

WESTERN AUSTRALIAN SPORTS CENTRE TRUST

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BOARD MEMBERS

Mr Denis McNerney – Chairman

Ms Lauren Cowan

Mr Tony Di Francesco

Mr Ronnie Hurst

Mr James Limnios

Mr Tim Marney

Ms Sue Taylor

Ms Victoria Wilmot

Ms Elizabeth Woods

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WA Sports Centre Trust

WESTERN AUSTRALIAN SPORTS CENTRE TRUST | REPORT ON OPERATIONS

Hon. Minister for Sport and Recreation

In accordance with Section 66 of the Financial Administration and Audit Act 1985, we hereby submit for your information and presentation to Parliament the Annual Report of the Western Australian Sports Centre Trust for the financial year ended 30 June 2004. The Annual Report has been prepared in accordance with the provisions of the Financial Administration and Audit Act 1985.

Dated this 27th day of August, 2004.



Mr Denis McNerney
Chairman



Ms Victoria Wilmot
Board of Management



Mr Graham Moss
Chief Executive Officer

MISSION & OBJECTIVES

The mission of the WA Sports Centre Trust is to establish, manage and promote major state owned sporting, recreation and entertainment facilities for the benefit of all.

The Trust's objectives are to:

- Manage International standard facilities for elite sports administration, education, training and competition.
- Encourage and promote the use and enjoyment of these facilities by the community for sporting, recreating and entertainment activities.
- Operate these facilities on a commercially sound basis.
- Stage major events at the facilities of the Trust.
- Attract and maintain high-quality employees.

Chairman's Report

WESTERN AUSTRALIAN SPORTS CENTRE TRUST | REPORT ON OPERATIONS



DENIS McINERNEY, CHAIRMAN

It is with great pleasure that I present the 2003/04 Annual Report of the Western Australian Sports Centre Trust.

The 2003/04 year was an outstanding year for the Trust. Venue attendances at the Trust venues showed continuing increases, there was also a significant increase in the number of events staged at the venues and this resulted in a healthy financial performance. Customer satisfaction continued to be at or higher than the national average.

The installation of the geothermal water heating system at Challenge Stadium was a landmark project for the Trust. The heating system will not only produce significant savings in energy costs for many years to come, but will also result in a substantial reduction in greenhouse gas emissions. It is an extremely innovative concept and I congratulate all involved in its instigation particularly John XXIII College who partnered with the Trust in the project.

During the year Professor Tom Stannage resigned from the Board and I thank him for his contribution to the Trust. He was replaced with the appointment of Tim Marney, who is a senior executive with the Department of Treasury. I thank all Board Members for their contribution and support during the year.

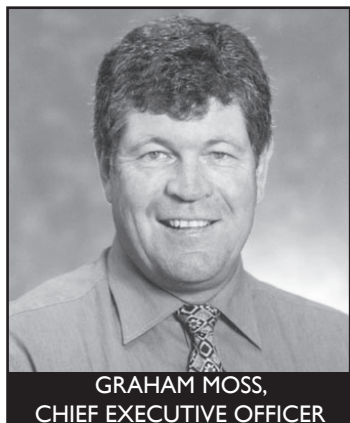
The Management and Staff of the Trust continue to provide an outstanding contribution to the successful operation of the Trust and I thank them for their efforts.

I look forward to the continuing positive environment in which the Trust operates.

DENIS McINERNEY
CHAIRMAN

Chief Executive Officer's Report

WESTERN AUSTRALIAN SPORTS CENTRE TRUST | REPORT ON OPERATIONS



GRAHAM MOSS,
CHIEF EXECUTIVE OFFICER

By any measure the 2003/04 year was the most successful in the history of the Trust.

Venue attendances at three of the Trust's four venues continued to increase with patron visits at Challenge Stadium exceeding the one million mark for the first time. Overall some 2,200,000 patron visits were recorded at the Trust's four venues: Arena Joondalup, Challenge Stadium, SpeedDome and Kwinana Motorplex. This is a

reflection of the quality of services and facilities provided at the venues and to the excellence in customer service provided by the staff at all these venues.

There was also a significant increase in the number of entertainment events staged at the venues which was a direct result of the upturn in the international entertainment industry.

A range of international, national and state level sporting events were also staged at the venues. Major events included:

Arena Joondalup:

- World Peace Game, Iraq v Western Australia
- WAFL competition (West Perth Football Club)
- Perth Glory NSL
- Two Rock iT concerts
- Samoa Rugby World Cup 2003 team training base.
- Michael Franti and Spearhead concert
- State League Netball
- 2003 West Perth Football Club grand final celebration
- Live site for Rugby World Cup 2003
- Salvation Army Carols by Candlelight

Challenge Stadium:

- 2004 Australian Age Swimming Championships
- National Water Polo League
- Western Australian Swimming and Diving Championships
- Spare Parts Puppet Theatre – "H20" production
- National Netball League (Orioles)
- National Basketball League (Wildcats)
- WA Gymnastics Championships
- State Netball League
- Danny Green Fight
- Golden Gloves National Boxing
- Five rock concerts
- Sesame St Live
- The Wiggles

- Telethon Autumn Craft Fair
- Sandover Medal Dinner
- WAIS Annual Dinner
- WA School Girl's Breakfast

SpeedDome:

- Perth International Track Cycling Grand Prix
- National In-line Hockey Championships
- WA Cycling Federation State Championships
- 2004 Westral Track Cycling Carnival
- Australian and New Zealand Police & Emergency Services Games

Kwinana Motorplex:

- Super Speedway
- National Drag Racing
- Motorvation
- KTM Supercross Open

There was a healthy increase in patronage of the health and fitness centres, community based programmes, leisure and sporting activities which indicate that the public are investing more time and money in these types of activities.

The increase in activity produced an increase in revenue from venue operations of 37% over the previous year to \$14,191,951. Expenses increased by 11% over the previous year to \$26,819,638 which includes a capital user charge and depreciation totalling \$10,077,109.

During the year, the Trust hosted the Iraq National Soccer team and its coach, Bernd Stange, for a World Peace Game Tour. The tour was a major initiative by the Trust and received considerable moral and financial support from both the Federal and State Governments. The ten day tour involved a series of coaching clinics and exhibition games in metropolitan and regional areas and featured the World Peace Game played at Arena Joondalup between Iraq and an Australian Representative Team.

Undoubtedly the most significant capital project undertaken by the Trust this year was the installation of the Geothermal water heating system at Challenge Stadium. This system involves extracting heated water from the Yarragadee aquifer, passing it through heat exchangers and returning it to the aquifer through two re-injection bores, one of which is located at the nearby John XXIII College.

John XXIII College were a willing participant in this project as the College was faced with constructing its own bore for garden and playing field watering. Considerable savings were achieved by both organisations in sharing costs associated with the re-injection bore at the College.

This heating system, which provides heat to all pools and the domestic water at Challenge Stadium was funded through a grant from the State Government's Energy Smart Government Capital Advance Program. The \$1m grant will be repaid over a period of 5 years through the savings generated by the geothermal system. Over the estimated 25 year life of the system, savings in energy costs will be in the order of \$5m and a considerable reduction in greenhouse gas emissions will be achieved.

Chief Executive Officer's Report

WESTERN AUSTRALIAN SPORTS CENTRE TRUST | REPORT ON OPERATIONS

CORPORATE SERVICES

The Trust has been an active participant in the State Government's corporate services reform programme being involved in various workshops and working groups.

A major focus has been the upgrading of the Trust's IT infrastructure and systems incorporating improved communications systems between venues.

The average annual employee level for the Trust increased to 191 FTEs compared with 186 in 2002/03 which reflects the increase in venue activity particularly event related.

The Trust placed significant emphasis on the development of "leadership practices" during the year with Managers, Coordinators and key staff participating in leadership development programmes. This was the result of the Trust's participation in the Best Employer programme. The Trust Human Resource Policies were also reviewed during the year.

A number of major capital works projects were carried out during the year including the re-piping of the indoor pool filtration system plant, refurbishment of the dive tower and painting of the Aquatic Centre roof trusses at Challenge Stadium. Extensions were carried out to the Fitness Centre at Arena Joondalup, a medical building was constructed at the Kwinana Motorplex and new skylights were installed at the SpeedDome.

Efforts continued towards securing a naming rights sponsor for both Challenge Stadium and Arena Joondalup with a number of presentations made to prospective business partners.

A review of the Trust's Marketing communication strategy was undertaken to reduce the cost of promotion of the Trust's various business activities and develop the ability to quantify the success of various marketing strategies.

The Trusts Catering Services division was disbanded during the year with each of the two major venues now responsible for the food and beverage activities at each venue. This will result in a more effective provision of catering services at each venue.

ARENA JOONDALUP

The Arena continued to experience a significant growth in activity with patron visits increasing to 892,000 – a 16% increase over the previous year.

Utilisation of the Aquatic Centre continues to increase and it now operates at a profit in its own right. The Health and Fitness Centre continues to show outstanding growth as do the sporting and leisure programmes.

Two very successful Rock iT concerts were held during the year. The November 2003 concert, featuring Powderfinger, attracted 23,000 patrons and the March 2004 concert attracted 22,000 patrons despite the headline act, Blink 182, cancelling on the day of the concert.

Arena Joondalup was the chosen training venue for the Samoa Rugby World Cup team and the Arena hosted a live site for the Rugby World Cup programme.

CHALLENGE STADIUM

Patron visits passed the one million mark for the first time in the venue's history. This was achieved through a significant increase in the number of entertainment events staged at the venue and a continuing increase in sport, recreation and community activities.

The Australian Age swimming championships, staged in April 2004, attracted some 1,300 competitors and the Perth Wildcats and Perth Orioles played their national league fixtures at the venue. Danny Green continued his world boxing championship campaign and several major exhibitions were also staged.

A feasibility study on Challenge Stadium was completed and has provided a number of alternatives for the future development of the venue. A precinct plan will now be carried out to ensure that a coordinated approach to the development of sporting facilities in the precinct is achieved.

SPEEDDOME

The SpeedDome hosted the National In-Line Hockey Championships during the year as well as the Perth International Track Cycling Grand Prix featuring world champion cyclists from Australia and Great Britain.

Attendances at the SpeedDome increased by 28% over the previous year which indicates that the venue continues to play a significant role in cycling and roller sports.

KWINANA MOTORPLEX

Drag racing at the Motorplex continued to show an increase in popularity with some 9 national drag racing events staged during the year. Speedway has consolidated with 10 Super Speedway events held on Saturday nights.

A community youth incentive programme, "Safe Streets", was launched by the licensee. This programme which is run in conjunction with the WA Police Service encourages local youth to use the Motorplex for drag racing activities.

The Noise Management Plan was reviewed during the year following a request by the Minister for the Environment. The Noise Management Plan was reviewed in consultation with the Department of the Environment.

BOARD OF MANAGEMENT

One member of the Board, Professor Tom Stannage, resigned during the year. He was replaced by Tim Marney who is currently the acting Under Treasurer.

The Management team continued to provide outstanding leadership and to them, the Board of Management and the Trust's dedicated and hard working staff, I thank you for what has been an extremely successful year for the Trust.

GRAHAM MOSS
CHIEF EXECUTIVE OFFICER

WA SPORTS CENTRE TRUST ADMINISTRATIVE STRUCTURE

The WA Sports Centre Trust Act provides for the establishment of a Board of Management to administer the legislation. The Board is appointed by and is responsible to the Minister for Sport and Recreation.

The Act provides for the appointment of:

- Three persons each of whom is in the Minister's opinion qualified for appointment by reason of knowledge of or experience in commerce, law, financial management or administration or personnel management or administration;
- Three persons each of whom is in the Minister's opinion qualified for appointment by reason of knowledge of or experience in sport;
- Two persons who are officers of the public service of the State; and
- One person who is a member of the staff of the University of Western Australia.

BOARD MEMBERS

Mr Denis McInerney – Chairman

Ms Lauren Cowan

Mr Tony Di Francesco

Mr Ronnie Hurst

Mr James Limnios

Mr Tim Marney

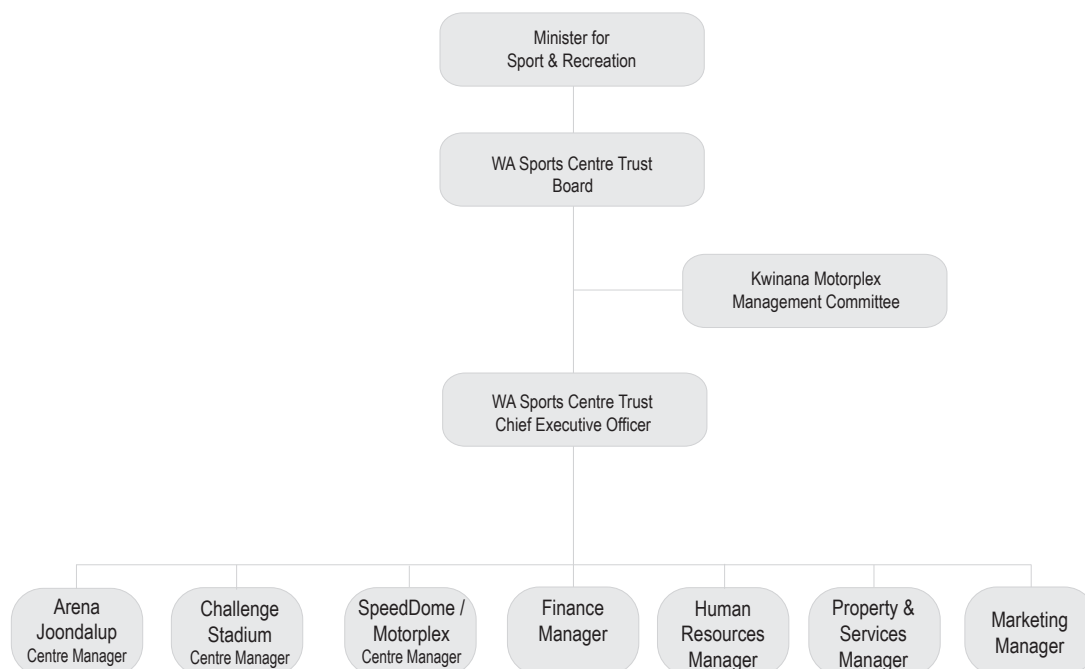
Ms Sue Taylor

Ms Victoria Wilmot

Ms Elizabeth Woods

Note: Mr Tim Marney was appointed to the Board on 31st May 2004 replacing Professor Tom Stannage who resigned from the Board on 6th February 2004.

WA SPORTS CENTRE TRUST MANAGEMENT STRUCTURE



ENABLING LEGISLATION

The Western Australian Sports Centre Trust was established as a Statutory Authority under Section 4 of the Western Australian Sport Centre Trust Act on the 12th December 1986.

Legislation impacting on the WA Sports Centre Trust activities:

- Financial Administration Act 1985
- Public Sector Management Act 1994
- Salaries and Allowance Act 1975
- Equal Opportunity Act 1984
- Occupational Safety and Health Act 1984
- Workplace Agreement Act 1993
- Minimum Conditions of Employment Act 1993
- Industrial Relations Act 1979
- Library Board of Western Australia Act 1951
- Disability Services Act 1993

CONTRACTS WITH SENIOR OFFICERS

At the date of reporting, other than normal contracts of employment, no Board members or senior officers, or firms of which Board members or senior officers are members, or entities in which Board members or senior officers have substantial interests had any interests in existing or proposed contracts with the Trust.

CHANGES IN WRITTEN LAW

There were no changes in any written law that affected the Trust during the financial year.

MINISTERIAL DIRECTIVES

No Ministerial directives were received during the financial year.

PRICING POLICIES ON OUTPUTS

In accordance with TI 903 (4)(x) the Trust has discretion to charge for goods and services subject to Ministerial approval.

ELECTORAL ACT 1907 SECTION 175ZE

In compliance with section 175ZE of the Electoral Act 1907, the Trust is required to report on expenditure incurred during the financial year in relation to advertising agencies, market research organisations, polling organisations, direct mail organisations and media advertising organisations.

The details of the report are as follows:

Expenditure with Advertising Agencies amounted to \$17,311 and was with the following:

- Market Equity

Expenditure with Market Research Agencies amounted to \$7,021 and was with the following:

- Centre for Environmental and Recreation Management (CERM) – University of South Australia

Expenditure with Polling Agencies was nil.

Expenditure with Direct Mail Agencies was nil.

Expenditure with Media Advertising Agencies amounted to \$98,395 and was with the following:

- Marketforce
- Media Decisions
- Southern Cross Broadcasting

TOTAL EXPENDITURE \$122,727

COMPLIANCE WITH THE PUBLIC SECTOR MANAGEMENT ACT

In administration of the Western Australian Sports Centre Trust, guidelines and processes supporting the Public Sector Standards in Human Resource Management have been developed to address compliance requirements.

Policies and standards supporting the guidelines are available in the human resources manual, which is accessible to all staff in hardcopy, on the intranet system and in the Trust's Training library.

Management is responsible for compliance with the public sector standards and ethical codes. Such responsibility is reflected in management job descriptions. The Human Resources Department supports management in complying with the standards and codes.

An assessment of compliance by Buller Settineri in June 2004 determined that the Trust had met compliance requirements in the 2003/04 financial year.

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

Number lodged	NIL
Number of breaches found, including details of multiple breaches per application	NIL
Number still under review	NIL

Freedom of Information

During the year no Freedom of Information applications were made.

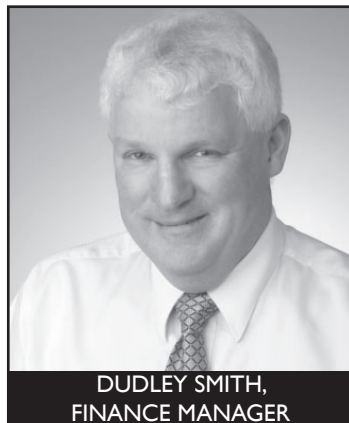
Equal Opportunity

No Equal Opportunity issues were raised in the period.

Dated this 26th day of August, 2004.



GRAHAM MOSS
CHIEF EXECUTIVE OFFICER



The Trust's Finance Department provides financial and management reporting, information technology and records management for the operation of Challenge Stadium, Arena Joondalup, SpeedDome and Kwinana Motorplex.

FINANCIAL MANAGEMENT AND REPORTING

During the year the Finance Department has been actively involved in the move to the Government's Shared Service Centre concept by attending work process groups and providing input to the design of the new model and by attending workshops and seminar on the subject.

The Trust has commenced the adoption of accounting standards in compliance with AASB 1 being the first-time adoption of Australian Equivalents to International Financial Reporting Standards (IFRS). This required the establishment of a project team to identify the key differences in accounting policies, disclosures and presentation and the preparation of a plan to convert accounting policies, financial management information systems and processes so the Trust can account and report on the IFRS basis.

This project is on schedule and will commence with the preparation of an opening IFRS balance sheet in accordance with AASB 1 as at 1 July 2004 being the date of transition to IFRS.

RECORDS MANAGEMENT

The Trust installed infrastructure and procedures for record keeping and developed a Record Keeping Plan for record management as required by the State Records Act 2000 prior to the March 2004 deadline.

INFORMATION TECHNOLOGY

This year has been a time for upgrading, improving and expanding the Trust's existing infrastructure and systems. In particular, the Arena Joondalup servers have been upgraded which has improved the ability to manage and maintain the system and allows for greater security control. The email system for all venues has also been upgraded to Exchange 2003 and the operating system on many personal computers and laptops has been upgraded so that all are now loaded with either Windows 2000 or Windows XP.

There has been an emphasis on improving electronic communications between the venues. The virtual private network (VPN) expanded to include several home users and Arena Joondalup's link to Challenge Stadium was upgraded to ADSL. Midvale SpeedDome was connected to the Facility Management system which has improved the booking management and invoicing processes for the venue.

The focus on using our current databases to market the Trust's facilities and services has continued with the Finance Department providing data and statistics to meet these needs.

BUDGET ESTIMATES FOR 2004/05

In accordance with Section 42 of the Financial Administration and Audit Act 1985 and pursuant to TI 953 (2) the budget estimates for the 2004/05 financial year as submitted to the Minister are as follows:

WESTERN AUSTRALIAN SPORTS CENTRE TRUST BUDGETED STATEMENT OF FINANCIAL PERFORMANCE for the year ended June 30, 2005

REVENUE	2004/05
Revenues from ordinary activities	
Trading Profit	2,400,000
Goods and services	8,651,000
Interest revenue	70,000
Other revenue from ordinary activities	1,600,000
Total revenue from ordinary activities	12,721,000
EXPENSES	
Expenses from ordinary activities	
Employee expenses	9,145,000
Supplies and services	6,063,000
Depreciation	2,354,000
Borrowing costs expense	24,000
Administration expenses	420,000
Accommodation expenses	410,000
Capital User Charge	8,136,000
Other expenses from ordinary activities	200,000
Total expenses from ordinary activities	26,752,000
Profit/(Loss) from ordinary activities before grants and subsidies from Government	(14,031,000)
Grants and Subsidies from Government	14,031,000
NET PROFIT	-

OUTCOMES, OUTPUTS AND PERFORMANCE INFORMATION

The following performance measures relate to the 2003/04 Budget Statements that were presented to the Legislative Assembly on 8 May 2003.

The performance measures of quantity, quality, timeliness, cost and effectiveness as they relate to the Trust's outcomes and outputs are detailed below:

Outcome: Provision of facilities for elite sports training and competition.

Output: 1: Management of elite sport facilities

The following indicators provide a measure of how effective and efficient the Trust provides facilities and services for WAIS elite training programmes:

Output Measures	2003/04	2003/04
Quantity	Target	Actual
Number of hours of elite training and competition	35,713	36,608
Quality		
Customer satisfaction	82%	83%
Timeliness		
Facilities are available on a timely basis	85%	79%
Cost		
Average cost per hour of elite training & competition	\$329.74	\$316
Effectiveness		
Survey of participants on quality of elite sporting training facilities	82%	83%

A survey of participants produced a level of satisfaction with the quality of elite sporting training facilities of 80% compared to a target of 82%. This indicator would suggest that the management of elite sport facilities has been effective in achieving the desired outcome.

Outcome: Provision of facilities for community sport, entertainment and recreation.

Output: 2: Management of community sport, entertainment and recreation facilities

The following indicators provide a measure of how effective and efficient the Trust provides facilities and services at Challenge Stadium, Arena Joondalup and SpeedDome:

	2003/04	2003/04
	Target	Actual
Quantity		
Annual patron visits to Challenge Stadium	930,000	1,003,606
Annual patron visits to Arena Joondalup	840,000	892,332
Annual patron visits to SpeedDome	27,500	37,183
Quality		
Customer satisfaction at Challenge Stadium	84%	81%
Customer satisfaction at Arena Joondalup	85%	84%
Customer satisfaction at SpeedDome	85%	90%
Timeliness		
Facilities are available on time at Challenge Stadium	79%	85%
Facilities are available on time at Arena Joondalup	85%	78%
Facilities are available on time at SpeedDome	88%	89%

Cost

Average cost per patron visit to Challenge Stadium	\$7.32	\$6.57
Average cost per patron visit to Arena Joondalup	\$7.31	\$6.87
Average cost per patron visit to SpeedDome	\$20.30	\$14.12

Effectiveness

Revenue from community sport, entertainment and recreation.

\$10,594,000 \$14,293,640

The above indicators suggest that the output of management of community sport, entertainment and recreation facilities has been effective in achieving the desired outcome.



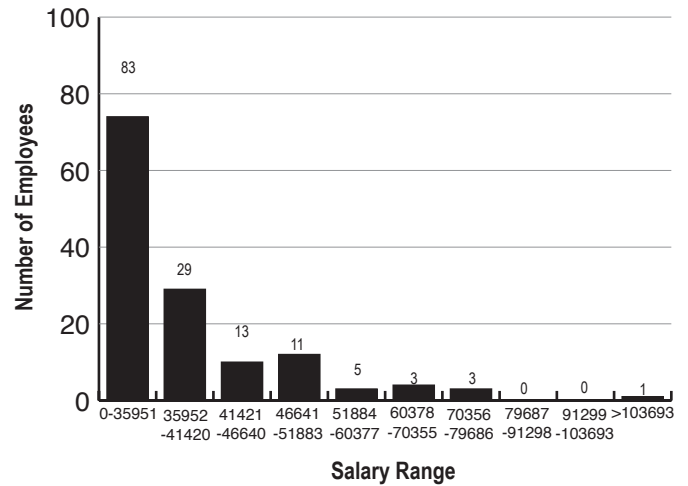
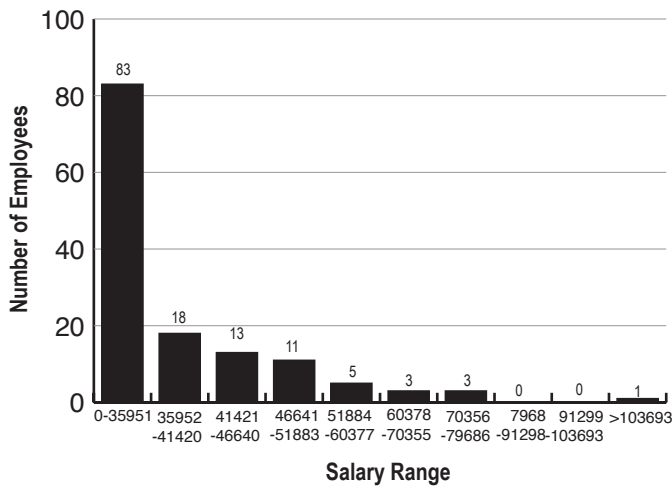
Partnering, progressive and passionate best describes the centralised Human Resources function of the Western Australian Sports Centre Trust. The Team provides an internal human resources consulting service to all venues of the Trust.

The function is driven by its' mission to "partner with managers and employees in the achievement of better results through the effective and efficient application of human resource practices in business operations".

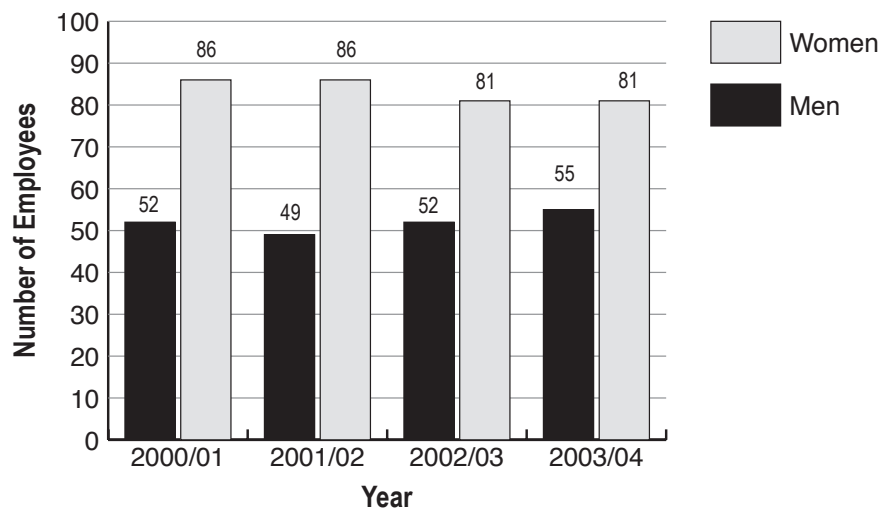
STAFFING

During the 2003/04 period the average annual employee level for the Trust was 191 FTE comprising full-time, part-time and casual staff compared to 186 FTE in the 2002/03 period.

Employee salary profiles are provided for the permanent and fixed term employees in 2002/03 and 2003/04.



Employee numbers in terms of men and women are provided for the permanent and fixed term employees in 2002/03 and 2003/04 periods:



To meet venue needs 43 permanent and fixed term employee appointments were made throughout the Trust. Casual employees are a large component of the workforce. As at 30th June 2004, 964 casual employees had been engaged with approximately 47% of those recruited in the 2003/04 period.

The 2003/04 staff turnover rate was 22% compared to 18.48% in 2002/03.

LEARNING AND DEVELOPMENT

Actual training and development activities in the 2003/04 period accounted for 3,341 hours of employee time. Average paid training hours per full time equivalent was 19.21.

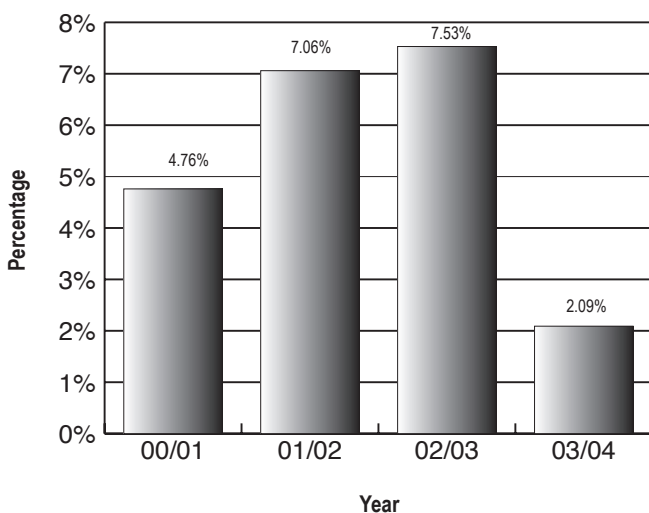
Training and development strategies are implemented to ensure that employees have the right skills and knowledge to meet current and future business needs of the Trust. Employees training needs are individually and collectively assessed. Activities are designed to meet identified needs to enhance the quality of employment and encourage employees to take responsibility for their own professional development.

REWARDS AND RECOGNITION

As well as day to day recognition two formal recognition and reward programmes exist at the Trust, namely the WOW Award (for the Employee of the Month) and the Chairman's Award (for the Employee of the Year).

WORKERS COMPENSATION

Workers' compensation costs per \$100 of gross payroll was \$0.2187. The Trust has recorded 4 workers' compensation claims in the 2003/04 period, a decrease from 13 in the 2002/03 period. Average lost time was 23.72 hours compared to 18.13 hours in the previous period. The value of lost time for the claims occurring in the period totalled \$33,596.97. The percentage of accidents per FTE has decreased in the 2003/04 period:



EQUAL OPPORTUNITY

No Equal Opportunity issues were raised in the period.

HUMAN RESOURCE STANDARDS

No breaches of Human Resource Standard were lodged with the Trust under the Public Sector Management (Examination and Review Procedures) Regulations 2001.

KEY INITIATIVES

Leadership Practices

The preferred Trust leadership practices were identified by a Leadership Champion Team consisting of organisational representatives. The agreed key practices are teamwork, accountability, recognition, performance management, organisational culture and communication. To support the application of these practices in the workplace an assessment of each current leader's behaviours was undertaken (over 50 participants) and a supporting leadership training programme was conducted in April 2004. The leadership behaviours now form part of the revised performance management process and will be assessed annually.

Performance Management

In consideration of external research, staff consultation and survey feedback the Trust's performance management system was reviewed and revised. The new improved performance agreement process was launched in June 2004. The new system aims to provide employees with increased empowerment and value in the process. All permanent employees were invited to attend a training session to understand the new system and commit to the process.

HUMAN RESOURCE POLICIES

The Human Resource Policies 2004 manual consisting of revised and new policies was distributed to all employees. Each manager and co-ordinator was responsible for highlighting key policies with their own staff with particular emphasis on behavioural policies. The policies were distributed in hard copy and will be maintained through the Trust's intranet system and will form part of the induction program.

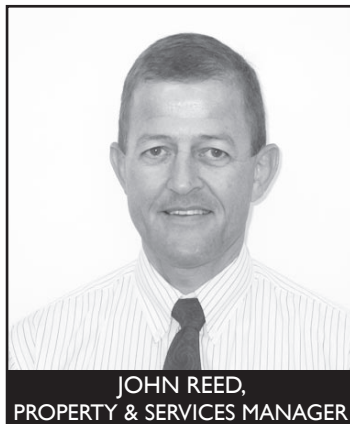
BEST EMPLOYER SURVEY

In March 2004 the Trust participated in a major study to identify the Best Employers to Work for in Australia. The study was primarily based on employee perspectives regarding what makes organisations exceptional employers. The Trust's engagement rating was 55% compared to 52% for other organisations (47% for other public sector organisations) and 77% for Best Employer organisations. The results of the survey provide an opportunity for the Trust to better understand the level of satisfaction employees experience in relation to key employment practices.

JUSTINE SMETHAM
HUMAN RESOURCES MANAGER

Property and Services

WESTERN AUSTRALIAN SPORTS CENTRE TRUST | REPORT ON OPERATIONS



The Trust's Property and Services department has experienced an extremely busy year, with some significant capital works being undertaken, and many improvements to all venues being completed by Trust staff.

PERSONNEL

There was a significant change in personnel in the department, with Anthony Moreschi joining to replace the departing Len Lemon as Property and Services Co-ordinator at Challenge Stadium, Campbell Kidd taking on the role of Mechanical Maintenance Officer and Lech Pawlusiewicz in the role of Grounds Maintenance Officer. We also received the sad news that Shen Wills would be unable to recommence employment with us, as a result of poor health. We wish him well in the future.

Despite the disruption caused by these changes the department has achieved significant progress, particularly in the area of energy reduction. At Challenge Stadium energy savings of \$63,042 were achieved, and at Arena Joondalup \$33,610. An overall contribution of just under \$100,000.

These excellent results were due in part to opportunities identified in the energy audits that were carried out at both major sites, but also a significant degree of input and innovation on the part of Trust staff.

These savings have been passed on directly to the departments, especially the Aquatic departments, and represent a major contribution towards the reduction in operating costs of the venues.

CAPITAL WORKS

A number of major capital works were completed at Challenge Stadium, including refurbishment of the dive towers and painting the roof trusses and grandstand in the pool hall. Also at Challenge, the Emergency Evacuation and P.A. system was replaced and shade sails at the 10 lane pool were installed, the entire door lock system was replaced, the Building Management System was upgraded to the latest software and a new auto door opposite reception was installed. The two most significant capital works projects for the year though were undoubtedly the indoor pool filtration plant re-piping, and the geothermal water heating system. This system is now on line and heating four of the centres five pools and the domestic hot water system. The first gas bill received post-commissioning bears out the promises of the feasibility study, with average winter daily gas costs dropping from \$1,000 a day to below \$100.

At Arena Joondalup the road and car park project which was intended to be completed by the end of the financial year, was delayed due to planning approval difficulties, but will be completed in October '04. The extension to the Fitness Centre was completed, a new inflatable and a heart-start defibrillator was purchased for the Aquatic Centre. This last item being used to good effect in saving the life of a male patron of the gym. There were also a number of office relocations carried out with the associated works, including air-conditioning changes.

At Midvale SpeedDome the roof skylights were replaced and the in-line skating rink was recoated for the National Championships.

Kwinana Motorplex had a new medical facility constructed, the ticket box upgraded and some safety related works carried out.

Next financial year the emphasis will continue to be on energy reduction and facility improvements, with further plant upgrades providing the main source of savings. Leading the charge will be the geothermal pool heating project, now on line and already proving to be a winner with both staff and patrons alike. As a result of the success of the system the temperature of all the pools heated by the system has been raised and maintained more consistently at this higher temperature.

There are also a large number capital projects to be undertaken to improve the condition and facilities of the Trust's venues to ensure they remain at the forefront of sporting venues. These include:

- Bitumising No.4 car park at Challenge Stadium
- New road and car park at Arena Joondalup
- Upgrading the Sports Bar at Arena
- Replacing the Aquatic sound system at Challenge
- Installing a reticulation bore at Midvale SpeedDome
- Refurbishing the Sports Shop at Challenge

EXPENDITURE

Property and Services expenditure was \$18,565 less than budget across all venues due largely to staffing changes and reduced motor vehicle expenses.

A breakdown of expenditure at all the Trust venues is shown below

Venue	Utilities	Repairs & Maintenance	Capital Works
Challenge Stadium	\$734,351	\$538,833	\$1,198,181
Arena Joondalup	\$402,037	\$388,124	\$161,170
Midvale Speed Dome	\$32,717	\$99,891	\$58,236
Kwinana Motorplex	-	-	\$193,856

ENERGY SMART GOVERNMENT PROGRAMME

In accordance with the Energy Smart Government policy the Western Australian Sports Centre Trust has committed to achieve a 12% reduction in non-transport related energy use by 2006/07 with a 6% reduction targeted by 2003/04.

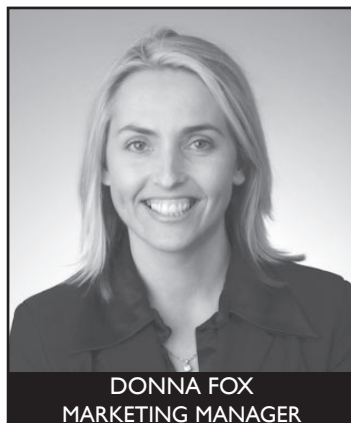
Energy Smart Government programme	Baseline Data	2003/2004 Actuals	Variation %
Energy Consumption (MJ)	65,227,649	58,509,201	-11%
Energy Cost (\$)	1,067,980	\$888,948	-20%
Greenhouse Gas Emissions (tonnes of CO ₂)	4460	5429	+22%
Performance Indicators by category Public Buildings MJ/sqm	1902	1706	-11%

As can be seen from the above table, the Trust has almost achieved the Government target of 12% reduction in overall energy consumption already, and with the recent commissioning of the geothermal heating system at Challenge Stadium, plus the installation of a pool blanket at Arena Joondalup, there is little doubt that this target will be easily achieved. In fact, with these and many other energy-saving initiatives which are currently under way it is hoped that a 45% reduction in energy consumption will be achieved.

The significant increase in greenhouse gas emissions, despite a reduction in energy consumption, was due to continued drop-off in the supply of landfill gas to the on-site generator at Challenge Stadium. This culminated in the final shutdown of the plant on May 31st this year. The plant had been operational since 1993, and had served its purpose admirably as both a means of safely removing harmful gas from entering the atmosphere, and providing a source of energy to the stadium and other users. A new contract has been negotiated with Western Power to supply not only Challenge Stadium and Arena Joondalup with power, but also to supply Challenge Stadium with natural gas. This has resulted in reduced unit costs for energy supply to both major venues.

During the year the following energy saving initiatives were undertaken:

- An independent energy audit was carried out of Arena Joondalup which was funded by a grant from the Office of Energy. This has identified a number of short, medium and long-term objectives to reduce energy consumption at the centre. These are currently being actioned.
- Changes were made to the controls of the hot water boilers and pool hall air handling plant at Arena Joondalup, resulting in reduced gas consumption.
- A programme of replacing existing standard fluorescent tubes with Tri-phosphor type has allowed for a reduction in the total number of tubes required in fittings, thereby reducing power consumption.
- Installation of a variable speed drive unit on the dive pool pump at Challenge has reduced power usage, as has programming a time schedule into the building management system to reduce pump load out of operating hours.
- Fitting of time delay switches to a number of air conditioning units at Challenge Stadium to prevent them being left on accidentally.
- Closure of the outdoor water polo pool during the winter months, greatly reducing gas consumption.



DONNA FOX
MARKETING MANAGER

The Marketing Department is responsible for the provision of marketing and promotional services for the business activities and events carried out at the venues managed by the WA Sports Centre Trust.

The Trust staged a number of large scale events during the 2003/04 financial year which saw the Marketing staff undertake considerable responsibility for event management along with

promotional planning and execution.

In addition to event requirements, all advertising and promotional material continued to be designed and produced in-house for venues and business units along with the management and maintenance of the Trust's five web sites.

QuarterTIME and Arena Action magazines, the two major venue promotional publications were distributed via The Western Suburbs Weekly and The Wanneroo Times respectively, on a quarterly basis throughout the year.

Market Equity, a local business information consultancy with operations covering market research, marketing planning and knowledge management was engaged to assist in the review of the Trust's communication strategies. The focus of this review was primarily to assess the ongoing viability of Arena Action and QuarterTIME and the media channels utilised for all communications. The desired outcome from this exercise was to expand the repertoire of current users, reduce the cost of promotion and to develop the ability to quantify the success of marketing strategies implemented.

Naming rights sponsors for both Arena Joondalup and Challenge Stadium continued to be sought throughout the year. Invitations were sent to over 30 major corporations seeking opportunities for a presentation of the sponsorship proposal. Three such presentations were made without success.

The Marketing Department was responsible for the marketing and promotion of several events staged by the Trust during the year namely:

RUGBY WORLD CUP

Arena Joondalup was an official live site for Rugby World Cup 2003. Between October 10 and November 22, 19 games including the final and Opening Ceremony were shown on a big screen in the Main Arena along with two virtual concerts and a live performance by the band The Proclaimers after the final.

Extensive event promotional and marketing material was produced including press advertising (The West Australian and Community Newspapers), radio advertising on Mix 94.5 and 92.9. The event was featured on the cover of the Spring edition of Arena Action magazine.

PERTH INTERNATIONAL TRACK CYCLING GRAND PRIX

The second annual Track Cycling Grand Prix was staged at the SpeedDome on Friday, November 21. Branded as a battle for the track "ashes", teams from Australia and Great Britain along with local and national riders competed in sprint and endurance events.

Once again, the event icon and supporting promotional material was designed and produced in-house.

Pre-event promotion included press advertising in the local community papers, radio interviews and direct mail to WA Cycling Federation and Triathlon WA databases.

WORLD PEACE GAME TOUR

The World Peace Game Tour featured a ten day visit to Perth by the Iraq National Football Team, along with head coach Bernd Stange from November 14 to 23.

The Tour centred on a "World Peace Game" played at Arena Joondalup on November 16 between Iraq and an Australian Representative side comprising members of the WA State Team, Australian Institute of Sport squad members and former Soccerroo Robbie Slater. In addition to the main game, a match was staged in Albany, coaching clinics were conducted in Bunbury and a Gala Dinner was held at Burswood Resort Casino.

The marketing and promotion of the Tour comprised the development of event logo and branding, official media launch, press advertising (The West Australian and The Wanneroo Times), poster distribution throughout Perth and Joondalup cities and event merchandise.

ROCK IT CONCERTS

Two Rock iT concerts were held during the year – the first on November 23 featured Powderfinger, Jack Johnson, The Living End, John Butler Trio, Magic Dirt and Downsyde and attracted some 23,000 people. The event on March 14 featured Grinspoon, Resin Dogs, Pacifier, Bodyjar, The Butterfly Effect, Brand New and The Flairz and attracted some 23,000 people.

For both events the Trust Marketing Department was involved in official supplier, sponsor and media partner negotiation and servicing and VIP hospitality management. The pre-event promotional campaigns included advertising via television (Channel Ten, WIN TV), radio (Nova 93.7), and press (The West Australian and Xpress Magazine).

The resources of the Trust's Marketing department were bolstered throughout the year with the role of Executive Assistant to the Chief Executive Officer expanded to become Marketing and Executive Assistant. This has provided much needed additional resources to cater for the Trust's growing marketing, promotion and event management demands.

DONNA FOX
MARKETING MANAGER

OVERVIEW

The 2003/04 financial year was a year of achieving and surpassing significant milestones for Challenge Stadium.

The Fisher & Paykel Australian Age Swimming Championships held in April 2004 provided the opportunity for over 1300 of Australia's best age swimmers to compete against each other. The event produced 12 Australian Age and 4 Australian Age All comers' records. Attending the event were youth teams from Britain and New Zealand who gave the event an international feel.

Entertainment events made a return to Challenge during the year. Successful staging of concerts by Cold Chisel, Sesame Street Live, Craig David, The Wiggles "Lights Camera Action", Evanescence, Live, John Edwards "After Life tour" and the Spare Parts Puppet Theatre production "H20" attracted new audiences to the venue and greatly improved the financial return for the Event Operations business unit.

The Perth Wildcats played their second consecutive National Basketball League season at Challenge Stadium maintaining their record of reaching the finals. A change of coach and a new playing roster from the previous year initially effected attendance levels however attendance recovered midway through the season.

The Perth Orioles competed in the Commonwealth Bank Trophy National Netball league playing 7 home games at the venue. The Orioles were on a rebuilding programme and struggled to win many games but the local crowd was always enthusiastic in their support.

Exhibitions and events staged in the main arena were also of great significance. The Victorian Rose Fair, Telethon Craft Fair, Flight Centre Travel Exhibition and Planet Shakers Conference being some of the major highlights. Sporting events also featured strongly in the main arena. Western Warfare 3 boxing featuring Western Australian Danny Green, the Golden Gloves Championship, WA Gymnastics State Championships, Country Week Volleyball and WA Netball State Netball League fixtures being just some of the sporting highlights.

Venue patron visits for 2003/04 for the first time surpassed the 1 million mark, recording 1,003,606 patron visits to the venue. This represents an increase of 2.19% over the previous year's patron numbers.

A total of 444 events were staged at Challenge Stadium's Aquatic Centre and Main Arena during the year. These events were of both sporting and non-sporting nature. The 402 sporting events comprised five international, 32 national, 72 state and 293 local events. The 42 non-sporting events included award functions, conferences, concerts, dinners and exhibitions.

Challenge Stadium business units, with the inclusion of the Events Catering business unit, achieved a total gross income of \$6,642,391 representing a 2.99% increase over the previous year. Increased entertainment events and programme activity attendances were the major contributing factors.

The overall Challenge Stadium business units' expenditure for the year was \$6,619,441 an increase of 1% from the previous year. The business units produced a net operating profit of \$22,950 an improvement of \$127,603 on the previous year's net operating cost.

AQUATIC CENTRE

The Challenge Stadium Aquatic Centre's five swimming pools, three 50m Olympic pools, diving pool and outdoor water polo pool attracted 420,473 patrons for the year an increase of 17,974 (4.46%) on the previous year.

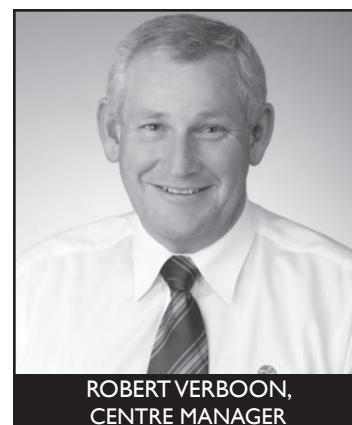
The Aquatic Centre conducted a total of 343 events during 2003/04. These included four international, 12 national, 34 state and 293 local events all in aquatic disciplines.

Event numbers increased on the previous year due to a 20% increase in school carnivals and WA Swimming introducing some new events and the introduction of entertainment events to the outdoor pool. The stand out events for the year were the Fisher & Paykel 2004 Australian Age Swimming Championships and the Spare Parts Puppet Theatre's production of H20. Major events included:

- Fisher & Paykel 2004 Australian Age Swimming Championships
- Kuwaiti Swim Team Training
- Spare Parts Puppet Theatre – H20 Production
- PSA Boys Interschool Swimming
- 11 National Water Polo league fixtures
- 20 WA Swimming Association Events
- WA Diving State Championships
- WA Water Polo Summer and Winter Competition Fixtures
- 67 School Swimming Carnivals

User groups catered for by the Aquatic Centre were wide ranging and included:

- Australian Swimming Inc
- Western Australian Swimming Association
- WA Water Polo Association
- WA Diving Association
- Royal Life Saving Society of WA
- High Performance coaches (Swimming, Diving, Water Polo)
- University of Western Australia Guild
- School Sports WA
- ERG Group
- Diving and Triathlon clubs
- Aqua Aerobics
- Learn to swim squads
- General recreation and fitness swimmers



ROBERT VERBOON,
CENTRE MANAGER

Elite sport training and competition activities for 2003/2004 included the High Performance Swim training (17,296 hours of lane hire), swimming competitions (451 hours), diving training and competition (1,347 hours) and water polo training (2,580 hours).

The Aquatic Centre's gross revenue increased marginally \$2,944 or 0.252% over the previous due to increased event activity particularly during the period January '04 to April '04. Aquatic expenditure increased by \$36,460 or 2.82% predominately through increased wages and chemical costs.

EVENT OPERATIONS

Challenge Stadium Arenas comprise a 4,500 seat main arena, an 830sqm training hall and a purpose built gymnastic training centre.

The Arena's are used for sports training and competition and for commercial activities such as conferences, product releases, exhibitions and trade events, large dinners/breakfasts and concerts.

A total of 101 events were staged in the arenas during the year. These included 61 sporting, two conference/seminars, seven exhibitions and trade shows, five product launches, 13 concert and 13 Event Catering events.

The 61 major sporting events held in the main arena during this year included:

- Six rounds of the Commonwealth Bank National League Netball
- NBL Perth Wildcat Fixtures and Final
- WA State Gymnastics Championships
- 34 fixture and finals of the WA Smoke Free State Netball League
- Country Week Volleyball Competition
- Danny Green Fight
- Golden Gloves National Fight Night
- WA Dancesport Championships
- Rottneest Channel Swim Briefing

The 31 non-sporting events staged included:

- Cold Chisel Concert
- Dankz Expo Day
- Oceana Fest
- Sesame Street Live
- Worlds Largest Tupperware Party
- Tradelink Big Top Trade Expo
- Bedshed Product Seminar
- Victorian Rose Fair
- Telethon Autumn Craft Fair
- Craig David Concert
- Flight Centre Travel Expo
- Wiggles "Live Action Camera" Concert
- Live – Rock Concert
- Planet Shakers Conference
- Evanescence Concert
- John Edwards After Life Tour
- Counting Crows Concert

The upturn in commercial events in particular resulted in the Events Operations recording a net profit of \$49,168 a \$75,030 improvement on the net operating cost from the previous year. Income increased by 159% and expenditure increased 129% over last financial year.

EVENT CATERING

Event Catering consists of four major business areas for Challenge Stadium being the Perfect Balance Café, Events, Banquets and Functions.

Event Catering hosted 13 dinner functions in the main arena during the year catering to a range of guests from 200 to 2,000. Functions included:

- The Sandover Medal Dinner
- WA Institute of Sport Annual Dinner
- WA School Girls Breakfast
- Australia Post Dinner
- UWA Ecoms Ball
- Hale School Valedictory Dinner
- Perth Wildcats and Perth Orioles Seasons
- Perth's Ultimate AFL Grand Final Lunch

Event Catering utilise the three function rooms within Challenge Stadium running day to day boardroom style to conference style formats.

Challenge Stadium event catering returned a net profit of \$192,020 for the year an increase of over 200% from the previous year. This is an indication of the increased event activity in the venue over the course year.

A total of 203,414 patrons attended the Perfect Balance Café and functions staged by Event Catering for the year.





PROGRAMMES

A wide range of quality innovative programs for schools, community and corporate groups are offered by Challenge Stadium's Programmes Business Unit. The Challenge Swim School and Toddler Gym programmes are the major contributors.

Programmes conducted by the Department during 2002/03 included:

- Challenge Swim School
- Toddler Gym
- Birthday Parties
- Holiday Sports School
- Corporate Synergy Training
- Sports Education Experiences
- Specialist sporting clinics for football, netball and diving
- Venue Tours
- Dormitory Accommodation
- Four Wheel Drive courses

The department recorded a gross income for the year of \$733,656 representing an 8.76% increase the previous year. Expenditure increased by 2.17% mainly due to increased wage costs. Net profit increased by 27.45% over the previous year and attendance numbers reached 48,635.

MERCHANDISE

The Challenge Sports store continued to stock a comprehensive range of aquatic swimwear and accessories, aerobic and leisure wear and returned an \$111,555 net profit for the 2003/04 financial year – the best result ever recorded.

CHALLENGE FITNESS CENTRE

The Fitness Centre completed its first full year of operating with Evolve Pilates and Yoga Studio. Unfortunately enrolments fell some 20% for Matwork Pilates and Yoga from the previous year and private and semi private Pilates did not attain the 70% occupation level as budgeted. This is due to the proliferation of competition that has been established in close proximity to the venue

Fitness Centre memberships were stable against those recorded in the previous year with the annual attendance to the Fitness centre reaching 110,755. The membership level at the end of the year was 1,579 with a further 423 visit card memberships taking the total membership to 2002 an increase of just over 200 from the previous year. The retention rate for memberships for the year was 57%.

The net profit recorded for 2003/04 was \$169,419 which was a significant reduction on that achieved in the previous year. The reduction was predominately due to the downturn in enrolments to the evolve studio.

CUSTOMER FOCUS

Customer focus continued to be a major priority at Challenge Stadium. In March the Centre for Environmental and Recreation Management, based within the University of South Australia conducted the annual customer service survey of Challenge Stadium patrons.

Patrons are asked a series of questions to establish a customer expectation level and then a customer satisfaction level to that expectation.

Overall customer satisfaction levels achieved an 80.57% rating from general recreation patrons, while the elite athletes customer satisfaction was at 81%, an improvement of 4.24% on the previous year.

WA INSTITUTE OF SPORT

The WA Institute of Sport is located at Challenge. The venue provides world class training and competition facilities for the majority of WAIS's 480 athletes.

WAIS athletes continue to represent the state at international competition with great success. During the year, a total of 45 WAIS athletes were selected in the Australian Olympic team for Athens and 15 WAIS athletes were selected to represent Australia at the Athens Paralympics.



Challenge Stadium

WESTERN AUSTRALIAN SPORTS CENTRE TRUST | REPORT ON OPERATIONS

SPORTS LOTTERIES HOUSE

Sports Lotteries House is administered by the WA Sports Federation and is situated adjacent to Challenge Stadium. Sport Lotteries House accommodates the following organisations:

- WA Sports Federation
- Sports Medicine Australia
- Triathlon WA
- Touchwest
- Baseball WA
- ACHPER
- RECFISHWEST
- WA Water Polo Association
- Womensport West
- Fitness Western Australia
- Cycling WA
- Canoeing WA
- WA Diving Association

MUSEUM OF WA SPORT

The Museum of WA Sport is managed by the WA Sports Centre Trust and is located within Challenge Stadium.

It contains a vast array of sporting memorabilia donated or loaned to the Museum by West Australian sporting champions. During the year a number of displays have been produced including Western Australian Sport through the Ages, Perth Wildcats and Perth Orioles displays. Work also commenced on an Athens Olympic display.

HALL OF CHAMPIONS

The Western Australian Hall of Champions received a significant boost with the Curtin University of Technology agreeing to become the Official Patron and Sponsor of the Hall. Curtin University will not only provide funding, but also expertise to ensure that the Hall continues to be an important part in developing and promoting WA's proud sporting heritage.

The Western Australian Hall of Champions is located on the upper level of Challenge Stadium. Established in 1985 with 14 Western Australian sporting champions being inducted at that time. The Hall of Champions now has 94 members from 22 sports. Three new members were inducted in 2003. The new members were:

- Hayden Bunton - Football
- Jacqui Pereira - Hockey
- Dean Williams - Squash

ROYAL LIFESAVING SOCIETY OF WA

The Royal Lifesaving Society of WA is located adjacent to the 10 lane outdoor pool at Challenge Stadium and now has new training and education rooms within the venue.

The aim of the Royal Lifesaving Society is to prevent the loss of life and to promote safe participation in water related pursuits.

In pursuing this aim the Society provides a number of community and vocational based services. These include:

- Vocational Education & Training in Sport and Community Recreation
- Safety Services and Expert Advice
- Community Education in Swim & Survive, Bronze Medallion and First Aid
- Community Awareness of Aquatic Issues
- Participation in Sport of Lifesaving

The Royal Lifesaving Society of WA makes extensive use of the Challenge Stadium aquatic facilities for its training programmes.

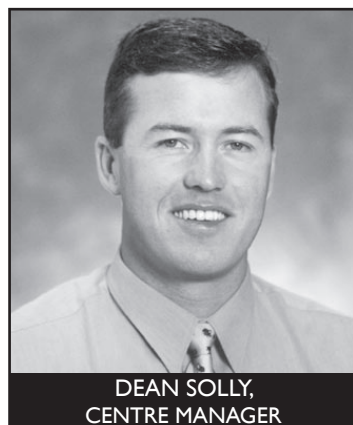
TENANTS

LifeCare operates a medical and physiotherapy treatment facility specialising in sports related injuries.

Challenge Children's Centre operates a day care facility within the Challenge Stadium precinct for the benefit of the local community.

Teamworks Development Training operates corporate and adventure training programmes utilising the high rope course, climbing wall and function facilities at Challenge Stadium.

ROBERT VERBOON
CENTRE MANAGER



**DEAN SOLLY,
CENTRE MANAGER**

OVERVIEW

For the second year in succession Arena Joondalup has experienced record growth in patronage and financial return. Attendances increased by 16% over the previous year resulting in total attendances reaching 892,332. The financial growth saw an overall reduction in the net operating cost of the venue of \$346,000 when compared to 2002/03. The majority of business units exceeded budget

with the strongest returns being generated in Health and Fitness, Child Care, Aquatic Commercial, Catering and Special Events.

All indicators are showing further growth in the forth coming year. This in itself presents a challenge to maintain operations at or near capacity with no sign of the level of activity diminishing. The staffing structure is operating as efficiently as possible and with the restructure of the Catering operations in January 2004 beginning to generate significant return the prospects are extremely good for another successful year for Arena.

HEALTH AND FITNESS

Another outstanding year for Health and Fitness. The membership base increased from 2,214 in June 2003 to 2,616 in June 2004 (increase of 18%). The operations produced a net return to the Arena of \$306,007, approximately \$94,000 higher than 2002/03. Following on from the expansion of the gymnasium in early 2003 all of the electronic equipment was replaced in 2004 under a new lease agreement with The Fitness Generation.

The fitness classes (dry side) averaged twenty three participants per class, aquatic classes twelve, precision cycling eighteen and thirty participants for all Les Mills classes.

Personal training was the only area of the Health and Fitness operation which failed to meet its targets. With the resignation of Amanda Crabbe as the Health and Fitness Coordinator, a small restructure was undertaken to enable greater focus on the Personal Training through a dedicated Sales and Personal Training Coordinator. This has resulted in immediate improvement in both numbers of clients as well as positive financial return.

AQUATIC COMMERCIAL

For the second year in a row the Aquatic Commercial operations achieved significant growth and positive financial result. An improvement of \$85,570 compared with 2002/03 resulted in a net return of \$159,854. This ensured that when combining Aquatic Programs and Aquatic Sport, the entire Aquatic operations generated a net return to Arena of \$128,165, an improvement from 2002/03 of approximately \$132,000 and the first time that a profit has been generated by the Aquatic Centre since it opened in April 2000.

Attendance figures totalled 301,096, this was an increase of 15% over the previous year.

Eighteen school carnivals were held at Arena. It is disappointing that WA Swimming has not staged any WASA events at Arena since the opening of the aquatic centre in April 2000. On going discussions are taking place with WA Swimming in a bid to stage some of its events at Arena.

With the Craigie Leisure Centre refurbishment scheduled to be completed in the summer of 2005/06 this year will be another extremely busy and challenging period for the aquatic staff. Pool blankets have recently been purchased for the competition pool, which will produce considerable savings in energy costs and add further to an ever improving bottom line.

AQUATIC SPORT

The Arena Swim Club maintained its strong standing within the swimming community. In its first year in "A" grade the club finished a very credible third in the state Premiership and third in the State Series. The club continues to be the largest in WA with up to 403 active members.

The Arena Swim Club had representatives in the National Age, National Open and National Open Water Swimming Championships. Highlights from these championships were Arena's first medal at National Age level, multiple final swims at National Open and a fourth placing in the National Open Water Swim Championships. In financial terms further streamlining of the coaching structure and controlling of overhead costs has resulted in the Aquatic Sport operations improving the bottom line by \$22,000 compared to 2002/03.

External swim clubs continue to utilise the competition pool. Westcoast Masters, Whitfords Aussie, Northcoast Triathlon Club, Mullaloo Beach Surf Life Saving and Trigg Island Surf Life Saving conduct club training at Arena each week.

AQUATIC PROGRAMMES

Attendance figures for the Learn to Swim operations exceeded targets which was an outstanding result. The program peaked at 1,283 enrolments in term one 2004, 211 higher than at the same time in 2003. This number of enrolments is the capacity that the program can accept due to space restrictions.

The cost however to manage these high numbers was greater than expected and this resulted in Aquatic Programs not reaching budget. The end of year net return totalled \$130,696 which was, however, approximately \$24,000 better than in 2002/03.

Holiday swimming enrolments exceeded budget projections and with Vacation numbers at capacity and Craigie not opening until the next financial year, all indicators point to a continuing improvement in the aquatic programs operations.

CHILD CARE

In what is being recognised by the Department of Community Development as one of the leading Out of School Hours Care services within WA, this part of operations requires a special mention. Averaging maximum numbers for After School Hours Care (45 per day) and

Vacation Care (105 per day) and fluctuating between 10 and 15 per day for Before School Hours Care service, Pauline Harris and her team are to be congratulated on the outstanding service that is being offered and variety of programs that are available for school aged children.

Commonwealth Funding for the program ceased in December 2002, however financially the service has gone forward. This is one of the main reasons that Arena has advertised for Expressions of Interest for a commercial operator to build and operate a full day care service at the Arena. The demand for quality child care services is extremely strong and Arena is seen as a high quality provider of these services.

LEISURE PROGRAMMES

Leisure Programs consolidated its operations this year with consistent numbers attending a variety of activities. Considerable emphasis has been placed on developing a mix of activities for the seniors market and this has seen a gradual increase in attendances each week. Seniors Activated and Bootscouting are two programs that are to be highlighted for their increase in participation levels.

Arena Joondalup, through the Sports and Leisure Coordinator Peita Gallager, is also responsible for coordinating the upcoming Regional Seniors event, "Live Life Festival", scheduled to take place between November 15th – 20th 2004, on behalf of the City of Joondalup, City of Stirling, Seniors Recreation Council, Veterans Affairs and the West Perth Football Club. In its inaugural year in excess of 10,000 seniors are expected to attend the Arena and surrounding facilities within Joondalup and Stirling Councils participating in a wide range of activities.

INDOOR / OUTDOOR

The Indoor / Outdoor department had a successful and very busy year with a number of activities and events having an International and National flavour.

The function rooms performed well with an average 21.85% increase in income compared with the previous year. Early in the next financial year considerable funds will be invested into the function rooms, including the Sports Bar, further enhancing the quality of the facilities at Arena.

There were 24 major events held in the Indoor Stadium during the year including:

- Live site for the Rugby World Cup 2003
- Tim Horan Rugby World Cup 2003 Luncheon
- 2003 West Perth Football Club Grand Final Celebration
- Virtual Concerts
- State League Netball Fixtures
- Perth Glory Corporate Luncheons

The playing fields were busy throughout the year with the Main Arena staging its largest number of events in a financial year. Some of the events staged throughout the year included:

- Michael Franti & Spearhead Concert
- Two Perth Glory NSL Fixtures

- Samoa Rugby World Cup 2003 Team Training Base
- World Peace Game, Iraq v Western Australia
- Two Rock iT Concerts
- Perth Bikers Charity Ride
- Salvation Army Carols by Candlelight
- WAFL Fixtures
- Virtual Concerts

Rock iT is now firmly established on WA's music calendar and holding two successful concerts in one year was a first for the event. Each event attracted in excess of 22,000 patrons and the financial return to the venue is an excellent example of successful facility diversification.

SPORTING COMPETITIONS

Another positive year for this business unit with an increase in the net return from \$9,172.00 in 2002/03 to \$14,399 in 2003/04. The numbers of teams registered as of the end of June was sixty one, twelve more than at the corresponding time in 2002/03. The number of teams peaked at ninety eight during the summer season.

There is still further growth required within Sporting Competitions however the positive return compared to last year is extremely pleasing and once again all indicators are pointing to another successful year ahead.

RETAIL OUTLET

Another excellent financial result for the retail operations with a net return of \$27,785, a significant increase from 2002/03. Gerald Simenson and his team are to be commended for another year of strong growth.

Negotiations with key suppliers have resulted in some significant discounts being offered Trust wide and this has certainly been well received at both Arena and Challenge Stadium.

The challenge into the future is to increase this net return. With attendance figures within the Aquatic and Health and Fitness operations at capacity, the focus will be on increasing the secondary spend of patrons as well as maximising the net return per item.



SPECIAL EVENTS

For the first time since the Rock iT concert was staged in October 1999, two Rock iT events were staged in the one summer this year. This was a significant risk as the event market in WA during the middle to late summer in 2004 was condensed with smaller touring events as well as the Big Day Out in February. However, after an extremely successful Rock iT on Sunday November 23rd 2003 where in excess of 23,000 patrons enjoyed the massive line up of Powderfinger, Jack Johnson, Living End, John Butler Trio and others, the opportunity was presented to host another Rock iT on Sunday March 14th 2004.

Blink 182 had confirmed their international tour and were secured to headline the event as part of the Joondalup Festival. The event was a sell out, however at 4.00am on the Sunday morning of the event the organisers were advised that Blink 182 had cancelled due to an injury suffered by their drummer. A part and full refund option was arranged and promoted to patrons and the concert went ahead. Approximately 2,700 patrons accepted the full refund option however the remainder of the patrons, in excess of 22,000, enjoyed another outstanding Rock iT and the feedback concerning the handling of the cancellation by Blink 182 was extremely positive.

In August 2003 the first mid-winter event was staged under a heated Big Top. Michael Franti and Spearhead headlined the event on a cold Tuesday night however approximately 3,000 patrons braved the weather and enjoyed the performance by Franti and Spearhead.

A second smaller concert coincided with the final of the Rugby World Cup. The Proclaimers performed live following the coverage of the Rugby World Cup final on two massive screens on Saturday November 22nd. In what was another outstanding event in excess of 1,700 people enjoyed the rugby and then the Proclaimers. All staff involved are to be congratulated on their hard work as the Rock iT concert with Powderfinger, Jack Johnson and co was staged the next day.

The staging of special events is continuing its massive growth at the Arena. The success experienced today is a result of over six years of high quality planning and successful event management strategies. The future of this business at the Arena is extremely positive.

CATERING SERVICES

Catering Services provides food and beverage services for Arena Joondalup and all user groups utilizing the venue.

These services include:

- The day to day operation of Arena Joondalup's Perfect Balance Café.
- All sporting, corporate and entertainment events ranging from small groups to 22,000 plus.
- Function catering for 21st birthday parties, corporate training session, board style meetings and Gala Dinners.

The Trust's Catering Services underwent a major restructure in the second half of the financial year. This resulted in the Arena Joondalup absorbing all catering responsibilities within the existing venue operations.

The existing position of part time Catering Supervisor was restructured to create the new full time position of Catering Coordinator. The Catering Coordinator position was made responsible for the day to day catering operations for events, functions and the Sports Bar, reporting directly to the Assistant Centre Manager, whilst the Perfect Balance Café Coordinator reports directly to the Centre Manager.

Arena has seen strong growth in event catering and revenue generated from the Perfect Balance Café, recording a net return for the business unit of \$53,142. This is a staggering improvement of \$123,812 compared to the net loss of \$70,670 in 2002/03. This is an outstanding result and can be contributed to the overall increase in the venue utilization across all Arena business units as well as the ongoing commitment that all staff are now providing to their operations.

There are a number of major improvements planned for Arena's function rooms in the 2004/05 financial year that should result in additional positive growth for this area.

SPONSORSHIP

Once again the major focus on sponsorship during the past twelve months has been through the major events. Whilst there is an ongoing commitment to promoting and maintaining the venue sponsors, the major focus has been, and will continue to do be, securing key sponsors for events.

CUSTOMER SERVICE

With ever increasing demand and growth in all of the business units, special mention needs to be made of our Customer Service staff who do a great job in sometimes difficult times, being the information conduit for all venue operations. The focus continues to be on ensuring that the customer's first impressions of Arena are positive and the Customer Service staff are a key part in ensuring that this happens.

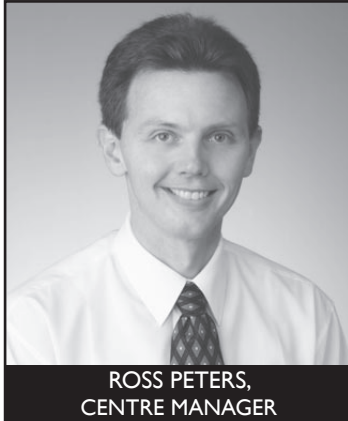
The challenge faced is to continue this high level of service leading into an even busier twelve months of operations.

SUMMARY

Since its opening in April 1994, 2003/04 has clearly been the most successful twelve months of operations at Arena Joondalup. I would like to take this opportunity in thanking all staff for their contribution to this outstanding result. To have improved the net trading result by \$346,000 compared to 2002/03, for the Aquatic operations to have generated a net return to the venue for the first time since opening in April 2000 and to have such significant growth in all areas of operations is a credit to the organisation. To all of the administration staff who play such a significant role in the success of all of the above business units, well done, the result could not have been achieved without you.

All indicators point to possibly an even better financial return in 2004/05 and the future looks extremely positive for Arena Joondalup.

DEAN SOLLY
CENTRE MANAGER



OVERVIEW

The SpeedDome continued to play a vital role in providing training and competition facilities for cycling and rollersports in Western Australia.

Many local, State, National and International cycling and rollersports events were conducted at the venue during the year:

Major events hosted at the venue during the year included

the National In Line Hockey Championships, the 2003 Perth International Track Cycling Grand Prix featuring Australia vs. Great Britain and the Australian and New Zealand Police and Emergency Services Games Cycling Events

The operating deficit of the SpeedDome for 2003/04 was \$182,760 compared to \$333,910 the previous year. The decrease was due to an increase in revenue primarily from the In-Line Hockey National Championships and savings in salaries as a result of a staffing restructure within the Trust which resulted in the rationalisation of the Centre Manager positions at both the SpeedDome and Kwinana Motorplex and the abolition of the Bike Ed Co-ordinators position at Speed Dome. A reduction in repairs and maintenance expenditure was also achieved.

Venue attendance increased by 28% over the previous year to 37,183. In Line Hockey accounted for approximately 26% of patronage, event spectators 32% and cycling and other activities accounting for the balance.

The events and activities staged at the SpeedDome during the year included:

- Perth International Track Cycling Grand Prix
- National In – Line Hockey Championships
- Australia and New Zealand Police & Emergency Services Games
- In-Line Hockey WA Branch Metro League
- WA Cycling Federation Track Cycling Season
- WA Cycling State Junior Track Cycling Championships
- WA Cycling State Senior Track Cycling Championships
- The Bible Society of WA Bike for Bibles 12 hour marathon
- Automotive Events Management Auto test (Motor sport event)
- 2004 Westral Track Racing Carnival
- 2003 Classic Challenge (Motor sport event)

A number of the SpeedDome's objectives contained within its Strategic Plan were achieved during the year:

- Three major events were staged, these were the Perth International Cycling Grand Prix, National In – Line Hockey Championships Australia and the New Zealand Police & Emergency Services Games.

- Maintenance and presentation of the venue was sustained with the total re-surfacing of the In-Line Hockey court prior to the National Championships.
- The SpeedDome's commitment to training staff continued with its venue supervisor entering into another 18 month traineeship progressing onto the Certificate III in Community Recreation.

INDOORS

The SpeedDome indoor business unit performed to budget. Income from venue hire and license fees recorded a positive budget variation as did income from tenant's rental.

A breakdown of the individual areas of revenue generation is provided below:

Activity	Venue Hire Fees
Venue Hire License Fees	\$68,865
Bike Hire	\$1,839
Criterium Track Hire	\$6,728
Cycle Casual	\$1,639
Skate Casual	\$3,503
WAIS Hire	\$2,338
Perth International Track Cycling Grand Prix	\$25,356
Tenants Rental	\$12,438
Funding Grants	\$2,605

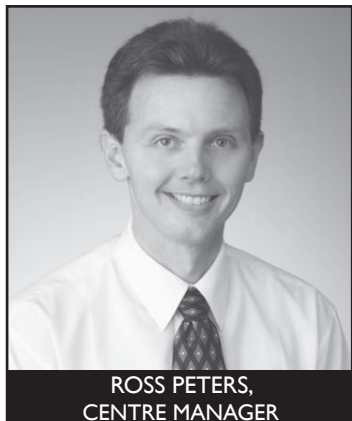
OUTDOORS

The Bicycle Education Co-ordinators' position was abolished at the beginning of the 2003/04 year; however a number of the programmes delivered by this position were continued through delivery by the WA Cycling Federation. This resulted in a small surplus being generated by this area which, though modest, is a significant turnaround from the deficit recorded in 2002/03.

TENANTS

BMX Sports WA, Bando Kickboxing, Fit Australia Personal Training, Midland Cycling Club and the Midland Pythons Weightlifting Club retained their respective tenancies throughout 2003/04. These tenancies collectively represent approximately 10% of total venue revenue for the year.

ROSS PETERS
CENTRE MANAGER



**ROSS PETERS,
CENTRE MANAGER**

OVERVIEW

The completion of its fourth season of operation culminated in another successful year at Kwinana Motorplex. The 2003/04 Season provided a programme of Speedway, Drag Racing and special events that was unmatched at any similar venue in Australia. The Kwinana Motorplex continues to be the benchmark for Speedway and Drag Racing in Australia with many of the management and

operational initiatives now being replicated at other venues around the country.

The Motorplex was built by the Government of Western Australia with management responsibility vested in the WA Sports Centre Trust. The day to day operation of motor sport activity is carried out by Kwinana Motorplex Pty Ltd via a license agreement with the Trust.

The complex comprises an oval speedway track and a quarter mile drag strip each with spectator capacities of 15,000 and separate corporate boxes, race control, media and commentary suites. Common facilities for ticketing, parking, pits, medical and scrutineering are also provided.

The venue is situated on 62 hectares of land adjacent to Rockingham Road between Anketell and Thomas Roads and is approximately 1.0km from the nearest residence. The site is a former Alcoa residue storage area.

KWINANA MOTORSPORT MANAGEMENT COMMITTEE

The Kwinana Motorsport Management Committee oversees the implementation of the Kwinana Motorplex Management Strategy which comprises the following elements:

- Noise Management Plan
- Landscape and Rehabilitation Management Plan
- Drainage Plan
- Dust Management Plan
- Waste Management Plan
- Hazardous Fuels and Chemicals Strategy
- Traffic Management Plan
- Emergency Response Plan
- Complaint Response Procedure

The Committee meet quarterly during the year and comprises the following members:

• Mr John Iriks	Chairman
• Ms Charlotte Stockwell	Town of Kwinana
• Mr Kim Martin	Department of Environment
• Mr Filipe Dos Santos	Department of Environment
• Mr Martin Taylor	Kwinana Industries Council (resigned February 2004)
• Mr Gary Mioceovich	Kwinana Motorplex Pty Ltd
• Mr Kevin Prendergast	Kwinana Motorplex Pty Ltd
• Mr Denis McInerney	WA Sports Centre Trust
• Mr Graham Moss	WA Sports Centre Trust
• Mr Ian Critchley	Community Representative

EVENTS

Attendances totalled 220,000 for the 2003/04 season which was a slight decrease on the 225,000 the previous year. In excess of 70 public events were scheduled at the Kwinana Motorplex during the year and the complex was also booked on 25 days for driver training.

Events staged included:

- Ten Super Speedway events,
- Nine National Open drag racing events held over 11 days
- Five Fast Friday's for Sportsman Speedway and Drag Racing
- 33 Wednesday night and 12 Sunday street car meetings
- Two non racing events including one Motorvation street car show and one Burnout show

The Licensee of the complex continued to develop new business opportunities during the year increasing its already busy schedule of motor sport events. The Drag Combat road show was held at Kwinana Motorplex on Easter Saturday. Drag Combat at the Kwinana Motorplex was the third in a four event series conducted at Drag Racing venues around Australia. The event was promoted by Eastern States based Cabin Group to compliment their "Auto Salon" car shows around the country.

The Motorplex once again proved its versatility when it hosted the KTM Super cross Open in May. Promoters of the event, Full Throttle Sports, transported 6,000 cubic metres of soil to the Speedway infield to form one of the biggest and most challenging motocross tracks within Australia. More than 6000 spectators witnessed a fantastic night of racing. The organisers of the KTM Super cross tour not only utilised the venue for their event but also used the Licensee's expertise in ticketing, car parking, crowd control, catering, corporate hospitality and the organisation of the appropriate services to ensure a highly successful event.

Kwinana Motorplex also embarked on a community youth incentive programme aptly named "Safe Streets", which was launched as an extension of the very successful Street Drag Racing events. Run in conjunction with the city of Cockburn, the Western Australian Police Service and the office of Crime Prevention, the programme encourages local youth to gather at the Motorplex instead of at illegal venues within local communities.

Noise monitoring procedures continued during 2003/04 season. Results indicated that there was minimal noise impact on the greater Kwinana area. A summary report of the noise monitoring and complaints received during the 2003/04 season was produced and forwarded to the Department of Environment

In June 2003, the Minister for the Environment requested that the Environmental Protection Authority initiate a review of the Noise Management Plan and a report on possible changes to the environmental conditions relating to noise management under section 46(1) of the Environmental Protection Act. The Noise Management Plan was revised in consultation with the Department of the Environment and progressed through the Environmental review, public review, EPA assessment report and appeals process.

The EPA has noted that the revised NMP has been prepared in close consultation with noise specialists at the DoE and that the revised NMP manages noise consistent with the noise predictions in the original Public Environmental Review using information gathered from noise monitoring during the first, second and third seasons of operation and as such should replace the original NMP and be implemented as soon as practicable.

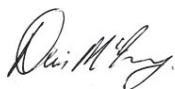
ROSS PETERS
CENTRE MANAGER

Certificate of Performance Indicators

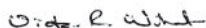
WESTERN AUSTRALIAN SPORTS CENTRE TRUST | PERFORMANCE INDICATORS

We hereby certify that the performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Western Australian Sports Centre Trust's performance, and fairly represent the performance of the Western Australian Sports Centre Trust for the financial year ended 30 June 2004.

Dated this 26th day of August, 2004.



Mr Denis McNerney
Chairman



Ms Victoria Wilmot
Board of Management



Mr Graham Moss
Chief Executive Officer



AUDITOR GENERAL

INDEPENDENT AUDIT OPINION

To the Parliament of Western Australia

**WESTERN AUSTRALIAN SPORTS CENTRE TRUST
PERFORMANCE INDICATORS FOR THE YEAR ENDED JUNE 30, 2004**

Audit Opinion

In my opinion, the key effectiveness and efficiency performance indicators of the Western Australian Sports Centre Trust are relevant and appropriate to help users assess the Trust's performance and fairly represent the indicated performance for the year ended June 30, 2004.

Scope

The Board's Role

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

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

Summary of my Role

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

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



D D R PEARSON
AUDITOR GENERAL
September 23, 2004

Performance Indicators

WESTERN AUSTRALIAN SPORTS CENTRE TRUST | PERFORMANCE INDICATORS

The Trust's Performance Indicators have been developed and relate to its outcomes and outputs and are measured in terms of effectiveness and efficiency.

KEY EFFECTIVENESS INDICATORS

OUTCOME 1 Provision of facilities for elite sports training and competition.

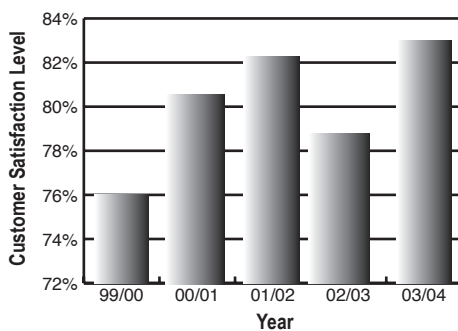
Customer Satisfaction

This indicator provides a measure of how the outcome of provision of facilities for elite sports training and competition has been achieved by providing customer satisfaction.

Indicator: Customer Service Survey – Elite Sport Facilities

A customer service survey was conducted in March 2004 by the Centre for Environmental and Recreational Management, based within the University of South Australia. The survey measured overall satisfaction. Customers were asked to rate the quality of services and facilities on the scale of 1 (very poor) to 7 (very good).

The survey result for 2003/04 showed a customer satisfaction of 83% compared to 78% in 2002/03. The satisfaction rate has improved on the prior year and is consistent with the mean customer satisfaction for all venues surveyed across Australia of 84%.



The survey result was based on the following statistics:

Response: 135
Population: 739
Error Rate: +/- 6.78%
Confidence Level: 95%

OUTCOME 2 Provision of facilities for community sport, entertainment and recreation.

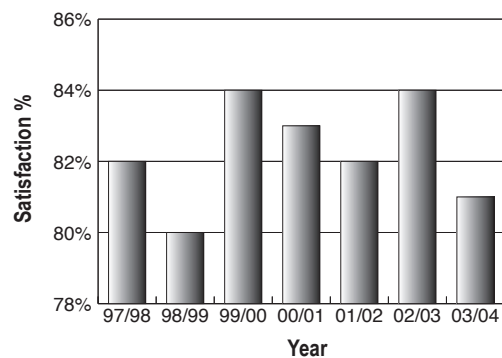
Customer Satisfaction

This indicator provides a measure of how the outcome of provision of facilities for community sport, entertainment and recreation has been achieved by providing customer satisfaction.

A customer service survey was conducted in March 2004 by the Centre for Environmental and Recreational Management, based within the University of South Australia. The survey measured overall satisfaction. Customers were asked to rate the quality of services and facilities on the scale of 1 (very poor) to 7 (very good).

Indicator 1 Customer Service Survey – Challenge Stadium

The survey result for 2003/04 shows a customer satisfaction of 81% compared to 84% in 2002/03. This was down slightly on the prior year and is down slightly on the mean customer satisfaction for all venues surveyed across Australia of 84%.

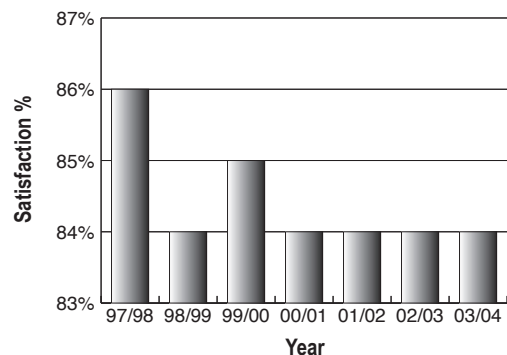


The survey result was based on the following statistics:

Response: 349
Population: 9,368
Error Rate: +/- 5.09%
Confidence Level: 95%

Indicator 2 Customer Service Survey – Arena Joondalup

The survey result for 2003/04 shows a customer satisfaction of 84% compared to 84% in 2002/03. This was a good result because it is consistent with the mean customer satisfaction for all venues surveyed across Australia of 84%.



The survey result was based on the following statistics:

Response: 529
Population: 5,263
Error Rate: +/- 4.1%
Confidence Level: 95%

Performance Indicators

WESTERN AUSTRALIAN SPORTS CENTRE TRUST | PERFORMANCE INDICATORS

KEY EFFICIENCY INDICATORS

OUTCOME 1 Provision of facilities for elite sport training and competition.

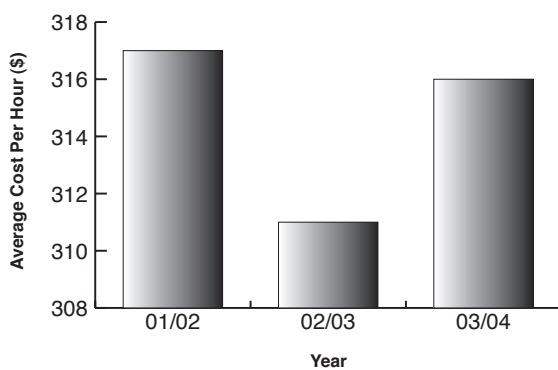
OUTPUT 1 Management of elite sport facilities

Indicator 1 Cost of providing elite training and competition

The Trust provides facilities and services for WAIS elite training programs at Challenge Stadium, Arena Joondalup and SpeedDome, the cost of providing these facilities is a measure of efficiency of achieving this outcome.

The average cost per hour of elite training and competition for 2003/04 was \$316 compared with \$311 in 2002/03.

This increase is due to an increase in services and supply.

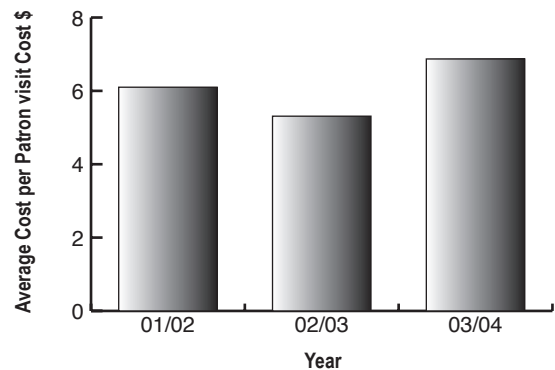


Indicator 2 Average cost per patron visit – Arena Joondalup

This indicator provides a measure of how the output of management and maintenance of the facilities achieves the desired outcomes by measuring the cost of providing the facilities and services to the community of Western Australia.

The average cost per patron visit to Arena Joondalup in 2003/04 was \$6.87 compared to \$5.31 in 2002/03.

The increase is due to the extra cost of staging a second Rock iT concert.



OUTCOME 2 Provision of facilities for community sport, entertainment and recreation.

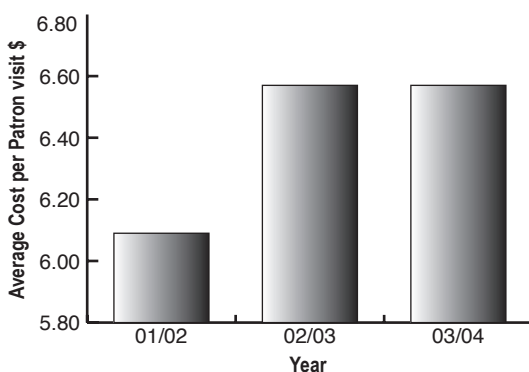
OUTPUT 2 Management of community sport, entertainment and recreational facilities.

Indicator 1 Average cost per patron visit – Challenge Stadium

This indicator provides a measure of how the output of management and maintenance of the facilities achieves the desired outcomes by measuring the cost of providing the facilities and services to the community of Western Australia.

The average cost per patron visit to Challenge Stadium in 2003/04 was \$6.57 compared to \$6.57 in 2002/03.

The average cost per patron has been maintained.



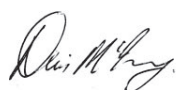
Certification of Financial Statements

WESTERN AUSTRALIAN SPORTS CENTRE TRUST | FINANCIAL STATEMENTS

The accompanying financial statements of the Western Australian Sports Centre Trust have been prepared in compliance with the provisions of the Financial Administration and Audit Act 1985 from proper accounts and records to present fairly the financial transactions for the financial year ending 30 June 2004 and the financial position as at 30 June 2004.

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

Dated this 26th day of August, 2004.



Mr Denis McInerney
Chairman



Ms Victoria Wilmot
Board of Management



Mr Dudley Smith
Principal Accounting Officer



AUDITOR GENERAL

INDEPENDENT AUDIT OPINION

To the Parliament of Western Australia

WESTERN AUSTRALIAN SPORTS CENTRE TRUST FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2004

Audit Opinion

In my opinion,

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

Scope

The Board's Role

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

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

Summary of my Role

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

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



D D R PEARSON
AUDITOR GENERAL
September 23, 2004

Statement of Financial Performance

for the year ending June 30, 2004

WESTERN AUSTRALIAN SPORTS CENTRE TRUST | FINANCIAL STATEMENTS

		2004 \$	2003 \$
REVENUE	Note		
Revenues from ordinary activities			
Revenue from operating activities			
Trading Profit	2	2,823,656	2,299,481
Goods and services	3	8,321,422	6,406,183
Revenue from non-operating activities			
Transfer of land	4	1,140,000	-
Interest revenue		85,018	78,709
Other revenue from ordinary activities	5	1,821,855	1,566,652
Total revenue from ordinary activities		14,191,951	10,351,025
EXPENSES			
Expenses from ordinary activities			
Employee expenses	6	8,463,570	8,228,064
Supplies and services	7	7,435,984	5,265,266
Depreciation expense	8	2,324,109	2,312,459
Borrowing costs expense	9	17,180	23,666
Capital User Charge		7,753,000	7,345,000
Administration expenses	10	297,351	413,161
Accommodation expenses	11	420,230	401,556
Grants & subsidies	12	-	3,002,000
Other expenses from ordinary activities	13	108,213	175,904
Total expenses from ordinary activities		26,819,637	27,167,076
Loss from ordinary activities before grants and subsidies from State Government		(12,627,686)	(16,816,051)
Grants and subsidies from State Government	14	13,706,000	16,573,000
NET PROFIT/(LOSS)		1,078,314	(243,051)
Net (decrease)/increase in asset revaluation reserve	23	(1,590,000)	450,000
Total revenues, expenses and valuation adjustments recognised directly in equity		(1,590,000)	450,000
TOTAL CHANGES IN EQUITY OTHER THAN THOSE RESULTING FROM TRANSACTIONS WITH WA STATE GOVERNMENT AS OWNERS		(511,686)	206,949

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

Statement of Financial Position

as at June 30, 2004

WESTERN AUSTRALIAN SPORTS CENTRE TRUST | FINANCIAL STATEMENTS

	Note	2004 \$	2003 \$
Current Assets			
Cash assets	24	1,146,001	239,025
Inventories	15	372,546	313,610
Receivables	16	531,007	1,039,268
Other assets	17	39,552	107,691
Total Current Assets		2,089,106	1,699,594
Non-Current Assets			
Receivables	16	6,085,000	3,827,000
Property, plant and equipment	18	96,923,415	97,539,894
Total Non-Current Assets		103,008,415	101,366,894
Total Assets		105,097,521	103,066,488
Current Liabilities			
Payables	19	1,297,346	934,986
Interest-bearing liabilities	20	107,328	104,032
Provisions	21	673,971	677,558
Other liabilities	22	1,064,350	835,960
Total Current Liabilities		3,142,995	2,552,536
Non-Current Liabilities			
Interest-bearing liabilities	20	210,224	100,130
Provisions	21	350,000	347,834
Other liabilities	22	1,000,000	-
Total Non-Current Liabilities		1,560,224	447,964
Total Liabilities		4,703,219	3,000,500
NET ASSETS		100,394,302	100,065,988
EQUITY			
Contributed Equity	23	35,444,690	34,604,690
Asset Revaluation Reserve	23	16,634,311	18,224,311
Retained profits	23	48,315,301	47,236,987
TOTAL EQUITY		100,394,302	100,065,988

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

Statement of Cash Flows

for the year ending June 30, 2004

WESTERN AUSTRALIAN SPORTS CENTRE TRUST | FINANCIAL STATEMENTS

	Note	2004 \$	2003 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Sales of goods and services		4,908,915	4,185,940
Goods and services		8,335,323	6,436,476
Interest received		85,018	78,709
GST receipts on sales		1,449,503	1,118,886
Other receipts		1,821,855	1,566,652
Payments			
Employee costs		(8,299,241)	(7,977,462)
Supplies and services		(8,893,493)	(7,784,384)
Borrowing costs		(17,180)	(23,666)
Capital User Charge		(7,753,000)	(7,345,000)
Grants and subsidies			(3,002,000)
GST payments on purchases		(1,136,638)	(848,469)
GST payments to taxation authority		(455,663)	(388,600)
Other payments		(825,794)	(990,621)
Net cash used in operating activities	24(c)	(10,780,395)	(14,973,539)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sales of non-current physical assets		100,000	219,800
Purchase of non-current physical assets		(2,157,629)	(761,728)
Net cash used in investing activities		(2,057,629)	(541,930)
CASH FLOWS FROM STATE GOVERNMENT			
Grants and subsidies		13,745,000	14,884,000
Net cash provided by State Government		13,745,000	14,884,000
Net (decrease)/increase in cash held		906,976	(631,469)
Cash assets at the beginning of the financial year	24(a)	239,025	870,494
Cash assets at the end of the financial year	24(a)	1,146,001	239,025

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

Notes to Financial Statements

for the year ending June 30, 2004

WESTERN AUSTRALIAN SPORTS CENTRE TRUST | FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2004

I. SIGNIFICANT ACCOUNTING POLICIES

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

General Statement

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

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

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting using the historical cost convention, except for certain non-current assets which subsequent to initial recognition, have been measured at fair value.

(a) Grants and Other Contributions Revenue

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

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

(Where contributions recognised as revenues during the reporting period were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were undischarged as at the reporting date, the nature of, and amounts pertaining to, those undischarged conditions are required to be disclosed in the notes to the financial statements).

(b) Acquisitions of assets

The cost method of accounting is used for all acquisitions of assets. Cost is measured as the fair value of the assets given up or liabilities undertaken at the date of acquisition plus incidental costs directly attributable to the acquisition. Assets acquired at no cost or for nominal consideration, are initially recognised at their fair value at the date of acquisition.

(c) Depreciation of non-current assets

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

Depreciation is provided for on the straight line basis using rates which are reviewed annually. Useful lives for each class of depreciable asset are:

Buildings	20 to 50 years
Plant and equipment	3 to 20 years
Office equipment	3 to 20 years
Motor vehicles	5 years

d) Employee entitlements

Annual leave

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

Long service leave

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

This method of measurement of the liability is consistent with the requirements of Accounting Standard AASB 1028 "Employee Benefits".

Superannuation

Staff may contribute to the Superannuation and Family Benefits Act Scheme, a defined benefits pension scheme now closed to new members, or to the Gold State Superannuation Scheme, a defined

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

The liability for superannuation charges incurred under the Superannuation and Family Benefits Act pension scheme, together with the pre-transfer service liability for employees who transferred to the Gold State Superannuation Scheme, are provided for at reporting date.

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

The note disclosure required by paragraph 6.10 of AASB 1028 (being the employer's share of the difference between employees' accrued superannuation benefits and the attributable net market value of plan assets) has not been provided. State scheme deficiencies are recognised by the State in its whole of government reporting. The Government Employees Superannuation Board's records are not structured to provide the information for the Trust. Accordingly, deriving the information for the Trust is impractical under current arrangements, and thus any benefits thereof would be exceeded by the cost of obtaining the information.

Notes to Financial Statements

WESTERN AUSTRALIAN SPORTS CENTRE TRUST | FINANCIAL STATEMENTS

Employee benefit on-costs

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

(e) Leases

The Trust's rights and obligations under finance leases, which are leases that effectively transfer to the Trust substantially all of the risks and benefits incident to ownership of the leased items, are initially recognised as assets and liabilities equal in amount to the present value of the minimum lease payments. The assets are disclosed as plant, equipment and vehicles under lease, and are depreciated to the Statement of Financial Performance over the period during which the Trust is expected to benefit from use of the leased assets. Minimum lease payments are allocated between interest expense and reduction of the lease liability, according to the interest rate implicit in the lease.

Finance lease liabilities are allocated between current and non-current components. The principal component of lease payments due on or before the end of the succeeding year is disclosed as a current liability, and the remainder of the lease liability is disclosed as a non-current liability.

The Trust has entered into a number of operating lease arrangements for buildings and office equipment where the lessors effectively retain all of the risks and benefits incident to ownership of the items held under the operating leases. Equal installments of the lease payments are charged to the Statement of Financial Performance over the lease term as this is representative of the pattern of benefits to be derived from the leased property.

(f) Receivables

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

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

(g) Accrued Salaries

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

(h) Payables

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

(i) Inventories

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

(j) Interest-bearing liabilities

Bank loans and other loans are recorded at an amount equal to the net proceeds received. Borrowing costs expense is recognised on an accrual basis.

(k) Resources received free of charge or for nominal value

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

(l) Foreign currency translation

Transactions denominated in a foreign currency are translated at the rates in existence at the dates of the transactions. Foreign currency receivables and payables at reporting date are translated at exchange rates current at reporting date. Exchange gains and losses are brought to account in determining the result for the year.

(m) Revenue recognition

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

(n) Revaluation of land, buildings and infrastructure

The Trust has a policy of valuing land, buildings and infrastructure at fair value. The revaluations of the Trust's land and buildings undertaken by the Valuer General's Office are recognised in the financial statements.

(o) Comparative figures

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

(p) Rounding of amounts

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

(q) Cash

For the purpose of the Statement of Cash Flows, cash includes cash assets and restricted cash assets net of outstanding bank overdrafts.

(r) Segment Information

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

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

Segment information has been disclosed by output.

	2004 \$	2003 \$
2. Trading Profit		
Sales	4,908,915	4,185,940
Cost of Sales:		
Opening inventory	(313,610)	(292,423)
Purchases	(2,144,195)	(1,907,646)
	(2,457,805)	(2,200,069)
Closing inventory	372,546	313,610
Cost of Goods Sold	(2,085,259)	(1,886,459)
Trading Profit	<u>2,823,656</u>	<u>2,299,481</u>
3. Goods and Services		
Venue usage	8,321,422	6,406,183
	<u>8,321,422</u>	<u>6,406,183</u>
4. Transfer of land		
Land at Midvale SpeedDome was officially acquired by a management order over Crown land and transferred to the Trust based on fair value determined by the Valuer General's Office.		
	<u>1,140,000</u>	<u>-</u>

Notes to Financial Statements

WESTERN AUSTRALIAN SPORTS CENTRE TRUST | FINANCIAL STATEMENTS

	2004 \$	2003 \$
5. Other revenues from ordinary activities		
Commissions, sponsorship and other income	609,880	489,738
Programme Income	1,211,975	1,076,914
	<u>1,821,855</u>	<u>1,566,652</u>

6. Employee expenses		
Wages and salaries	6,827,111	6,370,487
Superannuation	652,042	616,476
Long service leave	103,907	120,904
Annual leave	430,710	410,942
Sick leave	(69,380)	69,380
Other related expenses (I)	519,180	639,875
	<u>8,463,570</u>	<u>8,228,064</u>

(I) These employee expenses include superannuation, payroll tax and other employment on-costs associated with the recognition of annual and long service leave liabilities.

7. Supplies and Services		
Utilities	1,031,349	1,057,392
Repairs and maintenance	943,189	863,560
Major event costs	2,742,811	833,073
Insurance	432,541	385,198
Equipment hire	214,788	365,168
Advertising and promotion	174,627	218,103
Other	1,896,679	1,542,772
	<u>7,435,984</u>	<u>5,265,266</u>

8. Depreciation expense		
Plant, equipment and vehicles	327,898	332,371
Buildings	1,835,657	1,832,141
Office equipment	39,164	52,828
Leased plant, equipment and vehicles	121,390	95,119
	<u>2,324,109</u>	<u>2,312,459</u>

9. Borrowing costs expense		
Finance lease finance charges	17,180	23,666
	<u>17,180</u>	<u>23,666</u>

10. Administration expenses		
Communication	82,039	91,661
Consumables	215,312	321,500
	<u>297,351</u>	<u>413,161</u>

11. Accommodation expenses		
Cleaning	420,230	401,556
	<u>420,230</u>	<u>401,556</u>

12. Grants & subsidies		
Recurrent		
Subsidy to LandCorp for acquisition of Kwinana land	-	3,002,000
	<u>-</u>	<u>3,002,000</u>

	2004 \$	2003 \$
13. Other expenses from ordinary activities		
Artificial Surf Reef	-	8,883
Doubtful debts expense	-	5,932
Motor vehicle expenses	108,213	161,089
	<u>108,213</u>	<u>175,904</u>

14. Grants and subsidies from State Government		
Revenue received during the year:		
Recurrent grants	13,706,000	16,573,000

15. Inventories		
Current		
Inventories held for resale:		
- Finished goods at cost	372,546	313,610
	<u>372,546</u>	<u>313,610</u>

The aggregate amount of inventories recognised and included in the financial statements is as follows

Current	372,546	313,610
	<u>372,546</u>	<u>313,610</u>

16. Receivables		
Current		
Trade debtors	431,007	382,268
Provision for doubtful debts	(10,000)	(10,000)
	<u>421,007</u>	<u>372,268</u>

Loans and advances:		
Receivable from Treasury Holding account	10,000	567,000
Receivable from Lake Joondalup Baptist College	100,000	100,000
	<u>110,000</u>	<u>667,000</u>
	<u>531,007</u>	<u>1,039,268</u>

Non-current		
Receivable from Treasury Holding account	5,885,000	3,527,000
Receivable from Lake Joondalup Baptist College	200,000	300,000
	<u>6,085,000</u>	<u>3,827,000</u>

17. Other assets		
Current		
Prepayments	39,552	107,691
	<u>39,552</u>	<u>107,691</u>

Notes to Financial Statements

WESTERN AUSTRALIAN SPORTS CENTRE TRUST | FINANCIAL STATEMENTS

	2004 \$	2003 \$
18. Property, plant and equipment		
Plant and equipment		
At cost	6,907,064	5,356,983
Accumulated depreciation	(3,998,028)	(3,670,130)
	<u>2,909,036</u>	<u>1,686,853</u>
Leased plant and equipment		
At capitalised cost	756,656	545,366
Accumulated depreciation	(390,917)	(269,527)
	<u>365,739</u>	<u>275,839</u>
Office equipment		
At cost	616,646	526,421
Accumulated depreciation	(440,178)	(401,014)
	<u>176,468</u>	<u>125,407</u>
Freehold land		
At fair value (I)	12,200,000	12,650,000
	<u>12,200,000</u>	<u>12,650,000</u>
Buildings		
At fair value (I)	84,939,952	84,633,936
Accumulated depreciation	(3,667,780)	(1,832,141)
	<u>81,272,172</u>	<u>82,801,795</u>
	<u>96,923,415</u>	<u>97,539,894</u>

(I) The revaluation of freehold land was performed in June 2004 in accordance with an independent valuation by the Valuer General's Office. Fair value on freehold land has been determined on basis of current market buying values and improvements on current use. Revaluation of buildings was performed in June 2002 in accordance with an independent valuation by the Valuer General's Office based on current use and a systematic revaluation of buildings will be conducted in 2005.

Reconciliations

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

	Plant, equipment & vehicles \$	Leased plant equipment \$	Office equipment \$	Freehold land \$	Buildings \$	Total \$
2004						
Carrying amount at start of year	1,686,853	275,839	125,407	12,650,000	82,801,795	97,539,894
Additions	1,550,081	211,290	90,225	1,140,000	306,034	3,297,630
Disposals	-	-	-	-	-	-
Revaluation increments	-	-	-	(1,590,000)	-	(1,590,000)
Depreciation	(327,898)	(121,390)	(39,164)	-	(1,835,657)	(2,324,109)
Carrying amount at end of year	<u>2,909,036</u>	<u>365,739</u>	<u>176,468</u>	<u>12,200,000</u>	<u>81,272,172</u>	<u>96,923,415</u>
2003						
Carrying amount at start of year	1,404,787	319,838	113,998	12,200,000	84,602,000	98,640,623
Additions	614,437	51,120	64,237	-	31,936	761,730
Disposals	-	-	-	-	-	-
Revaluation increments	-	-	-	450,000	-	450,000
Depreciation	(332,371)	(95,119)	(52,828)	-	(1,832,141)	(2,312,459)
Carrying amount at end of year	<u>1,686,853</u>	<u>275,839</u>	<u>125,407</u>	<u>12,650,000</u>	<u>82,801,795</u>	<u>97,539,894</u>

Notes to Financial Statements

WESTERN AUSTRALIAN SPORTS CENTRE TRUST | FINANCIAL STATEMENTS

	2004 \$	2003 \$
19. Payables		
Current		
Trade payables	1,401,606	670,694
Other creditors	(45,640)	180,081
GST payable	(58,620)	84,211
	<u>1,297,346</u>	<u>934,986</u>

20. Interest-bearing liabilities		
Current		
Finance lease liabilities (secured) (I)	107,328	104,032
	<u>107,328</u>	<u>104,032</u>
Non-current		
Finance lease liabilities (secured) (I)	210,224	100,130
	<u>210,224</u>	<u>100,130</u>

(I) Lease liabilities are effectively secured as the rights to the leased assets revert to the lessor in the event of default.

Assets pledged as security

The carrying amounts of non-current assets pledged as security are:

Finance lease		
Leased plant, equipment and vehicles	365,739	275,839
	<u>365,739</u>	<u>275,839</u>

21. Provisions		
Current		
Annual leave	470,971	441,141
Sick leave	-	69,380
Long service leave	203,000	167,037
	<u>673,971</u>	<u>677,558</u>
Non-current		
Long service leave	350,000	347,834
	<u>350,000</u>	<u>347,834</u>

Employee Benefit Liabilities

The aggregate employee benefit liability recognised and include in financial statements is as follows:

Current	673,971	677,558
Non-current	350,000	347,834
	<u>1,023,971</u>	<u>1,025,392</u>

22. Other Liabilities		
Current		
Deferred revenue	693,660	631,020
Accrued salaries	370,690	204,940
	<u>1,064,350</u>	<u>835,960</u>

Non-current		
Interest free loan from the Office of Energy	1,000,000	-
	<u>1,000,000</u>	<u>-</u>

23. Equity		
Contributed equity		
Opening balance	34,604,690	34,604,690
Capital contributions	840,000	-
Closing balance	<u>35,444,690</u>	<u>34,604,690</u>

Reserves

Asset revaluation reserve (I):

	2004 \$	2003 \$
Opening balance	18,224,311	17,774,311
Net revaluation (decrements)/increments		
Land	(1,590,000)	450,000
Buildings	-	-
Closing balance	<u>16,634,311</u>	<u>18,224,311</u>

(I) The asset revaluation reserve is used to record increments and decrements on the revaluation of non-current assets, as described in accounting policy note 1 (a). Land was revalued by the Valuer General's Office using the Current Use method while the Market Value method was adopted in the previous year and this resulted in a revaluation decrement of \$1,590,000 in 2003/04.

Retained profits		
Opening balance	47,236,987	47,480,038
Net profit/(loss)	1,078,314	(243,051)
Closing balance	<u>48,315,301</u>	<u>47,236,987</u>

24. Notes to the Statement of Cash Flows

(a) Reconciliation of cash

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

Cash assets	1,146,001	239,025
	<u>1,146,001</u>	<u>239,025</u>

(b) Non-cash financing and investing activities

During the financial year, there were no assets/liabilities transferred/assumed from other government agencies not reflected in the Statement of Cash Flows.

(c) Reconciliation of loss from ordinary activities to net cash flows used in operating activities

Profit/(Loss) from ordinary activities	1,078,314	(243,051)
Non-cash items:		
Depreciation expense	2,324,109	2,312,459
Grants and subsidies from Government	(13,706,000)	(16,573,000)

Movements in assets

Current receivables	(48,739)	(25,705)
Inventories	(58,936)	(21,187)
Other current assets	68,139	(7,322)
Transfer of land	(1,140,000)	-

Movements in liabilities:

Current accounts payable	592,664	(508,469)
Current provisions	(3,587)	205,812
Other current liabilities	228,390	77,265
Non-current accounts payable	110,094	(58,649)
Non-current provisions	2,166	23,523
Net GST receipts	(84,178)	(78,445)
Change in GST payables	(142,831)	(76,770)
Net cash used in operating activities	<u>(10,780,395)</u>	<u>(14,973,539)</u>

Notes to Financial Statements

WESTERN AUSTRALIAN SPORTS CENTRE TRUST | FINANCIAL STATEMENTS

	2004	2003
	\$	\$

25. Resources provided free of charge

During the year the following resources were provided to other agencies free of charge for functions outside the normal operations of the Trust:

Western Australian Institute of Sport – rental of building

	174,000	174,000
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26. Commitments for expenditure

(a) Capital expenditure commitments

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

Within 1 year	1,010,000	867,000
	<u>1,010,000</u>	<u>867,000</u>

(b) Lease commitments

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

Within 1 year	110,226	103,712
Later than 1 year and not later than 5 years	108,554	99,548
	<u>218,780</u>	<u>203,260</u>

Representing:

Non-cancellable operating leases	179,912	182,474
Future finance charges on finance leases	38,868	20,786
	<u>218,780</u>	<u>203,260</u>

(b)(i) Finance lease commitments

Within 1 year	127,597	116,507
Later than 1 year and not later than 5 years	228,822	108,441
Minimum finance lease payments	356,419	224,948
Less future finance charges	(38,868)	(20,786)
Finance lease liabilities	<u>317,551</u>	<u>204,162</u>

Included in the financial statements as:

Current (note 20)	107,327	104,032
Non-current (note 20)	210,224	100,130
	<u>317,551</u>	<u>204,162</u>

The Trust has the option to purchase leased assets at their agreed fair on expiry of the lease. These leasing arrangements do not have escalation clauses, other than in the event of payment default.

(b)(ii) Non-cancellable operating lease commitments

Within 1 year	89,956	91,237
Later than 1 year and not later than 5 years	89,956	91,237
	<u>179,912</u>	<u>182,474</u>

The property lease is a non-cancellable lease with a two year term, with rent payable monthly in advance.

27. Explanatory Statement

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

Details and reasons for significant variations between actual results with the corresponding items of the preceding year are detailed below. Significant variations are considered to be those greater than 10% or \$ 500,000

	2004	2003	Variance
	\$	\$	\$
Transfer of land	1,140,000	-	1,140,000
Trading Profit	2,823,656	2,299,481	524,175
Good and services	8,321,422	6,406,183	1,915,239
Other revenue from ordinary activities	1,821,855	1,566,652	255,203
Supplies and services expenses	7,435,984	5,265,266	(2,170,718)
Grants and subsidies expenses	-	3,002,000	3,002,000

Transfer of land

The variance is due to the transfer of land at Midvale SpeedDome which was officially acquired by a management order over Crown land during 2004.

Trading Profit

The increase in Trading Profit relates to food and beverage sales from two Rock iT concerts held during 2004 compared to one concert held in 2003.

Goods and services

The increase in Goods and services income relates mainly to an additional Rock iT concert being held in 2004.

Other revenue from ordinary activities

The increase in other revenue relates mainly to the success of community based programs conducted by the Trust.

Supplies and services expenses

The increase in Supplies and services expenses relates to the costs associated with an additional Rock iT concert being held in 2004.

Grants and subsidies expenses

The variance relates to a one off compensation payment to LandCorp for the acquisition of land at Kwinana for the Motorplex in 2003.

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

Details and reasons for significant variations between estimates and actual results are detailed below. Significant variations are considered to be those greater than 10% or \$ 500,000

	2004 Estimates	2004 Actual	Variance
	\$	\$	\$
Transfer of land	-	1,140,000	1,140,000
Trading Profit	2,300,000	2,823,656	523,656
Good and services	7,300,000	8,321,422	1,021,422
Other revenue from ordinary activities	1,600,000	1,821,855	221,855
Supplies and services	5,142,000	7,435,984	(2,293,984)

Transfer of land

The variance is due to the transfer of land at Midvale SpeedDome which was officially acquired by management order over Crown land during the year.

Trading Profit

The increase in Trading Profit relates to food and beverage sales from two Rock iT concerts held during the year compared to one concert which was included in the estimates.

Notes to Financial Statements

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Good and services

The increase in Goods and services income relates to additional ticket sales from two Rock iT concerts compared to one concert which was included in the estimates.

Other revenue from ordinary activities

The variance is due to the success of the community based programs which resulted in greater income than was included in the estimates.

Supplies and services

The variance is due to the costs associated with two Rock iT concerts compared to one concert which was included in the estimates.

28. Financial Instruments

(a) Interest Rate Risk Exposure

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

	Weighted Average Effective Interest Rate	Fixed Interest Rate Maturity				Total
		Variable Interest Rate	Less than 1 Year	1 to 5 Years	Non-Interest Bearing	
2004	%	\$	\$	\$	\$	\$
Financial Assets						
Cash assets	5.3	1,146,001	-	-	-	1,146,001
Receivables	-	-	-	-	6,616,007	6,616,007
	-	1,146,001			6,616,007	7,762,008
Financial Liabilities						
Payables	-	-	-	-	1,297,346	1,297,346
Loan Office of Energy					1,000,000	1,000,000
Finance lease liabilities	8.75		107,328	210,224	-	317,552
			107,328	210,224	2,297,346	2,614,898
2003						
Financial assets	4.8	239,025	-	-	4,866,268	5,105,293
Financial liabilities	8.75	-	104,032	100,130	934,986	1,139,148

(b) Credit Risk Exposure

The carrying amount of financial assets recorded in the financial statements, net of any provisions for losses, represents the Trust's maximum exposure to credit risk without taking account of the value of any collateral or other security obtained.

(c) Net Fair Values

The carrying amount of financial assets and financial liabilities recorded in the financial statements are not materially different from their net fair values, determined in accordance with the accounting policies disclosed in note 1 (b) to the financial statements.

Notes to Financial Statements

WESTERN AUSTRALIAN SPORTS CENTRE TRUST | FINANCIAL STATEMENTS

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

	2004 \$	2003 \$
<u>Remuneration of Members of the Accountable Authority</u>		
The number of members of the Accountable Authority, whose total of fees, salaries, superannuation, and other benefits received, or due and receivable, for the financial year, fall within the following bands are:		
\$		
0 – 10,000	3	5
10,000 – 20,000	1	1

The total remuneration of the members of the Accountable Authority is:

27,956	39,493
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No members of the Accountable Authority are members of the Pension Scheme.

Remuneration of Senior Officers

The number of Senior Officers other than the members of the Accountable Authority, whose total of fees, salaries, superannuation, and other benefits received, or due and receivable, for the financial year, fall within the following bands are:

	2004	2003
\$		
10,000 – 20,000	-	1
70,000 – 80,000	3	4
80,000 – 90,000	2	3
90,000 – 100,000	2	2
100,000 – 110,000	1	-
130,000 – 140,000	1	-
160,000 – 170,000	-	1
170,000 – 180,000	1	-

The total remuneration of senior officers is: 996,837 914,774

No Senior Officers are members of the Pension Scheme.

30. Remuneration of Auditor

Commencing with the 2003-04 audit, the Office of the Auditor General will be charging a fee for auditing the accounts, financial statements and performance indicators. The fee for the 2003-04 audit (\$38,500) will be due and payable in the 2004-05 financial year.

The total fees paid or due and payable to the Auditor General for the financial year is as follows:

Auditing the financial statements and performance indicators	-	22,500
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31. Contingent liabilities

The Trust's Board of Management are not aware of any contingent liabilities as at the reporting date.

32. Events occurring after reporting date

The Trust's Board of Management are not aware of any matter or circumstances that have arisen since the end of the financial year to the date of this report which have significantly affected, or may significantly affect, the activities or the state of affairs of the Trust in the ensuing or subsequent years.

33. Public property losses, write-offs and gifts

There were no losses, write-offs or gifts during the year.

34. The Impact of Adopting International Accounting Standards

The Western Australian Sports Centre Trust (the Trust) is adopting accounting standards in compliance with AASB 1 'First-time Adoption of Australian Equivalents to International Financial Reporting Standards' (IFRS).

AASB 1 requires an opening balance sheet as at 1 July 2004 and the restatement of the financial statements for the reporting period to 30 June 2005 on the IFRS basis. These financial statements will be presented as comparatives in the first annual financial report prepared on an IFRS basis for the period ending 30 June 2006.

AASB 1047 'Disclosing the Impacts of Adopting Australian Equivalents to International Financial Reporting Standards' requires financial reports for periods ending on or after 30 June 2004 to disclose:

1. How the transition to Australian equivalents to IFRS is being managed

The Trust established a project team, monitored by a steering committee that has:

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

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

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

The Trust has identified the following key differences:

- Accounting Standard AASB 136 Impairment of Assets requires an annual impairment test to be performed. The Trust is designated as a not-for-profit entity and the recoverable amount test was applied at the higher of fair value less selling costs and depreciated replacement cost.

A survey has indicated that due to a combination of decreasing replacement costs and inadequate depreciation there may be an indication of impairment to plant and equipment.

This would require the recognition of an impairment write-down against plant and equipment and equity, with a negative impact on net assets, at the date of transition. There is not expected to be any ongoing impairment losses.

- Accounting Standard AASB 119 Employee Benefits requires the recognition and measurement of post-employment benefits such as defined benefit plans. The Government Employees Superannuation Board is currently looking at the implication for the Trust of employees who are members of the Gold State Superannuation Fund.

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

Notes to Financial Statements

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35. Segment (Output) Information

	Management of Facilities for Elite Sport		Management of Facilities for Community Sport Entertainment & Recreation		Total	
REVENUE	2004	2003	2004	2003	2004	2003
	\$	\$	\$	\$	\$	\$
Revenues from ordinary activities						
Trading profit	-	-	2,823,656	2,299,481	2,823,656	2,299,481
Goods and services	843,570	992,260	7,477,852	5,413,923	8,321,422	6,406,183
Transfer of land	-	-	1,140,000	-	1,140,000	-
Other revenues from ordinary activities	-	-	1,906,873	1,645,361	1,906,873	1,645,361
Total revenues from ordinary activities	843,570	992,260	13,348,381	9,358,765	14,191,951	10,351,025
EXPENSES						
Expenses from ordinary activities						
Employee expenses	4,207,492	4,079,592	4,256,078	4,148,472	8,463,570	8,228,064
Supplies and services	2,852,524	2,611,569	4,583,460	2,653,697	7,435,984	5,265,266
Depreciation and amortisation expense	967,381	962,377	1,356,728	1,350,082	2,324,109	2,312,459
Administration expenses	148,497	205,574	148,855	207,587	297,351	413,161
Accommodation expenses	210,115	200,778	210,115	200,778	420,230	401,556
Borrowing costs	-	-	17,180	23,666	17,180	23,666
Grants & subsidies	-	-	-	3,002,000	-	3,002,000
Capital user charge	3,139,965	2,964,817	4,613,035	4,380,183	7,753,000	7,345,000
Other expenses from ordinary activities	50,606	76,905	57,607	98,999	108,213	175,904
Total expenses from ordinary activities	11,576,579	11,101,612	15,243,058	16,065,464	26,819,638	27,167,076
(Loss) from ordinary activities before grants and subsidies from Government	(10,733,009)	(10,109,352)	(1,894,677)	(6,706,699)	(12,627,686)	(16,816,051)
Grants and subsidies from Government	7,708,400	7,542,500	5,997,600	9,030,500	13,706,000	16,573,000
Net profit /(loss)	(3,024,609)	(2,566,852)	4,102,923	2,323,801	1,078,314	(243,051)
Segment assets	43,395,181	41,990,151	61,702,340	61,076,337	105,097,521	103,066,488
Total assets					105,097,521	103,066,488
Segment liabilities	1,846,003	1,082,659	2,857,216	1,917,841	4,703,219	3,000,500
Total liabilities					4,703,219	3,000,500
Acquisition of property, plant and equipment, intangibles and other non-current segment assets	1,554,055	358,685	1,743,574	403,045	3,297,629	761,730
Non-cash expenses other than depreciation	232,618	300,613	232,618	300,163	465,236	601,226