Part II, Section 6 of the Act. Except as otherwise provided by the Act, a member can hold the office for a term not exceeding three years and may be reappointed.

RIA has a Schedule of Delegations and Authorisations which details the delegations made by, and administrative authorisations provided by, the Board for the effective and robust administration of the *Rottnest Island Authority Act 1987* and other legislation which governs and regulates RIA's operations and functions. RIA's corporate governance arrangements ensure transparency in decision-making and operation and accountability to stakeholders and the State Government by promoting strong leadership, sound management, and effective planning and review.

RIA has the power to do all things necessary or convenient in connection with the management and control of the Island under the Act. The Board may in relation to the Island:

- Carry out such developments and improvements that are consistent with the Act
- Enter into any arrangement with a State Government department or instrumentality or any public utility for the performance by that body of any work or the supply of equipment or services

- Require payment of rent, fees or other charges for the use of the facilities of RIA or equipment or services supplied by it, and fix the amount of such rent, fees or charges with power to waive, reduce or refund the same in particular cases
- In respect of its function of providing and operating recreational and holiday facilities on the Island:
 - Establish or acquire, and operate
 - Enter into an arrangement for any person to establish or acquire, and operate, any business undertaking that is necessary or convenient for the performance of that function
- Grant any lease or licence that is consistent with the purposes described in the relevant section of the Act, on such terms and conditions as it thinks fit

Board meeting attendance and remuneration

Seven meetings of RIA Board were held in accordance with Schedule 1, clause 5 of the Act during the reporting period.

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

| Position | Name | First appointed | No. of meetings eligible to attend | No. of meetings attended | Gross Remuneration |
|---------------------|-----------------|-----------------|------------------------------------|--------------------------|--------------------|
| Chair | Hamish Beck | Mar 2016 | 7 | 7 | \$26,106 |
| Member/Deputy Chair | Marina Hogan | Jan 2017 | 7 | 7 | \$15,400 |
| Member | Peter Lee OAM | Jul 2019 | 7 | 7 | \$15,400 |
| Member | Ann Robinson | Jul 2019 | 7 | 7 | \$15,400 |
| Member | Louise Watson | Jul 2020 | 7 | 7 | \$15,400 |
| Member | Guy Houston | Nov 2021 | 4 | 4 | \$9,578 |
| (Former) Chair | John Langoulant | Oct 2017 | 2 | 2 | \$9,561 |
| TOTAL | | | | | \$106,845 |

Board conflicts of interest

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

Director's and officer's liability insurance

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

Policy on Island accommodation and ferry travel for Board members

Visits to the Island by Board members are essential to:

- Maintain a current awareness and understanding of issues affecting visitor experience and management of the Island
- Provide strategic direction, through the Rottnest Island Management Plan required by Part IV of the Act

- Guide the day-to-day management of the Island and the oversight of Island operations by RIA Executive and staff
- Advise the Minister for Tourism as required.

During the year, members of the Board undertook a total of 25 overnight stays on the Island to undertake official duties including Board meetings, business community meetings, events, launches, functions, guest and visitor experiences, and tasks that directly support the functions of the Board.

All stays were approved in accordance with the policy.

Board committees

Audit and Risk Committee

The Audit and Risk Committee (ARC) comprises Board Members (three) and is attended by; Chief Executive Officer; Executive Director; Director, Corporate Services; and Manager, Audit and Risk. The ARC met seven times during the reporting period.

The ARC oversees all material aspects of RIA's risk management and audit functions to ensure integrity of the organisation's governance framework.

Contracts and Infrastructure Committee

The Contracts and Infrastructure Committee comprises Board Members (three) and is attended by; Executive Director; and Director, Contracts and Planning and met seven times during the reporting period.

The key responsibilities of the Contracts and Infrastructure Committee include reviewing all major proposed EOIs, lease options and other contracts and reviewing the performance of existing major contracts and any proposed variations.

Information, Communications & Technology, Brand and Marketing Committee

The Information, Communications & Technology, Brand and Marketing (ICTBM) Committee comprises Board Members (three); Chief Executive Officer; Executive Director; Director, Corporate Services; Director, Visitor Services; Director, Marketing & Events; and ICT Manager. The ICTBM Committee met seven times during the reporting period.

The key responsibilities of the ICTBM Committee include overseeing the implementation of RIA's Digital & IT Plan and Destination Marketing Strategic Plan 2020-2024; and monitoring ICT, brand and marketing project implementations including the achievement of project objectives, timing and budget.

RISK MANAGEMENT

Risk management is a critical component of RIA's corporate governance due to the unique risk environment associated with balancing a Class A Reserve with delivering utility, infrastructure, and tourism activities and products for Western Australia.

The ARC provides a formal mechanism for risk management discussions and decision-making, with reporting of risks and risk treatment progress provided on a quarterly basis. RIA's Corporate Executive oversee the risk management processes and provide ongoing assurance to the Board that RIA's significant risks are being addressed in a timely and appropriate manner.

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

Under the framework, risks and controls are analysed and evaluated against set criteria to ensure risks that exceed acceptable levels are treated accordingly. As at 30 June 2022, RIA is monitoring 179 risks, which are being managed and reported on a continual basis.

As at 30 June 2022, the risk statistics are as follows:

- 179 risks are captured in RIA's risk registers.
- The overall risk profile for RIA remains as moderate. Of the 179 risks recorded, 129 (72%) are rated as moderate or low.
- Of the 179 risks identified across RIA, 14 risks require Treatment Action Plans. There are 11 risks exceeding RIA's tolerance level of moderate and three risks that have been assessed as having inadequate controls. As of this reporting period, 14 Treatment Action Plans are in place.

BUSINESS CONTINUITY PLAN

RIA maintains a comprehensive Business Continuity Plan (BCP) which provides documented procedures for the agency to respond, recover, resume and restore to a predefined level of operations following disruption.

During 2021-22 RIA finalised a major review of the BCP following activation to establish Rottnest Island as a quarantine facility in 2020. RIA also developed COVID-19 response plans to protect RIA workers and the critical activities, and ensure contingencies were in place for all Island operations. When Western Australia moved to a level-2 response with the COVID-19 case numbers increasing in the community in February 2022, RIA and Island businesses activated the plans which were successful in aiding the continuation of Island operations and services.

WADJEMUP ABORIGINAL REFERENCE GROUP

The Wadjemup Aboriginal Reference Group provides cultural guidance to the Executive Director and Board on cultural heritage management and reconciliation matters.

Four meetings of the Wadjemup Aboriginal Reference Group took place during the reporting period.

| Name | First appointed | No. of meetings eligible to attend | No. of meetings attended | Gross remuneration |
|------------------|-----------------|------------------------------------|--------------------------|--------------------|
| Walter McGuire | 2017 | 5 | 4 | \$926 |
| Brendan Moore | 2017 | 5 | 4 | \$1,296 |
| Pamela Thorley | 2017 | 5 | 5 | \$2,089 |
| Lindsay Dean | 2017 | 5 | 5 | \$2,537 |
| Casey Kickett | 2022 | 2 | 1 | Nil |
| Kathleen Musulin | 2022 | 2 | 2 | Nil |
| TOTAL | | | | \$6,848 |

MINISTERIAL DIRECTIVES

No Ministerial directives were received during 2021-22.

Other legal requirements

EXPENDITURE ON ADVERTISING, MARKET RESEARCH, POLLING AND DIRECT MAIL

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

Total expenditure for 2021-22 was \$620,834.

| Type of expenditure | Organisation | Amount (\$) |
|-----------------------|------------------------------------|------------------|
| Advertising | Gatecrasher | \$29,591 |
| | Scamper Design | \$3,080 |
| | 303 Mullen Lowe Australia | \$32,105 |
| Market research | Metrix Consulting Pty Ltd | \$37,740 |
| Polling organisations | | Nil |
| Direct Mail | | Nil |
| Media advertising | Countrywide Publications | \$1,273 |
| | Destination Perth | \$8,109 |
| | Facebook | \$27,281 |
| | Hello Perth | \$2,000 |
| | Initiative Media Australia Pty Ltd | \$479,305 |
| | Marsh Agencies | \$350 |
| Total | | \$620,834 |

DISABILITY ACCESS AND INCLUSION PLAN

The Department of Biodiversity, Conservation and Attraction's (DBCA) Disability Access and Inclusion Plan 2021-25 was developed by merging the plans of the former Department of Parks and Wildlife with RIA, Perth Zoo and Botanic Gardens and Parks Authority, following the formation of DBCA in 2017.

The Disability, Access and Inclusion Plan 2021-25 (DAIP) will guide RIA in delivering improved access and inclusion and replaced the previous DAIPs held by its entities.

The DAIP continues DBCA's commitment to providing people with disability the same opportunities as others to access, use and enjoy our State's natural areas and major attractions, facilities, services and programs. It also strives toward fostering a diverse and inclusive workforce that is representative of the community we serve.

COMPLIANCE WITH PUBLIC SECTOR STANDARDS AND ETHICAL CODES

RIA has policies, procedures and processes in place to ensure it meets obligations under Public Sector Standards, the WA Public Sector Code of Ethics, and RIA Code of Conduct. On 23 June 2021 the RIA Board approved the Department of Biodiversity, Conservation and Attractions Code of Conduct, to replace RIA's Code.

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

In 2021-22:

- Public Sector Code of Ethics — Three allegations of breaches of discipline were completed in 2021-22.
- Public Sector Commissioner's Instruction Employment Standard — Nil breach claims were lodged.
- Grievance Resolution Standard — Nil breach claims were lodged.

RECORDKEEPING PLAN

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

RIA's recordkeeping compliance is achieved by:

- Maintaining system infrastructure at latest release levels to ensure equivalence with required standards
- Regularly auditing the use of the HPE Content Manager recordkeeping system to ensure its effectiveness and efficiency in meeting compliance and operational requirements

- Ensuring RIA's Induction Program provides new employees with information regarding their recordkeeping roles and responsibilities
- Ensuring all new staff successfully complete an online Recordkeeping Awareness Training course
- Providing ongoing assistance to HPE Content Manager users

All facets were maintained during 2021-22.

FREEDOM OF INFORMATION

The *Freedom of Information Act 1992* provides a general right of access to documents held by State and local government agencies. In accordance with the legislation and to assist in Freedom of Information (FOI) requests, RIA's Information Statement is published on its website and intranet and outlines the Agency's FOI procedures.

RIA received two FOI requests in 2021-22. The requests were responded to in accordance with the legislation.

Government policy requirements

SUBSTANTIVE EQUALITY

RIA is committed to creating an inclusive and harmonious workplace, where all its staff members are treated equitably and fairly and are able to reach their full potential with dignity and respect.

In delivering on this commitment, RIA conducts appropriate biennial training for all managers and supervisors in order to create a discrimination-free workplace.

WORK HEALTH AND SAFETY MANAGEMENT

In 2021-22, RIA maintained its commitment to provide a safe and healthy environment for its workers on the Island and at its Fremantle offices.

RIA had a focus on COVID-19 throughout this period with the development of a COVID-19 Business Continuity Plan (BCP) and regular COVID-19 Incident Management Team meetings to discuss all related issues.

In addition, to ensure RIA maintained a robust process for the identification and rectification of hazards, a new Governance, Risk and Compliance System (GRC) is being implemented throughout RIA to allow workers to log health and safety incidents, near misses and hazards online.

RIA retained a focus on training Work Health and Safety (WHS) representatives, with two representatives completing training and one representative scheduled to undertake training in July 2022.

The WHS Committee, required under provisions of the *Work Health and Safety Act 2020*, met ten times during the 2021-22 year and completed 29 actions related to internal work health and safety matters. The Committee comprises six RIA members and is also attended by one or more representatives of the Island's Facilities, Utilities and Support Services contractor.

RIA commenced operating under the new *Work Health and Safety Act 2020* and has updated its procedures and policies to ensure they align with the new legislation.

Work health and safety performance statistics 2021-22

| OSH indicator | |
|--|--|
| Number of fatalities | nil |
| Lost time injury/disease incidence* | 109.5 hours workers compensation recorded for 2021-22 relating to a prior year incident. |
| Lost time injury and disease (LTI/D) severity rate** | 0 |
| % Injured workers returned to work within 13 weeks | 0% |
| % Injured workers returned to work within 26 weeks | 0% |
| % Managers trained in WSH and injury management responsibilities | 70% |

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

** The lost-time incident severity rate is the average number of days lost per incident.

PRIORITY START POLICY

The Government Building Training Policy was replaced in 2019-20 by the Priority Start Policy, which is directed towards increasing the apprenticeship and trainee opportunities in the building and construction sector.

In 2021-22, all new construction and maintenance contracts entered into by RIA fell below the reporting threshold of the policy.

COMPLAINTS HANDLING

RIA views customer complaints as an opportunity to improve its service to Rottnest Island visitors. All complaints are recorded and form part of RIA's continuous improvement process.

RIA receives three forms of feedback:

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

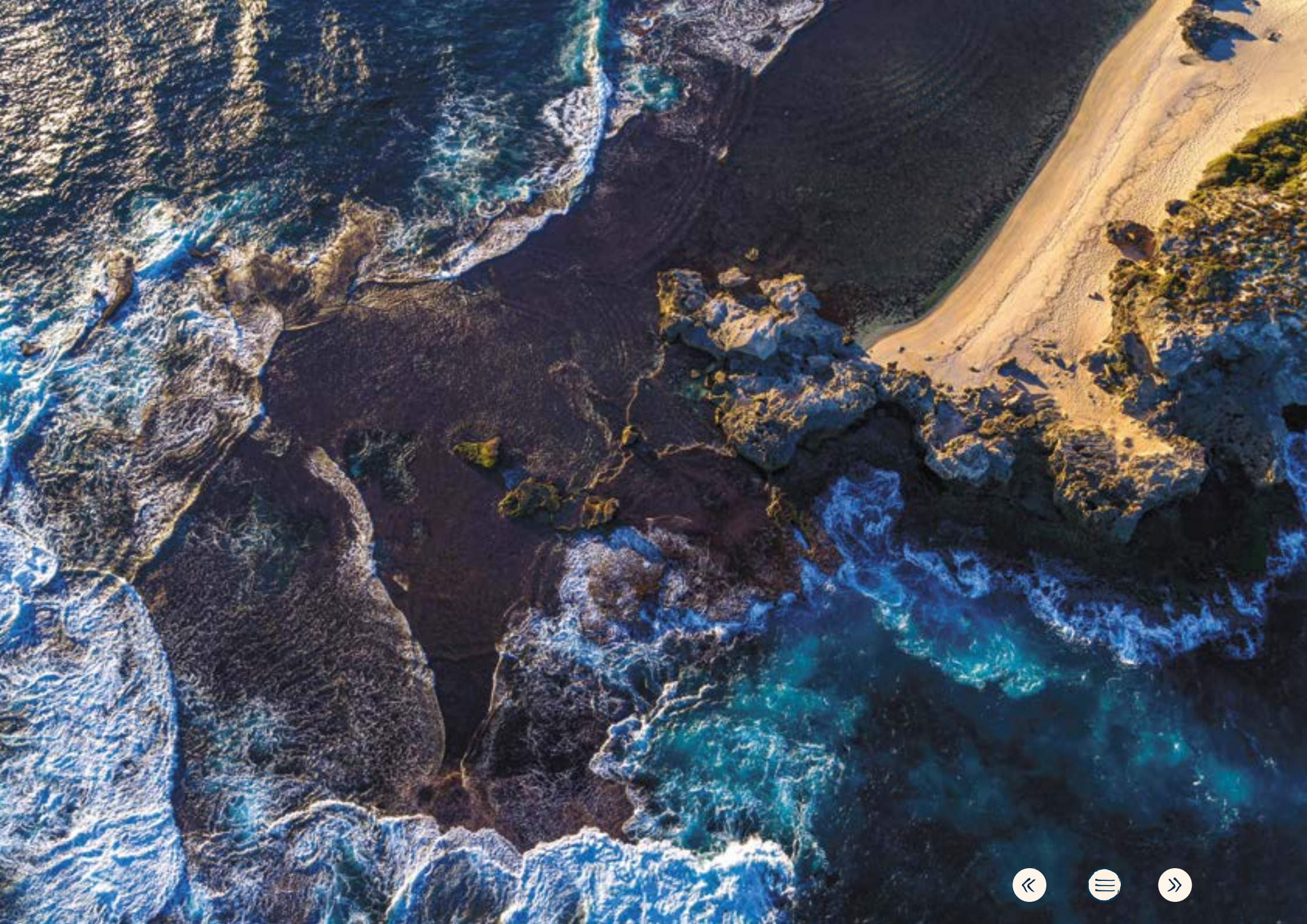
The formal complaints handling process includes registration, acknowledgement, investigation, resolution (if possible), and recording the outcome in a Customer Feedback Register to ensure it is captured in the continuous improvement process.

A response is then provided within 30 days of receiving the initial feedback or within 60 days if an investigation is required.

Outcomes

During 2021-22, 22 compliments, five comments, and 285 formal complaints were received and dealt with via our formal complaints handling process.

Importantly, the number of complaints represented 0.07% of visitation numbers.





ROTTNEST IS

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