ROTTNEST IS

Annual Report 2019-20

Rottnest Island Authority

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

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Statement of Compliance

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

In accordance with the provisions and specifically Section 61 (1) of the *Financial Management Act 2006* and in fulfilment of the obligations imposed on the Rottnest Island Authority, we hereby submit for your information and presentation to Parliament the Annual Report of the Rottnest Island Authority for the year ended 30 June 2020.

John Langoulant AO
Chairman
Rottnest Island Authority

17 September 2020

Hamish Beck
Deputy Chairman
Rottnest Island Authority

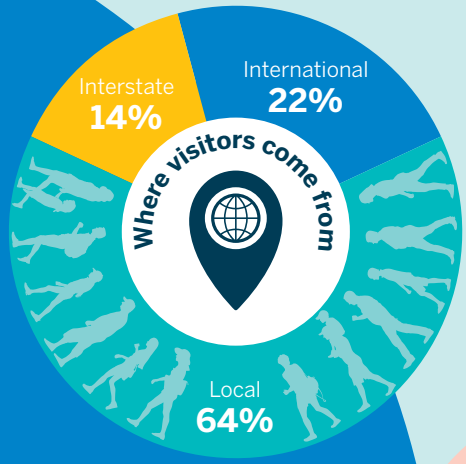
17 September 2020

Overview

Visitors to the Island **by ferry**

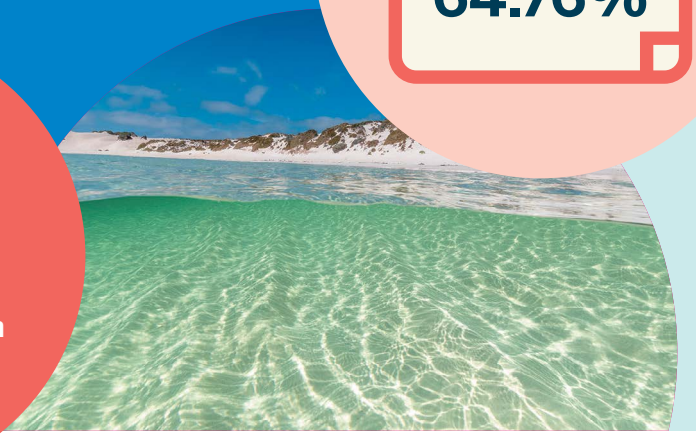
502,585 visitors

404,471 day visitors



Check-ins to **RIA Accommodation**

20,000



Highlights for 2019-20

RIA Bikes Hired

116,667

Annual average **RIA Occupancy**

64.76%

Native woodland communities

64 hectares

Number of **registered vessels**
3,407

Number of private moorings
843

1,008 annual admissions (vessels)

Number of **quokkas**
10,000 to 12,000

Number of wildlife management responses by RIA Rangers
419

Native seedlings planted
almost
25,000

Number of **Island Businesses**
40

Number of **volunteer groups on Rottnest Island**
more than
15

Chairman's Overview

For Rottnest Island Authority (RIA), the past financial year has been a story of three parts.

In the first eight months of 2019-20, RIA continued the momentum of the previous financial year, and was on track to deliver a full twelve months of progress and achievement.

Following the first year of operation of the Discovery Rottnest Island eco resort, which was the first major new development on the Island in more than 30 years, our achievements included a run of monthly Island visitation records and the start of two major new infrastructure projects. These are the striking new visitor facilities being created at the West End and the redevelopment of a key asset servicing the boating community, the Island's Fuel Jetty.

These two projects are funded by the Commonwealth Government's National Tourism Icon program and a specific State Government investment in renewal of the Island's marine infrastructure.

January 2020 also saw the release of the Rottnest Island Management Plan 2020-24, which sets out the vision of the Authority and the policies and approach that will guide us for the next five years as we seek to diversify the Island visitor base, strengthen Island infrastructure and services, and engage with the Island's environment and cultural heritage, especially its Aboriginal heritage, in significant new ways.

As part of our ongoing commitment to enhance the experience for all visitors, RIA facilitated the introduction of eight new tourism offerings on the Island in the summer of 2019-20, and in March 2020 called for Expressions of Interest to redevelop the Rottnest Island Lodge.

In the final quarter of the year, national and global events necessitated RIA to shift its operational focus to play a front-line role in the State Government's response to the COVID-19 pandemic. Under a direction issued by the State Emergency Coordinator, Rottnest Island was closed to visitors on 25 March 2020 to enable the establishment of a quarantine facility.

The Island served as a quarantine facility for 73 days. During the period of closure, RIA worked with the Department of Health and other agencies to accommodate two groups of self-isolating Australians and permanent residents returning from overseas.

RIA was instrumental in coordinating the transfer and care of guests on the Island for the purpose of self-isolation, and to ensure the wider community of Western Australia stayed safe from the potential negative effects of COVID-19.

On 6 June 2020, Rottnest Island re- opened to visitors, and RIA returned to conducting its normal activities. Over a period of eight days, RIA staff worked with Island businesses and contractors to put in place measures to help protect against the spread of COVID-19, and prepare the Island for the safe return of visitors.

In the coming months, a critical issue for RIA and the Island business community will be the recovery from the impacts of COVID-19 on tourist visitation to Rottnest Island.

The environment in which the Island re-opened was very challenging with limited forward bookings for Island accommodation and slow resumption of day visitation against a background of ongoing consumer concerns related to COVID-19.

In response, RIA in partnership with Rottnest Island Chamber of Commerce, developed a recovery marketing campaign, which was implemented in June 2020.

The focus of the recovery plan is to re-engage with the local Perth and South West WA markets through targeted promotional activities over a three to four-month period. The campaign aims to rekindle visitation demand and stimulate the Island's business economy.

My sincere thanks goes to all RIA staff for the commitment and adaptability they demonstrated, side by side with Island businesses and our committed volunteers, in rising to the challenges and opportunities that presented during the period of closure and the recovery.

As we enter into the new financial year, we look forward to the opening of the Samphire Resort at the Hotel Rottnest, bringing to the Island a further 80 rooms and new conference facilities, as well as important new projects such as the renewal of the Island's water production and distribution network, which in some places is up to 80 years old. This major undertaking has been made possible by a new $26m investment by the State Government.

The suite of projects made possible by the National Tourism Icons program, including new facilities at Wadjemup Hill, the Basin and the City of York Bay will continue to progress.

Other initiatives supported by RIA's direct re-investment in the Island include the enhancement of player amenity and course condition at the Island's golf course through the construction of a fence to separate the Island's much loved emblem, the quokka, from the course and golf course users.

RIA will also work to enhance the presentation and amenity of the main settlement, and its much cherished environmental values, through a settlement greening initiative in which we will be working to enlist community and corporate support.

These are all in different ways transformative projects, designed to take the Island into the middle years of the 21st century, through which we will continue to improve key areas of the Island's facilities and attractions without changing the inherent quality of a relaxed holiday experience on the doorstep of the city.

I would like to acknowledge the Minister for Tourism, Hon. Paul Papalia CSC MLA, for his ongoing support for our endeavours. Sincere thanks also to my fellow Board members for their contribution to the success of RIA over the last twelve months. Director Hannah Fitzhardinge completed her term in 2019-20, and I would like to extend to her sincere thanks for her service over the last three years.

Finally, I take this opportunity to acknowledge and thank Michelle Reynolds for her strong leadership of RIA as Executive Director over the last three and a half years. Michelle has led RIA through a period of significant growth and organisational reform and leaves RIA well positioned to continue the challenging and sensitive task of managing ever-increasing visitation and demand in a sustainable, and environmentally and culturally appropriate way.

John Langoulant AO
Chairman

Executive Director's Report

Writing what will sadly be my last report as Executive Director of Rottnest Island Authority, it is impossible not to start by acknowledging what has been a momentous year not just for RIA, but for Western Australia and the rest of the globe as we responded to impacts of the global COVID-19 pandemic.

The first half of 2019-20 saw RIA continue its upward trajectory from the previous reporting period with respect to the number of visitors it received on the Island. Through the continued hard work and commitment of RIA staff, visitation records were broken for seven of the first eight months of this financial year, which was equivalent to a 15% increase over the same period last year.

The first eight months of the year also saw some other notable highlights for RIA. One of these was the approval and release of the eighth iteration of the *Rottnest Island Management Plan 2020-24*. This critically important document, incorporates the strategic focus areas and key initiatives that will guide the Authority's operations and activities over the next five years.

In September 2019, over 1600 people took part in RIA's very first Quokka Birthday celebrations. This inaugural event was warmly received by the hundreds of families who attended, with its popularity resulting in a significant increase in accommodation bookings and making it the busiest weekend in September, outside of school holidays, in the Island's history.

The visit by tennis ace Rafael Nadal and Team Spain to the Island during the ATP Cup tournament in Perth in early January 2020 provided yet another occasion to showcase Rottnest Island to a global audience. The visit generated significant national and international media coverage with Raphael Nadal's 'quokka selfie' social media posts alone achieving over 500,000 likes.

By late February 2020, the economic and social impacts of the COVID-19 outbreak were starting to be felt across the globe, and on 12 March 2020 the World Health Organisation declared the outbreak a pandemic. As a result of the global travel and health restrictions that were introduced in response to the COVID-19 outbreak, visitations to the Island had started to decline from late January 2020.

On 25 March 2020, RIA was directed by the State Emergency Coordinator (pursuant to his powers under section 67 of the *Emergency Management Act 2005*) to close the Island to visitors, in order to establish a quarantine facility on the Island in response to the COVID-19 pandemic.

I am proud to report that in responding to this direction that the culture and capacity of the Rottnest Island community stood tall. RIA staff, Island businesses, and volunteers came together as 'One Island' – achieving the Island's closure and quarantine facility establishment in just two days.

For 73 days, RIA played a critical, front-line role in the State Government's response to the COVID-19 pandemic, providing the transport, accommodation, catering and other essential services to over 400 Australians who were transferred to the Island to complete a period of mandatory self-isolation after returning from overseas.

The Island and surrounding waters remained closed until 6 June 2020, at which point they were reopened to the public and Island visitors.
Once again the Island community's efforts were rock solid, mobilising and preparing the Island for its reopening in just eight days, after it was announced by the Premier.

I would like to acknowledge the commitment, professionalism and humanity with which the whole Island community undertook this important task. All involved should be proud of the role they played in the State Government's efforts to protect Western Australia from the impacts of COVID-19.

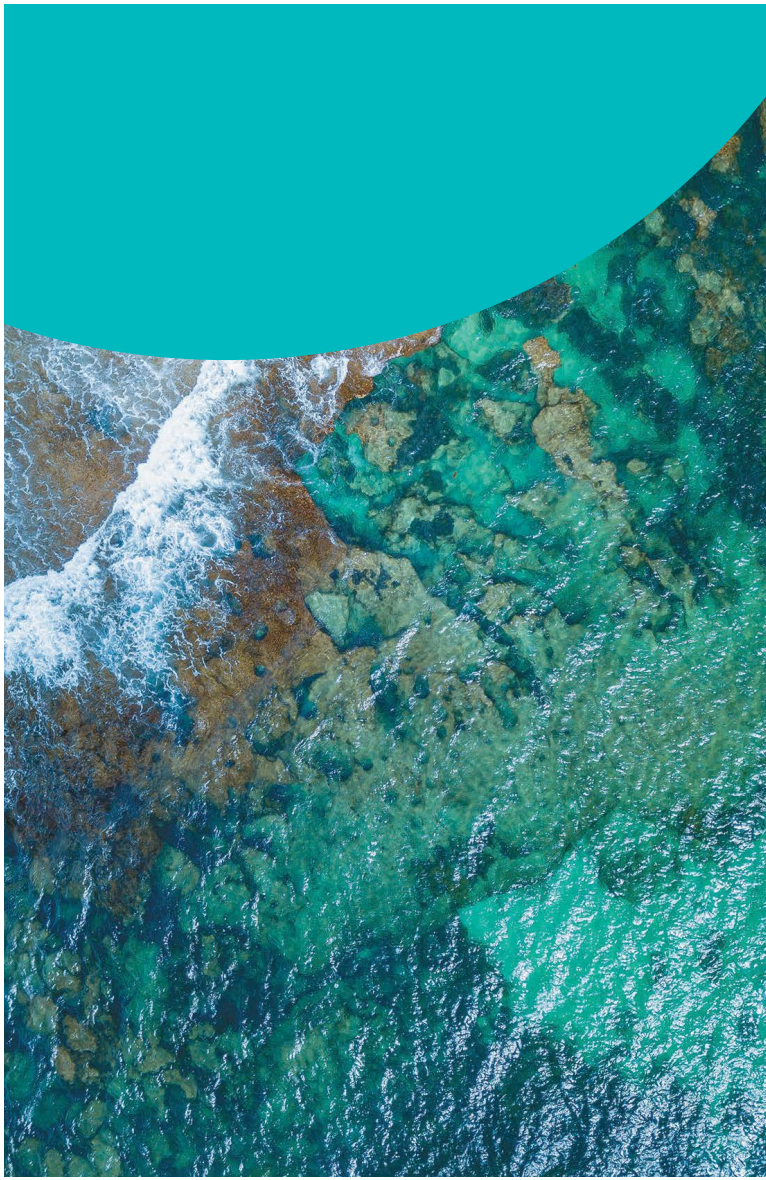
Since starting at RIA in 2017, I have remained focused on the task of cultural reform not only within the Authority, but across the whole Island community. The strength of character and culture demonstrated by our community during the challenges of the last six months of this reporting period, are testament to the progress we have made in the reform process.

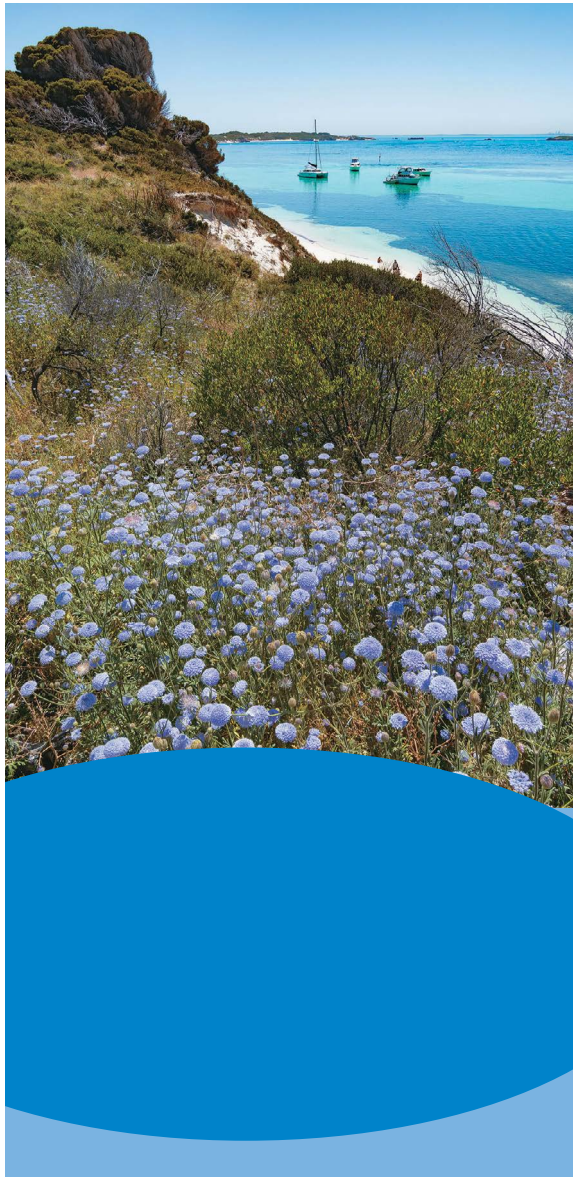
I am pleased to be able to leave knowing that we now have in place the foundations of a desirable and collaborative culture, and while the reform process is on the right path, there is still work to be done.

I would like to take this opportunity to thank the RIA Board and my Executive team for their diligence, contribution and support during my term.

In looking back over the last three and half years, I realise what a privilege and pleasure it has been to work with the many hard working and committed RIA staff, Island businesses and volunteers.
I commend you all for your efforts and the important contribution you make in managing and protecting this remarkable Island and Western Australian treasure for current and future generations to enjoy.

Michelle Reynolds
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 kilometres wide at its widest point with a land area of approximately 1,900 hectares.

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

The Mediterranean climate, scenic land and seascapes, unique biodiversity and turquoise waters in 63 sheltered beaches and 20 bays have made the Island a favourite holiday destination for Australian and international visitors.

Rottnest Island has cultural significance for Aboriginal communities across the State. The Whadjuk Noongar people are recognised as the Traditional Owners of the Island. The Whadjuk Noongar people know the Island as Wadjemup, which means 'place of spirits', a name that is gaining wider acceptance and usage as the most appropriate one for the Island.

Rottnest Island is designated as a Class A Reserve in the Western Australian land tenure system. Class A has the greatest level of protection, requiring the approval of Parliament to amend the reserve's purpose or area, or to cancel the reservation. Class A reservation status is used to protect areas of the State with the highest conservation or community value.

About Rottnest Island Authority

ENABLING LEGISLATION

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

In managing the Island in accordance with the Act, RIA also has regard to the following key legislation:

- *Financial Management Act 2006*
- *Public Sector Management Act 1994*
- *State Supply Commission Act 1991*
- *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*

The Act is administered by the Minister for Tourism on behalf of the Government of Western Australia. The Act is accompanied by regulations, the *Rottnest Island Regulations 1988*. Section 11 of the Act provides that the control and management of Rottnest Island is vested in RIA to enable it to:

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

SHARED RESPONSIBILITY WITH OTHER AGENCIES

RIA did not share any service-related responsibilities with other agencies in 2019-20. As an agency within the Department of Biodiversity, Conservation and Attractions (DBCA), RIA works closely with the Department to deliver on the State Government's vision for Rottnest Island. The DBCA Director General acts as the Chief Executive Officer of RIA.

RIA also works closely with other State government agencies servicing the Island including Western Australia Police Force, Department of Health, Department of Education, Department of Transport, and Department of Fire and Emergency Services.

OUR PURPOSE

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

OUR VISION

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

OUR 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.

OUR VALUES

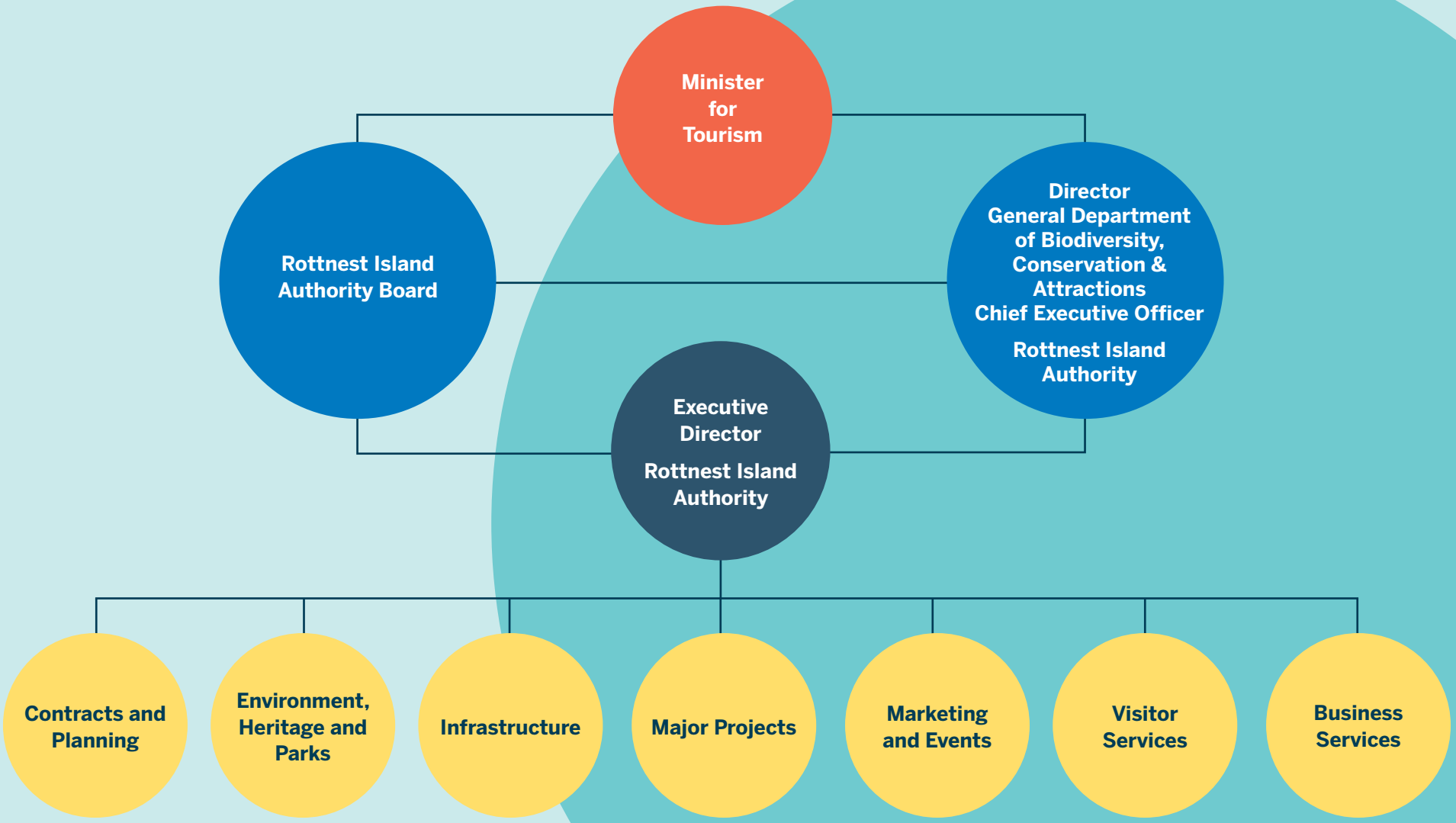
Integrity – unconditional respect for people, culture, and place

Teamwork – dedication to collaboration and sharing

Accountability – personal responsibility

Quality – commitment to continuous improvement

ORGANISATION STRUCTURE



THE BOARD

RIA has a Board, consisting of a Chairman and five other members, appointed by the Governor of Western Australia on the advice of the Minister for Tourism for terms not exceeding three years. 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, and
- use of the Island for recreational purposes.

Chairman

John Langoulant AO

(Appointment expires 30 June 2023)

John Langoulant has extensive executive experience in the private and public sectors including as the Western Australian Under Treasurer, Chief Executive Officer with Australian Capital Equity, the Chamber of Commerce and Industry of Western Australia and the Oakajee Port and Rail project.

John currently is Board Chairman at the Government Employees Superannuation Board, the Northern Territory's Power and Water Corporation, Westpac Banking Group WA, Pawsey Supercomputer Centre, the Dampier to Bunbury Gas Pipeline, Infrastructure WA, and Amana Living.

John is a Director of The National Disability Insurance Agency and the Multinet Board. John is also Chair of The Lester (formerly ARTrinsic) Prize for Portraiture.

Deputy Chairman

Hamish Beck

(Appointment expires 28 Feb 2022)

Hamish Beck was appointed Member and Deputy Chairman in March 2016. Hamish is Independent Non-Executive Director of ASX listed Primewest Group (managing in excess of $4 billion of property assets), Chairperson of the Swan River Trust, Member of the Central Perth Planning Committee, Deputy Chairman of the Historic Heart of Perth, Member of the Western Australian Maritime Museum Advisory Committee and Board Member of the Cockburn Sound Management Council.

Hamish is Principal/Managing Director of Beck Advisory, a development advisory and asset management business. His involvement with the property industry spans over 25 years with substantial experience in tourism, commercial, industrial development and asset management.

Member
Hannah Fitzhardinge*
(Appointment expires 30 June 2020)

Hannah Fitzhardinge was appointed in October 2017. Hannah is a director and senior consultant with leadership development consultancy Integral Development. Her background is in corporate public affairs, government approvals and strategic communication.

Hannah was elected as a Councillor at the City of Fremantle in 2016, then again in 2017 for a further four-year term. Joining the Rottnest Island Board in October 2017, Hannah has also previously served on the boards of the Beehive Montessori School and ARTRAGE.

Her family has a long connection with Rottnest Island, and she cares deeply about equality, environmental responsibility, and sustainable development.

* Replaced by Louise Watson who was appointed until 30 June 2023.

Member
Peter Lee
(Appointment expires 30 June 2022)

Peter Lee 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 the Optus Stadium, the Westin hotel, 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 and on the State and Metropolitan Redevelopment Authority's design review panels. Peter is also a specialist member of the WA Development Assessment Panels.

Member
Dr Marina Hogan MAICD
(Appointment expires 31 December 2022)

Marina Hogan MAICD was appointed in January 2017. Through her long association with both Scoop Publishing and Scoop Digital, Marina has extensive experience in marketing services, both print and digital, particularly in the areas of travel and lifestyle, events and the arts.

She teaches part-time in the School of Humanities at The University of Western Australia. Marina is deputy chair of the Foundation for the Western Australian Museum and chairs its Remuneration and Nominations Committee.

In June 2018, Marina was appointed to the Australian Multicultural Advisory Council. Until July 2018, Marina sat on the board of North Metropolitan TAFE where she was a member of the Governance Committee and the Nominations Committee and, until early 2017, she chaired the board of Subiaco Primary School.

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

Member
Ann Robinson
(Appointment expires 30 June 2021)

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 US, supporting clients across a wide range of industries with operational performance improvement and strategy setting.

She is currently a director of Pioneer Credit Limited and the Lionel Samson Sadleirs Group and a member of the Curtin University's audit, risk and compliance committee.

THE CORPORATE EXECUTIVE

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 acts as the CEO.

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 which works with the Executive Director to deliver services through the following operational areas:

- **Visitor Services** – leads RIA's commercial operations across Rottnest Island including accommodation, the Reservation Call Centre, the Visitor Centre, Pedal and Flipper and rental moorings.
- **Environment, Heritage and Parks** – is responsible for developing and delivering strategies to protect, conserve and enhance the natural and cultural values of the Island.
- **Marketing and Events** – aims to stimulate diversified visitation demand, and increase visitor expenditure on the Island, by communicating the depth and diversity of experiences available to visitors.
- **Major Projects** – is responsible for delivery of projects funded by the Commonwealth Government under its National Tourism Icons program ($17.2m over three years). The projects span the Island from the West End to the Island Gateway and will deliver improved visitor experiences.
- **Contracts and Planning** – is responsible for managing RIA major contracts, the commercial and residential leases of buildings, and agreements with recreational businesses on the Island. The directorate also manages development applications and associated processes.
- **Infrastructure** – is responsible for Rottnest Island's utilities and built assets, major and minor projects within the capital works program, asset management, and the State Government funded program for maritime infrastructure.
- **Business Services** – provides services that ensure RIA has the required personnel and expertise available, as well as financial, technological, and physical resources to manage operations and services on Rottnest Island.

Michelle Reynolds

Executive Director

Michelle has been Chief Executive Officer and is now Executive Director of RIA since being seconded to the organisation in January 2017.

In her time at the Authority, Michelle has seen unprecedented growth in visitor numbers and presided over extensive governance improvements, new developments, and recreational offerings on the Island. She has also worked to enhance the environmental and heritage values of the Island, including Aboriginal cultural heritage.
Michelle has a Bachelor of Arts and a Master of Business Administration.

Brooke Gregory

Director, Marketing and Events

Brooke has more than 20 years' experience in the travel and tourism sector and specialises in consumer, partnership, and trade marketing. With a background in destination marketing, product development, retail travel and operations management, Brooke has been a long-time ambassador of Rottnest Island in her past roles at Boat Torque Cruises and Tourism Western Australia. She has been a Forum Advocating Cultural and Eco-Tourism (FACET) committee member and a Western Australian Tourism Awards judge. Brooke joined RIA in February 2019 from Curtin University where she was the International Marketing Manager. Brooke holds a Bachelor of Arts and post-graduate qualifications in marketing and is also the current Chair of the Association of Perth Attractions.

Vince Ianni

Director, Business Services
Chief Finance Officer
(July 2019 – April 2020)

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

Bronwyn Rose

A/Director, Business Services
A/Chief Finance Officer
(April 2020 – June 2020)

Bronwyn is a Chartered Accountant and has over 25 years post-qualification experience in both private and public sectors. She specialised as a consultant in providing assurance and governance advice and is recognised in the Western Australian industry for excellence in creating value, driving innovation, improving accountability, and enhancing control systems.

Holly Knight

Director, Environment, Heritage and Parks
(June 2019 – Nov 2019)

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

Declan Morgan

A/Director, Environment, Heritage and Parks
(Nov 2019 – June 2020)

Declan has more than two decades of experience in the Western Australian Public Service.
He has worked in senior government roles and has extensive experience in the areas of natural resource management, land administration, regional development, water and environment.

Jason Banks

Director, Major Projects
(Commenced Aug 2019)

Jason has over thirty years of public service experience and has enjoyed a diverse career from policing to CEO and Director General roles in the energy and environment portfolios, respectively.
He holds a Bachelor of Commerce and post-graduate qualifications in economics.

Claire Piper

Director, Contracts and Planning

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

Italo Piscedda

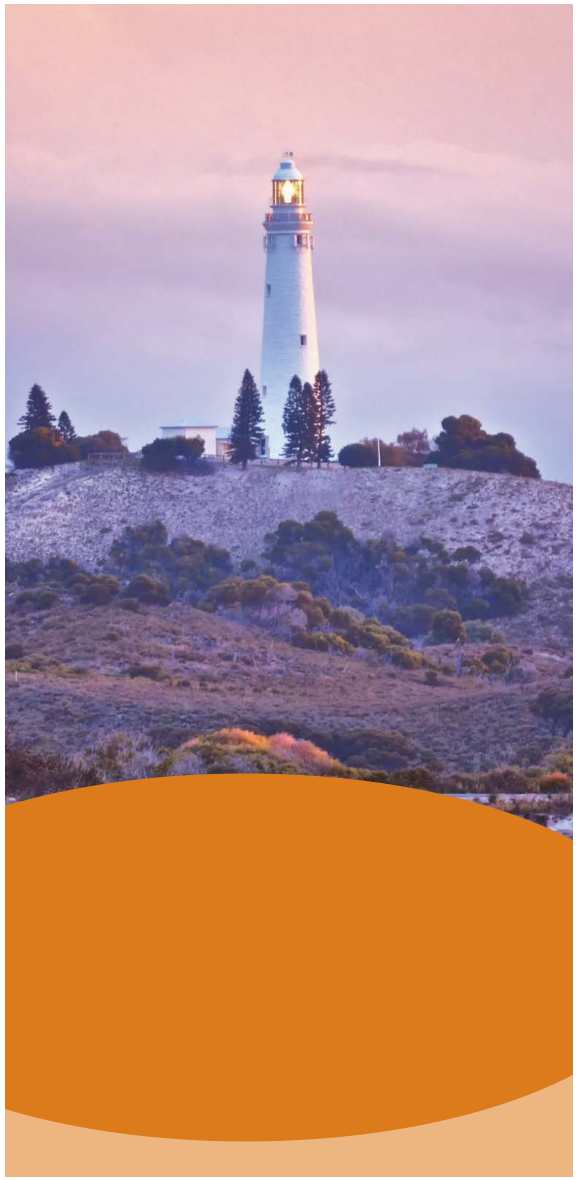
Director, Infrastructure

Italo is a civil engineer with over 25 years' experience in capital works programming, project development and delivery, engineering and design management across buildings, public domain, maritime structures, water and electricity infrastructure, road and civil works. Prior to joining RIA in November 2018, he was the Development Manager for the capital works program at MMA Offshores Supply Base in Dampier (WA) and the Capital Programs Manager for the Inner West Council (NSW).

Deborah Taylor

Director, Visitor Services

Deborah has a career in hospitality spanning more than 25 years. She has worked in key hospitality roles including resorts in Western Australia, as General Manager at hotels in Melbourne and Sydney and several years in a specialist training role with Stamford Hotels and Resorts focusing on the implementation of a new property management system across the group. Her most recent position was as Director of Learning for Quest Apartment Hotels in Melbourne. Deborah has a Master of Business Administration from the Curtin Graduate School of Business.



CORPORATE EXECUTIVE SUB-COMMITTEES

Risk Management Review Group Committee

The Risk Management Review Group (RMRG) which meets quarterly comprises the Executive Director, Director Business Services, Director Environment, Heritage and Park Services, Director Infrastructure, Director Contracts and Planning, Director Marketing and Events, and Director Visitor Services. The standing invitees include the Manager Governance, Audit and Risk, and Risk and Governance Coordinator.

The RMRG oversees the risk management processes throughout RIA and provides ongoing assurance to the Corporate Executive that RIA's significant risks are being addressed in a timely and appropriate manner.

KPI Performance Reporting Committee

The KPI Performance Reporting Committee, which meets quarterly or as required, comprises the Executive Director, Director Business Services, Director Environment, Heritage and Park Services, Director, Marketing and Events, and Director Visitor Services.

The standing invitees include Manager Governance, Audit and Risk, Financial/Management Accountant, Environment, Sustainability and Compliance Manager, and Manager Marketing.

The KPI Performance Reporting Committee is responsible for reviewing and managing RIA's Outcome Based Management Structure (OBM) through the establishment and monitoring of a suite of Key Performance Indicators (KPIs) designed to collectively measure organisational performance.

Executive Information, Communications and Technology Sub Committee

The Executive Information, Communications and Technology (ICT) Sub-Committee, which meets prior to each Corporate Executive meeting, comprises the Executive Director, Director Business Services, Director Visitor Services, Director Marketing and Events, Director Infrastructure, Director Contracts and Planning, Director Environment, Heritage and Parks, and ICT Manager.

The key responsibilities of the Executive ICT Sub-Committee are to oversee RIA's ICT program including funding requirements, as well as consider and discuss ICT matters that impact RIA business and review and consider individual ICT project proposals.

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 the Wadjemup Aboriginal Burial Ground and the future uses of the Island's former Aboriginal Prison, the Quod. 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. He is a leading Indigenous tour guide in WA and currently runs cultural tours on Wadjemup.

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 & 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.

Barbara Bynder

A Whadjuk, Ballardong, Yued Noongar woman with ties also to Yamitji Country. Barb has a Bachelor of Arts in Sociology and Writing, a Higher Degree Research in Anthropology and is currently a PhD candidate at Notre Dame in Anthropology. Currently employed as a Sessional Academic and Tutor, Barb's specialty is Australian Aboriginal art and culture. She is also a practicing artist.

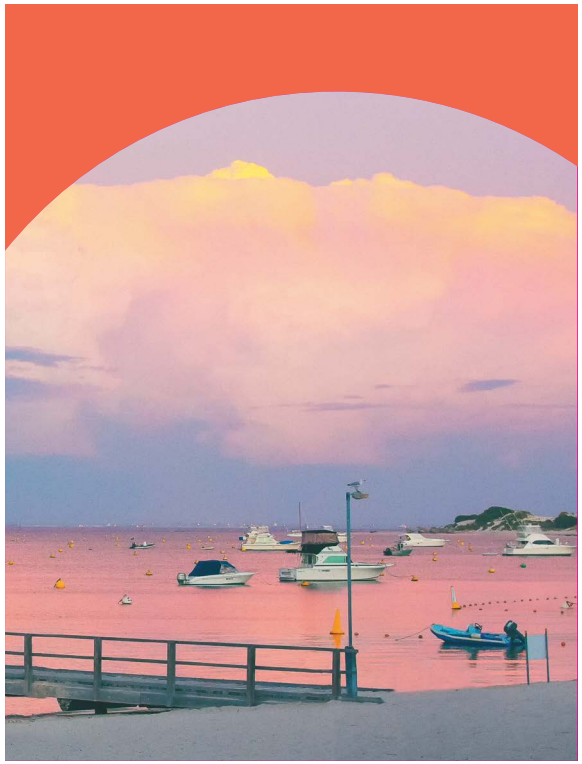
Patrick Churnside

A Ngarluma and Yinjabarndi man from Karratha. Currently the Murujuga Ranger Coordinator at Murujuga Aboriginal Corporation, he is also on the Board of Ngarluma Aboriginal Corporation and BigHart. He is active in the art and heritage space.

Michelle Reynolds (ex officio)

RIA Executive Director

Strategic Direction – A Vision for Rottnest Island



ROTTNEST ISLAND MANAGEMENT PLAN

The *Rottnest Island Authority Act 1987* requires RIA to control and manage Rottnest Island in accordance with a management plan.

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

During 2019-20, a new management plan (*RIMP 2020-24*) was finalised, and statutory approval granted by the Minister. More than 60 submissions were received during the public consultation period.

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

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; and
4. Establish a new way of doing business.

ROTTNEST ISLAND MASTER PLAN

The Island's unique heritage, landscapes and biodiversity are the very values that attract visitors to the Island.

In 2014, a long term (twenty year) vision document, the *Rottnest Island Master Plan*, was developed in order to maintain and enhance these values and guide the way forward for the Island.

The main objective of the Master Plan is to establish a direction for the future and a road map for the development of the places and spaces of Rottnest Island.

The Master Plan, which was updated in 2019-20 and publicly released in conjunction with the *Rottnest Island Management Plan 2020-24* (*RIMP 2020-24*), provides a renewed vision for the period to 2040. The revised Master Plan also incorporates updates to proposals and strategic directions that have emerged through a process of review by the Board, and staff consultation.

Performance Management Framework

RIA operates under the outcome-based management (OBM) framework of the Department of Biodiversity, Conservation and Attractions (DBCA). DBCA is aligned to the State Government's goal of "A liveable environment: Ensuring a sustainable future by linking homes to transport. Conserving land and reducing waste."

RIA contributes to two of the four DBCA Desired Outcomes (DBCA Outcomes 1 and 2) and two of the ten DBCA Services (DBCA Services 2 and 6) within the approved OBM structure of DBCA. The DBCA OBM did not change during 2019-20

RIA's key effectiveness and efficiency indicators include those RIA-specific indicators forming part of the DBCA Budget Statements, along with additional approved audit indicators.

The figure to the right illustrates the relationship between services delivered by RIA, Desired Agency Outcomes and the State Government Goal to which it contributes.

GOVERNMENT GOAL

A liveable environment: Ensuring a sustainable future by linking homes to transport. Conserving land and reducing waste.

Desired Outcome 1
Community enjoyment, appreciation and understanding of attractions under the Department's care.

Key Effectiveness Indicator
Average level of visitor satisfaction at Rottnest Island.

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

Key Effectiveness Indicator
Average cost per visitor at Rottnest Island.

Desired Outcome 2
Plants and animals are conserved and habitat, ecosystem and landscape scale conservation utilises evidenced-based science.

Key Effectiveness Indicator
Biodiversity health of Rottnest Island.

Agency Service 2
Conserving habitats, species and ecological communities.

Key Effectiveness Indicator
Average cost per hectare of wildlife habitat.

Rottnest Island Authority's performance

Report on Operations

Under the Act, RIA is required to manage the Island in accordance with a management plan.

The priorities and areas of focus identified in the *RIMP 2020-24* are delivered through RIA's seven directorates which are responsible for the day-to-day operations and management of the Island, as well as the development of implementation plans that capture the operational requirements and resource allocation associated with each of the key initiatives under the RIMP.

RIA operates under the outcome-based management (OBM) framework of the Department of Biodiversity, Conservation and Attractions (DBCA), with its annual performance measured against the delivery of two key services within the agency's framework. The following report provides an overview of RIA's activities and operational achievements in delivering required services.

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

Western Australians have long regarded Rottnest Island as a place of recreational, cultural and environmental significance. With the Island now also recognised as a tourism destination of national significance, it continues to welcome an ever-increasing number of visitors every year.

To manage the increased demand, RIA has continued its focus on visitor services and amenity, whilst enhancing the tourism offering and experience for Island visitors through the range of initiatives and Island projects detailed in the following pages. These include projects funded by the State Government's allocation of $16.2 million for important marine infrastructure projects, and $17.2 million National Tourism Icon funding from the Australian Government.

Following the announcement by the Premier on 22 March 2020 that Rottnest Island was to be prepared for possible use as a quarantine facility in response to the COVID-19 pandemic, RIA coordinated the removal of all visitors from the Island on 24 March 2020.

On 25 March 2020, RIA was directed by the State Emergency Coordinator (pursuant to powers under section 67 of the *Emergency Management Act 2005*) to close the Island to visitors, in order to establish a quarantine facility on the Island. The Island remained closed until 6 June 2020, when it was reopened to day and extended stay visitors as well as boat operators.

Prior to the closure (from 1 July 2019 until 1 March 2020) Rottnest Island experienced visitation records for seven of the first eight months of the reporting period, equivalent to a 15% increase over the same period during the previous financial year. However the closure of the Island for a period of 72 days (from 25 March until 5 June 2020) resulted in a significant reduction in the total Island visitations for the reporting period, with 502,585 people visiting by ferry in 2019-20 compared to 573,320 in 2018-19 (12% decline).

While RIA continued to maintain the Island's essential operations and progress its capital works program, the closure resulted in the shut-down of the Island's accommodation and moorings as well as non-essential hospitality and recreational offerings during the 73 day period. The closure also saw the cancellation of visitor-based activities such as events and island tours.

RIA's Reservations team was responsible for managing over 3,100 accommodation bookings cancelled as a result of the Island's closure and/or COVID-19 related reasons. Guests with reservations were provided with a full refund or the option to move the booking to an alternative date in 2021.

Bookings for 2,791 rooms (equivalent to 9,895 nights) for scheduled arrivals between 24 March and 5 June inclusive had to be cancelled by the RIA Reservations team as a result of the Island closure. Bookings for a further 343 rooms (equivalent to 1,571 nights) were cancelled by guests due to COVID-19 related reasons.

ACCOMMODATION AND VISITOR SERVICES

Accommodation

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

The provision of accommodation is RIA's most important commercial activity. RIA currently manages and maintains 283 rental accommodation units plus a camping ground and dormitory and hostel accommodation at Kingstown Barracks with more than 20,000 check-ins throughout the year. The average overall occupancy level for 2019-20 was 64.76 percent with occupancy during the peak summer period of the year exceeding 99.62 percent.

A total of 3,261 post-stay surveys were completed by RIA accommodation guests in 2019-20, which provide the feedback and data to enable the evaluation of Island guest satisfaction levels, and also contribute to the future improvement of RIA products and services where possible.

RIA conducts an annual maintenance and improvement program for its accommodation inventory which this year had a focus on the Bathurst and South Thomson precincts. Enhancements to RIA accommodation in 2019-20 included completion of remedial improvements such as new furnishings and painting to 43 accommodation units in Bathurst, as well as the replacement of window coverings in 14 units in South Thomson and improvements to the RIA camping ground. Works also commenced on the upgrade of a further 23 accommodation units in South Thomson.

Online Booking System

In 2019-20 RIA commenced the implementation of several improvements identified in the previous year's online booking system review. A number of improvements have been made to the configuration of some of the system components and technical environment. Replacement of the core online system in order to provide greater functionality and stability for customers looking to book RIA and non-RIA products and services is planned for 2020-21. Improvements were made to RIA's E Shed reservations call-centre, with the introduction of new Purecloud phone software in January 2020.

RIA Visitor Centre

Located at Thomson Bay near the Main Jetty, the Visitor Centre managed more than 28,276 accommodation bookings during 2019-20, and assisted the growing numbers of day visitors with enquiries about Island activities, products and tours. To meet additional demand and provide extra support to Island businesses, a separate bookings booth for tours, rental moorings and activities operated throughout the season peak.

The Visitor Centre is accredited with the Tourism Council WA Network, and its performance in the delivery of customer service to Island visitors was further recognised when it was nominated as a finalist in the Visitor Information Services category of the 2019 WA Tourism Awards. Lockers for charging mobile phones were installed outside the Visitor Centre to provide an additional service for Island visitors.

RECREATIONAL AND RETAIL OFFERINGS

New recreational offerings

In direct response to the Island's ever increasing popularity, seven new tourism offerings were launched in summer 2019-20, further enhancing and diversifying the experience for Island visitors. The new offerings include:

- a daily seaplane commute to the Island (Swan River Seaplanes)
- a new skydive and transfer package (Skydive Geronimo)
- a 'Hooked on Rotto' fishing cruise (Rottnest Cruises)
- a new refreshments caravan at the West End (Lexi's)
- a new one-stop shop and concierge service at the Salt Store
- a new aquatic playground at North Thomson Bay (Aquaplay)

Pedal and Flipper Hire

RIA operates the Pedal and Flipper hire business on the Island which offers a large fleet and range of bikes to Island visitors. The business also offers recreational equipment such as surfboards, trailers, kiddie carriers, golf clubs, other sports equipment, snorkelling and fishing gear.

Bike and recreational items were in high demand once again in 2019-20, with 116,667 bikes (including 8,584 electric bikes), 8,176 snorkel sets and 8,348 other recreational items hired over the period. The popularity of electric bikes has continued to grow with 30 additional electric units added to the hire fleet during the year in response to increased customer demand.

Customer experience continued to be a focus for the business, with electronic customer lockers installed and planning to upgrade the bike hire facility commencing in 2019-20. Revenue for Pedal and Flipper decreased three per cent on the previous year.

Rental Boat Moorings

RIA offers rental boat moorings (a mix of swing moorings, jetty pens and beach pens) for Island visitors in Thomson Bay, Geordie Bay and Longreach Bay. Moorings can be booked through an online booking system, 24 hours a day seven days a week, and up to 100 days ahead of arrival. In 2019-20, 2,329 rental mooring bookings were taken by RIA.

Guided Island Tours

The Rottnest Voluntary Guides Association (RVGA) provides an extensive range of daily tours, most of which are free of charge, as well as special request group tours and a school holiday program. In addition to a guide at the Visitor Centre, a 'Meet and Greet' guide is based near the Salt Store in the Main Settlement as initial points of contact and orientation for visitors.

During the year, an average of 14 guides commuted to the Island every day to provide rostered support for 19 unique history, environment and cultural tours and site visits. 29 tours were scheduled each day, enabling 87,947 visitors (331 per day) to take advantage of these opportunities to enhance their Rottnest experience.

In 2019-20, 85,081 visitors were provided with general information about the Island by RVGA guides through 'Meet and Greet' services (327 per day), with orientation and exploration advice also provided to 18,385 visitors by guides positioned daily at Parker Point and West End (69 per day).

During the reporting period, over 250 special request tours were provided to more than 4,700 school students from an offering of 20 different curriculum-oriented experiences customised to teachers' requirements. Over an eight-week period during the school holidays, RVGA guides also delivered a wide range of family-oriented experiences and activities, from early morning to moon rise, to over 3,900 visitors as part of its school holiday program. Additional guide support was provided to RIA for sponsored events and anniversaries including the inaugural Quokka Birthday celebrations.

Delivery of the volunteer guide services is sustained through a comprehensive recruitment and formal training program for new guides, as well as ongoing professional development and learning for current guides.

On 21 March 2020, RVGA guiding support was temporarily suspended until 22 June to meet COVID-19 regulations.

The Salt Store

In 2019-20 RIA revitalised one of the Island's iconic heritage buildings and launched a new retail offering, The Salt Store, from the ideally located premises in the heart of the Main Settlement.

The new Salt Store provides a space to learn more about what is on offer on the Island, book tours and purchase quality locally made products that showcase the talent of Western Australian artists and artisans in a unique and distinctively Western Australian setting.

MARKETING AND EVENTS

Rottnest Island's vision is to be a visitor destination of national significance for its recreational, environmental and cultural heritage values. With a wealth of new tourism product offerings, an ever-increasing momentum in visitation, and strong partnerships with regional, state and national tourism organisations, RIA is well placed to achieve this vision for the Island.

Destination Marketing

RIA's destination marketing activities make a significant contribution to both the financial viability of the Island's tourism programs and facilities, and the realisation of its vision to be a nationally significant tourist destination.

The focus of RIA's campaign planning and marketing efforts in 2019-20 has been to grow day and overnight visitors into shoulder and low seasons, by promoting Rottnest Island as a destination of choice through the use of digital (website) and social media (Instagram, Facebook) platforms, advertising, Island familiarisations and media opportunities.

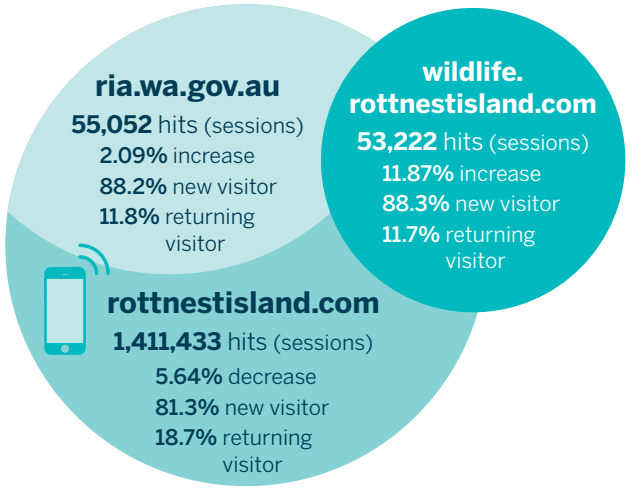
RIA informs destination marketing activity through market research to better understand public perceptions about Rottnest Island and the visitor offering available.

In 2019-20 RIA continued to build on the strong growth in visitor numbers in recent years, with the development and adoption of the Rottnest Island Destination Marketing Strategic Plan (DMSP) 2020-24. The DMSP 2020-24 prioritises diversification of the Island's visitor base, while outlining strategies for targeting new visitor segments and pursuing sustainable growth in overall visitor numbers

Key achievements of the DMSP in 2019-20 included:

- the establishment of a marketing and events committee with representatives from the Island business community and the Rottnest Island Chamber of Commerce;
- a revised approach to the annual visitor satisfaction survey to provide enhanced insight from visitor feedback;
- a new social media strategy to support organic content creation for consistent visibility and awareness of Rottnest Island among target markets;
- the development of Chinese and Japanese language Island guides;
- refresh of film and photography libraries to include new businesses and developments;

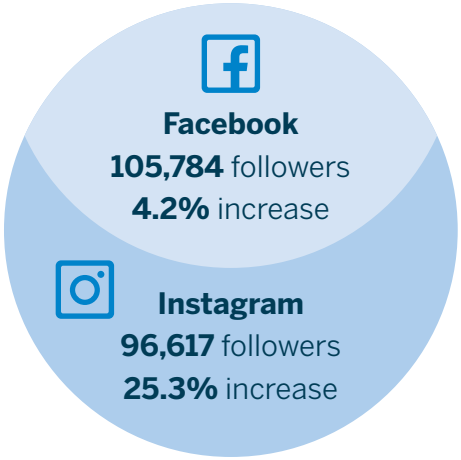
- development of strong partnerships with key tourism partners Tourism Australia, Tourism WA, Business Events Perth and Destination Perth;
- the development of a new signature event, Quokka Birthday, and the implementation of place activation throughout the year to enhance the visitor experience;
- the delivery of key partner events, such as Rottnest Channel Swim, Study Perth Rottnest Island Student Day and Wadjemup Cup that create a time-based reason to visit Rottnest Island.



Digital Destination

Embracing the 'connected world', the *DMSP 2020-24* focuses on the use of digital and social media platforms that allow RIA to share the stories of the Island with global audiences and connect with prospective visitors.

RIA has three distinct subsidiary websites that direct users to specific RIA functions (tourism and visitor services; government and corporate oversight; wildlife education), enabling easy access to important information and enhancing overall user experience.



Social Media

The influence and importance of social media in tourism marketing campaigns is widely acknowledged. In 2019-20, RIA continued to explore opportunities for greater use of social media to promote Rottnest Island, whilst responding to trends in its use to maximise the Island's exposure to local and global audiences.

Rottnest Island's unique natural attractions and wildlife continue to be a source of major appeal for visitors to the Island, with the publication of images such as the 'quokka selfie' generating significant interest and exposure across a range of social media channels, including Facebook and Instagram.

High profile celebrities Kylie Minogue, Rafael Nadal and Shawn Mendes, who all visited the Island in 2019-20, posted a #quokkaselfie, resulting in considerable global engagement.

Trade Familiarisations and Media Opportunities

RIA regularly facilitates trade familiarisation tours to Rottnest Island for travel media, tour operators and travel agents, providing a first-hand experience of what the Island has to offer as a tourist destination. Hosting tours for key trade and media representatives presents an opportunity to promote the Island's tourism offering to potential, new Island visitors and create additional demand in interstate and international markets. In 2019-20, RIA hosted 46 familiarisation tours, many of which were in support of Tourism Australia, Tourism WA and Destination Perth trade activities.

To leverage its ongoing destination marketing efforts, RIA also facilitated numerous requests from media outlets and high-profile celebrities to visit and film on the Island. In 2019-20 RIA hosted a number of high-profile visitors to the Island, including Kylie Minogue as part of the Tourism Australia Matesong Campaign in October 2019, and Rafael Nadal and the Spanish ATP Cup Team in January 2020, with both visits generating significant media exposure.

In partnership with Tourism Australia and Tourism WA, RIA hosted film production crews from numerous international and Australian travel, lifestyle, fashion and reality productions during 2019-20 including Star Search Travelogue (Singapore), Our Grandfather Story (Singapore), All you Need is Love (Netherlands), Tabai Salad (Japan), Itte-Q (Japan), Imageworx Media (Germany), Billabong (Australia) and Cotton On (Australia). An episode of the popular, high-rating reality-TV show Masterchef, which was filmed on Rottnest Island, also aired in July 2019.

RIA attended the Australian Tourism Export Council Meeting Place in November 2019 and also participated in the business-to-business, destination marketing event, Dreamtime, which took place in Perth in December 2019. The Dreamtime event hosted 120 international event business buyers and media, and along with Island businesses RIA hosted three groups of buyers from China, Singapore, Japan and South Korea on 3 December, in association with Business Events Perth and Business Events Australia.

EVENTS

To support its destination marketing efforts and enhance the overall visitor experience, each year RIA also organises and supports numerous events and activities on the Island. Significant focus is placed on RIA signature events and place activation during shoulder periods, as well as events that build on the key destination themes: aquatic and coastal, nature and wildlife, and cultural heritage.

Island events serve as a hook to encourage visitation, with event advertising and free media generated, raising awareness of Rottnest Island as a tourism destination. In 2019-20, RIA hosted more than 60 events on the Island, including corporate functions and weddings. The following were some highlights of the 2019-20 events calendar:

Quokka Birthday

An estimated 1,600 visitors attended RIA's inaugural Quokka Birthday weekend celebrations which were held on 15 and 16 September 2019. Island visitors, including many families and hundreds of children, were given the opportunity to learn from experts about WA's unofficial mascot, as well as enjoy a range of activities including a quokka detective scavenger hunt, movie screening, walking tours and tips on how to take the perfect quokka selfie.

The popularity of the event saw a significant increase in accommodation bookings making it the busiest weekend in September, outside of school holidays, in the Island's history.

Study Perth Rottnest Island Student Day

RIA hosted the inaugural Study Perth Rottnest Island Student Day event on 8 March 2020, which saw over 1,200 new and current international students and their families visit Rottnest Island for the day. On the day students were greeted by a smoking ceremony outside the Visitor Centre and provided the opportunity to access discounts from Island businesses and an activation in Heritage Common including music and entertainment, a quokka pop up shop, and quokka walking tours.

Channel Swim

The 30th annual Rottnest Channel Swim was held on 22 February 2020. An iconic event and one of the busiest days on the Island, this year's event had 2,342 competitors and an estimated 10,000 visitors to the Island. In February 2020, RIA renewed sponsorship of the event with a new three year agreement with Rottnest Channel Swim Association.

NAIDOC Week

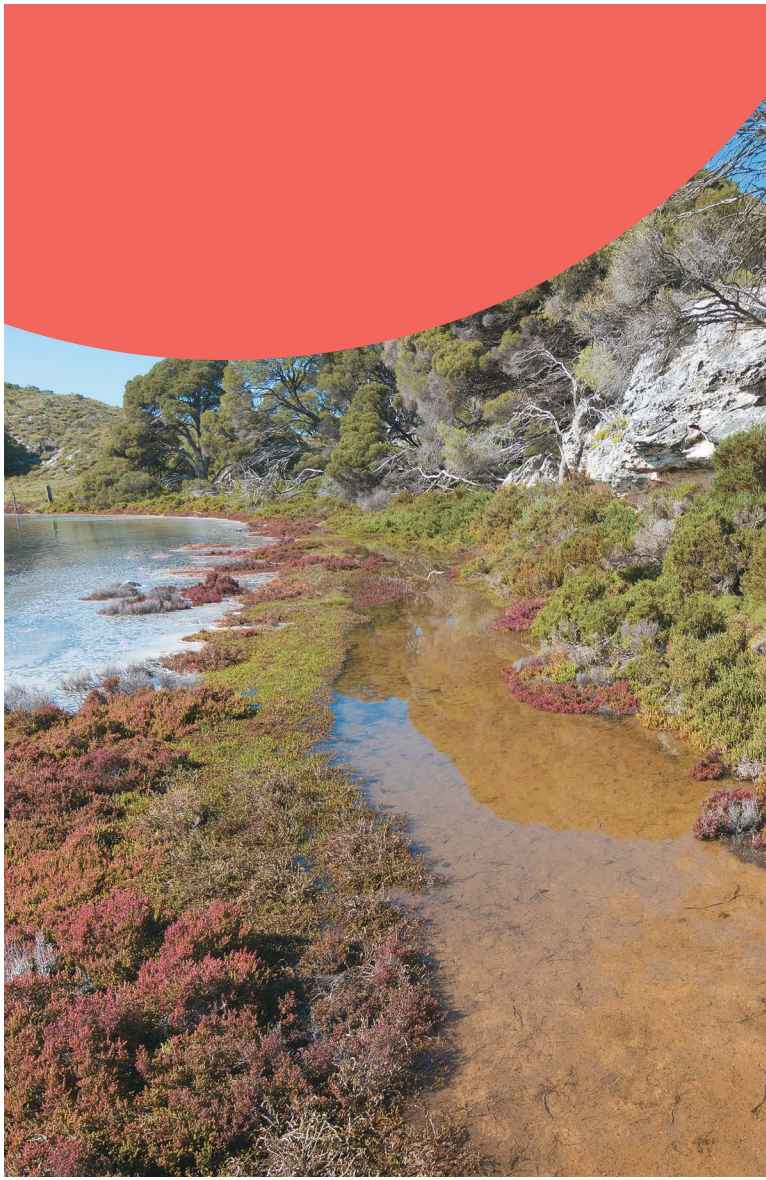
For NAIDOC Week (7-14 July 2019), RIA organised a series of activities on the Island, including presentations and guided walks on the Aboriginal history of the Island, and a question and answer session with Miss NAIDOC Perth to celebrate Aboriginal and Torres Strait Islander peoples' culture and history.

Wadjemup Cup

The 13th annual Wadjemup Cup was held on the Island on 2 November 2019. This round-robin AFL carnival, an initiative of the Clontarf Foundation in partnership with RIA, brought together more than 100 Year 8 and 9 Aboriginal students from across the State for a day of team building, football and the opportunity to learn more about the Aboriginal cultural history of the Island.

EDUCATION

RIA works with school and education groups, from kindergarten to tertiary to assist them to organise their visit to Rottnest island including helping them book group accommodation, as well as a range of Island activities such as guided and self-guided tours. RIA also provides support to RVGA in delivering a range of school holiday programs throughout the year. In 2019-20, RIA hosted 74 schools and 3,442 students (kindergarten to year 12) on the Island as part of an organised school visit. Over 280 guided tours were conducted as part of those visits.



RIA also hosted the Curtin University School of Design and Built Environment "Treasuring Rottnest/ Wadjemup" field trip over the weekend of 14 and 15 March 2020. Over 80 architecture students and staff from Curtin University visited Rottnest Island and were greeted by a Welcome to Country and smoking ceremony, followed by a presentation from Go Cultural Aboriginal Tours. The weekend visit enabled them to explore the Island and experience first-hand the Island's significant natural, cultural, and architectural heritage, with participating students designing and costing their own concepts and proposals for possible infrastructure projects on Rottnest Island, and generating new and creative ideas for the future built environment of the Island.

INFRASTRUCTURE AND FACILITIES

RIA is responsible for the Island's electricity generation and distribution, water production and distribution, wastewater treatment and reuse, the retail sale of utility services to the Island's businesses, gas supply and general waste management.

RIA also manages the Island's roads, jetties, aerodrome and heritage railway, public buildings including significant heritage sites, cleaning and sanitation, and the provision of residential accommodation for Island-based businesses and essential service providers.

All management of and planning for maintenance, renewal, upgrade and new build of Island utilities and other critical infrastructure is guided by current and future visitor-related demand.

Management of Buildings, Facilities and Utilities

While RIA is responsible for the overall management of infrastructure and services, in many cases the routine operations and maintenance are the responsibility of a facilities manager under the Island's Facilities Utilities and Support Services (FUSS) contract.

RIA currently outsources the routine maintenance of the Island's buildings and facilities, and operation of the Island's utilities to Programmed Facility Management Pty Ltd (PFM). In 2019-20 RIA renewed the FUSS contract with PFM for a further five years and negotiated a variation to the terms to secure a quality performance and service provision.

Through the FUSS contract, and with a focus on the safety of assets and security of supply from utilities, RIA works closely with PFM to review the performance of the Island's assets and enhance how they are maintained and operated.

In 2019-20, RIA commenced the development of a Utilities Master Plan, with a risk assessment of the Island's electricity generation and drinking water production and storage capabilities completed.

2019-20 also saw the finalisation of the Asset Responsibility Matrix and development of the Enterprise Asset Management System commence, along with the ongoing collection and vetting of essential assets records for the Island.

Buildings

In 2019-20, RIA completed the roofing program, funded with a Government grant of $16.3 million, which commenced in 2013. In addition to the replacements of roofs, insulation and non-compliant electrical items the program included structural improvements to buildings.

RIA also completed the replacement of all the external freestanding brick columns with timber posts on new footings at accommodation buildings in the Bathurst, North Thomson and South Thomson areas.

During the reporting period, RIA had the interiors of several units in South Thomson refurbished. This has also provided a benchmark in terms of achieved finishes and assisted in finalising the scope of works for the future refurbishment of the remaining units under the Commonwealth funded, National Tourism Icons project.

Transport

During 2019-20, Arc Infrastructure carried out in-kind, a significant refurbishment of the 6.5km heritage railway from Kingstown Barracks to the Oliver Hill gun site, including the replacement of 1,200 timber sleepers with new steel sleepers as well as other repairs to the rail track.

RIA also coordinated the planning of Main Roads WA's major road resurfacing project which was originally scheduled to commence on the Island in April 2020. This project was subsequently rescheduled for commencement in June 2020 as a result of the COVID-19 pandemic.

Maritime Facilities

Rottnest Island has a barge landing and four commercial vessel berths at the Main Jetty which are used by one barge operator, three ferry operators, one tour operator and various charter operators. The local boating community use four other jetties to access the Island. Throughout the year RIA continued to work closely with marine industry partners to maximise boating safety and maintain the maritime facilities on the Island.

During 2019-20, RIA carried out ongoing routine inspections of all Island maritime facilities, as well as minor maintenance works on the Geordie Bay, Stark and Rottnest Hotel jetties.

In April 2019, the State Government announced a special-purpose budget appropriation of $16.2 million over four years for vital infrastructure upgrades at Rottnest Island. Three maritime projects, upgrade of the Fuel Jetty, refurbishment of the Main Jetty, and development of a new barge landing and laydown facility in South Thomson Bay, have been identified as critical to enhancing the Island's marine transport infrastructure.

The following outlines the works carried out on these three maritime infrastructure projects during 2019-20:

Fuel Jetty

- Completed preliminary design and scope of works
- Tendered and awarded the design and construction contract to Total AMS
- Handed over the jetty for decommissioning and demolition
- New jetty with improved facilities and accessibility due for completion by November 2020

Main Jetty Refurbishment

- Completed inspections, seabed bathymetry and assessment
- Developed preliminary specifications for refurbishment of sheet-piles, piles and concrete deck
- Identified a preferred option for the protection of Berth 4 to allow its use all year round

South Thomson Bay Development

- Completed initial site investigation and environmental sampling and analysis
- Completed option study, concept design and cost estimate
- Commenced a value engineering exercise

Utilities

RIA affords the highest priority to the utilities to ensure safety, security of supply, compliance with service and maintenance standards.

In 2019-20, RIA carried out the following works on the Island's utilities infrastructure:

Water

- Completed the preliminary design for the upgrade of bores and pipe works at Longreach bore field
- Completed the preliminary design for the new brine discharge pipe
- Established a level ground area adjacent to the Desalination Plant Building adequate to accommodate the future HV substation and desalination trains, along with the associated equipment
- Installed Water Storage Tank 7 bypass with SCADA integrated controls
- Completed Stage 2 of the pressurised water mains network with fire hydrants
- Identified and repaired significant leaks across the water network
- Progressed the mapping of the water network

Wastewater

- Completed the construction of Parker Point Road Wastewater Pump Station, including the installation of storage tanks and realignment of the sewer main

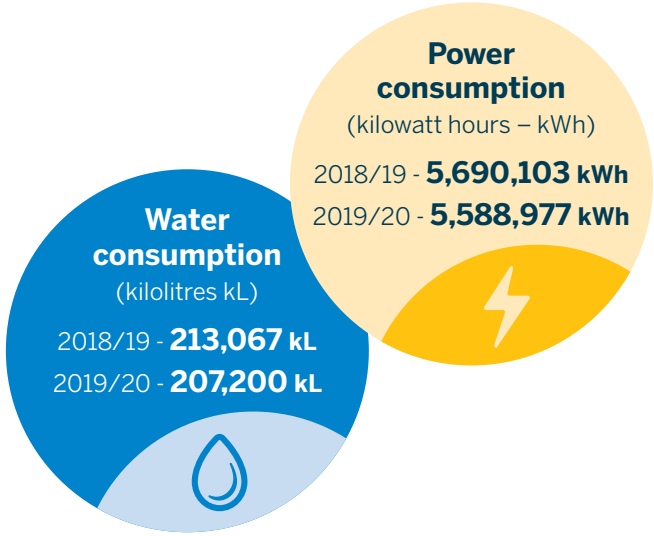
Electricity

- Remediated Energy Safety's Inspector Orders by way of installation of replacement HV switchgear (RMU) at Kelly Street and bypass of defective HV switchgear (RMU) at Longreach
- Replaced diesel generator 6 within the Power House
- Upgraded the LV network for the accommodation units at Fays Bay

Fuel

- Completed the construction of the new fuel station at Watjil Place operating cashless 24/7

During 2019-20, RIA also completed an operational/performance audit and asset management system review as a requirement of the Island's water and electrical services licences.



MAJOR ISLAND PROJECTS

2019-20 saw the establishment of a new operational area, Major Projects, within RIA. Major Projects is responsible for the delivery of RIA projects funded under the National Tourism Icons program, a partnership between the Australian Government and the State Government ($17.2m over three years). RIA has identified eight projects that align to the RIMP's strategic areas of focus and which are identified as initiatives in the RIMP.

The eight projects (set out in the table below) span the Island and are located at key areas of attraction for visitors such as the West End, Island Gateway and Basin. Improvement of these areas will enhance the overall visitor experience and provide a renewed offering to Island visitors through the construction of sustainable visitor infrastructure and the development of an improved museum experience for the network of significant cultural, heritage and environmental sites across the Island.

RIA achieved all design and commencement milestones for 2019-20 in accordance with the Australian Government funding agreement.

Project	Project Description	Milestones
West End	• Ablution facilities • Public access walkways	Consultation, design, site investigation and preliminary works
City of York Bay	• Ablution facilities • Public access walkways	Consultation, design, site investigation and preliminary works
Oliver Hill	• Ablution facilities • Public space • Transport hub	Consultation, design, site investigation and preliminary works
Wadjemup Hill	• Ablutions • Transport hub • Public paths	Consultation, design, site investigation and preliminary works
Island Wayfinding	• Way finding signage in the Main Settlement	Consultation and preliminary design
Island Gateway	• Refurbishment of the mall	Consultation and visioning, plus design works for the Museum refit
The Basin	• Ablutions • Public space • Transport hub	Consultation, design, site investigation and preliminary works
Visitor Accommodation	• Refurbishment of 23 units in South Thomson Bay	Consultation, design and targeted trial of refurbishment of units in South Thomson and procurement for the large refurbishment program.

Indicative artist impressions of concept design for The Basin and West End redevelopments.

The National Tourism Icons program funding will enable RIA to build its internal capability to deliver high quality capital improvements across the Island.

The projects at Wadjemup Hill and City of York Bay will provide an opportunity to facilitate new private development in accommodation and food and beverage offerings, including the prospect of enhanced cultural experiences.

The West End project will provide an opportunity to promote the importance of this place for Aboriginal cultural heritage. The use of appropriate Indigenous public art will take visitors on a journey from arrival at the transport hub to the West End for respectful reflection.

The Island Gateway project will enhance the Island museum, delivering refurbished internal spaces and upgraded outdoor landscaping.

These projects are also designed with a focus on improving transport and movement by establishing a number of transport hubs as proposed in RIA's Transport Strategy. The Wadjemup Hill project will create a core central node for bus transfer and the opportunity for more flexible bus routes and cyclist connection with buses.

ISLAND DEVELOPMENT AND BUSINESSES

RIA is responsible for assessing and facilitating private development applications and business proposals that have the potential to enhance the Island visitor experience, while ensuring environmental, cultural and heritage requirements are met.

To support Island businesses and contractors, RIA secured the provision of an additional daily commuter ferry service. The additional commuter ferry (at 6.30am every day) enables Island businesses and contractors to commence their daily operations earlier whilst also reducing pressure on the Island's staff housing resources.

RIA also conducted a comprehensive review of its residential tenancy framework and Staff Housing Policy, including hosting a workshop with key stakeholders. Following the review, the Staff Housing Policy was revised to provide an improved basis for the management and utilisation of the limited number of staff houses on the Island.

Development Proposals

All applications for Island developments are assessed in the context of the *Rottnest Island Authority Act 1987* and the Rottnest Island Regulations 1988, the *RIMP 2020-24* and the *Rottnest Island Master Plan – a 20 Year Vision*.

In 2019-20, work progressed on the redevelopment of the Hotel Rottnest Resort. Construction of the resort's 80 new accommodation units, two swimming pools, function facilities, restaurant and enhanced alfresco areas is scheduled to be completed by late 2020. Completion of the new Samphire Rottnest will complement RIA efforts to draw visitors all year-round, with a greater range of facilities available to attract conferences and special events to the Island.

To complement and capture the momentum created by this and other recent developments, RIA has started the process of revitalising one of the Island's longstanding accommodation offerings, the Rottnest Lodge.

In March 2020 RIA offered to the market, through an Expression of Interest (EOI), an opportunity to re-create the Rottnest Lodge and Rottnest Golf Course in harmony with its outstanding natural setting and in a way that complements the precinct's heritage whilst respecting the solemn Aboriginal history of the area.

An assessment of the EOIs received was conducted, and a process to conduct a Request For Detailed Proposals from shortlisted proponents is scheduled to commence in the next reporting period.

Business Proposals

Twelve new business proposals were received by RIA, four of which were approved and have commenced operating or plan to commence operations on the Island by summer 2020-21.

As well as encouraging existing operators to develop new products appropriate for the Island, RIA also undertook two EOIs to identify businesses wishing to create new recreational offerings in North Thomson Bay, as well as food and beverage offerings at the Island's West End.

As a result of these EOIs, Aquaplay, which offers a range of water-based recreational activities including stand-up paddle boards, pedal boats and children's boats for hire, as well as various guided coastline tours, commenced operating in North Thomson Bay during summer 2019-20, and Lexi's mobile food van opened at the West End with a new van, Kalli's, opening at Wadjemup Hill.

Increased visitor numbers in 2019-20 enabled established Island experience providers such as Skydive Geronimo, Rottnest Segway Tours and Rottnest Express to grow their businesses and identify opportunities for expanded offerings in the future. The majority of recreational businesses that commenced operating during the last financial year returned to the Island this reporting period, with many also expanding their offering to visitors.

CONSERVATION AND CULTURAL HERITAGE

Aboriginal Site Management

Wadjemup (Rottnest Island) is a significant and unique heritage landscape. Aboriginal cultural heritage sites are diverse and span pre-contact occupation (over 30,000 years ago) through to historical use of the island as an Aboriginal prison. Sites include ancestral remains, surface artefact scatters, sub surface archaeological deposits and built heritage associated with the prison era.

All heritage sites on the Island are managed under the *Aboriginal Heritage Act 1972* and in accordance with the *Noongar Standard Heritage Agreement*. This includes working with Traditional Owners to assess the heritage values of places prior to commencement of any proposed works or projects. During the year, RIA conducted the following heritage surveys and studies with Whadjuk Noongar Traditional Owners:

- West End Archaeological and Ethnographic Assessment
- Asphalt Batching Plant Archaeological and Ethnographic Assessment
- Rottnest Lodge Archaeological and Ethnographic Assessment
- Rottnest Lodge Ground Penetrating Radar Assessment

In addition, RIA regularly employs Whadjuk Noongar monitors to observe ground disturbance activities and minimise the risk of accidental harm to sub surface Aboriginal heritage. This year a contract was established with the Yunga Foundation and South West Indigenous Support Services to deliver all monitoring requirements.

Reconciliation Planning and Implementation

RIA's *Reconciliation Action Plan* (RAP) is a strategic document that supports the organisation's strategic plan. It includes practical actions that will drive RIA's contribution to reconciliation, both internally and within the communities in which it operates. RIA released its first RAP in 2008 and has since released three further RAPs:

- 2008-2011 Reflect
- 2012-2015 Innovate
- 2016-2019 Innovate

In 2019-20, RIA focused on drafting a new RAP (2020-2022) to align with strategic focus areas outlined in the RIMP 2020-24 including:

(i) to engage with, promote and preserve the Island's environment and cultural heritage, with a focus on Aboriginal cultural heritage; and

(ii) establish a new way of doing business.

Kambarang Services facilitated workshops with representatives from the RIA Board, staff, contractors, Whadjuk Traditional Owners and the broader Aboriginal communities to ensure an inclusive and well-informed approach to the development of the new RAP. Key focus areas identified from the workshops are Aboriginal employment and the formal acknowledgement of the Island's Aboriginal history. The new RAP is due for delivery in late 2020.

The Wadjemup Project Aboriginal Burial Ground

Wadjemup (Rottnest Island) was used as an Aboriginal prison between 1839 and 1903 (excluding a brief period of closure between 1849-1855) and a forced labour camp for Aboriginal and other prisoners until 1931. State records indicate that 4,000 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 prison history was concealed.

Aboriginal communities and the Western Australian Government have been working towards the formal and appropriate acknowledgement of the Aboriginal prison history since the 1980s. Key achievements since 2015 include:

- establishment of the Wadjemup Reference Group in 2016;
- establishment of *The Wadjemup Project* and the return of the main prison building (The Quod) to RIA control in 2018; and
- development of a preferred concept design for the memorialisation of the Wadjemup Aboriginal Burial Ground in 2019 (facilitated by partners including the Rottnest Foundation and Lotterywest).

In 2019-20, *The Wadjemup Project* was elevated to a State-level project led by the Department of the Premier and Cabinet. The project aims to work in partnership with Whadjuk Noongar Traditional Owners, and Aboriginal people across the State, to appropriately acknowledge the historic injustice associated with the Island's use as a place of incarceration.

The project consists of two parts:

(i) memorialisation of the Wadjemup Burial Ground; and

(ii) development and execution of a future strategy for the use of the Quod.

Rottnest Island Museum

Housed in the original old mill and hay store which was built by Aboriginal prisoners in 1857, the Rottnest Island Museum is responsible for the acquisition, conservation and exhibition of a diverse collection of items that demonstrate significant aspects of Rottnest Island's natural environment, cultural heritage and social histories.

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

During 2019-20, RIA hosted two Emerging Curators as part of the WA Museum Aboriginal Emerging Curators Program. The Emerging Curators Program was established by the WA Museum in 2011 and is now an ongoing annual program focused on working with Aboriginal and Torres Strait Islander peoples across the State, in partnership with other State and national organisations. During the program participants gain experience in curation, storytelling, engagement, exhibition development, public programs, marketing and media, and project management as well as conservation, object handling and installation.

RIA's Major Projects team also commenced preliminary design works for the planned refurbishment of the Island Museum as part of the National Tourism Icons program.

Heritage Conservation

During 2019-20, RIA continued to focus on the identification and protection of the Island's cultural heritage and heritage-listed built environs, and maintain the heritage collections in accordance with recognised heritage industry guidelines and relevant legislation.

In 2019-20, RIA undertook the following conservation works:

- Remedial works on the former Aboriginal prison known as the Quod
- Remedial works of the Kingston Barracks Clock tower and flagpole
- Management and routine maintenance of the Island's historical military sites
- Development of the RIA *Defence Heritage Interpretation Plan* (2020-30) to identify potential future conservation projects

Service 2. Conserving habitats, species and ecological communities

Rottnest Island has a myriad of natural values that are of importance for biodiversity conservation at a local, state and national level, and are an integral part of the Island amenity and attraction for visitors. The natural environment is of intrinsic value and protection of the Rottnest Island Reserve to maintain a healthy environment is critical to ensure ecosystem function today, and into the future, with minimal human intervention.

The attraction of Rottnest Island to visitors is undoubtedly linked to its unique natural environment and native flora and fauna, notably the quokka. The conservation and management of the Island is finely balanced with the need to leverage the Island's natural assets to increase visitor numbers. To ensure this balance is achieved, all major projects on the Island are assessed against environmental regulations and conservation criteria.

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

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

ENVIRONMENTAL MANAGEMENT

Terrestrial Management

The *RIA Terrestrial Conservation Action Plan (TCAP)* 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 Rottnest Island *TCAP* encompasses the terrestrial environment up to the high-water mark and includes offshore islets and the Settlement Area. In 2019-20 the plan, which was first released in 2014, was reviewed and updated.

In 2019-20, RIA:

- completed viability surveys of conservation targets under the Plan, including frog, woodland, and salt-lake monitoring;
- completed annual Biodiversity Health Monitoring program;
- continued the long-term quokka monitoring program;
- completed surveys as part of long-term shorebird (including migratory birds) monitoring, through agreement with BirdLife WA;
- undertook revegetation, seed collection, treatment and storage, and plant propagation with volunteers;
- implemented control of declared weeds in the reserve;
- conducted wildlife interaction information sessions.
- completed EPA Referral for the Rottnest Lodge development
- developed and commenced Rock Parrot Translocation Trial
- developed and implemented a procedure for managing native vegetation clearing
- developed and implemented Biosecurity (Importation of Flora) Policy and Guidelines

Quokka Conservation

In 2019-20, RIA continued its quokka monitoring program. The program records indicators of condition such as weight and tail circumference, along with indications of recent breeding success and overall health. Ninety-one individual specimens were recorded with 24 recaptures, including 80 adult individuals and 7 pouch young. Adults and juveniles deemed large enough were micro-chipped to assist with the ongoing monitoring of survival rates and relative abundance over time.

A *Quokka Management Plan* was also prepared during the reporting period. The plan outlines the methodology, as well as approvals, scheduling and monitoring requirements for relocating quokkas from the Island's golf course.

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

To support ongoing efforts to educate Island visitors about how to interact with the Island's precious wildlife, RIA produced posters and flyers that explain how to approach quokkas for selfies, with an emphasis on not feeding or touching. The materials refer visitors to the wildlife protection information on the RIA website. RIA collaborated with all ferry companies and Island transport operators to ensure the flyers were available on board all commercial craft. The flyers are also stocked at the Visitor Centre and Pedal and Flipper.

Nursery and Revegetation Program

During 2019-20, nursery volunteers dedicated over 1700 hours to RIA's revegetation program, collecting over 1.1 kg of seed and propagating over 40,000 seedlings including native Rottnest Island plants, trees, shrubs and groundcovers. Almost 25,000 seedlings were planted last year for woodland, coastal and wetland revegetation programs.

RIA also finalised development of the Island's Woodland Management and Settlement Greening Plans, and carried out some greening and landscape works (as part of the Settlement Greening Plan) in the Bathurst and South Thomson areas during 2019-20.

Marine Management

The ecological values of Rottnest Island's unique marine reserve contribute significantly to the attractiveness of the Island to visitors. Many visitors come to the Island to enjoy activities such as fishing, swimming and diving that are dependent on the maintenance of the ecological aspects of the reserve, particularly healthy and diverse marine habitats that display a wide range of species.

In managing the Island's unique marine environment, RIA's main focus is to ensure an ecologically sustainable approach to the protection and conservation of the marine reserve, whilst providing recreational experiences for all Western Australians and other visitors.

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

In 2019-20, RIA also drafted the *Marine Conservation Action Plan* (MCAP) which identifies the natural values and management challenges for the reserve, as well as put in place the conservation targets and actions required to ensure the Island's pristine marine environment is maintained. Once finalised and approved, both the *MCAP* and *TCAP* will be consolidated into the *RIA Conservation Plan*.

Sustainability

Sustainability Action Plan 2018-24 (SAP)

The *SAP* puts in place a foundation to realise the long-term vision of the Island to be a visitor destination of national significance and recognised for its recreational, environmental and cultural heritage values. It provides a set of goals for the Island community to collectively work towards longer-term sustainability aspirations whilst achieving an established set of sustainability targets over the short term to 2024 across ten key performance areas:

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

In 2019-20, results across each of these key performance areas were monitored through an iterative process of evaluation and adjustment to ensure the plan's objectives and targets remained achievable. In 2019-20, RIA reviewed and updated the *SAP* to enable alignment with the *RIMP 2020-24*.

EarthCheck Certification

RIA benchmarks its environmental and social performance against the internationally recognised EarthCheck Sustainability Certification Program. In 2019-20 RIA was on track to achieve Gold Certification early in the next reporting period, having received Silver Certification annually since 2015.

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

Waste Management and Education

Rottnest Island currently ships approximately 1,200 tonnes of waste off the island each year, of which approximately 50% is recycled waste and the remainder general waste. The level of recyclable material removed from the Island has been steadily improving on an annual basis, however it is below the WA State Government Waste Diversion Target for 2020 of 65%, and RIA is proactively working to improve this diversion rate.

In 2018-19 RIA successfully applied for a Community and Industry Engagement (CIE) grant and together with the Rottnest Island Chamber of Commerce, utilised the grant funding to establish a Waste Management Working Group (WMWG). The WMWG, which is comprised of key Island stakeholders, was established to improve waste management by facilitating a coordinated approach to waste related decision making on the Island. The working group has driven operational and logistical improvements in waste management activities, contributed to the development of behaviour change campaigns and helped to deliver on the Island's strategic waste targets.

The initiatives and strategies introduced by the WMWG have resulted in a significant decrease in the levels of contamination in the recycling bins of businesses on Rottnest Island (32% reduction) and a significant increase in the knowledge of employees of proper waste management practices on the Island (increase of approximately 20%).

On the back of the successes achieved from the first grant, in June 2019 RIA secured a further 12 months CIE funding. The focus of the new grant has been to increase public engagement and awareness of waste management practices, to improve recycling yields and reduce contamination levels in the recycling and general waste streams. The funding from this second CIE grant has been used to engage a Waste Education and Engagement Officer to support and deliver on this focus.

The WMWG has also been expanded to include additional groups such as the Rottnest Island Voluntary Guides Association, Rottnest Express, Visitor Services, Pedal & Flipper and other Rottnest entities with a public interest who frequently interact with the public. Members of the WMWG have consistent contact with visitors and can provide insight into public behaviour, public responses to campaigns and reactions to changes in waste management. Input gained from the expanded WMWG is valuable to the development of public education campaigns on the Island.
The WMWG also offers an opportunity to manage stakeholder expectations and collaboratively co-create solutions to waste.

RESERVE PROTECTION AND PARK SERVICES

Ranger Services

Rottnest Island rangers provide marine and land-based services including management of compliance with Rottnest Island Regulations 1988, protection and enforcement of five sanctuary zones, management of on-water safety for vessels using the marine reserve, management of the reserves flora, fauna, and introduced pests, as well as providing emergency and incident response support.

During 2019-20 RIA Ranger Services:

- undertook 419 wildlife management responses;
- issued 58 infringements for breaches of regulations;
- issued 492 warnings for breaches of regulations;
- initiated 23 evictions from the Island;
- spent an average of four hours per week responding to wildlife management and incidents;
- continued assessment and management of identified Island geological risk sites and progressed mitigation strategies;
- completed construction of new beach track to Pinky Beach;
- carried out ongoing maintenance of Wadjemup walk trail;
- developed and distributed Digital Island Induction package for Island businesses;
- completed limestone installation in forty-three Bathurst accommodation unit courtyards;
- installed erosion control fencing at Parker Point;
- completed mapping and recording of Island assets for RIA geographic information system;
- executed operational plans for 2019 New Year's Eve fireworks and 2020 Rottnest Channel Swim events;
- developed new *RIA Guidelines for Enforcement;*
- revised *RIA Visitor Risk Management-Shark Hazard Procedure.*

Fire and Emergency Services

RIA Fire and Emergency Services is responsible for the planning and implementation of the Island's bushfire prevention, preparedness, response and recovery, including the installation and maintenance of fire breaks, fire trails and fire risk mitigation and reduction strategies. RIA has a Bushfire Risk Management Plan which includes a system developed by the Department of Fire and Emergency Services (DFES) that enables RIA to identify, assess, and develop individual treatments to ensure effective risk mitigation is carried out prior to each bushfire season.

RIA Fire and Emergency Services is also responsible for coordinating the Island's response to other emergency incidents that occur within the reserve and support other lead agencies as required. RIA's local emergency management arrangements have been developed to ensure alignment with the State Emergency Plan and associated support and hazard plans.

The Island's Local Emergency Management Committee undertakes regular desktop and field exercises designed to test the effectiveness of arrangements to address Island-specific hazards, as well as the capacity to respond to emergency incidents.

During 2019-20 RIA Fire and Emergency Services:

- coordinated response to a structural collapse incident at the Hotel Rottnest development site in February 2020 involving approximately 5 tonnes of wet concrete slurry, reinforcing steel mesh and formwork, resulting in two casualties with serious injuries being evacuated by the RAC Rescue Helicopter;
- coordinated response to a major vessel boat fire incident at Geordie Bay in December 2019;
- installed Aerodrome Weather Information Broadcast system at Wadjemup Hill (acquittal of a key safety finding from 2018 CASA Surveillance Audit);
- executed operational plans for 2019 New Year's Eve fireworks and 2020 Rottnest Channel Swim events;
- conducted volunteer firefighter skills development training courses (Introduction to Firefighting, Bush Fire Firefighting and Structural Fire Fighting);
- conducted DFES Built Environment Branch inspection and testing of Stage 2 of the pressurised fire hydrant network to provide improved coverage to Thomson Bay South and Settlement precincts IAW AS2419.1:2017;
- commissioned new (ex-DFES) urban tanker fire truck on Island – replaced oldest of general-purpose fire trucks;

- installed additional automated external defibrillators, lockable cabinets and signage at Kingstown Barracks, The Settlement Mall, The Basin, Geordie Bay, Wadjemup Lighthouse, Oliver Hill, and Rottnest Island Fire Station;
- commissioned annual safety inspection (sub-contractor PFM) to identify aerodrome safety and technical issues within the obstacle limitation surface and prioritise action items;
- acquired web-based Aerodrome Inspection & Reporting System to provide improved aerodrome inspection and reporting capability for the Rottnest Island Aerodrome.

Marine Facilities Management

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

RIA licenses 843 private vessel mooring sites and provides a further 47 casual hire moorings, three emergency moorings and one courtesy mooring. The mooring sites are spread across eight locations on the Island. There are also 32 beach anchor points, 25 beach pens and nine local beach pens.

Private boat owners may anchor anywhere within the reserve except within 50 metres of a mooring or where otherwise indicated. In addition to charges associated with the use of Island moorings, boat owners are required under Rottnest Island Regulations 1988 to pay the Island admission fee. Boat users may pay the fee on an annual or individual visit basis. In 2019-20 1,008 boat visitors paid the annual admission fee.

At 30 June 2020 there were 3,407 vessels registered with RIA, including licensees and 'authorised users' who are permitted to access a licensed mooring. Despite this Shared Mooring System being in place to facilitate shared access and enable regulated casual access to temporarily unoccupied moorings, at 30 June 2020 there were approximately 460 applicants on the waiting list for a private mooring site.

During the 2019-20 RIA Marine Facilities Management:

- completed a marine infrastructure inspection schedule including weekly safety and maintenance inspections and corrective follow up actions;
- implemented a Short Message System (SMS) to advise boaters of marine related events;
- supported RIA Ranger and Fire and Emergency Services in the successful execution of the operational plan for the 2020 Rottnest Channel Swim event;
- processed in-excess of 3,400 combined mooring site licensee, domestic commercial vessels, annual and authorised user applications, including over 150 new authorised user applications.

ROTTNEST ISLAND VOLUNTEERS

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

ROTTNEST ISLAND RESEARCH

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

In 2019-20, RIA issued 15 new research permits for a variety of projects. Some of the current research projects include:

- the temporal and spatial differences in the ecology of *Drupella cornus* at Ningaloo reef and Rottnest Island, Western Australia;
- the ecology and early life history of *Drupella cornus* at Ningaloo reef and Rottnest Island, Western Australia;
- the export of terrestrial plastic waste to marine islands near Perth Western Australia by Pelicans (*Pelecanus conspicillatus*);
- Rottnest Island Environmental Mapping;
- Sri Lanka - Australia Blue Carbon Program Fellowships – Field Work;
- biodiversity of invertebrates in salt lakes in South-Western Australia;
- the development of detection and investigative forensic tools to aid in the conservation of an illegally trafficked reptile, the shingleback lizard (*Tiliqua rugosa*);
- the range and abundance of the Wedge-tailed Shearwater on Rottnest Island;
- investigate anti-predator behaviour and adaptations in medium-sized terrestrial marsupials;
- DNA Zoo Australia – Quokka Genome;
- Small Island Taphonomy and its Scientific Implications;
- Environmental Science: Observing different ecosystems at Rottnest – water testing;
- stakeholder perceptions of geopark establishment: an exploratory study of Rottnest Island as a potential UNESCO Geopark site;
- long-term demographics study of populations of *Actinia tenebrosa* (waratah anemones) at Rottnest Island;
- spatial and temporal change in the macro-invertebrate assemblages on intertidal rock platforms at Rottnest Island;
- life history and population dynamics of the Australian Fairy Tern and implications for conservation management;
- year 11 and 12 Marine Ecology and Earth Science Field Trip; and
- Rottnest Island Rock Parrot Recovery Program.

CASE STUDY – BIRDLIFE AUSTRALIA WA RESEARCH AND CONSERVATION MANAGEMENT

Rottnest Island is an important habitat for a variety of species of birds, including non-breeding populations of trans-equatorial migratory shorebirds, also referred to as waders. The protected environments on Rottnest Island act as a refuge for migratory shorebirds when compared with mainland sites, in particular the lake and beach habitats. Rottnest Island is recognised as a nationally important habitat for three of the species of waders; Red-necked Stint, Ruddy Turnstone and Sanderling.

Birdlife Australia's WA branch have undertaken research bi-annually since 1998. The research includes shorebird surveys of the whole Island in the early hours of the morning over a three-hour period by two teams of highly experienced volunteers.

COLLABORATIONS AND PARTNERSHIPS

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

- Better Bees WA;
- 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 Australia;
- 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;
- West Australian Divers for Diversity Inc.;
- Whadjuk Working Party.

Significant issues impacting Rottnest Island Authority

On 25 March 2020, Rottnest Island was closed by directions issued by the State Emergency Coordinator under the *Emergency Management Act 2005* for the purposes of establishing a temporary quarantine facility as part of the state of emergency response to the COVID-19 pandemic. One hundred and ninety-eight passengers from the cruise ship *Vasco da Gama* were subsequently transferred and quarantined on the Island from 30 March to 10 April 2020.

State Emergency Coordinator issued Public Authorities (Rottnest Island Authority) Directions which directed RIA to provide or maintain utility services, environmental and heritage management, food and other supplies, transport, cleaning, waste management and logistical support on the Island required for the duration of the state of emergency – this included providing accommodation, catering and other essential provisions to passengers whilst quarantined on the Island.

Quarantine zones established on Rottnest Island were activated for a second time in order to accommodate 211 passengers from a charter flight which arrived from Cape Town, South Africa on 29 April 2020 (SAA 2280). Under the second activation, passengers were accommodated in the quarantine zones originally established for the *Vasco da Gama* activation. Following their transfer from Perth Airport, and by ferry to the Island from the Northport terminal on 29 April 2020, the passengers remained in isolation on the Island until 13 May 2020.

While the Island closure resulted in the shut-down of the Island's accommodation and moorings bookings systems as well as non-essential hospitality and recreational offerings during the 72 day period, RIA continued to maintain the Island's essential operations and progress its capital works program. The roles of many RIA staff were also repurposed for the duration of the closure in order to provide critical support in the provision of a quarantine facility on the Island.

Timeline

15 March 2020
Western Australian government declared that:

- a State of Emergency, under the *Emergency Management Act 2005*, section 56, would come into effect at midnight on 15 March 2020; and
- Public Health Emergency under the *Public Health Act 2016*, section 167, would come into effect at midnight on 16 March 2020.

16 March 2020
RIA Business Continuity Plan activated.

22 March 2020
Premier advises Minister for Tourism, that Rottnest Island is to be cleared to use as a quarantine zone if needed.

24 March 2020
Depopulation of Rottnest Island in preparation for use as a quarantine zone (completed by 5pm).

25 March 2020
State Emergency Coordinator issued Rottnest Island Closure Directions under the *Emergency Management Act 2005*, section 67, for the purposes of establishing a temporary quarantine facility as part of the state emergency response to the COVID-19 pandemic.

The Island was closed to all persons except permanent residents; persons entering for the purpose of emergency management, law enforcement, providing medical care or supplies, transporting authorised persons; persons authorised by the DBCA Chief Executive Officer. RIA coordinated the Island's depopulation on 24 March 2020 in order to facilitate the closure.

State Emergency Coordinator issued Public Authorities (Rottnest Island Authority) Directions which directed RIA to provide or maintain utility services, environmental and heritage management, food and other supplies, transport, cleaning, waste management and logistical support on the Island for the duration of the state of emergency under the *Emergency Management Act 2005*, section 74 (2)(a).

Rottnest Island option for *Vasco da Gama* passengers activated.

26 March 2020
Closure of the Rottnest Island marine reserve waters to boating was put into effect under Regulation 38B of the Rottnest Island Regulations 1988.

Closure of the Rottnest aerodrome to all but medical/evacuation aircraft.

27 March 2020
Vasco da Gama arrived in Fremantle Port.

29 March 2020
Authorisation for incurring expenditure and contracting services to establish and run a quarantine facility on Rottnest Island on behalf of the State of Western Australia received from Coordinating Minister.

30 March 2020
Oral Direction given to Western Australian residents who disembarked from the Vasco da Gama cruise ship to go to Rottnest Island and to stay in their allocated zones, under *Emergency Management Act 2005*, section 61.

6 April 2020
Restriction of Movement on Rottnest Island Directions executed under the *Emergency Management Act 2005*, sections 67 and 77 (2).

9 April 2020
Restriction of Movement on Rottnest Island Directions (No.2) executed under the *Emergency Management Act 2005*, sections 67 and 77 (2).

29 May 2020
Premier announces that Rottnest Island will reopen on 6 June 2020.

6 June 2020
Rottnest Island reserve reopened to the public.

30 March to 10 April 2020
198 Western Australian passengers from the cruise ship *Vasco da Gama* were accommodated in quarantine zones on Rottnest Island.

29 April to 13 May 2020
209 passengers from flight *SAA 2280* (originating from South Africa) were accommodated in quarantine zones on Rottnest Island.

Disclosures and legal compliance

Certification of Financial Statements

FOR THE REPORTING PERIOD ENDED 30 JUNE 2020

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 2020 and the financial position as at 30 June 2020.

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

Vince Ianni
Chief Finance Officer
Rottnest Island Authority

17 September 2020

John Langoulant AO
Chairman
Rottnest Island Authority

17 September 2020

Hamish Beck
Deputy Chairman
Rottnest Island Authority

17 September 2020

Independent Audit Opinion

Auditor General

INDEPENDENT AUDITOR'S REPORT

To the Parliament of Western Australia

ROTTNEST ISLAND AUTHORITY

Report on the financial statements

Opinion
I have audited the financial statements of the Rottnest Island Authority which comprise the Statement of Financial Position as at 30 June 2020, the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows and Summary of Consolidated Account Appropriations for the year then ended, and Notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements are based on proper accounts and present fairly, in all material respects, the operating results and cash flows of the Rottnest Island Authority for the year ended 30 June 2020 and the financial position at the end of that period. They are in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and the Treasurer's Instructions.

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

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

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

7th Floor Albert Facey House 469 Wellington Street Perth MAIL TO: Perth BC PO Box 8489 Perth WA 6849 TEL: 08 6557 7500 FAX: 08 6557 7600

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

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

Report on controls

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

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

In my opinion, in all material respects, the controls exercised by the Rottnest Island Authority are sufficiently adequate to provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property and the incurring of liabilities have been in accordance with legislative provisions during the year ended 30 June 2020.

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

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

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

Independent Audit Opinion

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 the controls are 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 key performance indicators

Opinion
I have undertaken a reasonable assurance engagement on the key performance indicators of the Rottnest Island Authority for the year ended 30 June 2020. 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 Rottnest Island Authority are relevant and appropriate to assist users to assess the Authority's performance and fairly represent indicated performance for the year ended 30 June 2020.

Matter of Significance
The Authority received an exemption from the Under Treasurer from reporting the 'Average Level of Visitor Satisfaction at Rottnest Island' key performance indicator for the year ended 30 June 2020.

The exemption was approved as a result of the impact of COVID-19 restrictions on data collection. Consequently, the indicator has not been reported. My opinion is not modified in respect of this matter.

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

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

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

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

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

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

Matters relating to the electronic publication of the audited financial statements and key performance indicators
This auditor's report relates to the financial statements and key performance indicators of the Rottnest Island Authority for the year ended 30 June 2020 included on the Authority's website. The Authority's management is responsible for the integrity of the Authority's website. This audit does not provide assurance on the integrity of the Authority's website. The auditor's report refers only to the financial statements and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements or key performance indicators. If users of the financial statements and key performance indicators are concerned with the inherent risks arising from publication on a website, they are advised to contact the entity to confirm the information contained in the website version of the financial statements and key performance indicators.

SANDRA LABUSCHAGNE
DEPUTY AUDITOR GENERAL
Delegate of the Auditor General for Western Australia
Perth, Western Australia
22 September 2020

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Statement of comprehensive income for the year ended 30 June 2020

	Note	2020 $000	2019 $000
COST OF SERVICES			
Expenses			
Employee benefits expense	2.1(a)	13,379	11,524
Supplies and services	2.2	28,663	28,034
Depreciation and amortisation expense	4.1.1, 4.3.1	6,760	5,674
Cost of sales	3.3	607	508
Finance costs	6.2	15	-
Accommodation expenses	2.3	112	359
Other expenses	2.3	1,348	1,536
Loss on disposal of non-current assets	2.4	-	169
Non-current assets expensed	2.5	810	-
Total cost of services		**51,694**	**47,804**
Revenue and Income			
Sale of goods	3.3	890	707
User charges and fees	3.2	37,220	40,666
Commonwealth grants	3.4	1,252	-
Interest revenue	3.5	363	559
Other revenue	3.6	490	516
Total Revenue		**40,215**	**42,448**
Gain on disposal of non-current assets	2.4	96	-
Total Gains		**96**	**-**
Total income other than income from State Government		**40,311**	**42,448**
NET COST OF SERVICES		**11,383**	**5,356**

	Note	2020 $000	2019 $000
Income from State Government			
Service appropriation	3.1	12,647	4,729
State Government grant	3.1	-	67
Services received free of charge	3.1	72	101
Total income from State Government		**12,719**	**4,897**
SURPLUS/(DEFICIT) FOR THE PERIOD		**1,336**	**(459)**
OTHER COMPREHENSIVE INCOME			
Items not reclassified subsequently to profit or loss			
Changes in asset revaluation surplus		(1,335)	8,915
Total other comprehensive income		**(1,335)**	**8,915**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**1**	**8,456**

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

Statement of financial position as at 30 June 2020

	Note	2020 $000	2019 $000
ASSETS			
Current Assets			
Cash and cash equivalents	6.3	12,705	9,562
Inventories	3.3	359	207
Receivables	5.1	2,120	1,625
Other current financial assets	6.4	22,000	16,500
Other current assets	5.2	127	139
Total Current Assets		**37,311**	**28,033**
Non-Current Assets			
Infrastructure, property, plant and equipment	4.1	264,639	267,300
Right-of-use assets	4.2	492	-
Intangible assets	4.3	1,033	1,077
Receivables	5.1	128	130
Total Non-Current Assets		**266,292**	**268,507**
TOTAL ASSETS		**303,603**	**296,540**

	Note	2020 $000	2019 $000
LIABILITIES			
Current Liabilities			
Payables	5.3	7,687	6,355
Lease Liabilities	6.1	301	-
Employee related provisions	2.1(b)	2,147	2,031
Grant liability	5.5	2,438	-
Other current liabilities	5.4	14,366	12,680
Total Current Liabilities		**26,939**	**21,066**
Non-Current Liabilities			
Lease Liabilities	6.1	193	-
Employee related provisions	2.1(b)	606	524
Other non-current liabilities	5.4	3,850	4,136
Total Non-Current liabilities		**4,649**	**4,660**
TOTAL LIABILITIES		**31,588**	**25,726**
NET ASSETS		**272,015**	**270,814**
EQUITY			
Contributed equity	8.7	51,232	50,032
Reserves	8.7	205,873	207,208
Accumulated surplus		14,910	13,574
TOTAL EQUITY		**272,015**	**270,814**

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 2020

	Note	Contributed equity $000	Reserves $000	Accumulated surplus $000	Total Equity $000
Balance at 1 July 2018		**50,032**	**193,012**	**14,033**	**257,077**
Revaluation increment of heritage buildings not recognised in prior year		-	5,281	-	5,281
(Deficit)		-	-	(459)	(459)
Other comprehensive income	8.7	-	8,915	-	8,915
Total comprehensive (deficit) / income for the period		-	8,915	(459)	8,456
Balance at 30 June 2019		**50,032**	**207,208**	**13,574**	**270,814**
Balance at 1 July 2019		**50,032**	**207,208**	**13,574**	**270,814**
Surplus		-	-	1,336	1,336
Other comprehensive income	8.7	-	(1,335)	-	(1,335)
Total comprehensive (deficit) / income for the period		-	(1,335)	1,336	1
Transactions with owners in their capacity as owners:					
Capital appropriations	8.7	1,200	-	-	1,200
Total		1,200	-	-	1,200
Balance at 30 June 2020		**51,232**	**205,873**	**14,910**	**272,015**

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 2020

	Note	2020 $000	2019 $000
CASH FLOW FROM STATE GOVERNMENT			
Service appropriation		12,647	4,729
State Government grant		-	67
Capital appropriation		1,200	-
Net cash provided by State Government		**13,847**	**4,796**
Utilised as follows:			
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee benefits		(13,254)	(10,915)
Supplies and services		(27,930)	(29,821)
GST payments on purchases		(3,631)	(3,645)
GST payments to taxation authority		(456)	(506)
Other payments		(1,265)	(2,417)
Receipts			
Sale of goods		890	707
User charges and fees		38,197	40,238
Commonwealth grants		3,690	-
Interest received		488	667
GST receipts on sales		4,082	4,228
Other receipts		163	516
Net cash provided by/(used) in operating activities		**974**	**(948)**

	Note	2020 $000	2019 $000
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments			
Purchase of non-current assets		(5,772)	(4,513)
Receipts			
Proceeds from sale of non-current assets		96	36
Net cash (used in) investing activities		**(5,676)**	**(4,477)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments			
Principal elements of lease payments		(325)	-
Finance costs		(15)	-
ARENA Loan repayment		(162)	-
Net cash (used in) financing activities		**(502)**	-
Net increase/(decrease) in cash and cash equivalents		8,643	(629)
Cash and cash equivalents at the beginning of the period		26,062	26,691
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	6.3, 6.4	**34,705**	**26,062**

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

Summary of consolidated account appropriations for the year ended 30 June 2020

	2020 Budget Estimate $000	2020 Supplementary Funding $000	2020 Revised Budget $000	2020 Actual $000	2020 Variance $000
Delivery of Services					
Net amount appropriated to deliver services	4,673	7,974	12,647	12,647	-
Total appropriations provided to deliver services	**4,673**	**7,974**	**12,647**	**12,647**	**-**
Capital					
Capital appropriations	1,800	(600)	1,200	1,200	-
Total capital appropriations	**1,800**	**(600)**	**1,200**	**1,200**	**-**
GRAND TOTAL	**6,473**	**7,374**	**13,847**	**13,847**	**-**

Notes to the financial statements for the year ended 30 June 2020

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' in 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 17 September 2020.

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 *Financial Management Act 2006* and the Treasurer's Instructions take precedence over AASs. Several AASs are modified by TIs to vary application, disclosure format and wording. Where modification is required and has had a material or significant financial effect upon the reported results, details of that modification and the resulting financial effect are disclosed in the notes to the financial statements.

Basis of preparation

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

Judgements and estimates

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

Contributed equity

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

Notes to the financial statements for the year ended 30 June 2020

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:

	Note	2020 $000	2019 $000
Employee benefits expense	2.1(a)	13,379	11,524
Employee related provision	2.1(b)	2,753	2,555
Supplies and services	2.2	28,663	28,034
Other expenditure	2.3	1,460	1,895
Gain/(loss) on disposal of non-current assets	2.4	96	(169)
Non-current assets expensed	2.5	810	-

2.1 (a) Employee benefits expense

	2020 $000	2019 $000
Employee benefits	11,978	10,389
Termination benefits	187	85
Superannuation - defined contribution plans	1,173	1,008
Superannuation - defined benefit plans	41	42
Total employee benefits expense	**13,379**	**11,524**
Add: AASB 16 Non-monetary benefits	51	-
Less: Employee Contributions	-	-
Net employee benefits	**13,430**	**11,524**

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, the GESBs, or other superannuation funds.

AASB 16 Non-monetary benefits: Non-monetary employee benefits, that are employee benefits expenses, predominantly relate to the provision of Vehicle and Housing benefits are measured at the cost incurred by the Authority.

Notes to the financial statements for the year ended 30 June 2020

2.1 (b) Employee related provisions

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

	2020 $000	2019 $000
Current		
Employee benefits provision		
Annual leave [(a)]	872	731
Long service leave [(b)]	1,087	1,081
Time in lieu	18	14
Superannuation liability	40	39
	2,017	1,865
Other provisions		
Employment on-costs [(c)]	130	166
Total current employee related provisions	**2,147**	**2,031**
Non-current		
Employee benefits provision		
Long service leave [(b)]	383	303
Superannuation liability	198	193
	581	496
Other provisions		
Employment on-costs [(c)]	25	28
Total non-current employee related provisions	**606**	**524**
Total employee related provisions	**2,753**	**2,555**

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

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

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

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

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

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

Notes to the financial statements for the year ended 30 June 2020

2.1 (b) Employee related provisions (continued)

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'.

	2020 $000	2019 $000
Employment on-costs provision		
Carrying amount at start of period	194	151
Additional provisions recognised	77	116
Payments/other sacrifices of economic benefits	(116)	(73)
Carrying amount at end of period	**155**	**194**

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

	2020 $000	2019 $000
Contractors – Facilities Operations and Utilities	13,895	12,893
Contractors – Housekeeping	1,821	2,072
Contractors – Other	4,073	4,265
Administration expense	2,166	2,292
Other Staffing Costs	579	443
Repairs and maintenance – Roofing Project	426	1,869
Repairs and maintenance – Building, infrastructure and equipment	3,252	2,486
Vehicle leasing	-	72
Assets under $5,000 expensed	1,237	672
Marketing expenses	598	429
Other supplies and services costs	616	541
	28,663	**28,034**

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: 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.

Notes to the financial statements for the year ended 30 June 2020

2.2 Supplies and services (continued)

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

2.3 Other Expenditure

	2020 $000	2019 $000
Accommodation expenses		
Rental expenses	-	253
Cleaning and other accommodation expenses	112	106
Total accommodation expenses	**112**	**359**
Other		
Expected credit losses expense	16	84
Employment on-costs	746	814
Bank and merchant fees	288	527
Intangible assets written off	226	-
Research and development	69	111
Bad debts written off	3	-
Total other expenses	**1,348**	**1,536**
Total other expenditure	**1,460**	**1,895**

Rental expenses include:

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

Cleaning costs are recognised as expenses as incurred.

Expected credit losses is an allowance of trade receivables and is measured at the lifetime expected credit losses at each reporting date. The Authority has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. Please refer to Note 5.1 for the movement in the allowance for impairment of trade receivables.

Employment on-cost includes workers' compensation insurance and other employment on-costs. The on-costs liability associated with the recognition of annual and long service leave liabilities is included at Note 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.

Research and development costs are recognised as an expense in the period in which they are incurred.

Notes to the financial statements for the year ended 30 June 2020

2.4 Gain / (Loss) on disposal of non-current assets

	2020 $000	2019 $000
Net proceeds from disposal of non-current assets		
Plant, equipment and vehicles	96	36
Carrying amount of non-current assets disposed		
Plant, equipment and vehicles	-	(205)
Gain / (Loss) on disposal of non-current assets	**96**	**(169)**

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.

2.5 Non-current assets expensed

	2020 $000	2019 $000
Plant & equipment	810	-
	810	**-**

During the year the Authority amended its accounting policy regarding capitalisation of grouped assets under $5,000. This resulted in the expensing of plant and equipment totalling $810,000 previously capitalised.

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:

	Note	2020 $000	2019 $000
Income from State Government	3.1	12,719	4,897
User charges and fees	3.2	37,220	40,666
Sale of goods	3.3	890	707
Commonwealth grants	3.4	1,252	-
Interest revenue	3.5	363	559
Other revenue	3.6	490	516

Notes to the financial statements for the year ended 30 June 2020

3.1 Income from State Government

	2020 $000	2019 $000
Appropriation received during the period:		
Service appropriation	12,647	4,729
State Government grant	-	67
	12,647	**4,796**
Services received free of charge from other State government agencies during the period:		
State Solicitors Office – Legal services	72	101
	72	**101**
Total income from State Government	**12,719**	**4,897**

Service Appropriations are recognised as income at the fair value of consideration received in the period in which the Authority gains control of the appropriated funds. The Authority gains control of appropriated funds at the time those funds are deposited in the bank account.

Service appropriations fund the net cost of services delivered.

The application of AASB 15 and AASB 1058 from 1 July 2019 has had no impact on the treatment of income from State Government.

3.2 User charges and fees

	2020 $000	2019 $000
Accommodation Revenue	15,047	18,714
Equipment Hire & Tours	4,700	4,643
Admission Fees	9,460	10,103
Other Fees & Charges	2,049	2,356
Commercial Lease & Licence Income	2,157	2,460
Utility Charges	1,932	1,635
Recoveries	1,317	-
Residential Lease Income	558	755
	37,220	**40,666**

Until 30 June 2019, revenue was recognised and measured at the fair value of consideration received or receivable. From 1 July 2019, 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.
- Recoveries are recognised as income when the services have been provided.
- Other revenue, including residential and commercial rental income, is recognised as the service is provided.

Recoveries relate to COVID-19 quarantine services provided by the Authority during the year.

Notes to the financial statements for the year ended 30 June 2020

3.3 Sale of goods

	2020 $000	2019 $000
Sale of goods	890	707
Cost of Sales:		
Opening Inventory	(109)	(58)
Purchases	(735)	(559)
	(844)	(617)
Closing Inventory	**237**	**109**
Cost of Goods Sold	(607)	(508)
Trading profit	**283**	**199**
Closing inventory comprises:		
Inventories held for resale (current)		
Visitors Centre and bike stock	237	109
	237	**109**
Inventories not held for resale (current)		
Fuels	122	98
	122	98
Total Inventories	**359**	**207**

Sale of Goods

Up to 30 June 2019, revenue was recognised from the sale of goods when the significant risks and rewards of ownership transfer to the purchaser and can be measured reliably.

From 1 July 2019, 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.

Notes to the financial statements for the year ended 30 June 2020

3.4 Commonwealth grants

	2020 $000	2019 $000
Commonwealth grants:		
Capital grants	1,252	-
	1,252	**-**

Capital grants are recognised as income over time as the projects are constructed. Refer to Note 5.5.

3.5 Interest revenue

	2020 $000	2019 $000
Interest revenue	363	559
	363	**559**

Interest revenue is recognised as the interest accrues.

3.6 Other revenue

	2020 $000	2019 $000
Insurance claims, fines etc	163	505
Non-Government grants	-	11
Assets received free of charge	327	-
Total other revenue	**490**	**516**

4. KEY ASSETS

Assets the Authority utilises for economic benefit or service potential

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

	Note	2020 $000	2019 $000
Infrastructure, property, plant and equipment	4.1	264,639	267,300
Right-of-use assets	4.2	492	-
Intangibles	4.3	1,033	1,077
Total key assets		**266,164**	**268,377**

Notes to the financial statements for the year ended 30 June 2020

4.1 Infrastructure, property, plant and equipment

Year ended 30 June 2020	Land $000	Buildings $000	Computers and electronic equipment $000	Furniture $000	Plant and vehicles $000	Infrastructure $000	Leasehold improvements $000	Works of art $000	Work in progress $000	Total $000
1 July 2019										
Gross carrying amount	135,000	79,927	1,880	7,887	5,262	46,000	279	47	3,368	279,650
Accumulated depreciation	-	(12)	(1,698)	(6,122)	(4,278)	-	(240)	-	-	(12,350)
Carrying amount at start of period	**135,000**	**79,915**	**182**	**1,765**	**984**	**46,000**	**39**	**47**	**3,368**	**267,300**
Additions	-	-	-	-	-	327	-	-	5,507	5,834
Transfers	-	612	92	18	356	4,017	-	-	(5,095)	-
Assets expensed	-	-	-	(660)	(150)	-	-	-	-	(810)
Revaluation increments(decrements)	-	(1,335)	-	-	-	-	-	-	-	(1,335)
Depreciation	-	(2,000)	(129)	(644)	(472)	(3,090)	(15)	-	-	(6,350)
Carrying amount at 30 June 2020	**135,000**	**77,192**	**145**	**479**	**718**	**47,254**	**24**	**47**	**3,780**	**264,639**
Gross carrying amount	135,000	77,192	1,972	5,633	4,080	50,344	279	47	3,780	278,327
Accumulated depreciation	-	-	(1,827)	(5,154)	(3,362)	(3,090)	(255)	-	-	(13,688)
	135,000	**77,192**	**145**	**479**	**718**	**47,254**	**24**	**47**	**3,780**	**264,639**

Notes to the financial statements for the year ended 30 June 2020

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 (Valuations and Property Analytics) and recognised annually to ensure that the carrying amount does not differ materially from the asset's fair value at the end of the reporting period.

Land and Buildings were re-valued as at 1 July 2019 by the Western Australian Land Information Authority (Valuation and Property Analytics). The fair value of buildings was determined on the basis of current replacement cost and fair value of land was determined on the basis of comparison with market evidence for land with low level utility (high restricted use land). The valuations were performed during the year ended 30 June 2020 and recognised at 30 June 2020.

Infrastructure is independently valued every 3 to 5 years. Infrastructure assets were independently revalued by Western Australian Land Information Authority (Valuation and Property Analytics) in 2018. These valuations were recognised at 30 June 2019.

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

Revaluation model:

(a) Fair Value where market-based evidence is available:

The fair value of land and buildings is determined on the basis of current market values determined by reference to recent market transactions. When buildings are revalued by reference to recent market transactions, the accumulated depreciation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount.

Notes to the financial statements for the year ended 30 June 2020

(b) Fair value in the absence of market-based evidence:

Buildings and infrastructure are specialised or where land is restricted: Fair value of land, buildings and infrastructure is determined on the basis of existing use.

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

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

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.

4.1.1 Depreciation and impairment

Charge for the period	2020 $000	2019 $000
Depreciation		
Buildings	2,000	2,009
Computers and electronic equipment	129	111
Furniture	644	676
Plant and vehicles	472	484
Leasehold improvements	15	19
Infrastructure	3,090	2,262
Right-of-use assets	327	-
Total depreciation for the period	**6,677**	**5,561**

As at 30 June 2020, there were no indications of impairment to property, plant and equipment or infrastructure.

Finite useful lives

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

Notes to the financial statements for the year ended 30 June 2020

4.1.1 Depreciation and impairment (continued)

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.

Asset	Useful life: years
Buildings	20 to 40 years
Computers & Electronic Equipment	3 to 10 years
Furniture & Fittings	3 to 10 years
Vehicles	4 to 20 years
Plant and equipment	4 to 20 years
Infrastructure	5 to 100 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 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.

Notes to the financial statements for the year ended 30 June 2020

4.2 Right-of-use assets

	2020 $000	2019 $000
Right-of-use assets		
Buildings	389	-
Plant & Equipment	12	-
Vehicles	91	-
Net carrying amount at 30 June 2020	**492**	**-**

Additions to right-of-use assets during the 2020 financial year were $819,935.

Initial recognition

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 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 4.1.1

Notes to the financial statements for the year ended 30 June 2020

4.2 Right-of-use assets (continued)

The following amounts relating to leases have been recognised in the Statement of Comprehensive Income:

	2020 $000	2019 $000
Buildings	259	-
Plant & Equipment	17	-
Vehicles	51	-
Total right-of-use asset depreciation	**327**	**-**
Lease interest expense	15	-
Expenses relating to variable lease payments not included in lease liabilities	-	-
Short-term leases	-	-
Low-value leases	-	-
Gains or losses arising from sale and leaseback transactions	-	-

The total cash outflow for leases in 2020 was $340,000.

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

Up to 30 June 2019, the Authority classified leases as either finance leases or operating leases. From 1 July 2019, the Authority recognises leases as right-of-use assets and associated lease liabilities in the Statement of Financial Position.

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

4.3 Intangible assets

Year ended 30 June 2020	Right to receive the Rottnest Dome Building $000	Computer Software $000	Total $000
1 July 2019			
Gross carrying amount	778	2,668	3,446
Accumulated amortisation	-	(2,369)	(2,369)
Carrying amount at start of period	**778**	**299**	**1,077**
Additions	-	265	265
Computer software written off	-	(226)	(226)
Amortisation expense	-	(83)	(83)
	778	**255**	**1,033**
30 June 2020			
Gross carrying amount	778	2,337	3,115
Accumulated amortisation	-	(2,082)	(2,082)
Carrying amount at 30 June 2020	**778**	**255**	**1,033**

Notes to the financial statements for the year ended 30 June 2020

Initial recognition

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

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 138.57 are capitalised.

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

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.

4.3.1 Amortisation and impairment

Charge for the period	2020 $000	2019 $000
Computer software	83	113
Total amortisation for the period	**83**	**113**

As at 30 June 2020, there were no indications of impairment to intangible assets.

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

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

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

Software [(a)]	3 to 10 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. During the financial year the accounting system was upgraded and the old software was written off.

The policy in connection with testing for impairment is outlined in Note 4.1.1.

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:

	Note	2020 $000	2019 $000
Receivables	5.1	2,248	1,755
Other assets	5.2	127	139
Payables	5.3	7,687	6,355
Other liabilities	5.4	18,216	16,816
Grant liability	5.5	2,438	-

Notes to the financial statements for the year ended 30 June 2020

5.1 Receivables

	2020 $000	2019 $000
Current		
Receivables	1,708	1,009
Allowance for impairment of receivables	(123)	(107)
GST receivable	439	435
Interest receivable	56	181
Other receivables	40	107
Total current	**2,120**	**1,625**
Non-current		
Accrued revenue	128	130
Total non-current	**128**	**130**
Total receivables	**2,248**	**1,755**

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.

5.2 Other assets (current)

	2020 $000	2019 $000
Prepayments	127	139
Total current	**127**	**139**

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

5.3 Payables (current)

	2020 $000	2019 $000
Trade payables	7,143	5,855
Accrued expenses	163	46
Accrued salaries	381	454
Total current	**7,687**	**6,355**

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

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

Notes to the financial statements for the year ended 30 June 2020

5.4 Other liabilities

	2020 $000	2019 $000
Current		
Contract liabilities [(a)]	13,501	11,776
Leases in advance	100	100
Deferred Income	535	528
Unclaimed money	28	28
Sinking fund provision	38	32
General provisions	17	54
ARENA Loan	147	162
Total current	**14,366**	**12,680**
Non-current		
Deferred Income	272	311
Leases in advance	133	233
ARENA Loan	3,445	3,592
Total non-current	**3,850**	**4,136**
Total current and non-current	**18,216**	**16,816**

(a) Contract liabilities (current)

	2020 $000	2019 $000
Opening balance at the beginning of the period	11,776	-
Additions	16,772	-
Income recognised in the reporting period	(15,047)	-
Closing balance at the end of period	**13,501**	**-**

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

5.5 Grant liability

	2020 $000	2019 $000
Opening balance at the beginning of the period	-	-
Additions	3,690	-
Income recognised in the reporting period	(1,252)	-
Closing balance at the end of period	**2,438**	**-**
Current	2,438	-
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. 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.

	Note
Lease liabilities	6.1
Finance costs	6.2
Cash and cash equivalents	6.3
Other financial assets	6.4
Capital expenditure commitments	6.5

Notes to the financial statements for the year ended 30 June 2020

6.1 Lease Liabilities

	2020 $000	2019 $000
Current	301	-
Non-current	193	-
	494	**-**

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);
- Payments for penalties for terminating a lease, where the lease term reflects the Authority exercising an option to terminate the lease.

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.

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).

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.

This section should be read in conjunction with Note 4.2.

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.

Notes to the financial statements for the year ended 30 June 2020

6.2 Finance costs

	2020 $000	2019 $000
Lease interest expense	15	-
Finance costs expensed	**15**	**-**

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

6.3 Cash and cash equivalents

	2020 $000	2019 $000
Cash and cash equivalents	12,705	9,562
Balance at end of period	**12,705**	**9,562**

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

6.4 Other financial assets

	2020 $000	2019 $000
Term Deposits (current)	22,000	16,500
Balance at end of period	**22,000**	**16,500**

6.5 Capital expenditure commitments

	2020 $000	2019 $000
Capital expenditure commitments, being contracted capital expenditure additional to the amounts reported in the financial statements, are payable as follows:		
Within 1 year	4,221	1,687
	4,221	**1,687**

The totals presented for capital commitments are GST inclusive.

Notes to the financial statements for the year ended 30 June 2020

7. FINANCIAL INSTRUMENTS AND CONTINGENCIES

	Note
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:

	2020 $000	2019 $000
Financial Assets		
Cash & Cash Equivalents	12,705	9,562
Receivables at amortised cost [(a)]	1,809	1,320
Term deposits	22,000	16,500
Total financial assets	**36,514**	**27,382**
Financial Liabilities		
Financial Liabilities measured at amortised cost	8,181	6,355
Total financial liabilities	**8,181**	**6,355**

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

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

7.2.2 Contingent liabilities

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

Contaminated Sites

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

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

During the 2019/20 financial year, no additional sites were reported to DWER. The Authority continued to invest in monitoring activities to address financial and environmental management commitments.

Notes to the financial statements for the year ended 30 June 2020

Other

A former Lessee and Island business operator initiated a claim in the Supreme Court of Western Australia in 2015 in relation to a dispute arising from a lease granted by the Authority in May 2009 which concerned the permitted uses of the leased premises and other matters. The matter is currently subject to mediation expected to be held during 2020/21. Insufficient information has been provided about the claim to enable the contingent liability to be quantified.

8. OTHER DISCLOSURES

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

	Note
Events occurring after the end of reporting period	8.1
Initial application of Australian Accounting Standards	8.2
Key management personnel	8.3
Related party transactions	8.4
Related bodies and affiliated bodies	8.5
Remuneration of auditors	8.6
Equity	8.7
Supplementary financial information	8.8
Explanatory statement	8.9

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.

8.2 Initial application of Australian Accounting Standards

(a) AASB 15 Revenue from Contract with Customers and AASB 1058 Income of Not-for-Profit Entities

AASB 15 Revenue from Contracts with Customers replaces AASB 118 Revenue and AASB 111 Construction Contracts for annual reporting periods on or after 1 January 2019. Under the new model, an entity shall recognise revenue when (or as) the entity satisfies a performance obligation by transferring a promised good or service and is based upon the transfer of control rather than transfer of risks and rewards.

AASB 15 focuses on providing sufficient information to the users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from the contracts with customers. Revenue is recognised by applying the following five steps:

- Identifying contracts with customers
- Identifying separate performance obligations
- Determining the transaction price of the contract
- Allocating the transaction price to each of the performance obligations
- Recognising revenue as each performance obligation is satisfied.

Revenue is recognised either over time or at a point in time. Any distinct goods or services are separately identified and any discounts or rebates in the contract price are allocated to the separate elements.

In addition, income other than from contracts with customers are subject to AASB 1058 Income of Not-for-Profit Entities. Income recognition under AASB 1058 depends on whether such a transaction gives rise to liabilities or a contribution by owners related to an asset (such as cash or another asset) recognised by the Authority.

Notes to the financial statements for the year ended 30 June 2020

8.2 Initial application of Australian Accounting Standards (continued)

The Authority adopted the modified retrospective approach on transition to AASB 15 and AASB 1058. No comparative information is restated under this approach, and the Authority recognises the cumulative effect of initially applying the standard as an adjustment to the opening balance of accumulated surplus/(deficit) at the date of initial application (1 July 2019).

Under this transition method, the Authority elects not to apply the Standard retrospectively to non-completed contracts at the date of initial application.

Refer to Note 3.1, 3.2 and 3.3 for the revenue and income accounting policies adopted from 1 July 2019.

The effect of adopting AASB 15 and AASB 1058 are as follows:

	30 June 2020 $000	Adjustments $000	30 June 2020 Under AASB 118 and 1004 $000
User charges and fees	37,220	-	37,220
Sales of goods	890	-	890
Commonwealth grants	1,252	2,438	3,690
Net results	**39,362**	**2,438**	**41,800**

(b) AASB 16 Leases

AASB 16 Leases supersedes AASB 117 Leases and related Interpretations. AASB 16 primarily affects lessee accounting and provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors.

The Authority applied AASB 16 Leases from 1 July 2019 using the modified retrospective approach. As permitted under the specific transition provisions, comparatives are not restated. The cumulative effect of initially applying this Standard is recognised as an adjustment to the opening balance of accumulated surplus/(deficit).

The main changes introduced by this Standard include identification of lease within a contract and a new lease accounting model for lessees that require lessees to recognise all leases (operating and finance leases) on the Statement of Financial Position as right-of-use assets and lease liabilities, except for short term leases (lease terms of 12 months or less at commencement date) and low-value assets (where the underlying asset is valued less than $5,000). The operating lease and finance lease distinction for lessees no longer exists.

Under AASB 16, the Authority takes into consideration all operating leases that were off balance sheet under AASB 117 and recognises:

(a) right-of use assets and lease liabilities in the Statement of Financial Position, initially measured at the present value of future lease payments, discounted using the incremental borrowing rate (2.5%) on 1 July 2019;
(b) depreciation of right-of-use assets and interest on lease liabilities in the Statement of Comprehensive Income; and
(c) the total amount of cash paid as principal amount, which is presented in the cash flows from financing activities, and interest paid, which is presented in the cash flows from financing activities, in the Statement of Cash Flows.

Notes to the financial statements for the year ended 30 June 2020

8.2 Initial application of Australian Accounting Standards (continued)

The right-of-use assets are assessed for impairment at the date of transition and the Authority has not identified any impairments to its right-of-use assets.

On transition, the Authority has elected to apply the following practical expedients in the assessment of their leases that were previously classified as operating leases under AASB 117:

(a) A single discount rate has been applied to a portfolio of leases with reasonably similar characteristics;
(b) The Authority has relied on its assessment of whether existing leases were onerous in applying AASB 137 Provisions, Contingent Liabilities and Contingent Assets immediately before the date of initial application as an alternative to performing an impairment review. The Authority has adjusted the ROU asset at 1 July 2019 by the amount of any provisions included for onerous leases recognised in the Statement of Financial Position at 30 June 2019;
(c) Where the lease term at initial application ended within 12 months, the Authority has accounted for these as short-term leases;
(d) Initial direct costs have been excluded from the measurement of the right-of-use asset;
(e) Hindsight has been used to determine if the contracts contained options to extend or terminate the lease.

The Authority has not reassessed whether existing contracts are, or contained a lease at 1 July 2019. The requirements of paragraphs 9-11 of AASB 16 are applied to contracts that came into existence post 1 July 2019.

(a) Measurement of lease liabilities

	2020 $000
Operating Lease Commitments disclosed as at 30 June 2019	981
Discounted using incremental borrowing rate at date of initial application [(a)]	821
Add:	
Finance lease liabilities recognised as at 30 June 2019	-
Less:	
Short-term leases not recognised as liability	-
Low value leases not recognised as liability	-
Lease liability recognised at 1 July 2019	**821**
Current lease liabilities	325
Non-current lease liabilities	496

(a) The WATC incremental borrowing rate was used for the purposes of calculating the lease transition opening balance.

Notes to the financial statements for the year ended 30 June 2020

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 ($)	2020	2019
30,001 – 40,000	1	1
10,001 – 20,000	5	5

	2020 $000	2019 $000
Total compensation of members of the accountable authority	**106**	**133**

Compensation of senior officers Compensation Bands ($)	2020	2019
290,001 – 300,000	1	1
170,001 – 180,000	2	-
160,001 – 170,000	2	-
150,001 – 160,000	1	-
130,001 – 140,000	-	1
120,001 – 130,000	1	1
110,001 – 120,000	-	1
100,001 – 110,000	2	2
90,001 – 100,000	-	1
80,001 – 90,000	-	1
60,001 – 70,000	-	1
50,001 – 60,000	-	1
40,001 – 50,000	1	-
20,001 – 30,000	-	1

	2020 $000	2019 $000
Total compensation of senior officers	**1,514**	**1,202**

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

Notes to the financial statements for the year ended 30 June 2020

8.4 Related party transactions

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

Related parties of the Authority include:

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

Material transactions with other related parties

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

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:

	2020 $000	2019 $000
Auditing the accounts, financial statements, controls and performance indicators	**112**	**137**

8.7 Equity

	2020 $000	2019 $000
Contributed Equity		
Balance at start of period	50,032	50,032
Contributions by owners		
Capital appropriation	1,200	-
Balance at end of Period	**51,232**	**50,032**

Notes to the financial statements for the year ended 30 June 2020

	2020 $000	2019 $000
Reserves		
Asset revaluation surplus		
Balance at the start of period	207,208	193,012
Prior period correction of valuation on heritage buildings	-	5,281
Net revaluation increments/(decrements)		
- Buildings	(1,335)	455
- Infrastructure	-	8,460
Balance at end of period	**205,873**	**207,208**

8.8 Supplementary financial information

(a) Write-offs

During the financial year, $3,367 (2019: Nil) of bad debts were written off under the authority of the accountable authority.

(b) Losses through theft, defaults and other causes

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

(c) Gifts of public property

There were no gifts of public property during the year.

8.9 Explanatory statement

All variances between estimates (original budget) and actual results for 2020, and between the actual results for 2020 and 2019 are shown below. Narratives are provided for key major variances, which are generally greater than 10% and $1 million for the Statements of Comprehensive Income, Cash Flows, and the Statement of Financial Position.

Notes to the financial statements for the year ended 30 June 2020

8.9.1 Statement of Comprehensive Income Variances

	Variance Note	Estimate 2020 $000	Actual 2020 $000	Actual 2019 $000	Variance between estimate and actual $000	Variance between actual results for 2020 and 2019 $000
Expenses						
Employee benefits expense	A	13,421	13,379	11,524	(42)	1,855
Supplies and services	1	25,452	28,663	28,034	3,211	629
Depreciation and amortisation expense	B	6,107	6,760	5,674	653	1,086
Cost of sales		465	607	508	142	99
Finance costs		19	15	-	(4)	15
Accommodation expenses		602	112	359	(490)	(247)
Other expenses		680	1,348	1,536	668	(188)
Loss on disposal of non-current assets		50	-	169	(50)	(169)
Non-current assets expensed	2, C	-	810	-	810	810
Total cost of services		**46,796**	**51,694**	**47,804**	**4,898**	**3,890**
Revenue and Income						
Sale of goods		660	890	707	230	183
User charges and fees		40,406	37,220	40,666	(3,186)	(3,446)
Commonwealth grants	3, D	-	1,252	-	1,252	1,252
Interest revenue		587	363	559	(224)	(196)
Other revenue		586	490	516	(96)	(26)
Total Revenue		**42,239**	**40,215**	**42,448**	**(2,024)**	**(2,233)**
Gain on disposal of non-current assets		-	96	-	96	96
Total Gains		**-**	**96**	**-**	**96**	**96**

Notes to the financial statements for the year ended 30 June 2020

8.9.1 Statement of Comprehensive Income Variances – continued

	Variance Note	Estimate 2020 $000	Actual 2020 $000	Actual 2019 $000	Variance between estimate and actual $000	Variance between actual results for 2020 and 2019 $000
Total Income other than income from State Government		**42,239**	**40,311**	**42,448**	**(1,928)**	**(2,137)**
NET COST OF SERVICES		**4,557**	**11,383**	**5,356**	**6,826**	**6,027**
Income from State Government						
Service appropriation	4, E	4,673	12,647	4,729	7,974	7,918
State Government grant		-	-	67	-	(67)
Services received free of charge		-	72	101	72	(29)
Total income from State Government		**4,673**	**12,719**	**4,897**	**8,046**	**7,822**
SURPLUS/(DEFICIT) FOR THE PERIOD		**116**	**1,336**	**(459)**	**1,220**	**1,795**
OTHER COMPREHENSIVE INCOME						
Items not reclassified subsequently to profit or loss						
Changes in asset revaluation surplus		-	(1,335)	8,915	(1,335)	(10,250)
Total other comprehensive income		**-**	**(1,335)**	**8,915**	**(1,335)**	**(10,250)**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**116**	**1**	**8,456**	**(115)**	**(8,455)**

Notes to the financial statements for the year ended 30 June 2020

8.9.1 Statement of Comprehensive Income Variances – continued

Major Estimate and Actual (2020) Variance Narratives

1. Supplies and services costs are higher than Estimate by $3.2m (13%) due to additional repairs and maintenance costs and assets under $5,000 expensed. It also includes costs associated with COVID-19 quarantine services provided by the Authority which were not included in the Estimate.
2. Non-current assets expensed are higher than Estimate by 0.8m (100%) due to revision in accounting policy in current year that resulted in the expensing of assets previously capitalised.
3. The increase in Commonwealth grants of $1.3m (100%) is due to income recognised from a new capital grant received from the Commonwealth for Enhancing National Tourism Icons projects during the year.
4. The Service Appropriation is $8.0m (171%) higher than the Estimate due to the supplementary funding received in June 2020 to offset the revenue lost as a result of the Island closure due to COVID-19.

Major Actual (2020) and Comparative (2019) Variance Narratives

A. Employee benefits expense has increased by $1.9m (16%) due to additional staff employed during the year including those involved in new State and Commonwealth funded projects. The actuals are in line with Estimate.

B. The increase in Depreciation and amortisation expense of $1.1m (19%) is primarily due to the higher depreciation base for Infrastructure assets due the revaluation increment recorded at 30 June 2019, as well as depreciation of Infrastructure projects completed during the year and Right-of-use asset depreciation.

C. Non-current assets expensed are higher than previous year by 0.8m (100%) due to revision in accounting policy in current year that resulted in the expensing of assets previously capitalised.

D. Commonwealth grants increased by $1.3m (100%) from 2018-19 due to income recognised from a new capital grant received during the year from the Commonwealth for Enhancing National Tourism Icons projects.

E. The increase of $8.0m (167%) in Service Appropriation from 2018-19 is due to the supplementary funding received in June 2020 to offset the revenue lost as a result of the Island closure due to COVID-19.

Notes to the financial statements for the year ended 30 June 2020

8.9.2 Statement of Financial Position Variances

	Variance Note	Estimate 2020 $000	Actual 2020 $000	Actual 2019 $000	Variance between estimate and actual $000	Variance between actual results for 2020 and 2019 $000
ASSETS						
Current Assets						
Cash and cash equivalents	5, F	8,717	12,705	9,562	3,988	3,143
Inventories		209	359	207	150	152
Receivables		1,518	2,120	1,625	602	495
Other current financial assets	6, G	18,872	22,000	16,500	3,128	5,500
Other current assets		147	127	139	(20)	(12)
Total Current Assets		**29,463**	**37,311**	**28,033**	**7,848**	**9,278**
Non-Current Assets						
Infrastructure, property, plant and equipment		253,716	264,639	267,300	10,923	(2,661)
Right-of-use assets		399	492	-	93	492
Intangible assets		1,116	1,033	1,077	(83)	(44)
Receivables		131	128	130	(3)	(2)
Total Non-Current Assets		**255,362**	**266,292**	**268,507**	**10,930**	**(2,215)**
TOTAL ASSETS		**284,825**	**303,603**	**296,540**	**18,778**	**7,063**

Notes to the financial statements for the year ended 30 June 2020

8.9.2 Statement of Financial Position Variances – continued

	Variance Note	Estimate 2020 $000	Actual 2020 $000	Actual 2019 $000	Variance between estimate and actual $000	Variance between actual results for 2020 and 2019 $000
LIABILITIES						
Current Liabilities						
Payables	H	7,800	7,687	6,355	(113)	1,332
Lease Liabilities		308	301	-	(7)	301
Employee related provisions		1,565	2,147	2,031	582	116
Grant liability	7, I	-	2,438	-	2,438	2,438
Other current liabilities	8, J	12,911	14,366	12,680	1,455	1,686
Total Current Liabilities		**22,584**	**26,939**	**21,066**	**4,355**	**5,873**
Non-Current Liabilities						
Lease Liabilities		22	193	-	171	193
Employee related provisions		525	606	524	81	82
Other non-current liabilities	9	683	3,850	4,136	3,167	(286)
Total Non-Current liabilities		**1,230**	**4,649**	**4,660**	**3,419**	**(11)**
TOTAL LIABILITIES		**23,814**	**31,588**	**25,726**	**7,774**	**5,862**
NET ASSETS		**261,011**	**272,015**	**270,814**	**11,004**	**1,201**
EQUITY						
Contributed equity		51,832	51,232	50,032	(600)	1,200
Reserves		193,012	205,873	207,208	12,861	(1,335)
Accumulated surplus		16,167	14,910	13,574	(1,257)	1,336
TOTAL EQUITY		**261,011**	**272,015**	**270,814**	**11,004**	**1,201**

Notes to the financial statements for the year ended 30 June 2020

8.9.2 Statement of Financial Position Variances – continued

Major Estimate and Actual (2020) Variance Narratives

5. Cash balances are $4.0m (46%) higher than Estimate primarily due to unspent funds from the capital grants received from the Commonwealth and State.
6. Other current financial assets are $3.1m (17%) higher mainly due to supplementary funding received in June 2020 to offset the revenue lost as a result of the Island closure due to COVID-19.
7. Grant liability is $2.4m (100%) higher due to the capital grant received from the Commonwealth for Enhancing National Tourism Icons projects which was not reflected in the Estimate.
8. Other current liabilities are $1.5m (11%) higher due to the increase in refundable accommodation deposits.
9. Non-current liabilities are higher than Estimate by $3.2m (464%) due to the revised treatment of the Arena loan which was not reflected in the Estimate.

Major Actual (2020) and Comparative (2019) Variance Narratives

F. Cash balances increased by $3.1m (33%) largely on account of unspent funds from the capital grants received from the Commonwealth and State.

G. The increase of $5.5m (33%) in Other current financial assets is mainly due to supplementary funding received in June 2020 to offset the revenue lost as a result of the Island closure due to COVID-19.

H. Payables increased by $1.3m (21%) due to increase in Trade Creditors associated with the increase in capital projects in the current year.

I. The increase of $2.4m (100%) in Grant liability relates to a capital grant received from the Commonwealth for Enhancing National Tourism Icons projects.

J. The increase of $1.7m (13%) in Other current liabilities is primarily due to increase in refundable accommodation deposits.

Notes to the financial statements for the year ended 30 June 2020

8.9.3 Statement of Cash Flow Variances

	Variance Note	Estimate 2020 $000	Actual 2020 $000	Actual 2019 $000	Variance between estimate and actual $000	Variance between actual results for 2020 and 2019 $000
CASH FLOW FROM STATE GOVERNMENT						
Service appropriation	10, K	4,673	12,647	4,729	7,974	7,918
State Government grant		-	-	67	-	(67)
Capital appropriation	L	1,800	1,200	-	(600)	1,200
Net cash provided by State Government		**6,473**	**13,847**	**4,796**	**7,374**	**9,051**
Utilised as follows:						
CASH FLOWS FROM OPERATING ACTIVITIES						
Payments						
Employee benefits	M	(13,965)	(13,254)	(10,915)	711	(2,339)
Supplies and services		(26,925)	(27,930)	(29,821)	(1,005)	1,891
GST payments on purchases		(2,945)	(3,631)	(3,645)	(686)	14
GST payments to taxation authority		(559)	(456)	(506)	103	50
Other payments	N	(773)	(1,265)	(2,417)	(492)	1,152
Receipts						
Sale of goods		460	890	707	430	183
User charges and fees		41,648	38,197	40,238	(3,451)	(2,041)
Commonwealth grants	11, O	-	3,690	-	3,690	3,690
Interest received		823	488	667	(335)	(179)
GST receipts on sales		3,504	4,082	4,228	578	(146)
Other receipts		126	163	516	37	(353)
Net cash provided by/(used in) operating activities		**1,394**	**974**	**(948)**	**(420)**	**1,922**

Notes to the financial statements for the year ended 30 June 2020

8.9.3 Statement of Cash Flow Variances – continued

	Variance Note	Estimate 2020 $000	Actual 2020 $000	Actual 2019 $000	Variance between estimate and actual $000	Variance between actual results for 2020 and 2019 $000
CASH FLOWS FROM INVESTING ACTIVITIES						
Payments						
Purchase of non-current assets	P	(6,065)	(5,772)	(4,513)	293	(1,259)
Receipts						
Proceeds from sale of non-current assets		-	96	36	96	60
Net cash (used in) investing activities		**(6,065)**	**(5,676)**	**(4,477)**	**389**	**(1,199)**
CASH FLOWS FROM FINANCING ACTIVITIES						
Payments						
Principal element of lease payments		(205)	(325)	-	(120)	(325)
Finance costs		(19)	(15)	-	4	(15)
ARENA Loan repayment		-	(162)	-	(162)	(162)
Net cash (used in) financing activities		**(224)**	**(502)**	**-**	**(278)**	**(502)**
Net increase/(decrease) in cash and cash equivalents		1,578	8,643	(629)	7,065	9,272
Cash and cash equivalents at the beginning of the period		26,011	26,062	26,691	51	(629)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		**27,589**	**34,705**	**26,062**	**7,116**	**8,643**

Notes to the financial statements for the year ended 30 June 2020

8.9.3 Statement of Cash Flow Variances – continued

Major Estimate and Actual (2020) Variance Narratives

10. Service appropriation is $8m (171%) higher than Estimate due to supplementary funding received to offset the revenue lost as a result of the Island closure due to COVID-19.
11. Commonwealth grants is $3.7m (100%) higher than Estimate is due to a new capital grant received from the Commonwealth for Enhancing National Tourism Icons projects.

Major Actual (2020) and Comparative (2019) Variance Narratives

K. The increase of $8m (167%) in Service appropriation is due to supplementary funding received to offset the revenue lost as a result of the Island closure due to COVID-19.

L. Capital appropriation increased by $1.2m (100%) due to the new capital grant received from the State for Enhancing National Tourism Icons projects.

M. Employee benefits expense has increased by $2.3m (21%) due to the increased number of employees, which is line with the Estimate.

N. Other payments decreased by 1.2m (48%) principally due to treatment of lease payments in prior year.

O. The increase of $3.7m (100%) in Commonwealth grants is due to the capital grant received from the Commonwealth for Enhancing National Tourism Icons projects.

P. The increase of $1.3m (28%) in purchase of non-current assets is mainly due to expenditure on Enhancing National Tourism Icons projects funded by grants.

Key Performance Indicators 2019-20 Statement

We hereby certify that the key performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Rottnest Island Authority's performance, and fairly represent the performance of the Rottnest Island Authority for the financial year ended 30 June 2020.

Vince Ianni
Chief Finance Officer

17 September 2020

John Langoulant AO
Chairman of Accountable Authority

17 September 2020

Hamish Beck
Member of Accountable Authority

17 September 2020

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 are conserved, and habitat, ecosystems and landscape-scale conservation utilises evidenced-based science'* have also been adopted by all portfolio agencies and link to the RIA profile, purpose and vision through:

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

AGENCY SERVICES

To achieve these desired outcomes RIA delivers the following services:

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

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

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

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

DESIRED OUTCOMES AND EFFECTIVENESS INDICATORS

Agency desired outcome 1

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

Effectiveness KPI 1

Average level of visitor satisfaction at Rottnest Island.

The provision of recreational and holiday facilities on the Island is the responsibility of the Authority under section 11 of the *Rottnest Island Authority Act 1987* (Act).

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

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

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

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

There was a change in the method used to calculate the level of visitor satisfaction following RIA's inclusion within DBCA. As a result, the 2019/20 Target does not accommodate the change in methodology.

The 2019/2020 survey was not conducted due to the closure of the island in response to the COVID19 global pandemic. The State Government officially closed the Island to visitors on 25 March 2020. The RIA obtained an exemption on reporting this KPI from the Under Treasurer due to the impact of COVID19 on the Island operations.

Visitor Rating	2019/20 Target	2019/20 Result	2018/19 Result	2017/18 Result
Average level of satisfaction with the Island	97%	*Not Available*	74%	71%

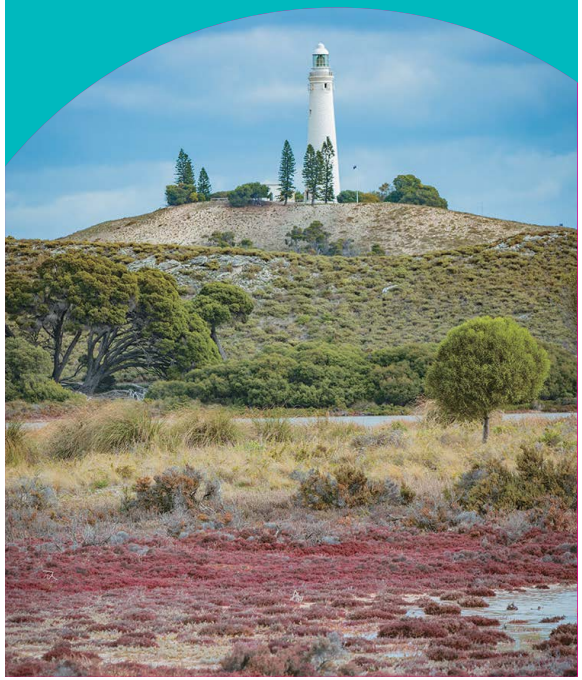
DESIRED OUTCOMES AND EFFECTIVENESS INDICATORS

Agency desired outcome 2

Plants and animals are conserved, and habitat, ecosystem and landscape-scale conservation utilise evidence-based science.

Effectiveness KPI 2

Biodiversity health of Rottnest Island.



Covering a land area of 1,859 hectares, and 3,800 hectares of associated waters, Rottnest Island is a Class A Reserve protected for the purposes of conservation and recreation.

Maintenance and protection of the Island and its natural environment, including flora and fauna, is vested in the Authority under section 11 of the Act and preserving the unique environment is a Strategic Focus Area of the Rottnest Island Management Plan 2020-24.

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

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

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

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

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

1. Woodland Heath

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

2. Limestone Heath

- Native flora species diversity

3. Coastal Habitat

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

4. Wetlands

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

5. Quokkas

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

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

The performance for each area is determined via a specific quantitative measure and compared to a pre-set upper limit to determine performance as a percentage. In 2019/2020 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 prior year results have been amended to reflect the change in methodology.

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.

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Focal Conservation Target	Percentage	Health Rating
Woodland Heath	75%	Good
Limestone Heath	100%	Very Good
Wetlands	57%	Fair
Coastal Habitat	97%	Very Good
Quokkas	86%	Good
Overall Rating	83%	Good

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

2019/20 Target	2019/20 Result	2018/19 Result	2017/18 Result	2016/17 Result	2015/16 Result
Rating Good (75%)	Rating Good (83%)	Rating Good (86%)	Rating Good (88%)	Rating Good (88 %)	Rating Good (88%)

Biodiversity Health rating has been maintained in Good condition during the 2019/20 financial year. The overall rating (83%) exceeded the target rating (75%).

The slight adjustment in the overall percentage rating may be attributed to the introduction of the second iteration of the quokka health monitoring and wetland water quality results.

RIA established a quokka monitoring program and undertook the second monitoring event in the 2019/2020 period after the completion of a PhD research project into the Health, Demographics and Genetics of the Quokkas on Rottnest Island. The research project results provided the foundation for establishing the monitoring program.

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.

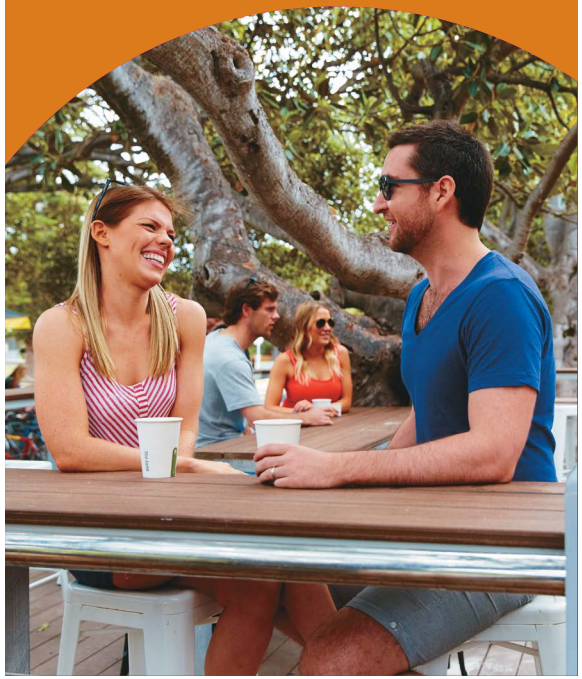
SERVICES AND EFFICIENCY INDICATORS

Agency service 1

Visitor Services and public programs provided at Rottnest Island.

Efficiency KPI 1

Average cost per visitor at Rottnest Island.



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

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

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

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

Title	2019/20 Target *	2019/20 Result	2018/19 Result	2017/18 Result
Average cost per Visitor on Rottnest Island	$57	$99	$80	$85

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

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

The significant increase in the cost per visitor on Rottnest Island, compared to prior years, is due to the reduction in visitor numbers following the closure of the Island to all visitors in March 2020 due to the COVID-19 pandemic.

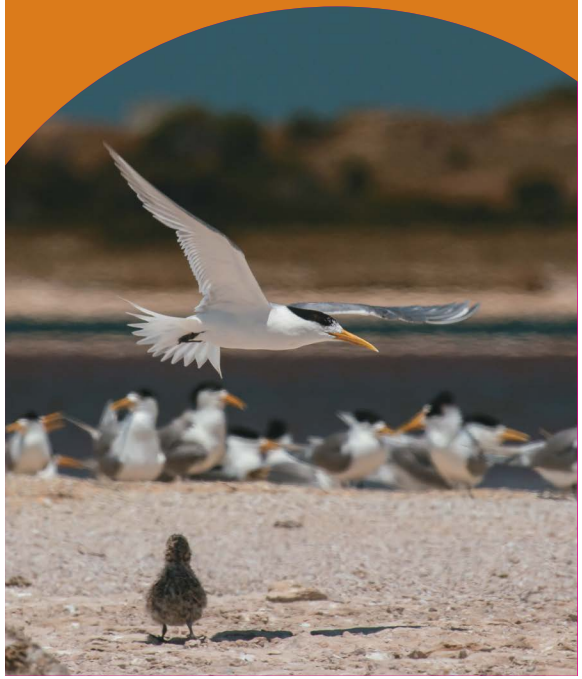
SERVICES AND EFFICIENCY INDICATORS

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

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

Title	2019/20 Target*	2019/20 Result	2018/19 Result	2017-18 Result
Average cost per Hectare of Wildlife Habitat	$271	$357	$267	$264

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

The 2019/20 result of $357 is a significant increase from prior year. The increase in costs is predominantly due to the Settlement Greening Plan project undertaken throughout the reporting period and the inclusion of the Compliance Function tasks into the Environment and Conservation business unit following a recent restructure.

Other Financial Disclosures

CAPITAL WORKS EXPENDITURE

Rottnest Island Authority's expenditure on Capital Works for 2019-20 is outlined below:

Type	2019-20 $'000
Island utility infrastructure	
Electricity utility projects	1,008
Potable water	743
Waste water management	390
Assets and Equipment	512
Visitor accommodation	
Unit refurbishments	354
Visitor experience	
Building and infrastructure works	794
Assets and equipment	428
State Grant – Maritime Jetty Upgrades*	291
Commonwealth Grant – Enhancing National Tourism Icons*	1,252
Total	5,772

* Projects to be completed in subsequent years

EMPLOYMENT AND INDUSTRIAL RELATIONS

Staff Profile

RIA employees are employed under the provisions of the *Public Service Award 1992* and the *Public Service and Government Officers CSA General Agreement 2019*.

Employment Type	30 June 2019	30 June 2020
Permanent	72	71
Fixed Term Contract	24	29
Casual	13	23
Total	109	123

Attraction and Retention

Recruitment processes in 2019-20 resulted in 32 appointments. A total of 16 permanent or fixed-term staff resigned from their appointments during the period 1 July 2019 - 30 June 2020..

Internal Workers Compensation Claims

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

STAFF TRAINING AND WORKFORCE DEVELOPMENT

In November 2019, RIA introduced the *ELMO Learning Management System* with the compulsory modules *Accountable and Ethical Decision Making* and *OSH Awareness* now provided to all RIA new starters. *Content Manager* training was provided through face-to-face delivery to all new starters,

The following training courses were run during 2019-20:

- Cross Cultural Awareness Training – run in-house on the 12 March 2020 (17 participants)
- Writing Skills for Government - run in-house on the 25 July 2019 (12 participants)
- Media training – run in-house on the 11 December 2019 (6 participants)

Workforce development activities were provided for employees that reflected the wide variety of occupational groups within the organisation. Individual Performance Plans (IPP) were refreshed and reintroduced in the first quarter of 2019-20.

This year RIA achieved an IPP completion rate of 81 percent of staff, including casuals. Organisational learning priorities were identified through analysis of the completed IPPs and relevant development opportunities were provided throughout the year.

TRAINEESHIPS AND OTHER PATHWAYS

In 2019-20, RIA secured one trainee through the Public Sector Commissioners Aboriginal Traineeship Program. The participant commenced in February 2020 and during the program will complete a Certificate III in Government. In June 2020, RIA commenced recruitment for three graduates (Asset Officer/Asset Information Officer).

UNAUTHORISED USE OF CREDIT CARDS

RIA had no instances of unauthorised credit card use in 2019-20.

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.

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

The Authority has the power to do all things necessary or convenient in connection with the management and control of the Island under the Act. The Board may 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; or
    - enter into an arrangement for any person to establish or acquire, and operate any business undertaking that is necessary or convenient for the performance of that function; and
- grant any lease or licence that is consistent with the purposes described in the relevant section of the Act on such terms and conditions as it thinks fit.

Board Meeting Attendance and Remuneration

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

Position	Name	First appointed	Period of membership	No. of meetings eligible to attend	No. of meetings attended	Gross/actual remuneration
Chair	John Langoulant	Oct 2017	12	12	12	$32,363
Deputy Chair	Hamish Beck	Mar 2016	12	12	10	$14,910
Member	Peter Lee	Jul 2019	11	12	9	$14,282
Member	Ann Robinson	Jul 2019	11	12	12	$14,282
Member	Hannah Fitzhardinge	Oct 2017	12	12	12	$15,281
Member	Marina Hogan	Jan 2017	12	12	12	$15,281

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. No Board members have reported an actual conflict of interest.

Directors and Officer's Liability Insurance

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

Board Committees

Audit and Risk Committee

The Audit and Risk Committee (ARC) comprises RIA Chairman, RIA Deputy Chairman, RIA Board Member, Director General DBCA, RIA Executive Director and RIA Manager Governance, Audit and Risk, and met on a quarterly basis during the reporting period.

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

Contracts Committee

The Contracts Committee comprises RIA Chairman, RIA Deputy Chairman, RIA Board Member, RIA Executive Director and RIA Director Contracts and Planning, and met four times during the reporting period.

The key responsibilities of the Contracts Committee include reviewing all major proposed EOI's, lease options and other contracts, as well as reviewing the performance of existing major contracts and any proposed variations.

Information, Communications & Technology Sub Committee

The ICT Sub Committee comprises RIA Chairman, RIA Board Members (2), DBCA Director General DBCA, RIA Executive Director, RIA Director Business Services/CFO, RIA Director Visitor Services, RIA ICT Manager, and RIA Executive Services officer (Executive Officer), and met three times during the reporting period.

The key responsibilities of the ICT Sub Committee include overseeing the implementation of RIA's Digital & IT Plan, considering individual ICT project proposals, monitoring the ICT project implementations including the achievement project objectives, timing and budget, and resolving any OAG issues and MOU arrangements.

RISK MANAGEMENT

Risk Management is a critical component of RIA's corporate governance due to the unique risk environment associated with balancing the management of an Class A Reserve with delivering utilities services, infrastructure projects and tourism offerings for Western Australia.

The Audit and Risk Committee provides a formal mechanism for risk management discussions and decision making with reporting of risks and risk treatment progress provided on a quarterly basis. In February 2019, the Risk Management Review Group was established as a subcommittee of the Corporate Executive Team. The role of this committee is to oversee the risk management processes and provides ongoing assurance to the Corporate Executive that RIA's significant risks are being addressed in a timely and appropriate manner.

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

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 2020, RIA is monitoring over 200 risks, which are being managed and reported on a continual basis.

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 pre-defined level of operations following disruption. During 2019-20 RIA was significantly impacted by the COVID19 global pandemic.

WADJEMUP ABORIGINAL REFERENCE GROUP

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

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

Six meetings of the Wadjemup Aboriginal Reference Group were held during the reporting period.

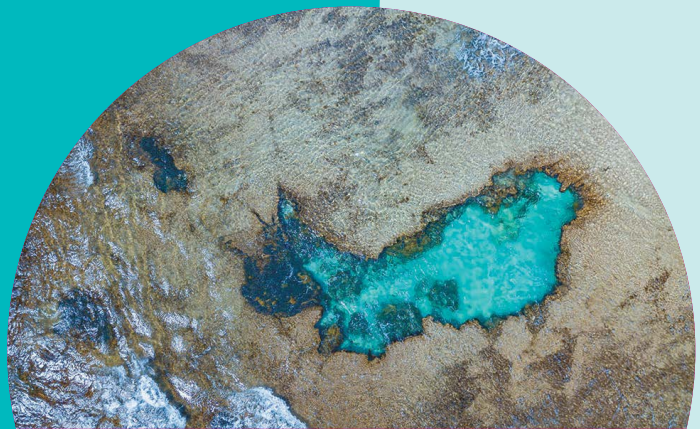
Name	First appointed	No. of meetings eligible to attend	No. of meetings attended	Gross remuneration*
Walter McGuire	2017	6	3	$1,428
Brendan Moore	2017	6	6	$2,618
Pamela Thorley	2017	6	6	$2,746
Lindsay Dean	2017	6	5	$2,032
Barbara Bynder	2017	6	2	$1,080
Patrick Churnside	2019	6	2	$476
Michelle Reynolds	(Ex-officio)	6	6	–

* Includes remuneration for additional workshops and interview panels during the year.

MINISTERIAL DIRECTIVES

No Ministerial Directives were received during 2019-20.

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 2019-20 was $242,732.

Type of Expenditure	Organisation	Amount ($)
Advertising agencies	Glide Agency	$27,405
	Lush – The Content Agency Pty Ltd	$43,150
	Marketforce Pty Ltd	$44,000
Market research	Metrix Consulting Pty Ltd	$13,091
Polling organisations		Nil
Direct mail		Nil
Media advertising	Initiative Media Australia Pty Ltd	$115,086
Total		**$242,732**

DISABILITY ACCESS AND INCLUSION PLAN

A new *RIA Disability Access and Inclusion Plan (DAIP) for 2019-2024* was endorsed in March 2019 by the Department of Communities (Disability Services) and will be implemented over the next five years. The *DAIP* is structured around seven commitments and the following actions and initiatives have been put in place to address the needs of our visitors and our employees with disability.

Outcome 1:

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

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

Outcome 2:

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

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

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

It is important for RIA visitors to have the same opportunity as other people to access the buildings and facilities of a public authority. RIA aims to continually improve building access and has current upgrades to two disabled accommodation access units in North Thomson which will be complete by 30 June 2020. Current improvements include widening to access ramps and adaptions to the kitchen counter, lounge kitchen area, supply of mobile shower stools and fitting an outside power point to charge gophers.

Disability access equipment such as wheelchairs, mobility scooters and a beach wheelchair are available through Pedal and Flipper and the Visitor Service Centre. RIA has constructed a Changing Places disability ablution facility, located near the main bus stop in Thomson Bay.

Outcome 3:

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

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

Outcome 4:

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

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

Outcome 5:

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

Feedback, including complaints, is collected and reviewed.

Outcome 6:

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

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

Outcome 7:

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

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

COMPLIANCE WITH PUBLIC SECTOR STANDARDS AND ETHICAL CODES

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

In 2019-20:

- RIA Code of Conduct – Nil claims were lodged.
- Public Sector Code of Ethics – Nil claims were lodged.
- Public Sector Commissioner's Instruction Employment Standard – Nil breach claims were lodged.
- Grievance Resolution Standard – One claim was lodged.

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

A second review of RIA's *RKP* was provided to the SRO in December 2016, and the amended *RKP* was approved in August 2019.

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 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 2019/2020.

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, outlining the Agency's FOI procedures.

RIA received three FOI requests in 2019/2020. These 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 biannual training for all managers and supervisors in order to create a discrimination free workplace.

OCCUPATIONAL SAFETY AND HEALTH MANAGEMENT

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

RIA has staff located at both Fremantle and Rottnest Island trained in the provision of first aid and CPR providing first aid capability to contribute towards staff wellbeing and safety. RIA also has staff trained to perform the fire warden role in the event of evacuations at both locations.

The Occupational Safety and Health Committee comprises **9** members including trained OSH representatives from both the Fremantle and Island locations, with support from Corporate Executive. The Committee met **4** times during the year, identified **11** risks related to internal occupational health and safety matters and progressed to completion actions to address these risks. The Committee is also progressing the review and update of RIA's Occupational Safety and Health policy to ensure that it meets current legislative obligations and provides a suitable framework for implementation of OSH objectives and practices at RIA workplaces.

OSH performance statistics 2019-20

OSH Indicator	2019-20 Target	2019-20 Actual	Comment
Number of fatalities	0	0	Met Target
Lost-time injury/ disease incidence rate*	0-10% reduction over past 3 years	17 hours workers compensation recorded for 2019/2020	Met Target
% injured workers return to work within 13 weeks	greater than or equal to 80%	0.0	Met Target
% injured workers returned to work within 26 weeks	greater than or equal to 80%	0.0	Met Target
% managers trained in OSH and injury management responsibilities	greater than or equal to 80%	32	Not Met

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

PRIORITY START POLICY

The Government Building Training Policy was succeeded in 2019-20 by the Priority Start Policy, which is directed towards increasing the training commitment in the building and construction sector. In 2019-20, all new construction and maintenance contracts entered into by RIA fell below the reporting threshold of the Priority Start Policy.

COMPLAINTS HANDLING

RIA view 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

RIAs response to complaints

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

The complainant is responded to within five days of receiving the initial feedback, in the same format as the feedback was received. A response is then provided within 30 days of receiving the initial feedback, or within 60 days if an investigation is required.

Outcomes

During 2019-20, 7 compliments, 21 comments, and 123 formal complaints were received and dealt with via our formal complaints handling process. Importantly, the number of complaints represented less than 0.2 percent of visitation numbers.

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