

Western Australian Sports Centre Trust

Annual Report 2004/05



ARENA JOONDALUP > CHALLENGE STADIUM > KWINANA MOTORPLEX > SPEEDDOME



WESTERN AUSTRALIAN
SPORTS CENTRE TRUST

WESTERN AUSTRALIAN SPORTS CENTRE TRUST

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STATEMENT OF COMPLIANCE

For year ending 30 June 2005

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 2005. The Annual Report has been prepared in accordance with the provisions of the Financial Administration and Audit Act 1985.

Dated this 25th day of August, 2005.



Mr Denis McNerney
Chairman



Ms Victoria Wilmot
Board of Management



Mr Graham Moss
Chief Executive Officer

MISSION & OBJECTIVES

Our Purpose

The management of venues with a primary sporting focus.

Our Mission

To manage and promote major state owned sporting, recreation and entertainment facilities for the benefit of all West Australians by delivering excellence in venue presentation, customer service and financial management.

Our Vision

Innovative leaders in sustainable venue management.

Chairman's Report

WESTERN AUSTRALIAN SPORTS CENTRE TRUST | REPORT ON OPERATIONS



It is with great pleasure that I present the 2004/05 Annual Report of the WA Sports Centre Trust.

The 2004/05 financial year saw a continuation of the Trust's successful management of four of the state's major sports venues namely Challenge Stadium, Arena Joondalup, SpeedDome and Kwinana Motorplex.

Sound financial management saw a 7.5% reduction in the Trust's net operating deficit compared to the previous year. The operating deficit is the lowest since 2001/02 when the Trust commenced management of the Kwinana Motorplex. This has been achieved through innovative revenue streams and despite significant wage increases and steadily increasing costs of goods and services. Energy reducing initiatives have also played a major role in reducing expenditure.

The Trust continues to play a major role in the State's Sport and Recreation industry and its proven track record in venue management makes it ideally placed to expand its venue management responsibilities as future State sporting facilities are developed.

The Current Board has completed its second year of management and I thank all Board members for their contribution throughout the year.

I also thank the management and staff for their continuing efforts and congratulate them on what has been an outstanding year.

I look forward to an exciting future for the Trust.

Denis McInerney
CHAIRMAN

Chief Executive Officer's Report

WESTERN AUSTRALIAN SPORTS CENTRE TRUST | REPORT ON OPERATIONS

OVERVIEW



**GRAHAM MOSS,
CHIEF EXECUTIVE OFFICER**

The 2004/05 year saw another strong performance by the Trust in the management of its venue portfolio. Whilst the total attendance for the four venues, Challenge Stadium, Arena Joondalup, SpeedDome and the Kwinana Motorplex, remained somewhat static at approximately 2,120,000, the Trust's net operating deficit reduced by some \$200,000 compared with the previous year:

The operating deficit of \$3.4m is the lowest since 2001/02 when the Kwinana Motorplex came on stream and the aquatic centre at Arena Joondalup was opened. In that year, the operating deficit was some \$3.9m.

This trend can be generally attributed to increasing revenue particularly at Arena Joondalup and a reduction in expenses primarily due to energy saving initiatives undertaken at the venues. Wage increases have however been significant increasing some 15% over this period.

This result is a reflection of the innovative approach that management and staff have taken in relation to venue operations. Whilst the Trust's primary role is to provide facilities and service for sports related activities, every opportunity is taken in venue programming to conduct community based activities that generate significant revenue streams.

Examples of this can be found at Challenge Stadium where the Learn to Swim classes, which involve some 1,200 children, are conducted in 2 metre plus deep water and the toddler gym programme with some 350 participants is conducted in the WA Institute of Sport gymnastics training centre whilst the elite gymnasts are at school.

At Arena Joondalup, before and after school Childcare services are held in and around sporting activities and two Rock iT concerts were staged in this financial year, attracting sell out crowds of 25,000 people providing a major entertainment spectacular in the Joondalup region.

There was a continued increase in the patronage of the health and fitness centres, particularly at Arena Joondalup, community based programmes, leisure and sporting activities. There was, however, a reduction in the number of entertainment style events and major functions held at Challenge Stadium due to increased competition from outdoor concert venues such as Member's Equity Stadium, Subiaco Oval and the WACA and the opening of the Perth Convention and Exhibition Centre in August 2004.

Revenue from ordinary venue activities increased by 6.6% over the previous year to \$16,135,588. This was due primarily to the staging of two Rock iT concerts at Arena Joondalup and the 6th FINA Junior Women's Water Polo World Championships at Challenge Stadium and an increase in community programmes at both venues.

Expenses from ordinary venue activities increased by 5.5% over the same period to \$30,491,981 which includes the capital user charge and depreciation totalling \$10,541,449.

This was due to increases in employee expenses of some \$1.0m which relate to back pays for non-GOSAC staff (which amount to \$0.4m) for the period 2002 to 2005 and increases in wage rates for GOSAC staff (which amount to \$0.6m) in this financial year. Expenses also include urgent repair and maintenance works at the venues which were funded by a one off grant of \$0.5m.

Significant capital works projects were carried out at the venues during the year including:

- The competition of the geothermal heating system at Challenge Stadium. The installation of the system suffered some unforeseen problems due mainly to the sheer magnitude of the volume of water which is required to be pumped through the system to heat the 11,000,000 litres of water in the venue's four pools. These problems have now been solved and the system is functioning well. The total cost of the system was \$1,545,000, of which \$1.0m was provided by a grant from the Office of Energy and repayable over 5 years. The system is estimated to reduce expenditure on energy at Challenge Stadium by some \$200,000 per year and reduce green house gas emissions by some 1,250 tonnes per year.
- The construction of a second road access to Moore Drive and the extension of the sealed car park area to provide 350 car bays at Arena Joondalup. The total cost of the project was \$806,056 and it has resulted in a much safer and more convenient traffic flow at the venue as well as providing much needed car park space for the ever increasing patronage at the venue.
- A range of maintenance and plant replacement works including repainting the roof trusses in the Challenge Stadium aquatic centre, replacement of an air conditioning chiller and renovation of the Perfect Balance Café at Challenge Stadium, refurbishment of the Sports Bar and upgrade of the emergency public address system at Arena Joondalup. A new security camera system and fire booster pump were installed at the SpeedDome and the track watering system was replaced at the Kwinana Motorplex.

A total of \$1,595,026 was expended on capital works projects at the four venues (excluding the geothermal heating system at Challenge Stadium).

Chief Executive Officer's Report

WESTERN AUSTRALIAN SPORTS CENTRE TRUST | REPORT ON OPERATIONS

A large number of major sporting events of an international, national and state level were staged at the venues, together with a wide range of entertainment style events. They included:

Arena Joondalup:

- National Junior Table Tennis Championships
- WAFL Fixtures (West Perth Football Club home games)
- AFL Wizard Regional Challenge match
- Netball WA State League fixtures
- Touch West State Touch Championships
- Two Rock iT concerts
- Barney and Friends Children's Show
- City of Joondalup NAIDOC Council concert
- Be Active Seniors Games
- Live Life Festival / Expo
- Perth Bikers Charity Ride

Challenge Stadium

- 6th FINA Junior Women's Water Polo World Championships
- 2004 Australian University Games
- Netball Test – Australia vs New Zealand
- Netball Test – Australia vs South Africa
- National Basketball League – Perth Wildcats home games
- National Netball League – Perth Orioles home games
- National Junior Volleyball Championships
- National open and under 21 Netball Championships
- WA State Gymnastics Championships
- Netball WA State League Fixtures
- WA Dancesport Championships
- National Water Polo League fixtures
- Swimming WA and Club swim meets
- WA Diving events
- AUSSI Masters State Championships
- WA Disabled Swimming Association State Championships
- WAIS Annual Dinner
- WA School Girls Breakfast
- Avril Lavigne and Hanson Concerts
- AA National Convention
- Rock Eisteddfod Grand Final
- Disney's "A Perfect Day"
- Planet Shakers Conference

SpeedDome

- 2004 Perth International Track Cycling Grand Prix
- WA Cycling State Junior and Senior Track Cycling Championships
- In-line Hockey WA Branch State Championships
- 2005 Westral Track Cycling Carnival
- 2004 Classic Challenge (motor sport event)
- National Tae Kwon Do Championships

Kwinana Motorplex

- Super Speedway
- National Drag Racing
- Motorvation
- Crusty Demons freestyle motocross event

Through its management of four of the state's major sporting venues, and the successful staging of a number of major events, the Trust has made a significant contribution to the Sport, Recreation and Entertainment industry in Western Australia and indeed, Australia.

The Trust is keen to expand its venue management portfolio and its proven management record makes it ideally placed to do so as new State sporting facilities are built.

The Trust is also keen to continue with development of its existing venues to ensure they keep pace with the requirements of major sporting bodies, elite athletes and the general public.

In particular, Challenge Stadium requires major redevelopment not only to meet the requirements of elite athletes and sporting organisations, but also to ensure that increasing revenue streams are generated to offset rising costs associated with staff wages, goods and services.

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. Due to its somewhat unique operating environment, particularly in relation to the employment of casual staff and the complexity of its venue management systems, consideration is being given to the extent of its involvement with the Shared Services Centre. The Trust is awaiting a response from the Functional Review Implementation Team in this regard.

The Trust successfully implemented a number of new Information Technology systems during the year and these are detailed elsewhere in this report. The major achievement in this area was the upgrading of the Class (facility management) system at Arena Joondalup, Challenge Stadium and the SpeedDome, bringing all venues onto the same system and allowing access to databases at all venues.

The average annual employee level of full, part-time and casual employees for the Trust increased to 198 FTE compared to 191 FTE in the previous year. This reflects the continuing increase in venue activity.

Chief Executive Officer's Report

WESTERN AUSTRALIAN SPORTS CENTRE TRUST | REPORT ON OPERATIONS

Leadership practices continued to be developed during the year with a perception mapping survey carried out to determine staff perception of the Trust's leaders in the upholding of preferred leadership practices. Leadership development programmes were implemented following analysis of the survey results.

Both the Trust's Enterprise Bargaining Agreement and the Government Officers Salaries, Allowances and Conditions General Agreement (GOSAC) were updated, amended and registered with the Western Australian Industrial Relations Commission during the year.

A major branding campaign and marketing strategies for Challenge Stadium and Arena Joondalup were implemented following extensive market research. This has had a positive impact on public awareness of the venues and the facilities and services provided in them and has led to a significant increase in revenue, particularly from the Fitness Centre, and community based programmes.

A naming rights sponsor for Challenge Stadium continued to be sought during the year with interest being shown by one major Institution. As at the 30 June 2005, negotiations were continuing with this Institution.

ARENA JOONDALUP

The Arena continued to show a growth in activity. Although attendance levels only achieved a marginal increase of 1%, to 905,307, financial growth was significant. The net trading deficit was reduced by 29% from the previous year to a record low of \$621,941.

Two successful Rock iT concerts were staged each attracting a sell out crowd of 25,000 together with a wide range of sporting events and activities.

The Health and Fitness Centre had an outstanding year achieving a net profit of \$436,691, an increase of 43% over the previous year.

During the year the Arena Community Sports and Recreation Association was formed and it was successful in obtaining approval of funding of \$1.7m to establish additional hard-stand netball courts, lighting of the athletic field, and a joint user club room. Of this amount, \$645,000 will be contributed by the City of Joondalup, the balance being contributed through the Department of Sport and Recreation CSRFF programme, the Trust and the Arena Community Sport and Recreation Association. These facilities will be built over the 2005/06 and 2006/07 financial years.

CHALLENGE STADIUM

Venue attendances for the year fell slightly with a 5% reduction from the previous year totalling 953,521. This was due to a reduction in the number of entertainment events which also impacted on the venue's revenue.

There were, however, many major sporting events staged including the 6th FINA Junior Women's Water Polo World Championships which involved 15 international teams. This is the second FINA Junior Women's Water Polo World Championships to be staged at the venue. Challenge Stadium has become the most "recognised" aquatic centre in the world, having staged two FINA World Swimming Championships

and several FINA Water Polo Championships.

The venue also hosted the Wildcats, Orioles and numerous national and state sporting events together with many entertainment and function-style events.

The next stage of the development plan for Challenge Stadium is under review and will be planned to coincide with the major redevelopment of the Mt Claremont sports precinct which will include the venues relocated from Perry Lakes namely the State Athletics Centre, Basketball WA Basketball Centre, and Rugby WA Rugby Centre.

SPEEDDOME

The SpeedDome hosted several major sporting events during the year, including the Perth Track Cycling Grand Prix, In-line Hockey State Championships, WA Cycling State Junior and Senior Track Cycling Championships and the National Tae Kwon Do Championships.

KWINANA MOTORPLEX

Record attendances were achieved at the Kwinana Motorplex with a total of 237,551 spectators attending a range of speedway, drag racing and entertainment events during the year.

The venue has completed its 5th year of operation and it is pleasing to see the continual growth in attendances, particularly in the speedway area. Drag racing activities continue to produce a huge growth in popularity.

A review of the management model for the Kwinana Motorplex was undertaken during the year. Comparisons with other management structures for motor sport venues throughout Australia were undertaken using information provided from the governing bodies of speedway NASR (the National Association of Speedway Racing), and ANDRA (the Australian National Drag Racing Association). It was concluded that the management model which existed at the Motorplex was the most successful in Australia.

BOARD OF MANAGEMENT

The current Board completed its second year of its three year term and I thank the Chairman and Board members for their involvement during the year.

The management team and staff all contributed magnificently to what has been an outstanding year for the Trust. I thank them for their contribution and look forward to working with them in what promises to be an exciting future for the Trust.

Graham Moss
CHIEF EXECUTIVE OFFICER

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

Denis McInerney

Mr McInerney was appointed as a Board member and Chairman for a three year term commencing 1 July, 2003. Denis is the Managing Director of McInerney Ford, a business he has operated for some 30 years. He currently holds or has held senior voluntary positions with numerous sporting organisations including the West Coast Eagles Football Club, Weightlifting WA, Commonwealth Games Task Force, Soccer West Coast, Suburban Turf Cricket Association, and the WA Olympic Council.

Lauren Cowan

Ms Cowan was appointed as a Board member for a three year term commencing on 1 July, 2003. Lauren is currently employed with the Department of Sport and Recreation in the position of Senior Policy Officer in the Strategic Policy, Planning and Research Division. Prior to her employment with the Department, she was employed as the Executive Officer of the Western Australian Division of the Professional Golfers Association of Australia. She has excelled in the sport of golf having competed as a professional and was a member of the Women's Professional Golfer's European Tour and the Ladies Professional Golf Australia.

Tony Di Francesco

Mr Di Francesco was appointed as a Board member for a three year term commencing 1 July 2003. Tony is the Managing Partner of Ilbery Lawyers and had an extensive involvement in many sporting and commercial Boards, Committees and Associations. He is currently a Director of the Perth Glory Soccer Club Pty Ltd, and a member of the Australian and New Zealand Sport Lawyers Association Inc, Australian Institute of Company Directors, International Wine Law Association, Law Society of Western Australia and the Law Council of Australia.

Ronnie Hurst

Mr Ronnie Hurst was appointed as a Board member for a three year term commencing on the 1 July, 2003. Ronnie is currently employed with the Department of Sport and Recreation in the position of Director Programmes & Services. Prior to his employment with the Department, he was employed with the City of Melville in the position of Manager Community Development. He had a distinguished sporting career, having competed in the 1978 Commonwealth Games in springboard and highboard diving representing Scotland. He also played Rugby Union for Edinburgh and Western Australia and is a martial arts practitioner.

James Limnios

Mr James Limnios was appointed as a Board member commencing 13 October, 2003 for a term expiring on the 30 June, 2006. James is currently the Executive Director of the Limnios Property Group, a Perth based real estate and development consultancy Company. He has won many awards as one of WA's highest achieving real estate business persons and is a member of many sporting and community clubs and organisations.

Tim Marney

Mr Tim Marney was appointed as a Board member commencing 10 May, 2004 for a term expiring on the 30 June, 2006. Tim was recently appointed as the Under Treasurer for the Department of Treasury and Finance. Prior to this appointment, he held the position of Executive Director, Agency Resources with the Department. His sporting interests include martial arts training and teaching (he holds a Black Belt in Farn Harn Do), cycling and car restoration.

Sue Taylor

Ms Sue Taylor was reappointed as a Board member for a three year term commencing 1 July, 2003 and had been a Board member for nine and a half years prior to her reappointment. Sue is currently employed with Freehill Hollingdale & Page as a Paralegal Consultant. She is a Member of the Order of Australia and has received the Australian Sports Medal and the Centenary Medal. She has served on numerous Boards, Committees and Associations of both a sporting and legal nature. Sue is a current Board member of the Commonwealth Games Federation, Vice President of the Australian Commonwealth Games Association, Member of the Board of Melbourne 2006 Commonwealth Games Pty Ltd, member of the Board of Directors of All Australian Netball Association, delegate to the International Federation of Netball Association and Executive member of the Asian Federation of Netball Associations.

Victoria Wilmot

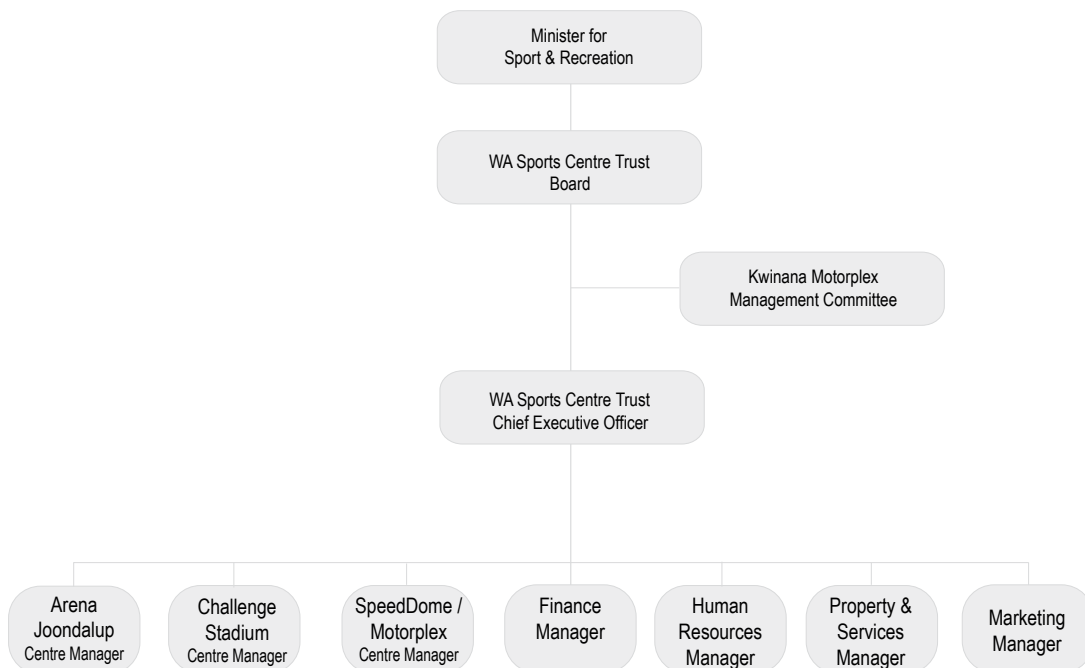
Ms Victoria Wilmot was appointed as a Board member for a three year

term commencing 1 July, 2003. Victoria is currently employed with the University of WA in the position of Business Manager, Financial and Resources. She is a member of the Institute of Chartered Accountants in Australia and the Securities Institute of Australia and she is a member of the Finance sub-committee of the Board. She has won a number of State and National awards in financial, legal and portfolio management fields and has a strong interest in sport.

Elizabeth Woods

Ms Elizabeth Woods was appointed as a Board member for a three year term commencing 1 July 2003. Elizabeth is currently employed as the Deputy Chief Magistrate and has served as a member of numerous legal committees. She has an extensive involvement in basketball, serving as a member of the Perry Lakes Referees Association, member of the Basketball WA Tribunal, member of the National Scoretable Committee, President of Basketball WA, life member of Basketball WA awarded in 1999 and recipient of the Australian Sports Medal.

ORGANISATIONAL 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

In the performances of its functions the WA Sports Centre Trust complies with the following relevant written laws:

- Financial Administration and Audit 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

In the financial administration of the WA Sports Centre Trust, the Trust has complied with the requirements of the Financial Administration and Audit Act 1985 and every other relevant written law, and exercised controls which provide reasonable assurance that the receipt, expenditure and investment of moneys, the acquisition and disposal of public property and incurring of liabilities have been in accordance with legislative provisions.

At the date of signing, the Trust is not aware of any circumstances which would render the particulars included in this statement misleading or inaccurate.

OBJECTIVES AND AGENCY LEVEL GOVERNMENT DESIRED OUTCOMES

The WA Sports Centre Trust's objectives and desired outcomes, which are consistent with the prior year, relate to:

- provision of facilities for elite sports training and competition;
- provision of facilities for community sport, entertainment and recreation.

PUBLICATIONS

The following publications are produced by the Trust and are available on request from the Trust:

- Annual Report
- The WA Sports Centre Trust, Challenge Stadium, Arena Joondalup and SpeedDome websites
- Challenge Stadium and Arena Joondalup quarterly magazines
- Various information brochures and pamphlets relating to venue activities

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 SERVICES

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

INSURANCE PREMIUMS PAID TO INDEMNIFY MEMBERS OF THE BOARD

An insurance policy has been taken out to indemnify members of the Board against any liability incurred under sections 13 or 14 of the Statutory Corporations (Liability of Directors) Act 1996. The amount of the insurance premium paid for 2004/05 was \$12,515.

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	\$9,177
• Marketforce Productions	
Expenditure with Market Research Agencies	\$33,621
• Centre for Environmental and Recreation Management (CERM) – University of South Australia	
• Market Equity Pty Ltd	
Expenditure with Polling Agencies	nil
Expenditure with Direct Mail Agencies	\$46,043
• Salmat Pty Ltd	
Expenditure with Media Advertising Agencies	\$99,054
• Media Decisions	
TOTAL EXPENDITURE	\$187,894

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 2005 determined that the Trust had met compliance requirements in the 2004/05 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.

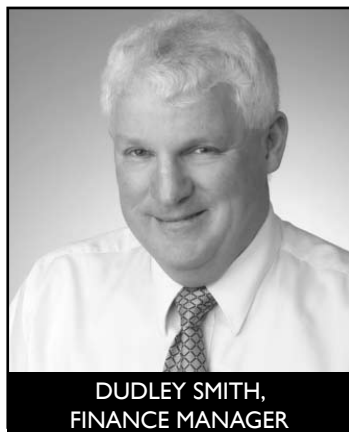
EQUAL OPPORTUNITY

No Equal Opportunity issues were raised in the period.

Dated this 25th day of August, 2005.



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 continuing to attend work process groups and by attending meetings, workshops and seminar on the subject.

The Trust has commenced the adoption of accounting standards in compliance with AASB 1 and has prepared an opening IFRS balance sheet as at 1st July 2004. The Trust is also required under AASB 1047 to disclose any known or reliably estimable information about the impacts on the financial report had it been prepared using the AIFRS and this has been included in this year's financial statements.

Procurement and Contract Management has been maintained to ensure correct documentation, evaluation and awarding of contacts in accordance with State Supply Commission policy and guidelines. This process has been the subject to three audits during the year which have resulted in three unqualified audit reports.

The Trust's 5 year Business Plan was updated during the year in accordance with a revised Strategic Plan and the Department of Treasury and Finance Budget Statements.

RECORDS MANAGEMENT

The Trust's Recordkeeping Plan was approved by the State Records Commission in August 2004. In addition the Trust's Retention and Disposal Schedule was also approved by the State Records Commission in April 2005. The Trust now has in place a sound records management practices which should assist effective business operations.

INFORMATION TECHNOLOGY

The Trust has successfully implemented a number of Information Technology systems during this financial year. These include Helpdesk software to log and monitor support requests, PureMessage to filter SPAM and viruses from emails and a new Disaster Recovery Plan. In addition the Trust has upgraded SmartFees, assisted with the installation of a Wireless HotSpot at Challenge Stadium and Xercise Pro package at both Arena Joondalup and Challenge Stadium.

A major achievement was the upgrading of the Class (Facility Management) system at Arena Joondalup and Challenge Stadium bringing both venues onto the same version and allowing access to both databases from either location. The SpeedDome was also brought online into the Class system to manage its facility bookings and point of sale transactions.

The other major achievement was the development and implementation of a Trust Extranet which is being well utilised to distribute information to permanent and casual staff.

Dudley Smith
Finance Manager

BUDGET ESTIMATES FOR 2005/06

In accordance with Section 42 of the Financial Administration and Audit Act 1985 and pursuant to TI 953 (2) the budget estimates for the 2005/06 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, 2006

REVENUE	2005/06
Revenues from ordinary activities	
Sales	5,100,000
Goods and services	9,295,000
Interest revenue	70,000
Other revenue from ordinary activities	2,000,000
Total revenue from ordinary activities	16,465,000
 EXPENSES	
Expenses from ordinary activities	
Cost of sales	2,000,000
Employee expenses	9,600,000
Supplies and services	7,500,000
Depreciation	2,531,000
Borrowing costs expense	20,000
Administration expenses	300,000
Accommodation expenses	450,000
Capital User Charge	8,190,000
Other expenses from ordinary activities	100,000
Total expenses from ordinary activities	30,691,000
 Profit/(Loss) from ordinary activities before grants and subsidies from Government	(14,226,000)
 Grants and Subsidies from Government	14,226,000
 NET PROFIT	—

AGENCY LEVEL GOVERNMENT DESIRED OUTCOMES, SERVICES AND PERFORMANCE INFORMATION

The performance measures as they relate to the Trust's outcomes and services are detailed below.

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

Service: 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:

Service Measures	2004/05 Target	2004/05 Actual
Quantity		
Number of hours of elite training and competition	35,700	45,629
Quality		
Customer satisfaction	80%	79%
Timeliness		
Facilities are available on a timely basis	75%	78%
Cost		
Average cost per hour of elite training & competition	\$342.21	\$271.50
Effectiveness		
Survey of participants on quality of elite sporting training facilities	81%	79%

The above service measures are linked to the Government Strategic Goal of enhancing the quality of life and wellbeing of all people throughout Western Australia and indicates 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.

Service: 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 for community sport, entertainment and recreation at Challenge Stadium, Arena Joondalup and SpeedDome:

Service Measures	2004/05 Target	2004/05 Actual
Quantity		
Annual patron visits to Challenge Stadium	1,020,900	953,521
Annual patron visits to Arena Joondalup	905,200	905,307
Annual patron visits to SpeedDome	28,000	23,852
Quality		
Customer satisfaction at Challenge Stadium	85%	83%
Customer satisfaction at Arena Joondalup	85%	84%
Customer satisfaction at SpeedDome	82%	87%
Timeliness		
Facilities are available on time at Challenge Stadium	85%	77%
Facilities are available on time at Arena Joondalup	80%	78%
Facilities are available on time at SpeedDome	85%	87%
Cost		
Average cost per patron visit to Challenge Stadium	\$8.24	\$8.30
Average cost per patron visit to Arena Joondalup	\$7.99	\$8.57
Average cost per patron visit to SpeedDome	\$20.10	\$18.71

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

These service measures are linked to the Government Strategic Goal of enhancing the quality of life and wellbeing of all people throughout Western Australia.

Note: The operations of the Kwinana Motorplex are carried out by Kwinana Motorplex Pty Ltd under a license agreement with the Trust. Whilst performance measures exist between the Trust and Kwinana Motorplex Pty Ltd, the Trust has no responsibility for the management of motorsport operations at the venue.

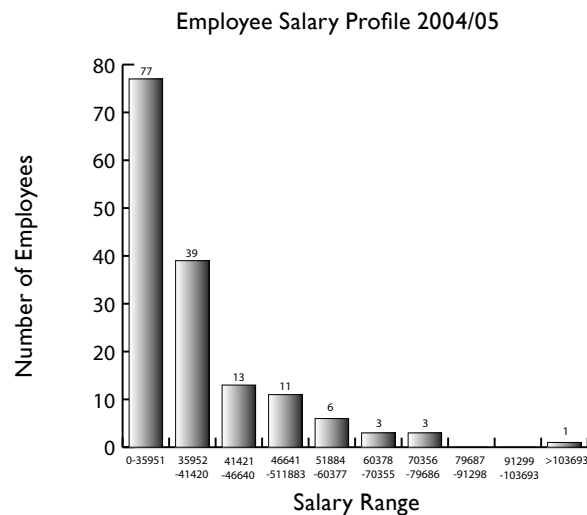


Driven by its mission to “become a strategic partner with Management and Coordinators to achieve better business results and increase employee job satisfaction”, the Human Resources Department partners with and consults with internal key stakeholders to deliver effective and efficient HR practices and initiatives to all venues and employees of the WA Sports Centre Trust.

STAFFING

During the 2004/05 period, the average annual employee level for the Trust was 198 FTE comprising full-time, part-time and casual staff compared to 191 FTE in the 2003/04 period.

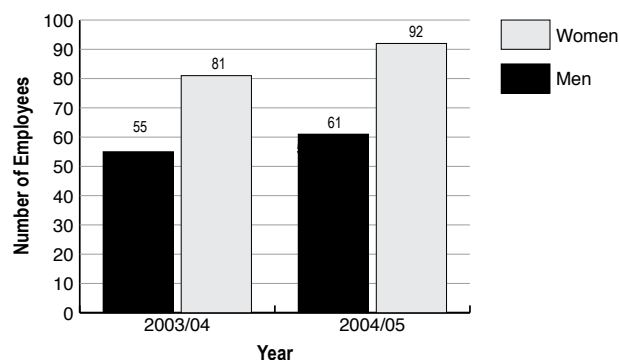
Employee salary profiles for the permanent and fixed term employees in 2004/05 are shown in the following graph.



The number of male and female, permanent and fixed term employees for 2004/05 is shown on the following graph.

To meet venue needs, 49 permanent and fixed term employee appointments were made throughout the Trust. Casual employees are a large

Number of Employees by Gender



component of the workforce. During the 204/05 financial year, 900 casual employees were engaged with approximately 46% of those recruited in the 2004/05 period.

The 2004/05 staff turnover rate was 17.5% compared to 22% in 2003/04.

LEARNING AND DEVELOPMENT

Actual training and development activities in the 2004/05 period accounted for 1,647 hours of employee time. Average paid training hours per full time equivalent was 12.97. 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.

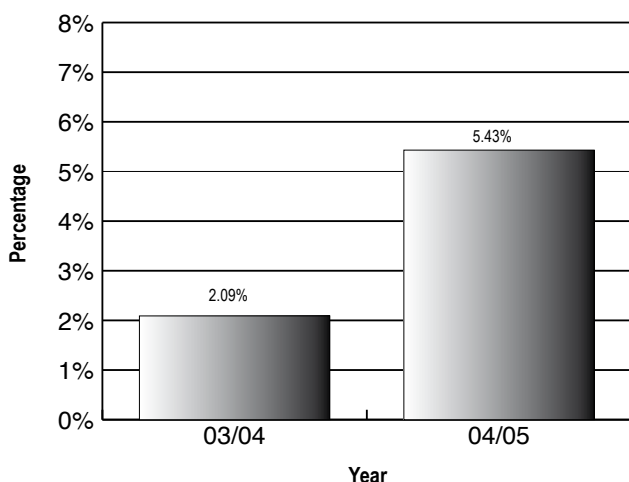
REWARDS AND RECOGNITION

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 is \$2.24. The Trust has recorded 10 workers' compensation claims in the 2004/05 period, increased from 4 in the 2003/04 period. Average lost time was 26.72 hours compared to 23.72 hours in the previous period. The value of lost time for the claims occurring in the period totalled \$39,561. The percentage of accidents per FTE has increased in the 2004/05 period:

Accidents per Full-time Equivalent



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

During 2004/05 a perception mapping survey was undertaken to obtain staff feedback on how they perceived the Trust leaders to be upholding the preferred leadership practices of teamwork, accountability, recognition, performance management, organisational culture and communication. The results of this survey were fed back to the Coordinator and Management groups, with results analysed at the Coordinator level, improvements considered and implemented as appropriate. The process will be undertaken annually across the Trust venues to ensure our preferred leadership practices are being upheld and to assist us in becoming a truly high performing and engaged organization.

Extranet Development

In consideration of feedback received from the 2003 Best Employer Survey the Trust's intranet site "FRED" was reviewed and a new improved extranet site created. The new site, launched in May 2005, is a central communication system that provides employees with access to information on what is happening around all of the Trust venues as well as access to forms, policies and corporate procedures. As the site is accessible from any computer with internet access it also provides the opportunity for all permanent and casual employees with a log on and password to be able to access the site from any computer. This site will continue to be updated and improved to ensure it remains the effective communication tool it is designed to be.

Industrial Agreements

Both the Trust's Enterprise Bargaining Agreement and the Government Officers Salaries, Allowances and Conditions General Agreement (GOSAC) were updated, amended and registered with the Western Australian Industrial Relations Commission during 2004/2005.

The GOSAC Award and Agreement update resulted in pay increases of 3.8% at February 2004 and a further 3.6% at February 2005 for all staff covered by this award and agreement.

The Trust Enterprise Bargaining Agreement 2005 was negotiated and registered with the Western Australian Industrial Relations Commission on 22 March 2005. After 3 years without salary increases the staff covered by this agreement were finally awarded increases of 3.4% at 1/1/04, 3.4% at 1/1/05 and a further 3.3% to be awarded at 1/1/06.

Nicki Eastman
Acting Human Resources Manager

Property and Services

WESTERN AUSTRALIAN SPORTS CENTRE TRUST | REPORT ON OPERATIONS



JOHN REED,
PROPERTY & SERVICES MANAGER

An extremely busy year for the Property and Services Department, with the completion of a number of major Capital Works and a vast quantity of maintenance works. At Challenge Stadium alone over 1,000 maintenance works were attended to during the year, and this excludes all planned maintenance and capital works.

A large number of major capital works projects were completed at Challenge Stadium, including: painting of the roof trusses in the THAC 50 Pool hall, replacing the sound system in the same area, a complete renovation of the Perfect Balance Cafe, extension and renovation of the Sport Shop, bitumising of no.4 car park, revamping the landscaping and plants to the main entrance areas, redecorating both the Executive Suite and Champions Club, converting the old Landfill Gas and Power premises into an Events storage facility, replacement of the reception area carpet and numerous plant and IT upgrades.

While it was commenced in the previous financial year, the Geothermal project was not completed and on line until mid July 2004. The installation of the system has suffered from a number of setbacks which have necessitated a series of modifications being carried out in order to ensure its long term operation. Despite these setbacks the system now caters for all the pool heating and domestic hot water requirements and is on track to realise the projected cost savings of \$200,000pa. Even with the interruptions to its use this year, savings of \$124,000 were achieved.

At Arena Joondalup there were a similarly large number of capital works items which were undertaken including: new access road and a 350 bay car park, anti pigeon netting of the building, various IT upgrades, refurbishment of the Sports Bar, new carpet for the Premier Suite, reconfiguration of a number of office areas, upgrade of the Emergency Public Address system, purchase of a new automatic pool cleaner, construction of a storage compound for the new pool blankets which were funded by the Office of Energy and several plant upgrades.

At Midvale SpeedDome the security camera system was completely upgraded, a new fire booster pump was installed and a floor scrubber was purchased.

Kwinana Motorplex had its track watering system replaced and a number of safety related items attended to. Proposals to improve car park and pit lighting systems were progressed, however difficulties in obtaining quotes from interested parties have delayed the installation process. Tenders for improvements to the competitors viewing area were called and this project should be completed in time for the commencement of the 2005/06 season.

In the 2004/05 year, the Department of Treasury provided a one off grant of \$500,000 to carry out urgent repair works. These funds were applied to the following projects: replacement of one of the main chillers at Challenge Stadium which had failed and was beyond economical repair and used a gas that was no longer available, replacement of the heavily corroded louvre panels in the THAC pool hall, replacement of the external wall sheeting to the west end of the THAC pool hall and Arena 2 which was leaking badly.

At Arena Joondalup the funding was used to carry out urgent repairs to the Astroturf pitch and for completion of the car park and new road landscaping. Midvale SpeedDome had the badly water-damaged carpet in the foyer and main entrance area replaced with a non-slip vinyl.

The following table illustrates expenditure on utilities, repairs and maintenance and capital works at the Trust's four venues.

Venue	Utilities	Repairs & Maintenance	Capital
Challenge Stadium	\$662,335	\$362,548	\$1,215,535
Arena Joondalup	\$439,223	\$544,423	\$1,117,196
SpeedDome	\$26,712	\$49,897	\$46,159
Kwinana Motorplex	-	-	\$73,371

The most significant contribution made by the department to the financial performance of the Trust and to the benefit of the environment was the further savings made in energy consumption.

At Challenge Stadium, not only did the geothermal system provide almost \$124,000 in savings, but by investment in plant, reprogramming of control systems and astute operation a reduction in electricity consumption of \$41,465 over the last year was achieved. This was in spite of the sizeable increase in electrical load associated with installation of the Geothermal System.

Next financial year the emphasis will continue to be on energy reduction, particularly at Arena Joondalup and facility maintenance, with a greater emphasis on restoring the presentation of the venues as a whole. 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.

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 an 8% reduction targeted by 2004/05.

Energy Smart Government Programme	Baseline Data	2004/05 Actuals	Variation %
Energy consumption (MJ)	65,227,649	48,001,000	-26.4%
Energy cost (\$)	\$1,067,980	\$756,498	-29%
Greenhouse gas emissions (tonnes of CO ₂)	4460	6502	+31%
Performance indicators by category Public Buildings MJ/sqm	1902	1399	-26.4%

As can be seen from the above table the Trust has easily achieved the Government target of 8% reduction in overall energy consumption by the end of the 2004-05 financial year and has gone well beyond the ultimate target of 12% to be achieved by the end of the 2006-07 year. A 29% reduction in energy consumption constitutes a major contribution towards the aims of the governments sustainability aims.

The sharp increase in greenhouse gas emissions is explained by the fact that until the end of the last financial year the vast majority of the electrical load at Challenge Stadium was provided by power generated using landfill gas. The system was decommissioned in July 2004 as the methane content in the land fill gas had fallen below an economically viable level. The Trust then reverted to power supplied by Western Power which significantly increased greenhouse emissions.

During the year the following energy saving initiatives were undertaken:

- A pool blanket system was purchased for the ten lane, 50 metre pool at Arena Joondalup using a grant from the State Government's Energy Smart Capital Advance programme.
- Variable speed drives were installed on the main pool hall air handling unit fans at Arena Joondalup and a new control strategy was implemented, resulting in reduced electricity consumption.
- Variable speed drives were installed on the pool water circulation pumps for both outdoor pools at Challenge Stadium, also reducing electricity consumption.
- Trimming of hot water temperature setpoints at Challenge Stadium has reduced gas consumption.
- Improving the controls of the chilling plant at Challenge Stadium has reduced electricity consumption.
- Fitting of time delay switches to a number of air conditioning units at Challenge Stadium to prevent them being left on accidentally.
- Last, but by no means least the introduction of the Geothermal Heating system at Challenge Stadium has resulted in massive savings in gas consumption.

During the coming year the Department intends to target energy consumption at Arena Joondalup and investigate the feasibility of heating the outdoor water polo pool at Challenge Stadium using solar energy.

John Reed
Property & Services Manager



**LEAH LORD,
ACTING 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.

Market research, conducted for the Trust by Market Equity, recommended a concerted branding campaign and marketing strategies both for Challenge Stadium and Arena Joondalup. The

recommendations included comprehensive revision of the venues' magazines from community wide distribution of a broad publication to a more specific communication available specifically to members. The resulting publications, Be Challenged and Arena Pulse, replace QuarterTIME and Arena Action and have been well received by members. In addition to the member publication, regular "What's On" style ads are placed in the relevant local community newspapers, to promote the services and facilities of the venues to the wider community.

The Trust's websites were overhauled, and a new hosting provider was appointed. The new sites include a content management system which allows only authorised employees of the Trust to update the site to ensure accuracy and currency of the content. The content management system also includes a direct interactive marketing engine enabling the Marketing Department to conduct thorough email marketing campaigns and evaluations.

All advertising and promotional material, including member magazines for venues and business units along with the management and maintenance of the Trust's four web sites continued to be designed and produced in-house.

Naming rights sponsors for both Arena Joondalup and Challenge Stadium continued to be sought throughout the year. Invitations were sent to a number of major corporations seeking opportunities for a presentation of the sponsorship proposal. Some presentations were made and resultant opportunities are being pursued.

The Trust staged a number of its own large scale events during the 2004/05 financial year which saw the Marketing staff undertake considerable responsibility for event management, marketing and promotion. Such events included:

6th FINA Junior Women's Water Polo World Championships 2005

Challenge Stadium hosted the 6th FINA Junior Women's Water Polo World Championships in January 2005, in which 15 countries competed over the 7 days of competition. The Championships were extremely successful and the Trust was commended by all those involved on the efficient operation of the Championships.

Perth Track Cycling Grand Prix

The 2004 Perth International Cycling Grand Prix was staged at the SpeedDome on the 19th November 2004. Many of the world's leading cyclists competed together with numerous state senior and junior cyclists. The event attracted a near capacity audience of some 1350.

In conjunction with the cycling grand prix a clinic for junior cyclists was held at which a number of the world's leading cyclists provided instruction and mentoring to a group of 30 of the state's junior cyclists.

The event icon and supporting promotional material was designed and produced in-house. Pre-event promotion included 5 advertisements in The West Australian, approximately 40 advertising spots on 6PR over a two week campaign, posters distributed to metropolitan bicycle shops, flyers distributed by the WA Cycling Association at various cycling events, press advertising in the local community papers, radio interviews and direct mail to WA Cycling Federation and Triathlon WA databases.

Rock iT

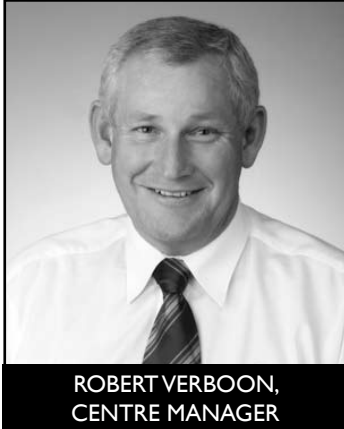
Two Rock iT concerts were held during the year – the first on October 24 featured Jet, The Living End, Spiderbait, Hilltop Hoods, Jebediah, 28 Days and Rocket Science and attracted a sellout crowd of 25,000 people.

The second Rock iT concert held on March 13 featured Greenday, Simple Plan, Grinspoon, Shihad, and The Flairz. This event also sold out with an attendance of 25,000.

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).

Leah Lord
Acting Marketing Manager



**ROBERT VERBOON,
CENTRE MANAGER**

Challenge Stadium continues to perform its role as Western Australia's premier multipurpose sport, recreation and entertainment venue and play its part in the development of many of the State's leading elite athletes.

The 6th FINA Junior Women's World Water Polo Championships held in January 2005 was the stand out international event staged at Challenge Stadium for the

year. Fifteen teams from around the world participated with the USA eventually taking out the World title.

Entertainment events continued to make their presence felt in the venue. Seven concerts were staged in the main arena, a reduction of six from the previous year. These entertainment events included Disney's "A Perfect Day", WA Rock Eisteddfod Grand Final, Kiddywinks Concert, Brigham Young Ballroom Dance Company, Avril Lavigne and Hanson concerts and the Planet Shaker's Conference.

The Perth Wildcats played their third consecutive National Basketball League season at Challenge Stadium once again maintaining their record of reaching the finals. Near capacity crowds for the majority of the season was a credit to the team and its management for having the foresight and courage to restructure the membership and the entry prices for the season.

The Perth Orioles competed in the Commonwealth Bank Trophy National Netball league playing 6 home games at the venue. The Orioles were on a rebuilding programme and have started to see the success of this rebuilding by winning four games for the season.

Sporting events also featured strongly in the main arena with the WA Gymnastics State Championships, Country Week Volleyball and WA Netball's State Netball League fixtures being just some of the sporting highlights.

Venue patron visits for 2004/05 reached 953, 521, the third best attendance on record. This however represents a reduction of 5.0% to the previous year's visits due mainly to the reduction in entertainment events.

A total of 398 events were staged at Challenge Stadium's Aquatic Centre and Main Arena during the year. These events were of both a sporting and non-sporting nature. The 370 sporting events comprised 4 international, 35 national, 62 state and 269 local events. The 28 non-sporting events included award functions, conferences, concerts, dinners and exhibitions.

Challenge Stadium Business Units generated a total gross income of \$6,149,840 representing a 7.3% decrease from the previous year. The reduction in events, predominately in the entertainment and aquatic areas, were the major contributing factors to the reduction in income.

The overall Challenge Stadium Business Units expenditure for the year was \$6,415,050, a reduction of 2.4% from the previous year. The business units produced a net operating deficit of \$265,210 compared with a surplus of \$60,531 in the previous year.

AQUATIC CENTRE

The Challenge Stadium Aquatic Centre's 5 swimming pools, 3 x 50m Olympic pools, diving pool and outdoor water polo pool attracted 374,044 patrons for the year a decrease of 11% on the previous year.

The Aquatic Centre conducted a total of 313 major events during 2004/2005. These included 1 international, 11 national, 33 state and 268 local events all in aquatic disciplines.

Event numbers fell by 18% due to the consolidation of Swimming WA events and a huge reduction of RLSSA WA events due to regionalization of their events. School Swimming Carnivals once again increased in number with 67 carnivals being staged over a 2 month period.

The stand out events for the year were the 6th FINA Junior Women's World Water Polo Championships and National Water Polo fixtures

Major events included:

- 6th FINA Junior Women's Water Polo World Championships
- PSA Boys Interschool Swimming
- 11 National Water Polo league fixtures
- 19 Swimming WA Events
- 14 WA Diving State Championships
- 88 WA Water Polo Summer and Winter Competition Fixtures
- 67 School Swimming Carnivals
- AUSSI Masters State Championships
- WA Disabled State Championships
- 32 Club Swimming Events

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

- Swimming WA
- WA Water Polo
- 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

Elite sport training and competition activities for the year 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 fell by 7.6% due to the lower

event numbers and subsequent lower patronage. General patronage numbers were also down on the previous year due to increased competition in the area. Aquatic expenditure decreased by 6.25% due to the implementation of the geothermal heating and subsequent saving on utility costs, resulting in a net deficit of \$153,804 for the year. This is an improvement of \$12,610 on the previous year.

EVENT OPERATIONS

Challenge Stadium's Arenas comprise a 4500 seat main arena, an 830sqm training hall and a purpose built gymnastic training centre.

The Arenas 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 85 events were staged in the arenas during the year; a reduction of 16 events compared to the previous year. These included 56 sporting, 3 conference/seminars, 4 exhibitions and trade shows, 7 concert and 11 Catering events.

The 56 major sporting events held in the main arena during this year included:

- 2004 Australian University Games
- National Junior Volleyball Championships
- Commonwealth Bank National League Netball
- NBL Perth Wildcat Fixtures and Final
- WA State Gymnastics Championships
- 29 fixture and finals rounds of the WA Smoke Free State Netball League
- Country Week Volleyball Competition
- Open Under 21 Netball Championships
- Netball Test - Australia v New Zealand
- Netball Test - Australia v South Africa
- WA Dancesport Championships
- Rottnest Channel Swim Briefing

The 31 non-sporting events staged included:

- Oceana Fest
- Disney's "A Perfect Day"
- Rock Eisteddfod Grand Final
- WA Gymnastics Circus
- Mix Tape Tour
- Planet Shakers Conference
- AA National Convention
- Avril Lavigne Concert
- Hanson Concert

The downturn in entertainment events in particular resulted in Event Operations recording a net deficit of \$133,737 compared to a surplus of \$49,168 in the previous year. Fortunately, the future looks promising for an increase in entertainment events in the forthcoming year.



EVENT CATERING

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

Event Catering hosted 11 dinner functions in the main arena during the year catering to a range of guests from 200 to 1200. Dinner functions included:

- ACTIV Foundation CTS Ball
- UWA Blackstone Society Dinner
- UWA Ecoms Ball
- Clough Dinner
- WA Institute of Sport Annual Dinner
- WA School Girls Breakfast
- Hale School Valedictory Dinner
- Perth Wildcats and Perth Orioles Seasons
- D&D Ball

Event catering operate the three function rooms within Challenge Stadium running day to day boardroom style and conference style functions.

Challenge Stadium event catering returned a net profit of \$77,112 a reduction of some 7.60% compared to the previous year. This is a reflection of the reduced event activity in the venue over the course year in particular the loss of the Australia Post dinner and competition from the Perth Exhibition and Convention Centre which opened in August 2004.

A total of 207,593 patrons attended the Perfect Balance Café and functions held by the event catering during the year.

PROGRAMMES

A wide range of quality innovative programmes 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 the year 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
- FourWheel Drive courses

The department recorded a gross income for the year of \$799,531 representing a 9% increase over the previous year. Expenditure increased by 10.9% mainly due to wage increases resulting in a 4.5% increase in net profit over the previous year. Participation numbers reached 49,922 for the year.

MERCHANDISE

The Challenge Sports store stocks a comprehensive range of aquatic swimwear and accessories, aerobic and leisure wear and returned a \$106,544 net profit for year, the 2nd best result ever recorded for the store.

CHALLENGE FITNESS CENTRE

2004/05 saw the Fitness Centre operate its second full year of the Evolve Pilates and Yoga Studio. Unfortunately, increased competition caused enrolments to fall further than occurred in the previous year. Semi Private and Private Pilates increased significantly however and it is in this market that further increases will occur.

Fitness Centre memberships were stable against those recorded in previous years with the annual attendance to the Fitness Centre reaching 115,239. The membership level at the end of the year was 1,544 with a further 462 visit card memberships taking the total membership to 2006 an increase of four over the previous year. The retention rate for memberships was 56%.

The net profit for the year was \$182,574, an increase of 7.8% compared with the previous year. Whilst this result is pleasing there are still opportunities to increase attendances by introducing other wellness programmes.

CUSTOMER FOCUS

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

An overall customer satisfaction rating of 83% was achieved, a slight increase on last year and above the mean for similar venues around Australia.

WA INSTITUTE OF SPORT

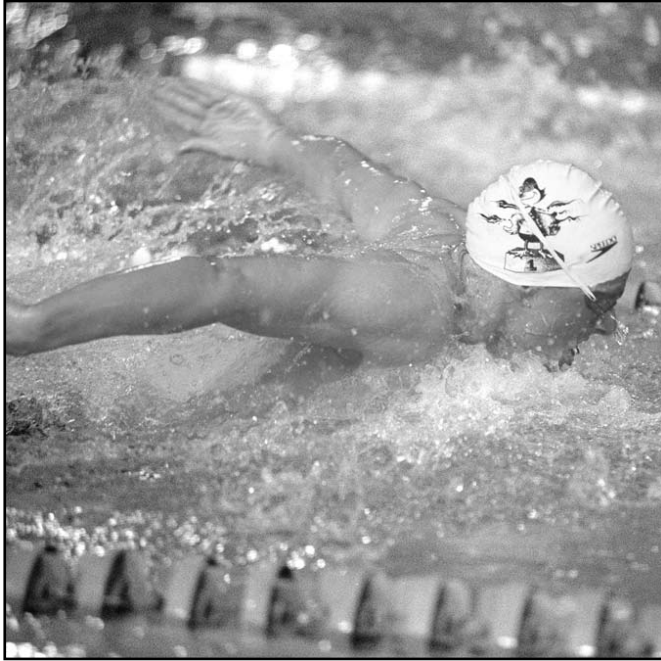
The WA Institute of Sport is headquartered at Challenge Stadium. The venue provides world class training and competition facilities for the majority of WAIS's 480 athletes.

WAIS athletes continue to represent the state at international competition with great success. Following WAIS's highly successful Olympic representation in 2004 the Institute's focus has been on refining its programmes for the 2008 Olympic campaign and providing opportunities for some outstanding young talent.

Challenge Stadium also houses the WA Hall of Champions on behalf of WAIS. The Hall perpetuates the achievements of nearly 100 of WA's best ever sportsmen and women.

Challenge Stadium hosted WAIS' 20th Annual dinner with great success. Over 500 guests enjoyed the opportunity to celebrate elite sport in this State with WAIS' Olympians and Paralympians and nearly 50 members of the WA Hall of champions.





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
- Arts, Sport & Recreation Industry Training Council
- WA Water Polo Association
- Womensport West
- Fitness Western Australia
- Cycling WA
- Canoeing WA
- WA Diving Association
- AUSSI Masters

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 were produced including Western Australian Sport though the Ages, Perth Wildcats and Perth Orioles displays.

HALL OF CHAMPIONS

The Western Australian Hall of Champions continues to receive significant support from Curtin University of Technology as its Official Patron and Sponsor. Curtin University not only provide money but also expertise to ensure that the Hall continues to be an important part in developing and promoting WA's proud sporting heritage. This year has seen the completion of a major refurbishment project with all the Halls, photographs being reproduced and remounted to archival standards.

The Western Australian Hall of Champions is located on the upper level of Challenge Stadium. Established in 1985, 14 Western Australian sporting champions were inducted at that time. The Hall of Champions now has 96 members from 22 sports. Two new members were inducted in 2004. The new members were:

- Jeff Kennedy - Lacrosse
- George Owens - Australian Rules Football

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 Advise
- Community Education in Swim & Survive, Bronze Medallion and First Aid
- Community Awareness of Aquatic Issues
- Participation in the Sport of Lifesaving

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

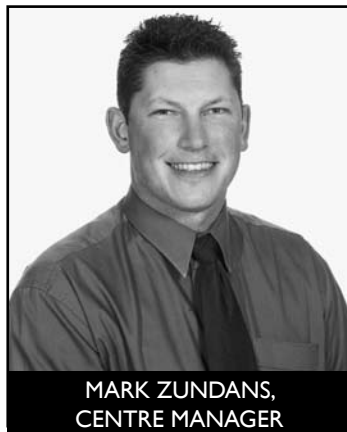
TENANTS

Ascend Physiotherapy 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 adventure/ corporate synergy training programmes utilising the high rope course, climbing wall and function facilities at Challenge Stadium.

Robert Verboon
Centre Manager



**MARK ZUNDANS,
CENTRE MANAGER**

In a year of significant change at Arena Joondalup, the venue has achieved an outstanding result. Apart from the financial performance of the venue, the efforts of staff through a transitional period are commendable.

During the financial year Dean Solly, Arena Joondalup Centre Manager of six years, resigned. Dean led Arena through an extraordinary growth period and was instrumental in the

development of numerous initiatives including the Rock iT concert and the formation of the Arena Community Sport and Recreation Association which will be responsible for developing a significant expansion of the Arena's sporting facilities.

Assistant Centre Manager Graham Hush acted in the position of Centre Manager from 4th September through to mid March. Under Graham's leadership, two hugely successful Rock iT concerts were staged in October and March. Mark Zundans was appointed as Centre Manager and commenced with the Trust on the 14th March 2005. Mark comes to the Trust from the Australian Institute of Sport where he held the position of Manager Facilities Operations.

Arena Joondalup has experienced record growth for the third consecutive year: Attendances increased 1.1% over the previous year with a total attendance of 905,307. While attendance levels experienced only a marginal increase, financial growth was more significant. The net operating deficit was reduced by \$280,648 compared to the previous year to a record low of \$621,941.

A comparison of the Arena's net operating deficits since the opening of the Aquatic Centre is shown on the following table:

Year	Operating Costs
2001/02	\$1,354,959
2002/03	\$1,248,680
2003/04	\$902,589
2004/05	\$621,941

Further growth is predicted for the coming year with the development of the Arena Community Sports and Recreation Association club rooms and facilities.

Arena's future looks extremely healthy with new leadership and enthusiasm to take arena to the next level. All indicators are showing further growth for Arena and this will provide confidence for management to consider further development of Arena's facilities to cater for the continual growth in the region.

HEALTH AND FITNESS

Without a doubt this was a stellar year for Health and Fitness with some of the highest ever membership base numbers and retention rates achieved. During this year the Health and Fitness Centre had an average membership of 2,574 per month with the highest membership base recorded in May 2005 with 2,964 members.

The retention rate over this period showed an average of 64% per month with the highest retention rate of 72% in January 2005. This is an excellent achievement and a reflection of the continued exceptional service and facilities provided to the members and guests.

Fitness classes have continued to show growth over the year with Les Mills classes averaging 30 participants per class, cycling averaging 19 participants per class and aqua fitness averaging 14 participants per class.

Personal Training has seen considerable growth over this period with the personal training database climbing from 3% of the total membership base to 7%. This is the area that presents most immediate opportunity for Health and Fitness.

AQUATIC COMMERCIAL

The demand on pool space for Aquatic Commercial has plateaued from last year's enormous growth. That said, the demand from organised swimming groups requiring the use of the facility continues to grow. This has made balancing lane space for public swimming a challenge.

Craigie Leisure Centre will be reopening its revamped aquatic centre in November 2005 which will no doubt have an affect on Arena's attendance numbers and income. Craigie reopening will however relieve some of the pressure on water space in the region.

The challenge for the future will be to maintain attendance and income levels while controlling expenses.



AQUATIC SPORT

The Arena Swim Club has continued to produce quality swimmers in open and national age group levels with a national ranking of 23rd out of approximately 120 at Open National level and 47th out of over 250 at National Age level.

The Arena Swim Club has representation on an Australian Development Team to compete against the USA Paralympic team in Denver Colorado and the Fisher & Paykel State Youth Squad. The State Youth Squad swimmers attended a training camp at the Australian Institute of Sport in Canberra along with Head Age Group coach Mark Staiger and Arena Programme coach Rod Bonsack. This was an excellent opportunity for both swimmers and coaches to further hone their skills and knowledge in a quality national programme.

The coaching structure for the Arena Swim Club underwent a restructure to provide a more consistent programme for all club swimmers. An additional full time coach was appointed to reduce the amount of casuals being used which should result in better productivity while reducing overheads. The new structure has also created an improved work environment with coaches having clearly defined objectives and responsibilities.

External swim clubs have continued to utilise the competition pool. West Coast Masters, Whitford Aussi, North Coast Triathlon Club, Mullaloo Beach Surf Life Saving and Trigg Island Surf Life Saving Club conduct training at Arena each week.

In financial terms Aquatic Sports improved its bottom line by \$4,597 over the previous year and with the new coaching structure now in place further improvements in the year ahead will be achieved.

AQUATIC PROGRAMMES

The Learn to Swim department has had an excellent year in maintaining existing and attracting new clients. Over the 5 years of operation in excess of 20,000 pupils have been registered through Arena's Learn to Swim programme. Three out of the four terms reached capacity this year. This has placed heavy demand on staff to ensure competent and reliable instructors are engaged in the programme and the additional classes required to meet the demand have resulted in higher than budgeted overheads. Administration procedures have been constantly streamlined to cope with the high demand that has come with the increased number of pupils.

Income for the Learn to Swim Programme was on target however projected numbers for Birthday party bookings are yet to be reached. Salaries and wages were higher than budgeted. New administration procedures have been implemented and will reduce costs associated with staff needed to cover all classes.

The overall performance of Aquatic Programmes has been good producing a net profit of \$123,586 which was slightly less than the previous year.

CHILD CARE

This outstanding programme continues to improve on its highly regarded management systems and practises. In November Arena gained a Federal License qualifying Arena Joondalup to operate as an Out of School Care Provider in Western Australia. This new licensing Regulation and Quality Assurance Standard has resulted in Arena being recognised by the Department of Community Development as one of the leading Out of School Care and Vacation Care providers in the State.

Vacation Care has maintained an average of 91.5 children per day along with After School Care with 44.4 children per day and Before School Care averaging 12.5 children per day.



LEISURE PROGRAMMES

Leisure Programmes have continued to grow over the year with Senior Leisure programmes having increased considerably providing continual financial growth. Most of the programmes now generate a profit with the exception of Lifeball. This will be reviewed next year.

The addition of the School Holiday programmes is proving extremely successful, increasing the income generated between terms. Dancefun for 2-4 years replaced Toddlers Gym. The Dancefun programme is currently the most popular programme for children.

Leisure programmes have increased the number of programmes from 10 to 22 during the financial year. More programmes unrelated to sport are currently under consideration.



INDOOR / OUTDOOR

The Indoor department had a successful and busy year with a number of functions and events throughout the year. Outdoor on the other hand experienced a mixed year, hamstrung by the deterioration of the Astroturf surface and the inability to find a suitable repair option resulting in lost income.

The condition of the Astroturf surface had been a concern all year. The stitching on the seams disintegrated resulting in the strips of Astroturf moving apart rendering the surface unsuitable for use. After pursuing the initial installers of the turf with no result, then searching for a suitable stitching machine without success, a contractor was found who could glue the seams back together. The repair process will take place next financial year and a further two seasons should be able to be played out on the existing surface.

The function rooms performed well with a 13% increase in income over the previous year. This is a mix of increased regular users such as Jets Singing and Dancing Classes and increased functions such as seminars and information meetings. The increase in users and income can be attributed to the updated and modernised look of the function rooms along with the efforts of the Business Development Coordinator.

There were 24 major events held in the Indoor Stadium during the year, which was achieved partially due to Challenge Stadium courts being re-surfaced in May. This resulted in seven WA Netball State League fixtures being held in the Indoor Stadium during that month. Other major events included:

- City of Joondalup NAIDOC Concert
- National Junior Tennis Table Championships
- Live Life Festival / Expo
- Be Active Senior's Games
- Barney and Friends Children's Show

The grassed playing fields were busy throughout the year with the Main Arena staging a number of events which included:

- Two Rock iT concerts
- Perth Bikers Charity Ride
- WAFL fixtures (West Perth home games)
- TouchWest State Touch Championships
- AFL Wizard Regional Challenge Match

SPORTS COMPETITIONS

Over the past twelve months, approximately 15 nights of sporting competitions held in the indoor arena have been replaced by major events or state league sporting groups. Which impacts on the continuity of the sporting competition.

Team numbers have stayed regular throughout the year with an increase in team numbers towards the end of the year. The usual decrease in the number of teams over the winter period was not experienced this financial year which suggests that the programmes are establishing themselves in the competitions market.

Sporting Competitions expenses have continued to increase. The game fees are currently one of the highest in the area and increasing the fees is not feasible. The 2005/06 year will see an increase in the number of teams and competitions which will offset cost increases in these expenses.

RETAIL OUTLET

The retail team have continued to provide outstanding services to Arena patrons through a wide range of swimming, fitness and more recently, fitness fashion garments.

Overall the year produced an excellent financial result for the retail operation which returned a \$34,000 net profit. This is a significant increase from the previous year showing another year of strong growth.

With numerous competitors in the market place it is the little things that make the difference. Customer service is a high focus for this hard working team and this is the driving factor for their success. With this philosophy entrenched in the team's culture, the future can only be positive.

SPECIAL EVENTS

A major milestone was reached in October 2004 when a strong, all Australian band line-up for Rock iT concert achieved its first sell-out. 25,000 fans packed the Main Arena to see Jet, Living End and Spiderbait headline a huge show.

This major milestone was soon eclipsed with the March "End of Summer" edition of Rock iT selling out a week prior to the concert day. Tickets sold fast to the international flavour of Greenday, Simple Plan, and a host of others. These two consecutive sell out events confirm Rock iT as the biggest locally produced concert in WA, second only to the Big Day Out national tour.

In November 2004, the inaugural Live Life Festival was staged throughout the City of Joondalup and City of Stirling districts. Arena played host to the expo component, as well as a concert and a number of other activities.

The Arena Sporting Programmes Coordinator, Peita Pearce was seconded part time to the position of Festival Coordinator for the Live Life Festival for a six month period. This position was financed by the two contributing Councils and supported by Arena. The expo was well attended considering it was the first of its kind, however the concert did not attract the level of support that it deserved.

TouchWest staged the first of three State Touch Football Championships at Arena on the long weekend in March 2005. The event was well patronised and Arena catered for over 1,000 participants and spectators over the three days highlighted by the end of competition party held on the lawns in front of the Sports Courts.

Arena secured its first AFL game at Arena on 26 February 2005. A minor round of the Wizard Regional Challenge series was played on the Main Arena between the Fremantle Dockers and the Hawthorn Football Club. This event was supported by the City of Joondalup as a major sponsor. The event was well received by the local football community with 10,000 spectators attending on what was fortunately a mild summer's afternoon. There have been discussions in relation to staging future games of this nature possibly every second year.

CATERING SERVICES

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

These services include:

- The day to day operation of Arena Joondalup's Perfect Balance Cafe.
- All sporting, corporate, and entertainment events ranging from small groups to 25,000 concert attendees.
- Function catering for 21st birthday parties, corporate training sessions, board style meetings and gala dinners.

Arena has seen strong growth in function catering, Sports Bar and in the Perfect Balance Cafe. Event Catering however did not achieve the same levels of growth over the previous year.

Whilst there has been a strong growth in functions at Arena the catering for functions and events struggles to be profitable. Measures are being implemented to increase revenue and decrease expenditure in this area. The Perfect Balance Cafe on the other hand has had an outstanding year achieving a net profit of \$91,529 a 64% increase over the previous year.

The use of casual staff has been carefully monitored and changes made to the Sports Bar and Function Catering staffing should result in an improved bottom line in both these areas next year.

SPONSORSHIP

The primary focus with sponsorship over the past year has been with major events. A number of venue related sponsorships expired during the year and will be replaced. A re-vamped venue sponsorship sales brochure outlining the benefits and exposure for prospective venue sponsors was developed and sent to businesses in the district.



CUSTOMER SERVICE

This critical area is frontline for Arena and has performed an excellent job of catering for the ever increasing demands placed on it from all the business units. Customer Service staff are the main conduit for the smooth delivery of venue operations information to Arena customers. The focus remains to ensure that the customer's first impressions of Arena are positive and Customer Service staff play a major role in achieving this.

There was a high level of turnover of Customer Service staff during the year and considerable time was invested in training new staff. The challenge will be to maintain the high level of customer service with further growth for Arena predicted over the next twelve months.

SUMMARY

Arena Joondalup has experienced tremendous growth over recent years. The past twelve months have been no exception. This fantastic result was achieved by an outstanding team effort. Every staff member has contributed to the success that is being experienced and I would like to thank them all for their commitment to Arena, Australia's premier multi-purpose sports, recreation and entertainment venue.

With the development of projects like the Arena Community Sport and Recreation Association club room and facilities there is no doubt that Arena will continue to expand on its past success. The future looks extremely healthy and all indicators are pointing to another exceptional year ahead.

Mark Zundans
Centre Manager



**ROSS PETERS,
CENTRE MANAGER**

Whilst maintaining the venue's primary role in providing training and competition facilities for cycling and rollersports in Western Australia, for the first time in the venue's 16 year history the SpeedDome was host to a non cycling or rollersports based National level sporting event in the National Tae Kwon Do Championships.

In addition to the National Tae Kwon Do Championships and the many local and State cycling

and rollersports events conducted at the venue during the year, the 2004 Perth International Track Cycling Grand Prix featuring cyclists from Australia, Great Britain and New Zealand was also promoted and conducted by the WA Sports Centre Trust in partnership with the WA Cycling Federation and WA Institute of Sport.

The operating deficit of the SpeedDome for 2004/05 was \$190,609 compared to \$182,760 the previous year. With these successive results it appears the operating deficit of the SpeedDome has stabilised, however continual endeavours will be made to reduce this through identifying and attracting new business opportunities such as national level events in diverse sports and other commercial events. A reduction in expenditure in Property Services and Repairs and Maintenance was also achieved, which equally contributed to containing the deficit well below the budget without compromising the level of customer satisfaction with the maintenance and presentation of the venue.

The total venue attendance for the year was 23,852 compared to 37,183 the previous year; however this result makes the achievement of what was the second best financial result recorded since the WASCT assumed management of the SpeedDome in 1997 that much more significant. Spectators to the various events conducted at the venue (including the National and Major events) accounted for approximately 29.5% of patronage, Cycling attendance for various competition, training and programmes 25%, with In-Line Hockey, Skating, Martial Arts and other activities accounting for the balance of total venue attendance.

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

- National Tae Kwon Do Championships
- 2004 Perth International Track Cycling Grand Prix
- In-Line Hockey WA Branch Metro League and State Championships
- WA Cycling Federation Track Cycling Season
- WA Cycling State Junior and Senior Track Cycling Championships
- 2005 Westral Track Cycling Carnival
- 2004 Classic Challenge (Motor sport event)

A number of the SpeedDome's strategic objectives were achieved during the year:

- Two major (National/International level) events were staged. These were the Perth International Cycling Grand Prix and the National Tae Kwon Do Championships.
- Maintenance and presentation of the venue was sustained with the replacement of the floor covering in the foyer area. The SpeedDome's performance against customers expectation for "Centre Cleanliness" was above the average of similar facilities in the annual customer survey
- The SpeedDome's commitment to staff training continued with the Venue Supervisor completing an 18 month Certificate III traineeship in Community Recreation and our customers perception of "Staff Experience and Knowledge" was above the national average of similar facilities in the annual customer survey.
- Customers overall satisfaction level with the SpeedDome (6.1 out of 7) was above the national average of similar facilities in the annual customer survey.

INDOORS

The SpeedDome Indoor business unit performed better than budgeted (this result includes the cost of the staging of the 2004 Perth International Track Cycling Grand Prix). Income from all areas was better than anticipated with outstanding results in Venue Hire and License fees and Tenant's Rental.

An analysis of the major areas of revenue generation is provided below:

Activity	Revenue
Venue Hire/License Fees	\$46,913
Perth International Track Cycling Grand Prix (Ticket Sales and Sponsorship)	\$32,418
Tenants Rental	\$22,520

OUTDOORS

Outdoor programmes previously delivered in-house by the SpeedDome Bicycle Education Co-ordinators' position (which was abolished at the beginning of the 2003/04 year), have continued to be delivered by the WA Cycling Federation which hire the venue and bicycles. This has again resulted in a small surplus being generated by this area.

TENANTS

BMX Sports WA, Bando Kickboxing, Fit Australia Personal Training, Midland Cycling Club and the Midland Pythons Weightlifting Club retained their respective tenancies throughout the year. In addition to these tenancies a long term (20 year) agreement was entered into with a Telecommunications company for lease of an area to mount mobile telephone transmission equipment. These tenancies collectively represent approximately 20% of total venue revenue for the year.

Ross Peters
Centre Manager

The 2004/2005 Kwinana Motorplex season was the most successful since the venue opened in December 2000. During the season more than 237,000 spectators attended over 80 Speedway, Drag Racing and entertainment events across a season spanning ten months. The financial result for the year was also the best recorded.

Highlights of the year included the first Australian Top Fuel Drag Racing event to be held in Western Australia since 1990 and the running of the 64th Australian Speedcar Championships

The Kwinana Motorplex is unique in that it is the only motor sport venue in Australia that combines both drag racing and speedway facilities on the one site. Other major venues are either drag racing or speedway complexes. The complex comprises a 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 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.

During the year the WA Sports Centre Trust undertook a review of management models of other similar motor sport venues in Australia to ensure best practice is being employed in the licensing arrangement which currently exists at the Motorplex.

To examine the various management models contact was made with the relevant sporting bodies; ANDRA (the Australian National Drag Racing Association) and NASR (the National Association Speedway Racing).

ANDRA advised that the Trust's current management model for the operation of the Motorplex was the most effective in Australia and supported these comments by adding that:

- The operator had excellent management expertise
- The operation was viable
- The operator made a valuable contribution to the industry through ANDRA
- The competitors are happy
- There is an excellent working association between the operators and ANDRA

NASR advised that the current management model for the Motorplex was an excellent one which offered the following advantages:

- The management team was business orientated and had implemented excellent operating systems.
- The licensee agreement ensured that the venue was maintained to a high standard and that revenue was reinvested in the venue.

Management of the Trust have a very good and cooperative working relationship with the licensee.

In the 5 years of operation of the complex there have been no breaches of the license agreement by the licensee. There are healthy signs of growth in the industry particularly in drag racing however in more recent times speedway has shown an upturn in competitor and spectator numbers.

The licensee is highly regarded in the industry around Australia as a particularly competent and professional motor sport operator. The licensee is also maintaining the venue to a very high standard.

Over the 5 years of operations of the Motorplex the financial returns to the Trust has shown a steady annual increase. Some of this revenue has been reinvested, by the Trust in capital improvements to the venue, the balance offsetting management costs and applied to other Trust programmes.

KWINANA MOTOR SPORT MANAGEMENT COMMITTEE

The Kwinana Motor Sport 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 comprised the following members at the 30th June 2005:

Mr John Iriks	Chairman
Ms Charlotte Stockwell	Town of Kwinana
Mr Filipe Dos Santos	Department of Environment
Mr Gary Miocevic	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 Ross Peters	WA Sports Centre Trust
Mr Ian Critchley	Community Representative
Ms Sonia Swetnam	Kwinana Industries Council

EVENTS

Attendances totalled 237,551 for the season which was an increase on the 220,000 for the previous year. In excess of 80 public events were scheduled at the Kwinana Motorplex during 10 months of operation and the complex was also booked on 65 days for driver training.

Events staged included:

- 11 Super Speedway events and 12 Speedway practice nights,
- 9 National Open drag racing events held over 10 days and one Drag Combat event
- 6 Fast Friday's for Sportsman Speedway and Drag Racing
- 32 Wednesday night and 8 Sunday street car meetings
- Two non racing events including one Motorvation street car show and one Burnout show.
- The Crusty Demons Freestyle Motocross event

The weekly Street Drag Racing events continue to provide a safe and legal opportunity for car and motorcycle owners to enjoy their motor vehicles. In conjunction with this Kwinana Motorplex continued with community youth incentive programme "Safe Streets". This programme encourages youth to use the safe and supervised facilities at the Motorplex to test performance of their vehicles rather than undertaking illegal activities on public roads.

The Motorplex continued to play a vital role in providing facilities for events of large attendance with over 13 000 patrons attending the Crusty Demons 10th Anniversary tour freestyle motocross event. The promoters for this event 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.

Noise monitoring procedures continued during 2004/05 season all results were in compliance with the Noise Management Plan. 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 2004/05 season was produced along with the annual Audit report and forwarded to the Department of Environment.

In December 2004 the Minister for the Environment advised that, following the release of the EPA's report on a review on possible changes to the environmental conditions relating to noise management under section 46(1) of the Environmental Protection Act, the EPA had concluded that the current condition 7-1 relating to noise management was adequate and recommended there be no change to the conditions published on 20 December 1999. The EPA did however recommend that the revised NMP be implemented as it represents an improvement over the original plan. The revised Noise Management Plan has since been implemented.

Ross Peters
Centre Manager

Certificate of Performance Indicators

WESTERN AUSTRALIAN SPORTS CENTRE TRUST | REPORT ON OPERATIONS

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 2005.

Dated this 25th day of August, 2005.



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
PERFORMANCE INDICATORS FOR THE YEAR ENDED 30 JUNE 2005**

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 30 June 2005.

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
23 September 2005

Performance Indicators

WESTERN AUSTRALIAN SPORTS CENTRE TRUST | REPORT ON OPERATIONS

The Trust's Performance Indicators have been developed and relate to its outcomes and services and are measured in terms of effectiveness and efficiency. These indicators are linked to the Government Strategic Goal of enhancing the quality of life and wellbeing of all people throughout Western Australian.

KEY EFFECTIVENESS INDICATORS

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

SERVICE 1 Management of elite sport facilities

Customer Satisfaction

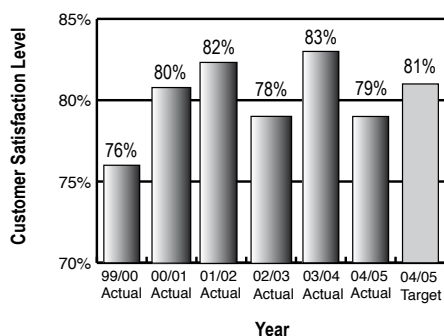
This indicator provides a measure of how the outcome of provision of facilities for elite sports training and competition has been achieved by providing customer satisfaction.

Indicator: Customer Service Survey – Elite Sport Facilities

A customer service survey was conducted in March 2005 by the Centre for Environmental and Recreational Management, based within the University of South Australia. The survey measured overall satisfaction with facilities at Arena Joondalup, Challenge Stadium and the SpeedDome. 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 2004/05 showed a customer satisfaction level of 79% compared to a target of 81%. The satisfaction rate was below the target due to some minor operational changes implemented at Challenge Stadium which addressed venue operational safety issues.

The survey result was based on the following statistics:



Response: 151
Population: 250
Error Rate: +/- 5.08%
Confidence Level: 95%

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

SERVICE 2 Management of community sport, entertainment and recreational facilities

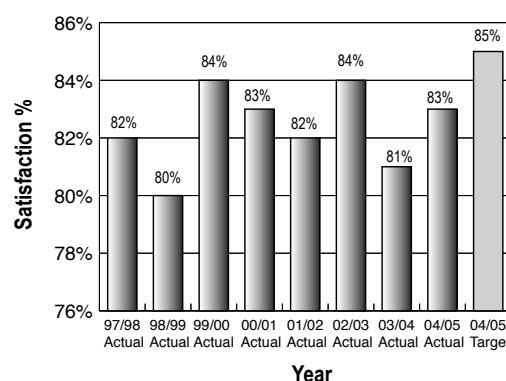
Customer Satisfaction

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 2005 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 2004/05 shows a customer satisfaction level of 83% compared to a target of 85%. This was an improvement on the prior year and is above the mean customer satisfaction for all venues surveyed across Australia of 81%.

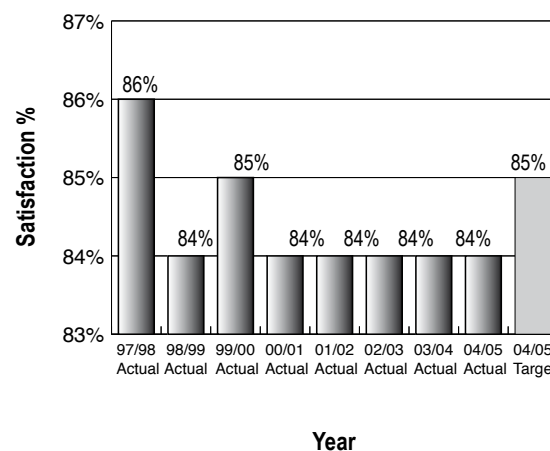


The survey result was based on the following statistics:

Response: 423
Population: 9,368
Error Rate: +/- 4.67%
Confidence Level: 95%

Indicator 2 Customer Service Survey – Arena Joondalup

The survey result for 2004/05 shows a customer satisfaction level of 84% compared to a target of 85%. Customer satisfaction at Arena Joondalup has been consistent for a number of years and is higher than the mean customer satisfaction for all venues surveyed across Australia of 81%.



The survey result was based on the following statistics:

Response: 299
Population: 5,263
Error Rate: +/- 5.2%
Confidence Level: 95%

Performance Indicators

WESTERN AUSTRALIAN SPORTS CENTRE TRUST | REPORT ON OPERATIONS

KEY EFFICIENCY INDICATORS

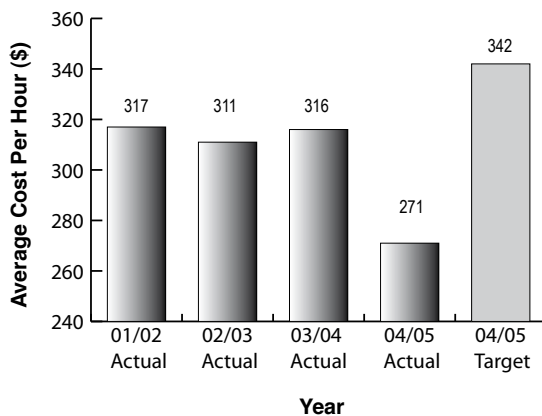
DESIRED OUTCOME 1 Provision of facilities for elite sport training and competition.

SERVICE 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 2004/05 was \$271 compared with a target of \$342. This reduction in average cost per hour is mainly due to an increase in the number of elite swimming training hours in 2004/05.



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

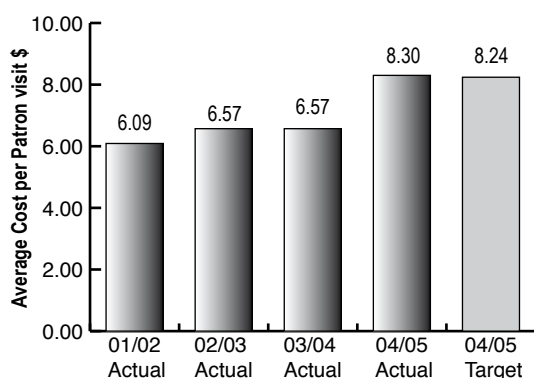
SERVICE 2 Management of community sport, entertainment and recreational facilities.

Indicator 1 Average cost per patron visit – Challenge Stadium

This indicator provides a measure of how the service 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 2004/05 was \$8.30 compared to a target of \$8.24.

The average cost per patron has increased due to expenditure on urgent repairs and maintenance and an increase in wage rates.

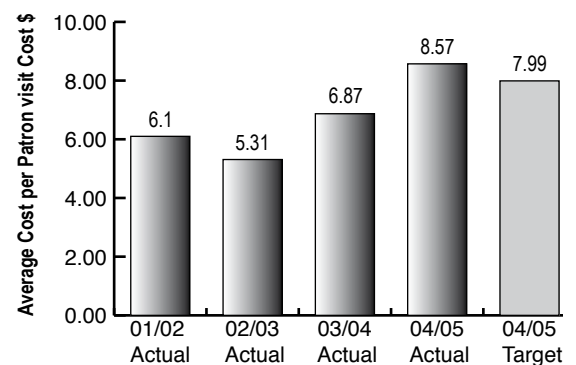


Indicator 2 Average cost per patron visit – Arena Joondalup

This indicator provides a measure of how the service 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 2004/05 was \$8.57 compared to a target of \$7.99.

The increase is due to the costs associated with staging two Rock iT concerts and an increase in wage rates. However, it should be noted that the staging of two Rock iT concerts resulted in a significant increase in income in 2004/05.



Certification of Financial Statements

WESTERN AUSTRALIAN SPORTS CENTRE TRUST | REPORT ON OPERATIONS


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 2005 and the financial position as at 30 June 2005.

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 25th day of August, 2005.



Mr Denis McNerney
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 30 JUNE 2005

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 30 June 2005 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
23 September 2005

Statement of Financial Performance

for the year ending June 30, 2005

WESTERN AUSTRALIAN SPORTS CENTRE TRUST | REPORT ON OPERATIONS

		2005 \$	2004 \$
REVENUE	Note		
Revenues from ordinary activities			
Revenue from operating activities			
Sales	2	4,914,198	4,908,915
Goods and services	3	9,156,940	8,321,422
Revenue from non-operating activities			
Transfer of land	4	-	1,140,000
Interest revenue		105,757	85,018
Other revenue from ordinary activities	5	1,958,693	1,821,855
Total revenue from ordinary activities		16,135,588	16,277,210
EXPENSES			
Expenses from ordinary activities			
Cost of sales	2	2,051,974	2,085,259
Employee expenses	6	9,464,853	8,463,570
Supplies and services	7	7,552,636	7,435,984
Depreciation expense	8	2,446,849	2,324,109
Borrowing costs expense	9	25,611	17,180
Administration expenses	10	300,974	297,351
Accommodation expenses	11	457,615	420,230
Capital user charge	12	8,094,600	7,753,000
Other expenses from ordinary activities	13	96,869	108,213
Total expenses from ordinary activities		30,491,981	28,904,896
Loss from ordinary activities before grants and subsidies from State Government		(14,356,393)	(12,627,686)
Grants and subsidies from State Government	14	14,688,000	13,706,000
NET PROFIT		331,607	1,078,314
Net increase/(decrease) in asset revaluation reserve	23	760,000	(1,590,000)
Total revenues, expenses and valuation adjustments recognised directly in equity		760,000	(1,590,000)
TOTAL CHANGES IN EQUITY OTHER THAN THOSE RESULTING FROM TRANSACTIONS WITH WA STATE GOVERNMENT AS OWNERS		1,091,607	(511,686)

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

Statement of Financial Position

as at June 30, 2005

WESTERN AUSTRALIAN SPORTS CENTRE TRUST | REPORT ON OPERATIONS

	Note	2005 \$	2004 \$
Current Assets			
Cash assets	24	751,046	1,146,001
Inventories	15	456,295	372,546
Receivables	16	524,220	531,007
Other assets	17	45,746	39,552
Total Current Assets		1,777,307	2,089,106
Non-Current Assets			
Receivables	16	8,389,000	6,085,000
Property, plant and equipment	18	97,310,459	96,923,415
Total Non-Current Assets		105,699,459	103,008,415
Total Assets		107,476,766	105,097,521
Current Liabilities			
Payables	19	1,660,321	1,297,346
Interest-bearing liabilities	20	119,233	107,328
Provisions	21	835,447	673,971
Other liabilities	22	960,235	1,064,350
Total Current Liabilities		3,575,236	3,142,995
Non-Current Liabilities			
Interest-bearing liabilities	20	167,859	210,224
Provisions	21	303,000	350,000
Other liabilities	22	829,762	1,000,000
Total Non-Current Liabilities		1,300,621	1,560,224
Total Liabilities		4,875,857	4,703,219
NET ASSETS		102,600,909	100,394,302
EQUITY			
Contributed Equity	23	36,559,690	35,444,690
Asset Revaluation Reserve	23	17,394,311	16,634,311
Retained profits	23	48,646,908	48,315,301
TOTAL EQUITY		102,600,909	100,394,302

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

Statement of Cash Flows

for the year ending June 30, 2005

WESTERN AUSTRALIAN SPORTS CENTRE TRUST | REPORT ON OPERATIONS

	Note	2005 \$	2004 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Sales of goods and services		4,914,198	4,908,915
Goods and services		9,210,382	8,335,323
Interest received		105,757	85,018
GST receipts on sales		1,491,324	1,449,503
Other receipts		1,958,693	1,821,855
Payments			
Employee costs		(9,721,067)	(8,299,241)
Supplies and services		(9,376,700)	(8,893,493)
Borrowing costs		(25,611)	(17,180)
Capital User Charge		(8,094,600)	(7,753,000)
GST payments on purchases		(1,164,105)	(1,136,638)
GST payments to taxation authority		(312,557)	(455,663)
Other payments		(855,458)	(825,794)
Net cash used in operating activities	24(c)	<u>(11,869,744)</u>	<u>(10,780,395)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sales of non-current physical assets		100,000	100,000
Purchase of non-current physical assets		<u>(2,073,893)</u>	<u>(2,157,629)</u>
Net cash used in investing activities		<u>(1,973,893)</u>	<u>(2,057,629)</u>
CASH FLOWS FROM STATE GOVERNMENT			
Grants and subsidies		13,448,682	13,745,000
Net cash provided by State Government		<u>13,448,682</u>	<u>13,745,000</u>
Net (decrease)/increase in cash held		<u>(394,955)</u>	<u>906,976</u>
Cash assets at the beginning of the financial year		<u>1,146,001</u>	<u>239,025</u>
Cash assets at the end of the financial year	24(a)	<u>751,046</u>	<u>1,146,001</u>

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

Notes to Financial Statements

for the year ending June 30, 2005

WESTERN AUSTRALIAN SPORTS CENTRE TRUST | REPORT ON OPERATIONS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDING 30 JUNE 2005

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.

(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 | REPORT ON OPERATIONS

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 are 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

Receivable 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 exists.

(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.

	2005	2004
	\$	\$
2. Trading Profit		
Sales	4,914,198	4,908,915
Cost of Sales:		
Opening inventory	(372,546)	(313,610)
Purchases	(2,135,723)	(2,144,195)
	(2,508,269)	(2,457,805)
Closing inventory	456,295	372,546
Cost of Goods Sold	(2,051,974)	(2,085,259)
Trading Profit	2,862,224	2,823,656
3. Goods and Services		
Venue usage	9,156,940	8,321,422
	9,156,940	8,321,422
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.		
	-	1,140,000

Notes to Financial Statements

WESTERN AUSTRALIAN SPORTS CENTRE TRUST | REPORT ON OPERATIONS

	2005	2004
	\$	\$
5. Other revenues from ordinary activities		
Commissions, sponsorship and other income	652,061	609,880
Programme Income	1,306,632	1,211,975
	<u>1,958,693</u>	<u>1,821,855</u>

6. Employee expenses

Wages and salaries	7,433,714	6,827,111
Superannuation	742,566	652,042
Long service leave	179,854	103,907
Annual leave	524,706	430,710
Sick leave	-	(69,380)
Other related expenses (I)	584,013	519,180
	<u>9,464,853</u>	<u>8,463,570</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.

	2005	2004
	\$	\$
7. Supplies and Services		
Utilities	865,690	1,031,349
Repairs and maintenance	1,168,726	943,189
Major event costs	3,090,254	2,742,811
Insurance	324,311	432,541
Equipment hire	91,172	214,788
Advertising and promotion	148,558	174,627
Other	1,863,925	1,896,679
	<u>7,552,636</u>	<u>7,435,984</u>

8. Depreciation expense

Plant, equipment and vehicles	408,940	327,898
Buildings	1,854,733	1,835,657
Office equipment	47,908	39,164
Leased plant, equipment and vehicles	135,268	121,390
	<u>2,446,849</u>	<u>2,324,109</u>

9. Borrowing costs expense

Finance lease finance charges	25,611	17,180
	<u>25,611</u>	<u>17,180</u>

10. Administration expenses

Communication	88,570	82,039
Consumables	212,404	215,312
	<u>300,974</u>	<u>297,351</u>

11. Accommodation expenses

Cleaning	457,615	420,230
	<u>457,615</u>	<u>420,230</u>

	2005	2004
	\$	\$
12. Capital User Charge		
Capital User Charge	8,094,600	7,753,000
	<u>8,094,600</u>	<u>7,753,000</u>

The Capital User Charge is based on a 8% charge on net assets by the Department of Treasury and Finance and since net assets have increased this charge has also increased in 2004/05

13. Other expenses from ordinary activities

Motor vehicle expenses	96,869	108,213
	<u>96,869</u>	<u>108,213</u>

14. Grants and subsidies from State Government

Revenue received during the year:		
Grants for services	14,688,000	13,706,000
	<u>14,688,000</u>	<u>13,706,000</u>

15. Inventories

Current		
Inventories held for resale:		
- Finished goods at cost	456,295	372,546
	<u>456,295</u>	<u>372,546</u>

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

- Current	456,295	372,546
	<u>456,295</u>	<u>372,546</u>

16. Receivables

Current		
Trade debtors	434,220	431,007
Provision for doubtful debts	(10,000)	(10,000)
	<u>424,220</u>	<u>421,007</u>

Loans and advances:

Receivable from Treasury Holding account	-	10,000
Receivable from Lake Joondalup Baptist College	100,000	100,000
	<u>100,000</u>	<u>110,000</u>
	<u>524,220</u>	<u>531,007</u>

Non-current

Receivable from Treasury Holding account	8,289,000	5,885,000
Receivable from Lake Joondalup Baptist College	100,000	200,000
	<u>8,389,000</u>	<u>6,085,000</u>

17. Other assets

Current		
Prepayments	45,746	39,552
	<u>45,746</u>	<u>39,552</u>

Notes to Financial Statements

WESTERN AUSTRALIAN SPORTS CENTRE TRUST | REPORT ON OPERATIONS

	2005 \$	2004 \$
18. Property, plant and equipment		
Plant and equipment		
At cost	7,867,684	6,907,064
Accumulated depreciation	(4,406,986)	(3,998,028)
	<u>3,460,698</u>	<u>2,909,036</u>
Leased plant and equipment		
At capitalised cost	842,810	756,656
Accumulated depreciation	(526,185)	(390,917)
	<u>316,625</u>	<u>365,739</u>
Office equipment		
At cost	675,158	616,646
Accumulated depreciation	(488,086)	(440,178)
	<u>187,072</u>	<u>176,468</u>
Freehold land		
At fair value (I)	12,960,000	12,200,000
	<u>12,960,000</u>	<u>12,200,000</u>
Buildings		
At fair value (I)	85,908,577	84,939,952
Accumulated depreciation	(5,522,513)	(3,667,780)
	<u>80,386,064</u>	<u>81,272,172</u>
	<u>97,310,459</u>	<u>96,923,415</u>

(I) The revaluation of freehold land was performed in June 2005 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 2005/06.

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 \$
2005						
Carrying amount at start of year	2,909,036	365,739	176,468	12,200,000	81,272,172	96,923,415
Additions	960,602	86,154	58,512	-	968,625	2,073,893
Disposals	-	-	-	-	-	-
Revaluation increments	-	-	-	760,000	-	760,000
Depreciation	(408,940)	(135,268)	(47,908)	-	(1,854,733)	(2,446,849)
Carrying amount at end of year	<u>3,460,698</u>	<u>316,625</u>	<u>187,072</u>	<u>12,960,000</u>	<u>80,386,064</u>	<u>97,310,459</u>
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 decrements	-	-	-	(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>

Notes to Financial Statements

WESTERN AUSTRALIAN SPORTS CENTRE TRUST | REPORT ON OPERATIONS

	2004 \$	2005 \$
19. Payables		
Current Trade payables	1,562,974	1,401,606
	74,950	(45,640)
Other creditors GST payable	22,397	(58,620)
	<u>1,660,321</u>	<u>1,297,346</u>
20. Interest-bearing liabilities		
Current		
Finance lease liabilities (secured) (l)	119,233	107,328
	<u>119,233</u>	<u>107,328</u>
Non-current		
Finance lease liabilities (secured) (l)	167,859	210,224
	<u>167,859</u>	<u>210,224</u>
(l) 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	316,625	365,739
	<u>316,625</u>	<u>365,739</u>
21. Provisions		
Current		
Annual leave	526,447	470,971
Long service leave	309,000	203,000
	<u>835,447</u>	<u>673,971</u>
Non-current		
Long service leave	303,000	350,000
	<u>303,000</u>	<u>350,000</u>
Employee Benefit Liabilities		
The aggregate employee benefit liability recognised and include in financial statements is as follows:		
Current	835,447	673,971
Non-current	303,000	350,000
	<u>1,138,447</u>	<u>1,023,971</u>
22. Other Liabilities		
Current		
Deferred revenue	750,315	693,660
Accrued salaries	-	370,690
Interest free loan from Office of Energy	209,920	-
	<u>960,235</u>	<u>1,064,350</u>
Non-current		
Interest free loan from Office of Energy	829,762	1,000,000
	<u>829,762</u>	<u>1,000,000</u>
23. Equity		
Contributed equity		
Opening balance	35,444,690	34,604,690
Capital contributions	1,115,000	840,000
Closing balance	<u>36,559,690</u>	<u>35,444,690</u>

	2004 \$	2005 \$
Reserves		
Asset revaluation reserve (l):		
Opening balance	16,634,311	18,224,311
Net revaluation increments/(decrements):		
Land	760,000	(1,590,000)
Closing balance	<u>17,394,311</u>	<u>16,634,311</u>
(l) 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 (n). Land was revalued by the Valuer General's Office and resulted in a revaluation of \$760,000. In 2004 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.		
Retained profits		
Opening balance	48,315,301	47,236,987
Net profit	331,607	1,078,314
Closing balance	<u>48,646,908</u>	<u>48,315,301</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	751,046	1,146,001
	<u>751,046</u>	<u>1,146,001</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 profit from ordinary activities to net cash flows used in operating activities

Profit from ordinary activities	331,607	1,078,314
Non-cash items:		
Depreciation expense	2,446,849	2,324,109
Grants and subsidies from Government	(14,688,000)	(13,706,000)
Movements in assets:		
Current receivables	(3,213)	(48,739)
Inventories	(83,749)	(58,936)
Other current assets	(6,194)	68,139
Transfer of land	-	(1,140,000)
Movements in liabilities:		
Current accounts payable	363,059	592,664
Current provisions	161,476	(3,587)
Other current liabilities	(104,115)	228,390
Non-current accounts payable	(42,365)	110,094
Non-current provisions	(47,000)	2,166
Net GST receipts	(279,116)	(84,178)
Change in GST payables	81,017	(142,831)
Net cash used in operating activities	<u>(11,869,744)</u>	<u>(10,780,395)</u>

Notes to Financial Statements

WESTERN AUSTRALIAN SPORTS CENTRE TRUST | REPORT ON OPERATIONS

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:

WAIS – 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	900,000	1,010,000
	900,000	1,010,000

(b) Lease commitments

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

Within 1 year	117,468	110,226
Later than 1 year and not later than 5 years	112,364	108,554
	229,832	218,780

Representing:

Non-cancellable operating leases	201,408	179,912
Future finance charges on finance leases	28,424	38,868
	229,832	218,780

(b)(i) Finance lease commitments

Within 1 year	135,997	127,597
Later than 1 year and not later than 5 years	179,519	228,822
Minimum finance lease payments	315,516	356,419
Less future finance charges	(28,424)	(38,868)
Finance lease liabilities	287,092	317,551

Included in the financial statements as:

Current (note 20)	119,233	107,327
Non-current (note 20)	167,859	210,224
	287,092	317,551

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	100,704	89,956
Later than 1 year and not later than 5 years	100,704	89,956
	201,408	179,912

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

	2005 \$	2004 \$	Variance \$
Transfer of land	-	1,140,000	(1,140,000)
Good and services	9,156,940	8,321,422	835,518
Employee expenses	9,464,853	8,463,570	1,001,283

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.

Goods and services

The increase in Goods and services income relates mainly to greater revenue from two Rock iT concert in 2005 than 2004.

Employee expenses

The increase in Employee expenses relates to two pay increases for GOSAC staff during 2004/05 and back pay for non-GOSAC award staff who received increases dating back to January 2002.

(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

	2005 Estimates \$	2005 Actual \$	Variance \$
Trading Profit	2,400,000	2,862,224	462,224
Good and services	8,651,000	9,156,940	505,940
Other revenue from ordinary activities	1,600,000	1,958,693	358,693
Supplies and services	6,063,000	7,552,636	1,489,636

Trading Profit

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

Good and services

The increase in Goods and services income relates to additional ticket sales from two Rock iT concerts than 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 additional costs associated with two Rock iT concerts and urgent repairs and maintenance which were not included in the estimates.

Notes to Financial Statements

WESTERN AUSTRALIAN SPORTS CENTRE TRUST | REPORT ON OPERATIONS

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			Non- Interest Bearing	Total
		Variable Interest Rate	Less than 1 Year	1 to 5 Years		
2005	%	\$	\$	\$	\$	\$
Financial Assets						
Cash assets	5.4	751,046	-	-	-	751,046
Receivables	-	-	-	-	8,913,220	8,913,220
		751,046	-	-	8,913,220	9,664,266
Financial Liabilities						
Payables	-	-	-	-	1,660,321	1,660,321
Loan – Office of Energy	-	-	-	-	1,039,682	1,039,682
Finance lease liabilities	8.75	-	119,233	167,859	-	287,092
		-	119,233	167,859	2,700,003	2,987,095
2004						
Financial assets	5.3	1,146,001	-	-	6,616,007	7,762,008
Financial liabilities	8.75	-	107,328	210,224	2,297,346	2,614,898

(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 | REPORT ON OPERATIONS

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

	2005	2004
	\$	\$

Remuneration of Members of the Accountable Authority

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	3
10,000 – 20,000	1	1

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

27,956	27,956
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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:

	2005	2004
\$		
10,000 – 20,000	1	-
20,000 – 30,000	1	-
30,000 – 40,000	2	-
50,000 – 60,000	1	-
70,000 – 80,000	1	3
80,000 – 90,000	2	2
90,000 – 100,000	1	2
100,000 – 110,000	1	1
110,000 – 120,000	1	-
130,000 – 140,000	-	1
170,000 – 180,000	-	1
180,000 – 190,000	1	-

The total remuneration of senior officers is: 900,799 996,837

No Senior Officers are members of the Pension Scheme.

30. Remuneration of Auditor

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

44,000	38,500
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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 Australian Equivalents to International Financial Reporting Standards (AIFRS)

Australia is adopting Australian equivalents to International Financial Reporting Standards (AIFRS) for reporting periods beginning on or after 1 January 2005. The Trust will adopt these Standards for the first time for the year ended 30 June 2006.

AASB 1047 'Disclosing the Impacts of Adopting Australian Equivalents to International Financial Reporting Standards' requires disclosure of any known or reliably estimable information about the impacts on the financial statements had they been prepared using AIFRSs.

The information provided below discloses the main areas impacted due to the effects of adopting AIFRS. Management have determined the quantitative impacts using their best estimates available at the time of preparing the 30 June 2005 financial statements. These amounts may change in circumstances where the accounting standards and/or interpretations applicable to the first AIFRS financial statements are amended or revised.

(a) Reconciliation of total equity as presented under previous AGAAP to that under AIFRS:

	2005	2004
	\$	\$
Total equity under previous AGAAP	102,600,909	100,394,302
Adjustments to retained profits	-	-
Total equity under AIFRS	102,600,909	100,394,302

(b) Reconciliation of net profit for the period as presented under previous AGAAP to that under AIFRS:

	30 June 2005
	\$
Net profit for the period under previous AGAAP	331,607
Adjustments to net profit	-
Net profit for the period under AIFRS	331,607

Notes to Financial Statements

WESTERN AUSTRALIAN SPORTS CENTRE TRUST | REPORT ON OPERATIONS

35. Segment (Service) Information

	Management of Facilities for Elite Sport		Management of Facilities for Community Sport Entertainment & Recreation		Total	
	2005	2004	2005	2004	2005	2004
	\$	\$	\$	\$	\$	\$
REVENUE						
Revenues from ordinary activities						
Sales	-	-	4,914,198	4,908,915	4,914,198	4,908,915
Goods and services	1,005,498	843,570	8,151,442	7,477,852	9,156,940	8,321,422
Transfer of land	-	-	-	1,140,000	-	1,140,000
Other revenues from ordinary activities	-	-	2,064,450	1,906,873	2,064,450	1,906,873
Total revenues from ordinary activities	1,005,498	843,570	15,130,090	15,433,640	16,135,588	16,277,210
EXPENSES						
Expenses from ordinary activities						
Cost of sales	-	-	2,051,974	2,085,259	2,051,974	2,085,259
Employee expenses	4,711,096	4,207,492	4,753,757	4,256,078	9,464,853	8,463,570
Supplies and services	2,899,748	2,852,524	4,652,888	4,583,460	7,552,636	7,435,984
Depreciation and amortisation expense	1,024,505	967,381	1,422,344	1,356,728	2,446,849	2,324,109
Administration expenses	149,853	148,497	151,121	148,855	300,974	297,351
Accommodation expenses	228,807	210,115	228,808	210,115	457,615	420,230
Borrowing costs	-	-	25,611	17,180	25,611	17,180
Capital user charge	3,328,800	3,139,965	4,665,800	4,613,035	8,094,600	7,753,000
Other expenses from ordinary activities	45,692	50,606	51,177	57,607	96,869	108,213
Total expenses from ordinary activities	12,388,501	11,576,579	18,103,480	17,328,317	30,491,981	28,904,896
Loss from ordinary activities before grants and subsidies from Government	(11,383,003)	(10,733,009)	(2,973,390)	(1,894,677)	(14,356,393)	(12,627,686)
Grants and subsidies from Government	8,548,000	7,708,400	6,140,000	5,997,600	14,688,000	13,706,000
Net profit /(loss)	(2,835,003)	(3,024,609)	3,166,610	4,102,923	331,607	1,078,314
Segment assets	44,636,528	43,395,181	62,840,238	61,702,340	107,476,766	105,097,521
Total assets					107,476,766	105,097,521
Segment liabilities	1,919,269	1,846,003	2,956,588	2,857,216	4,875,857	4,703,219
Total liabilities					4,875,857	4,703,219
Acquisition of property, plant and equipment, intangibles and other non-current segment assets	984,720	1,554,055	1,089,173	1,743,574	2,073,893	3,297,629
Non-cash expenses other than depreciation	352,280	232,618	352,280	232,618	704,560	465,236