



# *2007/2008 Annual Report*



Department of Sport and Recreation  
Government of Western Australia

*Building stronger, healthier, happier and safer communities.*

Hon Terry Waldron MLA

Minister for Sport and Recreation

In accordance with Section 62 of the Financial Administration and Audit Act 1985, I hereby submit for your information and presentation to Parliament the annual report of the Department of Sport and Recreation for the period 1 July 2007 to 30 June 2008.

A handwritten signature in black ink, reading "Ron Alexander". The signature is written in a cursive, flowing style.

Ron Alexander  
Director General  
September 2008

Department of Sport and Recreation  
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# Contents



Mission statement and priorities .....	<b>4</b>
Department of Sport and Recreation structure.....	<b>5</b>
Director General's report .....	<b>6</b>
Highlights .....	<b>10</b>
Issues and trends.....	<b>12</b>
Business management .....	<b>13</b>
Statutory reporting .....	<b>16</b>
Sponsors .....	<b>18</b>
Grants approved .....	<b>19</b>
CSRFF approvals .....	<b>31</b>
Independant Audit Opinion.....	<b>36</b>
Certification of financial statements .....	<b>37</b>
Statement of financial performance.....	<b>38</b>
Income statement.....	<b>39</b>
Certification of financial statements .....	<b>37</b>
Balance sheet .....	<b>40</b>
Statement of changes in equity.....	<b>41</b>
Cash flow statement .....	<b>42</b>
Schedule of expenses and revenues by service .....	<b>43</b>
Summary of consolidated fund appropriaitions and income statements .....	<b>37</b>
Notes to the financial statements .....	<b>37</b>

# Mission statement and priorities

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## Our Mission

To enhance the quality of life of Western Australians through their participation and achievement in sport and recreation.

The Department of Sport and Recreation is committed to developing a comprehensive, strong and diverse sporting and recreational system in Western Australia that is easily accessible, encourages maximum participation and develops talent.

The Department operates across and reports on three key areas:

1. Infrastructure and Organisational Development:  
Provide industry leadership and support for infrastructure and organisational development, through funding and advice to sport and recreation organisations State-wide, including State and local government.

The strategic intent is:

- Industry Development – development of a sport and recreation industry with vibrancy, purpose and direction.
- Infrastructure – quality sport and recreation facility planning, design and management.
- Developing Organisations – improved management in organisations delivering sport and recreation services.

2. People Development in Sport and Recreation:  
Provide information, advice and education support to personnel involved in sport and recreation service delivery (e.g. coaches, officials, local governments, facility and trails managers, administrators and volunteers).

The strategic intent:

- Participation – physically active lifestyles for Western Australians.
- High Performance – encouraging the pursuit of excellence.
- Developing People – the development of skilled and informed people in service delivery.

3. Recreation Camps management: designed to provide experiential opportunities to the community and increase participation in outdoor activities.

The strategic intent:

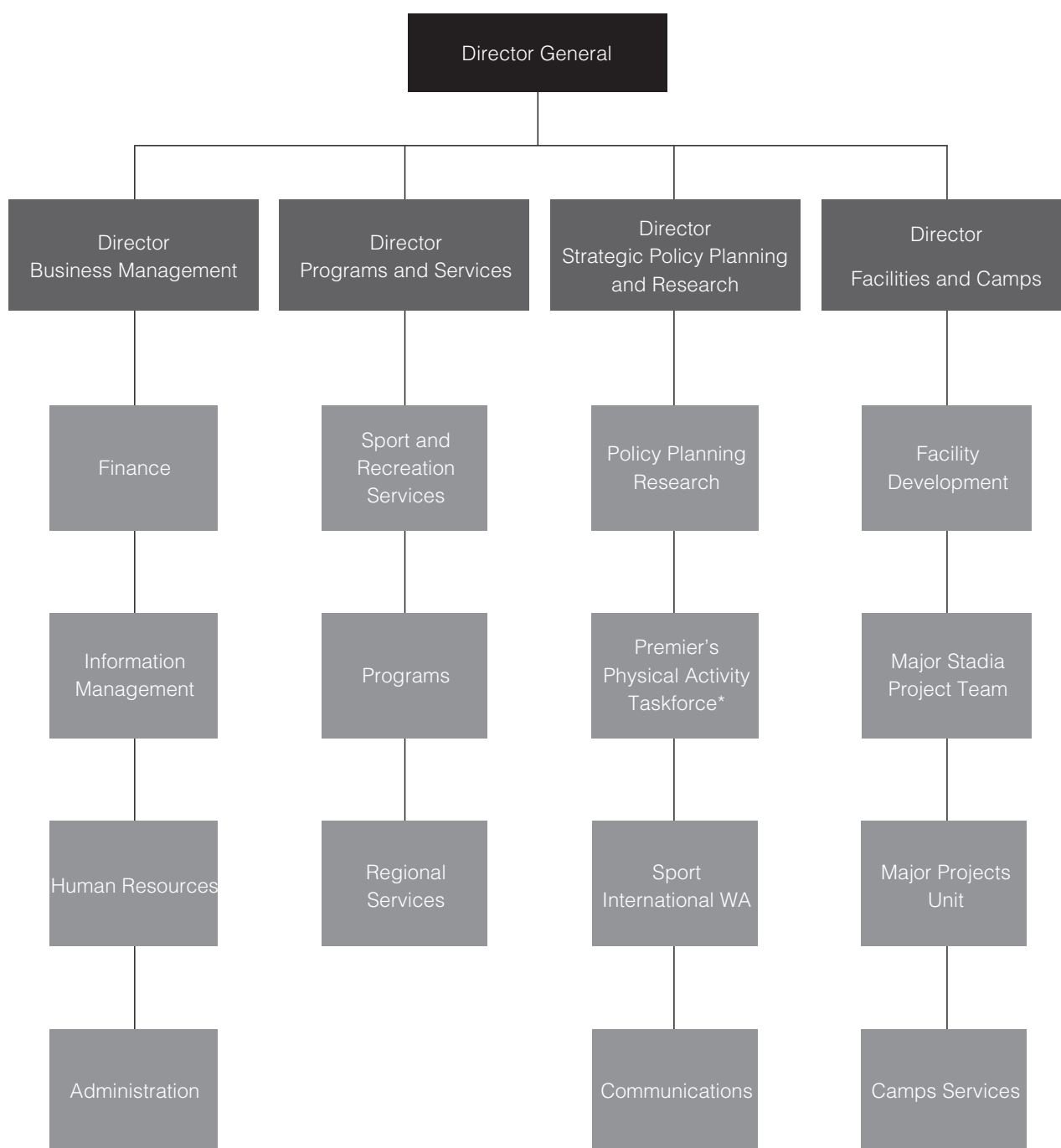
- Recreation Camps Management - provide the community with quality, affordable outdoor recreation camp opportunities through a sustainable camps network.

The goals aligned to these outputs form the framework of this annual report.

## Minister responsible

The Department of Sport and Recreation reports to the Hon Terry Waldron MLA in his capacity as Minister for Sport and Recreation; Racing and Gaming.

## *Department of Sport and Recreation structure*



FOOTNOTE: As a result of the multi-purpose Stadium Project, there were two additional directors appointed late in the financial year. They were: A/Director of Governance and Operations, Ronnie Hurst, and A/Director Project Delivery, Nigel McCombe.

## Director General's report

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*The department has identified a number of impacts this environment will have on the sport and recreation industry.*

Sport and recreation is much more than just a game. Our industry plays an important role in delivering many of the outcomes that government and the community desires. These outcomes include healthier citizens, safer and more trusting communities, and better-educated children.

Indeed, our mission statement reflects this: 'to enhance the quality of life of West Australians through their participation and achievement in sport and recreation'.

In turn we are judged on three services, which combined, work to achieve increased participation and thus the desired enhancements in the quality of life. These services are:

- Infrastructure and organisational development
- People development in sport and recreation
- Recreation camps management

This year we have made significant achievements in all three services.

### Recreation Camps Management

This has been an exciting year for our camps chain. The \$18 million capital redevelopment program was completed and we are now taking full advantage to optimize recreational experiences at the enhanced facilities. The improvements included new accommodation, meeting-room facilities, additions to modern adventure activity infrastructure such as 'The Cube' (a modern climbing facility) and the artificial cave.

This year there were 102,802 participations and 71,610 overnight stays. Most of these participations and stays were by school children, who experienced affordable adventure and learning activities that we hope will inspire them to remain active into the future. The importance of children being physically active has been reinforced by evidence commissioned by DSR and collated by the University of Western Australia, which indicated a strong association between increased physical activity and better educational outcomes for our children.

The new holiday programs launched at the Ern Halliday and Bickley camps proved popular. These holiday programs are expected to build upon the success of the school camps program, complementing community demand for this service. This forms an important platform of our camps' strategic plan.



## Infrastructure and Organisational Development

Without the right settings or facilities, participation in sport and recreation can be difficult. This year there were some major milestones in the provision of sport and recreation infrastructure.

The replacements for the Perry Lakes athletics and basketball facilities are underway at AK Reserve. Planning for the replacement rugby facility is also progressing. Other projects that moved forward included upgrades to the State Softball Centre, the State Equestrian Centre, and the Whiteman Park Shooting Complex. The State Gymnastics Centre located at the Loftus Centre was also completed.

At the community level, \$10.5 million was allocated to sporting and recreation organisations for new facilities and upgrades through the Community Sport and Recreation Facilities Fund (CSRFF). Of the 96 projects funded, regional projects received \$6,377,264 and metropolitan projects \$4,122,736.

Examples of community projects included \$400,000 for new cricket nets, floodlighting and reconstruction of the playing area at Frye Park in Armadale, \$76,000 for a new synthetic bowling green in Port Bouvard, \$29,000 for four tennis courts at the Tarcoola Park Tennis club (Geraldton) and \$370,000 for the refurbishment of the Bruce Rock Recreation Centre.

A highlight of the year was the announcement of the location of the new multi-purpose stadium to replace the ageing Subiaco Oval. On February 8, then Premier Alan Carpenter revealed that the new 60,000-seat venue would be built at Kitchener Park.

The State Government has allocated \$336 million over the next four years towards the project, including \$27.7m for transport infrastructure, \$39.6m for land acquisitions, \$25.7m for social housing development and \$243m towards planning costs and to begin construction.

Concept design and master planning is expected to be completed later this year, with site acquisition and land consolidation due to be finalised by September 2009.

The new stadium will be built in two stages. Stage 1 involves construction of 40,000 seats, due to be completed by February 2014; followed by Stage 2 completion in 2016.

The Department began the process of establishing the Major Stadium Project Office, which will coordinate the

project development under the guidance of the Major Stadium Steering Committee, co-chaired by myself and the Office of Strategic Projects, Executive Director, Richard Mann.

Not all facilities are brick and mortar. The Department plays a significant role in the development of trails in Western Australia. These trails are traversed by hundreds of thousands of visitors every year, and are becoming an increasingly important outlet for physical activity for Western Australians. This year \$725,000 was granted to fund 25 trails projects. These projects included a \$100,000 upgrade to the Railway Reserves Heritage Trail in Mundaring, \$50,000 for repairs to the Margaret River recreational pathway, and \$86,000 towards the construction of Stage 2 of the Kwinana Loop Trail.

Our nature-based and man-made sport and recreation facilities are, however, under threat from the long-term impacts of climate change. The Department recognised this threat and completed a study of the potential impacts on our industry from reduced rainfall, increased evaporation, higher temperatures, more frequent and extreme natural events and sea-level rises. Impacts may include but are by no means restricted to:

- Reduced irrigation and subsequent closures of dedicated sportsgrounds and public open space.
- Reduced opportunity for freshwater-based recreational pursuits.
- Summer daytime events rescheduled to the evening.
- Greater risk of storm or fire damage to facilities and infrastructure.
- Difficulty in obtaining extreme event insurance.
- Increased beach erosion from changing wave activity, making swimming and surfing dangerous.

The major outcome was the development and production of a report and publication entitled "Climate Change – Climate Change is no longer just a concept". The report outlined a framework to assess and respond to the impacts of climate change, aimed at preserving an active Western Australian lifestyle. The findings of the report and the publication, released in December, formed the basis for a series of industry-based forums with State Sporting Associations (SSAs) and local governments that were developed and delivered from January to June 2008. The report and publication were also recognised nationally and internationally, with staff presenting the findings and proposed actions at several State and international conferences.

# Director General's report

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Linked to the climate change issue has been debate over the allocation of water. The planning, management and sourcing of water have become a global priority. In Western Australia the issue has been highlighted by the announcement during the year that Logue Brooke Dam would be reserved for drinking water and closed to recreation. The Department has been working with the Water Corporation and Department of Water to ameliorate the impacts of this closure on those who have traditionally used this facility. In particular the Department has established a committee to guide the allocation of a \$10 million trust to fund alternative recreational opportunities to replace those that have been lost.

While facilities provide the physical setting for participation, just as important is organisational infrastructure. One of our most important objectives is to improve the organisational capacity of our stakeholders, including peak bodies, State sporting associations and clubs.

Last year was the final year of the first triennial of the Organisational Sustainability Program (OSP). The OSP underpins the agreements to fund SSAs. In the past, funding was granted annually. The move to triennial funding has enabled SSAs to enhance their strategic planning due to reduced level of reporting and need for fewer applications.

Under the OSP each organisation is benchmarked against best practice in governance, management, human resource management, development of the sport/activity and other specific areas relevant to the organisation.

Results from the first triennial show that 73 per cent of organisations improved their OSP score. There were encouraging improvements in governance (70 per cent to 84 per cent), planning (46 per cent to 64 per cent) and marketing and sponsorship (44 per cent to 63 per cent).

The same best-organisational-practice principles are being applied by the new DSR Recreation Unit, which has been working closely with our recreation peak bodies; Outdoors WA, LIWA Aquatics, Fitness WA, and Parks and Leisure Australia (Western Australia Branch). One of the concrete results of this has been the completion of the first stage of the Adventure Activity Standards. The standards, developed in close cooperation with Outdoors WA will result in clear industry standards for the provision of leadership and management of outdoors adventure activities.

While SSAs and peak bodies play a vital role in the organisation of sport and recreation, it is at the 5000 clubs where most of the work is done to provide participation opportunities and the resulting social benefits. To help clubs remain sustainable in an increasingly busy society and complex legal environment, the Department's club development team works in partnership with SSAs and local government. This year the Department produced 29 different club development booklets. These free resources offer comprehensive guidance to clubs on topics ranging from how to be a better president to making your club safe for children.

The Department completed the deployment of 17 club development officers, situated within local governments, to give guidance to club volunteers. This program is only one of a number of programs that depend on cooperation between DSR and local government. A good example is the City of Stirling Culturally and Linguistically Diverse (CaLD) Sport Recreation and Leisure Program, which is a partnership between DSR, the City of Stirling and the Office of Multicultural Interests, aimed at increasing participation levels of CaLD groups in community sport and recreation. This year was the second year of the program and a comprehensive survey showed that it was successful in increasing physical activity levels of the target group.

One of the challenges for our industry is to ensure that all Western Australians, no matter where they live or their background, have access to sport and recreation opportunities. To that end, \$1 million was distributed throughout Western Australia through the Sport and Recreation Community Grants scheme to fund more than 70 community-based programs. This scheme is aimed at providing community organisations with the opportunity to initiate projects which lead to increased participation in physical activity or enhanced skills by providers of sport and recreation. More than \$250,000 of this funding went to CALD projects. There were five projects funded for people with disabilities, including the Association of the Blind's Movement for Wellness project and the Special Olympics Western Australia's Golf Program.

## People Development

There are significant crossovers between people development and organisational development services. Our work targeting low participation groups, including disability, indigenous and CaLD groups, while aimed at increasing participation also result in increased capacity



for the organisations delivering the services.

A major strategic focus of the Department has been raising the profile of the sport and recreation industry as an employer of choice. This has become an increasingly important issue as the State continues to boom, with resulting low unemployment rates and increasing wage pressures, particularly in regional and remote areas.

One important strategy to raise this awareness and at the same time develop our people was the Emerging Leaders Program. In 2007 and 2008, under this program, 16 young people received substantial scholarships (between \$6000 and \$10,000) to support their own self-directed learning. In the same period, another 33 young leaders were selected to participate in a series of leadership workshops.

Another important initiative was the launch of the Gifted Athlete Program (GAP). This program was aimed at providing gifted regional athletes with important life skills to support their athletic achievement into the future. Skills such as dealing with the media were delivered to 120 athletes and 60 parents in workshops throughout the State.

A final highlight for the year was the release of the survey into the physical activity levels of Western Australian adults. This revealed a four per cent increase in activity levels of Western Australians. This achievement was testimony to the efforts of the Premier's Physical Activity Taskforce in coordinating a whole-of-government effort, in partnership with a range of non-profit organisations, such as the Heart Foundation and the Cancer Council, towards a single goal. This was the first time since this research has been conducted that physical activity rates have risen, rather than fallen. This result makes Western Australia a world leader. Our challenge is to maintain this rate of increase to make Western Australians the fittest Australians and our communities stronger, healthier, happier and safer.

All of us at the Department of Sport and Recreation look forward to this challenge.



Ron Alexander  
Director General  
September 2008

## 1. Infrastructure and Organisational Development

- The State Sporting Facilities Plan Framework and associated projects were reviewed from the initial framework of 2001. This continues to be used as a basis for the prioritisation of capital infrastructure bids.
- Applications to the Community Sporting and Recreation Facilities Fund (CSRFF) comprised of \$27,742,885 worth of requests. Funds of \$10.5 million were allocated to local governments and sport and recreation organisations.
- An analysis of the CSRFF over the past six years was undertaken. This, coupled with information gathered for the State Infrastructure Strategy, is being used to ascertain the ability of the government to adequately contribute to projects such as aquatic centres and regional sporting complexes.
- Replacement equipment for the Whiteman Park Shooting Complex has been installed and planning commissioned for all ballistic disciplines. Work on the State Equestrian Centre at Ellenbrook has commenced and will be complete in 2008/09. The State Gymnastics Centre opened in the 2007/08 financial year. Planning and design work for the State Tennis Centre will commence, pending the outcome of planning deliberations for the Burswood Peninsula.
- The recommendations of the Major Stadia Taskforce have been considered and the government committed to constructing a 60,000-seat, multi-purpose stadium (with associated works) at Kitchener Park, Subiaco, at a cost of \$1.1 billion.
- Construction of the State Basketball Centre and the State Athletics Centre at AK Reserve, Mt Claremont, commenced in January 2008. Expected completion dates are April 2009 for athletics, and October 2009 for basketball.
- Funds of \$11.8 million from the Sports Lotteries Account and approximately \$2.64 million from the Sports Wagering Account were allocated to support community sport and recreation organisations and the Western Australian Institute of Sport (WAIS), in developing their organisational capacity and delivery of initiatives aimed at key result areas of the industry's strategic directions document SD4 2006-10. The Sport and Recreation Community Grants Scheme was used to fund 90 projects delivering physical activity initiatives in the community.
- A State-wide club development strategy was formulated, with support provided through 17 funded Club Development Officers, multi-formatted resources, education and training courses and an evaluation program.
- The Combat Sports Working Group report was completed in August 2007. The report includes recommendations relative to regulation and rules, risk management practices and industry training. The Professional Combat Sports Act 1987 legislation amendments have been approved by Cabinet and will be drafted and introduced to Parliament during 2008/2009.
- The development of the Indigenous Sport and Recreation Plan for the selected communities of the Wunan and Kullarri areas in the Kimberley and the Western Desert area in the Pilbara and Goldfields was completed. The plan considers future needs for programs and facilities.
- A review of the Barbagallo Motor Complex has also been initiated, for completion in 2008.
- A range of initiatives to further the Active Ageing Strategy have been developed with the Department for Communities in partnership with several agencies. Some of these, such as 'Sportsfun Across the Generations' and 'Heartmoves', have been implemented. The proposals will build on findings from research undertaken in previous years.
- An industry-based framework for the assessment of the potential impacts of Climate Change on sport and recreation was developed and disseminated to industry stakeholders.
- The priority action in the State Water Plan which focuses on the use and value of water in the areas of public open space was scoped.
- The new Physical Activity Taskforce Strategic Plan 2007-2011 was submitted to Cabinet and the first-year implementation plan involving 26 agencies was developed. The Walk WA 2020 strategy continues to be implemented with the involvement of over 95 Local Governments. Inclusivity and Local Activity Grants were awarded in partnership with Lotterywest, Healthway and the WA Local Government Association (WALGA).

## 2. People Development

- A wide range of participation initiatives were developed and implemented. These targeted low-participation groups, including seniors, women, people with disabilities, people from Indigenous communities, Culturally and Linguistically Diverse (CaLD) backgrounds and young people.
- A range of activities for Indigenous people were implemented across the State through the Indigenous Sports Program.
- A range of sport and recreation development programs and projects were implemented through The Rio Tinto Volunteer Management Scheme. The Scheme concluded in 2007/08, with all objectives being met.
- Analysis of the Sport and Recreation Community Grants Scheme in relation to the State Government's Five-Year Policy Framework for Substantive Equality has been completed, with many recommendations from the report being implemented and more to be addressed in the process for the next round of grants, if funding is allocated.
- A three-year CaLD participation project was initiated in partnership with the City of Stirling and the Office of Multicultural Interests.
- Under the Emerging Leaders Program – now in its second year – 16 people (10 in 2007 and six in 2008) each received a self-directed scholarship to improve their leadership and managerial capacity. Another 33 (16 in 2007 and 17 in 2008) participated in a workshop series to develop their industry knowledge.
- The Department, in partnership with Outdoors WA, developed a series of Adventure Activity Standards (AAS). Draft standards have been published for abseiling, canyoning, challenge ropes course and rock climbing and artificial climbing.
- The review of the State's High Performance Sport Plan, Future Success commenced.
- The Department's Gifted Athlete Program (GAP) delivered 10 workshops to nine regions, with approximately 120 athletes and 60 parents involved.
- An external review of the Department's role in coach education and training and an internal review of officiating is complete.
- The 2007 Sport and Recreation Industry Awards were conducted in conjunction with the "Active 07" Sport and Recreation Industry Conference.

## 3. Recreation Camps Management

- Capital works improvements were completed at all camps. This was reflected in the official opening of the Adventure Training Centre at the Woodman Point Recreation Camp, and official re-opening of the Ern Halliday Recreation Camp.
- The forecast participations for 2007/08 of 87,000 participations in camp-based programs across the Department's camps was surpassed, with 102,802 participations.
- The forecast accommodation bednights for 2007/08 of 55,000 bednights across the Department's camps was achieved. The achieved results was 71,610 bednights.
- A workforce planning study was undertaken at Point Walter campsite.
- A holiday program calendar for the camps network was implemented, resulting in four holiday camps being conducted. A holiday calendar was developed for 2008/09.
- The new camps booking system design development was completed. The system is being built and is due for completion in late 2008.
- Preliminary scoping of a service delivery review of the camps network products to maximise accessibility options for all clients has been undertaken and consultations have begun with identified focus groups.
- An independent review was undertaken of the Recreation Camps business by Stanton Partners in relation to the National Competition Policy and the applicability of competitive neutrality principles. This information will help guide future costing and pricing policy.
- Maintenance of the Tone River Wilderness camp continued on a minimal basis while the property went to tender and a suitable operator was selected. The disposal process is expected to be complete in 2008/09.
- Developed and implemented an electronic payroll data capture system that provided improved salary reporting and processing of casual instructors.
- A strategic asset maintenance plan commenced.

## Issues and trends

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- The awareness of the social, physical and health benefits of citizen participation in sport and recreation is continuing to build momentum. Through sport and recreation, social values, norms and policies are upheld and reflected so that a safe and enjoyable environment is provided for those who participate, especially within the more vulnerable sectors of our community.
- Sport and recreation activities and facilities contribute to the wellbeing of a community. As such, all recreation infrastructure planning should be incorporated into broader community infrastructure planning. The allocation of adequate public open space in new and existing urban developments is a crucial factor in supporting active lifestyles.
- Perth continues to grow rapidly to the north and south of the metropolitan area, increasing pressure on governments at local and State level to adequately fund infrastructure development.
- Subtle demographic shifts, (e.g. an increasing proportion of mature-age people, an increasing proportion of single-parent families and immigration from non-traditional nations) present specific challenges and opportunities for sport and recreation planners. These shifts need to be factored into the delivery models of sport and recreation providers.
- Lack of physical activity in the lifestyles of most West Australians continues to be a major issue. Approximately 49 per cent of Western Australian adults (aged over 18) are obese and/or overweight. Alarming, the number of children who are overweight and obese increased from just over nine per cent of males and 10 per cent of females in 1985 to 23 per cent of males and 30 per cent of females in 2003.
- Research continues to show that moderate level physical activity provides significant physical and mental health benefits to individuals.
- Drugs in Sport – The use of illicit drugs, along with the abuse of alcohol within sport, is a significant community issue. Sports organisations need to adopt appropriate policy and be vigilant in maintaining their integrity to meet community expectations in this area.
- The trend for national sporting organisations to consider moving from a federated model of governance to a unitary model (that can include no State-based representation and the dissolution of State-based legal identities) has the long-term potential to impact negatively on sport in Western Australia.
- The environments in which our volunteer system operates are becoming more complex and sophisticated in terms of community expectations and accountability. There is evidence that the sustainability of a volunteer system that delivers community sport and recreation services cannot be assured over the long-term.
- The issues created by a strongly-growing economy and low levels of unemployment continue to influence people's access to and use of discretionary time. The concept of a 'work/life balance' is becoming increasingly important, especially as it relates to the use of this discretionary time. It is evident that this is affecting the capacity of community-based delivery of sport and recreation services.
- There are ongoing community demands for improved sports facilities at all levels. Sport and recreation infrastructure is aging, resulting in an increasing need for refurbishment or replacement over the coming years. The demand is strongly reflected in the need for regional-level facilities in growing outer urban areas and regional economic boom centres across the State. Local governments report a deferred maintenance backlog of \$1.8 billion. Additionally, the rapid escalation in construction costs State-wide has implications in new facility provision.
- Although government has committed to the development of a major stadium in Subiaco, there is an increasing expectation and demand for stadia development elsewhere in the State. There is a need to ensure that an appropriate stadium hierarchy is maintained and that sporting venues are well managed to ensure ongoing service to a growing population.
- There is a trend towards multi-purpose venues hosting multiple codes/tenants. Issues continue to be identified concerning the management of State-level facilities by a single sport, including the capacity of sports to manage such facilities.
- Through the initiatives of the Department and wider government (risk management education and training, resource development and tort law reform) the industry is far more aware of and skilled in dealing with risk. It is essential for government to continue to ensure that the risks associated with community activities do not become a barrier to community involvement.

# Business management

2007/08 was a challenging year for the Business Management Division. The Division committed to establishing a culture of service excellence, developing a client-engagement strategy and focusing on the delivery of value-added services. In keeping with its commitment to these strategic initiatives, reviews were undertaken of the Human Resource function, Information Centre, Administration function and Finance business processes to align the division to its new direction.

A review of the department's Risk Management framework commenced during the reporting year and incorporated:

- review and updating of risk management policies and procedures;
- broadening of the terms of reference for the department's Risk Management Committee;
- implementation of a new Risk Management System.

The initiative consolidates the department's risk identification, assessment and treatment processes at the strategic, operational and project levels and provides improved monitoring and reporting mechanisms to support agency decision-making.

The Division has also played a key role in assisting with the establishment of the integrated project office for the Major Stadia.

## Information Technology Services

During 2007/2008 the primary focus within the branch was to consolidate and stabilise existing projects.

Achievements during 2007/2008 were:

- Establishment of a formal Information and Communications Steering Committee to aid ICT-based decision-making within the agency regarding differing business requirements.
- Completion of the detailed design for the client relationship management, grants management and camps booking system.
- Remote communications and accessibility to corporate functions have been significantly improved with access through the 3G mobile network and the departments Wide Area Network.
- Progress towards migrating the department's physical server environments into a consolidated, virtualised environment as part of a larger going green strategy.
- A major upgrade of regional hardware took place

from February to June (2008), encompassing departmental and Sports House staff

- Video-conferencing facilities in metropolitan and regional offices have been introduced.
- Further improvements to the TRIM electronic document management system, with a major upgrade due in 2008/09.

## Record-keeping plans

In accordance with Section 19 of the State Records Act 2000 the record-keeping Plan is undergoing a review to further align it with the Department's recent transition to electronic document management and to ensure that record-keeping practices are maintained and aligned with the State Records Act 2000.

Awareness of record-keeping procedures and training in policies and processes were highlighted during monthly staff induction sessions to address the roles and responsibilities of employees in relation to compliance with the record-keeping plan.

## Information Centre

The Information Centre assists the department to achieve its goals and objectives by providing access to current, relevant and timely library and research services.

The Centre continued to provide library and research services to other core client groups, including the Western Australian Institute of Sport and the Premier's Physical Activity Taskforce. The Centre is accessible to staff of State sporting associations and members of the public.

Consultants undertook a review of the Centre to determine the most appropriate service delivery model for the future. The consultant's final report provided the catalyst to develop a new strategic direction for the delivery of this service. In particular:

- It promotes the development of a more integrated information services business model;
- It demonstrates that there is a clear need to address the currency and relevance of the existing collection;
- It enables the department to shape future services to primarily meet agency information sourcing requirements;
- It demonstrates that external service needs have shifted and need a more transparent service response;



# Business management

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- It provides a clear path to developing a service delivery environment that embraces the principles of e-business.

Work has commenced on implementing a new strategic direction for the delivery of the service.

## Human resource management

The Department's human resources programs are well established. In 2007/08 there was a greater focus on anticipating opportunities and trends to ensure the development and implementation of initiatives and strategies to deal with changes in the employment environment.

The key initiative was a wellness and prevention program. The Department fosters a management culture that values and encourages participation in sport and recreation, which is supported by our corporate health and wellbeing program, flexible working hours and leave options.

The tight WA labour market demands different strategies for attracting potential

applicants. The Department focused on removing certain barriers for applicants, and promoting the benefits of working at DSR.

Implementation of e-business efficiencies for increased management/employee

support and eventual transition to the Office of Shared Services. Expansion of

technology solutions have included:

- Upgrade of HR system, including increased self-service functionality for
- managers and employees
- Data cleansing
- Online timesheets
- Commenced work to implement RAMS Candidate Management Module.

## Financial Management

The Finance Branch had a busy financial year with a significant increase in the

number of payments processed over the preceding year. Two strategic reviews were conducted into the branch's activities, one focussing on payments and systems, while the second focussed on reporting. Other achievements for the year included:

- Quarterly and Annual Whole of Government reporting deadlines were met;
- Both the Department and the Professional Combat Sports Commission received
- unqualified audit opinions;
- A review of the Department's finance system and commencement of a significant
- upgrade to the system;
- Provision of regular financial management training throughout the year; and
- Internal Audit reviews indicated that systems and processes with the Department are in compliance with the Financial Management Act 2006 and associated
- Treasurer's instructions.

## Administration

The Administration Branch complements each of the core management disciplines of human resources, information management and finance. Major achievements included:

- Commenced the introduction of the National Australia Bank Flexi purchase system for the use of corporate credit cards and reporting facilities in conjunction with the Finance Branch;
- Initiation and monitoring of the use of corporate credit cards for purchases up to \$5000 to ensure compliance with the Department of Treasury and Finance purchasing card policy;
- Provision of advice and monitoring of purchasing practices to ensure compliance with the State Supply Commission and Department of Treasury and Finance purchasing policies
- Overseeing the department's vehicle fleet to provide cost effective vehicles for the department's operational requirements without compromising safety and comfort;
- Energy conservation through changes to office lighting control systems;
- Provision of cost-effective mobile communications equipment, in line with operational requirements.

## Corruption prevention

The department conducted a number of risk identification workshops which incorporated consideration of corruption and misconduct as components of organisational risk. Treatment strategies to reduce identified risks which were implemented during 2007/08 included:

- awareness-raising sessions for all staff regarding the application of the WA Public Sector Code of Ethics and dissemination of information regarding ethical behaviour and the operation of the DSR Code of Conduct;
- promotion of the aims and objectives of the Public Interest Disclosure Act 2003, management commitment through the DSR Public Interest Disclosure policy and the role of the nominated DSR PID officer;
- emphasis on the amendments to the DSR Code of Conduct regarding contact with lobbyists incorporating the Government's Contact with Lobbyists Code and the Register of Lobbyists;
- updates to policies governing gifts and gratuities and the prevention of nepotism undertaken as part of the on-going DSR Policy Review Program;
- the further refinement of the staff induction program to highlight misconduct and corruption-related issues.

## Occupational health and safety

The Department of Sport and Recreation is committed to ensuring that all employees, contractors and visitors to our sites remain safe from injuries and risks to their health. DSR promotes and maintains the highest degree of health, safety and well-being of all employees through:

- (i) responsibility for occupational health safety and welfare being clearly defined for all people who enter DSR workplaces.
- (ii) maintaining the work environment to maximise employees' health, safety and wellbeing at work;
- (iii) prevention of accidents and ill health caused by working conditions;
- (iv) protection of employees from any health hazard which may arise out of their work or the conditions in which it is carried out;
- (v) compliance with the provisions of OHS-related legislation;

The Department's Occupational Health, Safety and

Welfare (OHSW) Committee provides a consultative forum between management and employees to promote and maintain health, safety and well-being in the workplace. In conjunction with agency management, the OHSW Committee addresses issues regarding policy development, monitoring programs, emergency procedures, relevant training and trends in accident/incident and illness reporting.

In the event of injury or illness occurring to an employee while engaged in work-related activities, the Department of Sport and Recreation is committed to acting in accordance with the Workers' Compensation and Injury Management Act 1981, with a focus on safe and early return to meaningful work.

In accordance with our injury-management obligations, DSR has adopted an injury management system, developed to support our injury management policy framework. It outlines the steps to be taken to assist a worker return to work following a work-related injury or illness.

## Agency performance:

Performance measure	Target	Actual
Number of fatalities	0	0
Lost Time Injury/Diseases Incidence Rate	1.0139	1.8293
Lost Time Injury Severity Rate	0.0000	0.0000

## Sustainability

The Department released its Sport and Recreation Sustainability Strategy in August 2004 based on the State Government's State Sustainability Strategy 'Hope for the Future'. Over the past year the Department has continued to incorporate the three principles of sustainable practice – social sustainability, environmental sustainability and economic sustainability (triple bottom line reporting) into its planning and program implementation. In practice and in a sport and recreational context, sustainability is founded long-term economic health, equity and human rights, biodiversity and ecological integrity and settlement efficiency and quality of life. These, coupled with and complemented by accountability, transparency and engagement, have provided the necessary vehicle for the Department to move forward with confidence.

# Statutory reporting

## Freedom of Information (FOI) Act 1992

The Department provides Freedom of Information services to all sectors of the community including the public and media. The Department's Freedom of Information Statement is available at <http://www.dsr.wa.gov.au>

Of the two (2) FOI applications received, neither was for personal information.

All relevant documents for one application were released; one application is still being processed and is with the FOI Commissioner for review. No applications were refused; one was partially transferred to other government departments.

## Public Sector standards and ethical codes

1. No compliance issues arose during 2007-2008 regarding the public sector standards.
2. No compliance issues arose during 2007-2008 regarding the WA Code of Ethics.
3. No compliance issues arose during the financial year 2007-2008 regarding our own agency code of conduct.
4. Significant action taken to monitor and ensure compliance included:
  - Information about Standards & Codes included on agency intranet and in induction materials.
  - Grievance Officer nominees reviewed regularly with rolling refresher training implemented for all Grievance Officers.
  - DSR Code of Conduct and departmental policies and procedures subject to an on-going review with priority areas nominated on an annual basis.

## Equity, Access, Inclusion and Substantive Equality

Equity, access and inclusion are principles on which the Department's Strategic Intent is based. The inter-divisional equity and access committee continued to oversee progress on the agency's Disability Access and Inclusion Plan (DAIP) which can be found on the Department's web site, <http://www.dsr.wa.gov.au>.

Some key achievements against the DAIP's outcomes include:

### **Outcome 1: People with disabilities have the same opportunities as other people to access the services of, and any events organised by, the department.**

- building strong relationships with regional disabled sports associations;
- promoting disabled sports talent identification camps in the south-west;
- advocating for inclusion to program partners;
- working with ATLAS program providers to increase sport and recreation opportunities for people with disabilities;

### **Outcome 2: People with disabilities have the same opportunities as other people to access the buildings and other facilities of the department.**

- ensuring Community Sporting and Recreation Facilities Fund application guidelines promote accessible facilities; and
- ensuring State level infrastructure is fully accessible, e.g. a lift is to be included in the State Equestrian Centre.

DSR's recreation camps program has made particular efforts to provide services and programs for people with disabilities, including:

- modifications to accommodation and equipment to ensure access;
- tailored camp experiences for students with vision impairments, physical and intellectual disabilities;
- modified programs including flying fox, archery, roping and caving; and
- planning for extended program experiences and staff training.

**Outcome 3: People with disabilities receive information from the department in a format that will enable them to access the information as readily as others.**

- meeting requests for information in alternative formats
- advising staff of the requirement to meet such requests

**Outcomes 4-6: People with disabilities receive the same level and quality of service from the staff of the department as other people receive from the staff of the department; can make complaints; and can participate in any public consultation by the department.**

- promoting the Disability Access and Inclusion Plan to staff, especially through the induction program to ensure quality service and inclusion in consultation;
- complaints process available on department's website and available in alternative formats.

DSR has completed its analysis of a departmental process using Substantive Equality principles to identify and eliminate potential racism. With considerable assistance of staff from the office of the Equal Opportunity Commissioner, the Sport and Recreation Community Grants Scheme was closely scrutinised and 31 areas for action were identified of which 18 have already been addressed.

## Advertising and marketing expenditure

In compliance with section 175ZE of the Electoral Act 1907, the Department of Sport and Recreation 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.

Expenditure with market research agencies	\$54,675
TNS Social Research	
Dr. Fiona Bull	
Lance Skelton	
Karen Martin	
Expenditure with advertising agencies	\$23,936
Media Decisions	
Marketforce Express	
Expenditure with media advertising agencies	\$2163
303 Advertising	
Expenditure with polling agencies	Nil
Expenditure with direct mail	Nil
<b>Total expenditure</b>	<b>\$80,774</b>

## Sponsors

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Without the support of sponsors, a great deal of the work of the Department would not be possible.

The contribution of our sponsors is gratefully acknowledged.

### Major sponsors:

Lotterywest

Australian Sports Commission

Healthway

Rio Tinto

Indigenous Sports Program

Skywest

Newcrest Mining





## Grants approved

The Sports Lotteries Account (SLA) is administered by the Department to provide financial support to sporting organisations for the development of sport in Western Australia.

The Lotteries Commission Act 1990, section 22, provides that five percent of the commission's net subscriptions are made available to the Minister for Sport and Recreation from this account.

In 2007/2008 the Department of Sport and Recreation provided grants to sporting, recreation and community organisations from the SLA.

*Table 5: A comparative breakdown of SLA funding for 2007/2008*

SLA funding distribution	Net approved amount \$		
	Country specific	Location non specific	Total approved amount
State sports association Organisations Sustainability Program	0	4,121,000	4,121,000
Western Australian Institute of Sport	0	3,666,960	3,666,960
Special Initiatives	50,000	949,500	999,500
Country Package	470,475	0	470,475
Sport & Recreation Community	174,000	159,470	333,470
Club Development LGA Officer	99,000	74,200	173,200
Country Sport Enrichment	50,000	0	50,000
Hosting National Championships	0	150,000	150,000
High Performance	0	100,000	100,000
High Performance Coaching Scholarship	0	78,700	78,700
SLA-CIR - Coach in Residence	0	58,490	58,490
Regional Coaching /Official Scholarship	51,750	0	51,750
Champions to the Region	25,010	0	25,010
Regional Sports Houses	168,000	0	168,000
Planning for Major Facilities	0	280,000	280,000
Sport International	0	56,500	56,500
Rugby League Loan	0	100,000	100,000
SLA Administration	0	399,600	399,600
	<b>1,088,235</b>	<b>10,194,420</b>	<b>11,282,655</b>

The Sports Wagering Account was established through the Gaming and Wagering Commission Act 1987. Funds are realised from levies paid by licensed suppliers as a result of bets on sporting events under S15 of the Betting Control Act 1954.

## Grants approved

Table 6: Organisations that received grants through DSR, excluding Community Sporting and Recreation Facilities Fund grants in 2007/2008.

Organisation	Amount \$
ACHPER WA Branch	42,000
Adam Road Primary School	6,000
Albany & Regional Volunteer Service	1,000
Albany Basketball Association	1,050
Albany Boardriders	1,500
Albany Carriage Driving Club Inc	1,000
Albany Horseman's Association Inc	2,030
Albany Little Athletics Centre	1,280
Albany Netball Association	1,000
Albany Rifle Club Inc	600
Albany Surf Life Saving Club	1,200
Albany Swimming Club Inc	3,950
Albany Triathlon Club	1,000
Albany Volleyball Association Inc	1,200
Albany Water Ski Club Inc	7,980
Alexander Squash Club Inc	1,000
Archery Society of Western Australia	24,800
Armadale Redevelopment Authority	50,000
Association for the Blind of WA Inc	18,200
Athletics Western Australia	185,000
Aussi Masters Swimming WA Branch Inc	36,000
Australian Bowhunters Association Inc	5,000
Australian Karate Federation WA Inc	40,750
Australian Karting Association WA Inc	17,000
Australian Paralympic Committee Incorporated	75,000
Australian Shukokai Karate Association N/W Branch	3,700
Australian Sports Anti-Doping Authority	20,000
Australian Stock Horse Society Great Southern Branch	300
Australian Taekwondo Academy	500
Avon Valley Ladies Golf Association Inc	7,000
Avon Valley Showjumping & Pony Club Inc	1,000
Axemen's Council of Western Australia Inc	1,450
Badminton Association of Western Australia Inc	40,000
Baiyungu Aboriginal Corporation	30,000
Balkuling Horse & Pony Club	1,500
Baseball WA Ltd	100,200
Basketball South West Inc	700
Batavia Bowling League	750
Bibbulmun Track Foundation Inc	20,000
Billiards and Snooker Association of WA Inc	17,000

Organisation	Amount \$
BMX Sports Western Australia Inc	22,000
Bowls WA	118,600
Broome Amateur Swimming Club Inc	6,600
Broome Basketball Association Inc	9,100
Broome Senior High School	24,000
Broome Touch Football Association	900
Bruce Rock Football Club Inc	250
Bruce Rock Tennis Club Inc	1,500
Bunbury & Districts Badminton Association Inc	600
Bunbury & Districts Little Athletics Centre Inc	2,250
Bunbury and Districts Softball Association Inc	300
Bunbury BMX Club Inc	1,500
Bunbury Pool Association Inc	300
Bunbury Rollerskating Club Inc	4,000
Bunbury Rowing Club Inc	3,150
Bunbury Runners Club Inc.	600
Bunbury Swimming Club Inc	2,400
Bunbury Triathlon Club Inc	1,500
Burracoppin Football Club	750
Burringurrah Community Aboriginal Corporation	500
Busselton Bowling Club Inc	700
Cable Beach Football Club	300
Calisthenics Association of WA Inc	40,000
Calisthenics Association of Western Australia	1,200
Cambridge Croquet Club Inc	1,570
Canoeing Western Australia Inc	64,000
Capel Horse and Pony Club Inc	300
Carnarvon Amateur Swimming Club	2,300
Carnarvon Horse and Pony Club	3,200
Carnarvon Speedway Club Inc	2,900
Carnarvon Yacht Club Inc	1,500
CATA Disabled Group Inc	33,600
Central Districts Regional Cricket Association	5,900
Central Districts Tennis Association Zone 3	7,500
Central Midland Zone 3 Swimming WA	1,400
Central Midlands Zone 3 Country Swimming Committee WASA Inc	5,000
Central West TAFE	2,500
Chess Association of WA	5,000
City of Albany	2,750
City of Bayswater	55,000
City of Bunbury	100,000
City of Bunbury Surf Lifesaving Club Inc	1,000

## Grants approved

Organisation	Amount \$
City of Canning	25,000
City of Geraldton-Greenough	105,000
City of Gosnells	24,200
City of Joondalup	75,000
City of Mandurah	50,125
City of Melville	750
City of Nedlands	2,700
City of Rockingham	25,000
City of South Perth	50,000
City of Stirling	103,100
City of Swan	5,750
City of Wanneroo	42,700
Clackline Toodyay Karate Club Inc	1,800
Cockburn Dragon Boat Club Inc	2,000
Collie River Valley Little Athletics Centre	600
Confederation of Australian Motor Sport Ltd	56,000
Croquet West	11,000
Cunderdin Womens Hockey Club	500
Curtin University of Technology	120,000
Dampier Squash Club Incorporated	500
Dancesport WA	15,500
Denmark Little Athletics Centre	1,000
Denmark Riding and Pony Club	600
Denmark Surf Life Saving Club Inc	10,000
Department of Housing and Works	280,000
Derby 4 Kids Inc	4,000
Dragon Boating WA Inc	21,500
Dudley Park Bowling and Recreation Club Inc	300
Eastern Goldfields BMX Club	4,000
Eastern Goldfields Cricket Association	900
Eastern Goldfields Cycle Club Inc	1,500
Eastern Goldfields Gun Club Inc	1,100
Eastern Goldfields Hockey Association Inc	8,200
Eastern Goldfields Little Athletics Association Inc	1,500
Eastern Goldfields Netball Region	3,000
Eastern Goldfields Squash Racquets Association	1,500
Eastern Goldfields YMCA Youth Services	11,200
Eastern Hills Horse & Pony Club	1,100
Edmund Rice Centre WA	150,000
Edventures WA Incorporated	35,600
Equestrian Federation of Australia WA Branch	107,800
Esperance Amateur Swimming Club Inc	1,400

Organisation	Amount \$
Esperance and District Badminton Association Inc	900
Esperance Basketball Association Inc	5,000
Esperance Bay Yacht Club Inc	5,400
Esperance Equestrian Club	3,500
Esperance Goldfields Surf Life Saving Club	3,000
Esperance Pony Club Inc	1,000
Esperance Triathlon Club Inc	700
Exmouth Amateur Swimming Club	1,700
Exmouth Community Support Group Inc.	500
Exmouth Yacht Club	700
Federation of Western Australia Police & Citizens Youth Club - Geraldton	2,500
Federation of Western Australian Bushwalkers Inc	2,900
Federation of Western Australian Police & Citizens Youth Club - Halls Creek	5,000
Federation of Western Australian Police & Citizens Youth Club - Midland	3,200
Federation of Western Australian Police and Citizens Youth Club - Kensington	4,900
Federation Sport Bocce of WA Inc	2,500
Fitness Western Australia Inc	110,000
Football West Limited	273,300
Fremantle Port Swimming Club Inc	1,500
Friends of the Cape to Cape Track Inc	13,093
Future Visions Inc	9,900
Garnduwa Amboorny Wirnan Aboriginal Corporation	316,039
Gascoyne Off Road Racing Club Inc	3,500
Geraldton Amateur Basketball Assoc Inc	6,175
Geraldton Amateur Swim Life Saving Club	2,500
Geraldton and Districts Badminton Association	1,500
Geraldton Board Riders Club Inc	5,000
Geraldton Hockey Association Inc	9,600
Geraldton Midwest Sports Federation Inc	119,040
Geraldton Regional Aboriginal Medical Service	20,000
Geraldton Softball Association	885
Geraldton Squash Racquets Association	1,500
Geraldton Surf Life Saving Club	10,100
Geraldton Water Polo Association Inc	4,800
Goldfields Disabled Sports Zone 4 Inc	5,500
Goldfields Junior Development Association Inc	20,000
Goldfields Tee ball Association Inc	500
Goldfields Tennis Club Inc	10,750
Gowrie Community Services (WA) Inc	27,900
Great Southern Basketball Development Program	8,000
Great Southern Netball Region	10,000
Great Southern Regional Cricket Board	10,000



## Grants approved

Organisation	Amount \$
Great Southern Regional Football Development Council Inc	10,000
Great Southern Riders Squad	3,000
Great Southern TAFE	1,500
Green Skills Inc	9,550
Greenough Archery Club	1,200
Gridiron West Inc	11,000
Gymnastics Western Australia	180,850
Hang Gliders Association of WA	2,500
Hedland Touch Association	2,550
Hedland Water Polo Association Inc	3,850
Hockey Australia Inc	37,000
Holland Street School	1,580
Ibex Football Club	6,600
Indian Society of Western Australia Inc	12,300
International Practical Shooting Conf WA Inc	12,000
Jarrahdale Sporting Shooters Inc	700
Judo Federation of Australia WA Inc	13,000
Kalbarri Sport & Recreation Inc	500
Kalgoorlie Amateur Swimming Club	3,750
Kalgoorlie Boulder Basketball Association	8,000
Karratha and Districts Junior Soccer Association	1,250
Karratha BMX Club Inc	2,000
Karratha Gymnastics Club Inc	1,750
Karratha Kart Club	500
Karratha Touch Association	1,400
Katanning Country Club Inc	1,580
Katanning Regional Little Athletics Centre	1,650
King River Horse & Pony Club Inc	3,250
Kojonup Bowling Club	300
Kununurra Neighbourhood House	12,550
Lacrosse West Inc	29,500
Leave No Trace Australia Limited	1,500
Leisure Institute of WA - Aquatics	42,000
Lower Great Southern Hockey Association	7,900
Lower Great Southern Tennis	8,780
Mandurah Amateur Swimming and Lifesaving Club	4,000
Mandurah Basketball Association	7,000
Mandurah Board Riders Club	300
Mandurah Calisthenics Club	800
Mandurah Croquet & Recreation Club	3,000
Mandurah Hockey Club	750
Mandurah Hockey Stadium	6,900

Organisation	Amount \$
Mandurah Netball Association	5,300
Mandurah Offshore Fishing and Sailing Club	1,000
Mandurah Paddling Club	500
Mandurah Pirates Rugby Union Football Club	2,000
Marching WA Inc	6,600
Margaret River Boardriders Club Inc	1,000
Merredin Club Inc	3,000
Mid West Regional Cricket Board	8,000
Midland Cycle Club Inc	600
Midland Womens Health Care Place Incorporated	20,000
Midwest Dressage Association Inc	1,500
Midwest Gascoyne Netball Region	8,550
Midwest Regional Athletics Development Council	500
Midwest Regional Football Development Council Inc	8,000
Moonyoonooka Polocrosse Club	800
Motorcycling Australia WA Inc	62,000
Munda Biddi Trail Foundation Inc	21,500
Narrogin Equestrian Association	1,500
Narrogin International Rules Basketball	500
National Heart Foundation of Australia WA Division	10,000
National Trust of Australia WA	57,537
Netball WA	310,700
Newdegate Gymnastics Club	5,800
Nickol Bay Triathlon Club	770
North Fremantle Community Association	1,600
North Murray Diamond Sports Association	450
North West Fencing Association Inc	3,700
North West Netball Region Inc	1,750
North West Regional Gymnastics Association	25,800
North West Surfers Alliance	1,500
Northam Indoor Hockey Association Inc	300
Northam Swimming Club Inc	750
Northcliffe Maze Park Inc	10,366
Northern Bowling League	500
Northern Zone Pony Club Council	3,000
Nyoongar Sport Association	50,000
Ongerup Womens Hockey Association Inc	500
Orienteering Association of WA	20,000
Outdoors WA	131,500
Pearl Coast Gymnastics Club Broome Inc	1,600
Peel District Cycling Club Inc	3,750
Peel District Football Development Commission	6,000

## Grants approved

Organisation	Amount \$
Peel Dynamic Gymsports Incorporated	2,550
Peel Health Campus Foundation	5,000
Peel Hockey Association Inc	300
Peel Regional Soccer Council Inc	15,600
Peel Trails Group Inc	13,300
Peel Water Polo Association Inc	300
Pemberton Tourist Centre Inc	1,500
Perth Basketball Association	15,000
Perth Canoe Polo Club	2,300
Perth Netball Association Incorporated	3,500
Polocrosse Association of Western Australia	20,750
Pony Club Association of Western Australia Inc	40,000
Port Hedland Baseball Association Inc	2,000
Port Hedland Senior Cricket Association Incorporated	500
Princess Royal Sailing Club Inc	1,500
Professional Combat Sports Commission	125,500
Rapid Ascent Pty Ltd	12,500
Recfishwest	40,000
Recreation and Sport Network Inc	31,000
Recreation Trailbike Riders Association of WA Inc	3,720
Roe District Mens Hockey Association	3,000
Roe Districts Mens Hockey Association	1,400
Rollersports Association of WA Inc	38,500
Rowing WA	137,500
Royal Life Saving Society Australia WA Branch Inc	254,200
Sailability WA Inc	12,960
Scripture Union	50,000
Seniors Recreation Council of WA Inc	52,800
Serpentine/Foothills Polocrosse Club	1,600
Shire of Ashburton	54,600
Shire of Augusta-Margaret River	60,000
Shire of Brookton	25,000
Shire of Broome	55,000
Shire of Bruce Rock	500
Shire of Carnamah	40,000
Shire of Chittering	12,500
Shire of Coolgardie	22,000
Shire of Cranbrook	27,000
Shire of Dardanup	17,500
Shire of Derby-West Kimberley	2,000
Shire of Dowerin	900
Shire of Gnowangerup	50,000

Organisation	Amount \$
Shire of Goomalling	1,000
Shire of Irwin	23,000
Shire of Katanning	36,000
Shire of Lake Grace	8,000
Shire of Leonora	10,000
Shire of Manjimup	39,600
Shire of Menzies	20,000
Shire of Merredin	9,531
Shire of Moora	6,500
Shire of Mount Magnet	2,000
Shire of Mukinbudin	50,000
Shire of Mullewa	41,840
Shire of Mundaring	175,000
Shire of Murray	2,000
Shire of Nannup	20,000
Shire of Northam	1,500
Shire of Plantagenet	17,655
Shire of Roebourne	500
Shire of Waroona	5,000
Shire of West Arthur	10,200
Shire of Wyndham East Kimberley	55,500
Shire of Yilgarn	21,089
Shire of York	12,500
South East Runners	600
South Fremantle District Football Development Council Inc	70,000
South West - Region 1 Country Swimming Committee WASA Inc	4,000
South West Academy of Sport	100,000
South West Cricket Association Inc	8,300
South West Cycle Club Inc	5,000
South West Football Development Trust Council	3,300
South West Football League Inc	20,000
South West Goju-Ryu Karate-Do Association Inc	5,150
South West Hockey Association Inc	4,300
South West Netball Region Inc	12,500
South West Tennis Association	7,000
South West Zone of the Pony Club Association of Western Australia Inc	500
South Western Bowling Zone Inc	5,000
Southern Bowling Zone	4,560
Southern Country Ladies Bowling Zone	3,000
Southern Cross Care (WA) Inc	18,000
Southern Cross Motor Cycle Club Inc	2,710
Southern Districts Dressage Club Inc	3,750

## Grants approved

Organisation	Amount \$
Southwest Bowmen Inc	700
Special Olympics Western Australia	9,600
Sporting Shooters Association of Australia WA Inc.	1,700
Sports Medicine Australia WA Branch	85,000
Surf Life Saving Western Australia Inc	74,000
Surfing Western Australia Inc	96,700
Taekwondo Western Australia Inc	13,700
Tambellup Hockey Club	700
Tammin Cricket Club	750
Tee-Ball Association of WA	1,000
Tennis West	166,800
Tennis West - Zone 1	2,950
Tennis West - Zone 9	6,500
Tennis West South Coast Zone 11	4,600
Tenpin Bowling Association of WA Inc	25,000
The Goldfields Netball Region Incorporated	8,900
The Kalgoorlie and Districts Pony Club Inc	900
The Kalgoorlie and Districts Pony Club Inc	1,000
Therapy Focus Incorporated	19,800
Toodyay Tennis Club Inc	500
Touchwest	100,000
Town of Bassendean	3,000
Town of East Fremantle	10,000
Town of Kwinana	141,934
Town of Narrogin	1,000
Town of Port Hedland	3,300
Trayning Basketball Association	300
Triathlon WA	42,500
Tuart Hill Primary School	20,000
University of WA Hockey Club	1,000
Upper Great Southern Football League	1,000
Upper Great Southern Hockey Association	1,500
Volleyball WA	103,500
WA Amateur Wrestling Association Inc	10,000
WA Blind Bowling Association	300
WA Council of the Australian Power Boat Association	5,000
WA Disabled Sports Association	192,000
WA Eight Ball Federation Inc	23,000
WA Ice Hockey Association Inc	17,000
WA Kookaburras Floorball Club Inc (WAKFC)	7,500
WA Police Legacy Inc	1,500
WA Rifle Association	37,000

Organisation	Amount \$
WA Rugby League Inc	149,600
WA Shooting Association	36,000
WA Squash	75,000
WA State Masters Games	1,500
Waroon Amateur Swimming Club	2,250
WASA Region 2 Swimming	7,565
Weightlifting Western Australia Inc	14,300
West Australian Amateur Boxing Association	30,000
West Australian Cycling Federation Inc	116,000
West Australian Endurance Riders Association	1,100
West Australian Football Commission	300,000
West Australian Gliding Association Inc	12,000
West Australian Kendo Renmei	5,340
West Australian Mountain Bike Association Inc	2,200
West Australian Pistol Association Inc	22,000
West Australian Small Bore Rifle Association Inc	8,000
West Australian State Parachute Council Inc	8,000
West Coasters Netball Club	16,800
West Pilbara Softball Organisation Inc	2,750
Western Australian Basketball Federation	163,400
Western Australian Clay Target Association Inc	24,000
Western Australian Cricket Association Inc	1,966,800
Western Australian Darts Council Inc	20,000
Western Australian Diving Association Inc	95,000
Western Australian Fencing Association	17,000
Western Australian Field and Game Association Inc	11,000
Western Australian Flying Disc Association	7,200
Western Australian Golf Association Inc	66,000
Western Australian Hockey Association Inc	371,150
Western Australian Ice Skating Association Inc	25,000
Western Australian Institute of Sport Inc	3,999,000
Western Australian Lacrosse Association Inc	51,000
Western Australian Olympic Council Inc	35,000
Western Australian Rogaining Association Inc	16,000
Western Australian Rugby Union Inc	111,250
Western Australian Softball Association Inc	88,000
Western Australian Speedway Commission Inc	90,000
Western Australian Sports Federation	470,000
Western Australian Swimming Assn Inc	195,000
Western Australian Table Tennis Association Inc	20,000
Western Australian Tennis Association Zone 4	5,200
Western Australian Water Polo Inc	105,000



## Grants approved

Organisation	Amount \$
Western Australian Water Ski Association Inc	14,700
Western Australian Waveski Association Inc	5,000
West's Subiaco Rugby Union Club Inc	5,000
Wheatbelt Netball Region	6,000
Wheelchair Sports WA Assoc Inc	34,000
Wickham Events	750
Wildcats 2000 Pty Ltd	30,000
Winning Bush Gymkhana	1,000
Womens Golf Western Australia Inc	44,500
Womensport West	20,000
Wongan Hills Swimming Club	1,500
Woorree Park BMX Club	1,420
Yachting Western Australia Inc	101,000
Yilgarn Amateur Swimming club	500
YMCA of Perth - Serpentine Jarrahdale Community Recreation Centre	4,200
YMCA of Perth Inc	86,680
Yunderup Sports and Recreation Club Inc	500
Zimbabwe Association of Western Australia	7,600

# Community Sporting and Recreation Facilities

## Fund approvals (CSRFF)

This is a Treasury Trust Fund administered by the Department to provide financial assistance to local governments and sporting and recreation organisations for the provision of well-planned capital works facilities which can lead to increases in physical activity levels.

Through the CSRFF program, grants, usually of up to one-third of the estimated project cost, are available to community groups and local governments. Priority is given to projects that lead to facility sharing and rationalisation. Multi-purpose facilities reduce the amount of infrastructure required to meet similar needs, and increases sustainability.

Each year, grants are allocated over a triennium of financial years. In February 2008 funds were allocated for 2008/2009, 2009/2010 and 2010/2011. Grants are categorised as either annual grants or forward-planning grants.

Annual grants are allocated to projects with an estimated value between \$7500 and \$270,000. Grants in this category must be claimed in the 2006/2007 financial year.

Forward-planning grants are allocated to more complex projects requiring extensive planning, with a total value in excess of \$270,000. These projects may be allocated funds in any of the three years of the triennium.

All CSRFF grant payments are made in the name of the applicant body, through the local government in which the project is to be undertaken.

*Table 18: CSRFF approved grants 2007/2008*

Organisation	Project	Amount \$
Alexander Park Tennis Club (Inc)	resurfacing of two artificial grass tennis courts	15,474
Australian Stock Horse Society Great Southern Branch	construction of 40 steel horse and cattle pens	13,921
Beaumaris Sports Association	upgrade of floodlighting at Iluka open space	147,166
Boyanup Bowling Club Inc	conversion of a grass green to synthetic turf and upgrade of lighting	85,717
Broome Bowling Club	installation of one synthetic green	90,000
Broome Junior Senior Motocross Club Inc	erect lighting around Motocross track and install an electrical sub board	64,050
Broome Speedway Club Inc	upgrade of floodlighting and personal address system	82,444
Bunbury Bowling and Social Club Inc	installation of lighting on 'B' Green	14,971
Calingiri Sports Club Inc	upgrade of existing teeing ground to synthetic grass	9,310
City of Albany	construction of a sporting precinct at Bayonet Head	356,693
City of Armadale	upgrade of floodlighting at Springdale Park	8,000
City of Armadale	upgrade of two multi-purpose hardcourts at Cross Park including resurfacing, lighting, fencing and court furniture	15,000
City of Armadale	upgrade of floodlighting at Creyk Park	25,000
City of Armadale	upgrade of floodlighting at Morgan Park	14,000
City of Armadale	redevelopment of Frye Park including reconstruction of playing area, new cricket nets and upgraded floodlighting	400,000
City of Belmont	upgrade of floodlighting at Forster Park	17,280
City of Fremantle	installation of floodlighting at Bruce Lee Reserve	83,000

## CSRFF approved grants 2007/2008

Organisation	Project	Amount \$
City of Gosnells	installation of floodlighting at Tom Bateman Reserves 1 and 2 and others	81,000
City of Mandurah	construction of the Allnutt Community Facility at Allnutt Reserve	835,000
City of Melville	redevelopment of Leeming Recreation Centre including disabled access, pool upgrade and children's depth pool	820,842
City of South Perth	upgrade of the WCG Pavilion	326,000
City of Stirling	upgrade of floodlighting at Woodchester Reserve	36,722
City of Stirling	upgrade of floodlighting at Millington Reserve	27,951
City of Stirling	upgrade of floodlighting at Yuluma Reserve	18,871
City of Stirling	upgrade of floodlighting at Luketina Reserve	13,744
City of Wanneroo	oval extension, floodlighting and construction of changerooms at Warradale Park	377,321
Collie Racing Drivers Association Inc	construction of replacement clubrooms/training facility	26,104
Coorow Latham Netball Club	resurfacing two netball / basketball courts with acrylic at Maley Park Recreation Centre	27,598
Deanmill Football Club Inc	upgrade of lighting and power supply at Deanmill Football Oval	81,119
Dowerin Lawn Tennis Club Inc	to co-locate to the Dowerin Bowling and Amenities Club and construct four new synthetic tennis courts	82,181
Emu Point Sporting Club Inc	resurfacing of six tennis courts with a synthetic surface	46,913
Floreat Park Tennis Club (Inc.)	resurfacing and floodlighting of eight courts at the Floreat Park Tennis Club	90,000
Geraldton Hockey Association Inc	replacement of pitch and lighting	270,000
Gibson Football Club	upgrade of floodlighting at Gibson oval	35,107
Gosnells Football and Sports Club	upgrade of floodlighting at Gosnells Oval	15,369
Innaloo Sportsmans Club Inc.	conversion of one grass green to a synthetic surface including a covering structure	95,000
Joondalup Kinross Junior Football Club	upgrade of clubrooms and ablutions at Windemere Reserve	94,704
Kalannie Sporting and Recreation Club Inc	resurfacing of two tennis courts with synthetic turf	16,364
Kojonup Bowling Club	conversion of three 7 rink grass greens to two 8 rink synthetic greens with lighting on one green	139,402
Kununurra Agricultural Society	construction of a covered multipurpose arena	60,000
Mandurah Country Club	upgrade of irrigation system	96,666
Manning Rippers Football Club	upgrade of floodlighting at James Miller Oval	29,450
Manning Tennis Club Inc	floodlighting of two synthetic courts	11,875
Marmion Reserve Sporting Association	upgrade to floodlighting and construction of an undercover area	32,704
Morawa Golf and Bowling Club Inc	replacement of two grass lawn bowls surfaces with one synthetic surface	80,000

Organisation	Project	Amount \$
Mount Lawley Bowling Club	replacement of one grass green with a synthetic green	63,333
Muchea Netball Club	resurfacing of hard courts and upgrading of fencing around the courts	25,000
North Perth Tennis Club Inc	construction of two new synthetic tennis courts with fencing and floodlighting	55,434
Northern Warriors Veterans Football Club	installation of two lighting towers at Forrest Oval	13,517
Perth Netball Association Incorporated	upgrade of netball courts at Matthews Netball Centre	90,000
Port Bouvard Sport and Recreation Club Inc.	installation of a new synthetic bowling green	76,825
Shire of Ashburton	Onslow Multi-Purpose Complex	750,000
Shire of Brookton	the second stage of relocating the Brookton Tennis Club to the WB Eva Pavilion with the construction of 4 synthetic grass and 2 multi marked hard courts	311,940
Shire of Bruce Rock	stage 3 refurbishment of Bruce Rock Recreation Centre including extension of indoor multipurpose court to regulation size, construction of dual use change rooms and ablution facilities and construction of common secure storage room	370,000
Shire of Busselton	construction of a multi-purpose fitness room at Geographe Leisure Centre	315,636
Shire of Capel	construction of a sports pavilion at Capel Sports Ground	293,000
Shire of Carnamah	re-surfacing two netball / basketball courts and install new dual use goal posts.	11,018
Shire of Carnarvon	upgrade and feasibility study for the Carnarvon Aquatic Centre	64,616
Shire of Cranbrook	resurfacing of four tennis courts with lighting	55,872
Shire of Cue	construction of new Active Water Playground	100,000
Shire of Dandaragan	conversion of one grass green to synthetic turf at Badgingarra Bowling Club	49,536
Shire of Dandaragan	resurfacing of four courts with a synthetic surface	27,833
Shire of Derby-West Kimberley	refurbishment and development of Derby Memorial Swimming Pool	454,000
Shire of Donnybrook-Balingup	master plan for future development of Mitchell Park Sport and Recreation Precinct	11,938
Shire of Esperance	undertaking of a feasibility study by the Salmon Gums Development Group for the amalgamation of the community hall, golf club, tennis club and badminton facilities	5,700
Shire of Halls Creek	development of a grassed playing oval with floodlighting	35,000

## CSRFF approved grants 2007/2008

Organisation	Project	Amount \$
Shire of Kalamunda	replacement of three grass greens with two synthetic greens with fencing and floodlighting at Kalamunda Bowls Club	112,000
Shire of Kalamunda	conversion of courts 5-8 to synthetic grass at Lesmurdie Tennis Club	31,091
Shire of Kalamunda	upgrade of floodlighting at Hartfield Park	90,000
Shire of Katanning	Stage 2 Katanning Aquatic Centre Redevelopment	96,666
Shire of Kondinin	construction of new ablutions and conversion of existing ablutions into a changeroom	29,714
Shire of Koorda	upgrade lighting on the football oval and hockey field at the Koorda Recreation Ground	34,264
Shire of Koorda	installation of new cricket practise nets at the Koorda Recreation Centre	4,515
Shire of Menzies	provision of an adequate bore water supply for the town oval	37,117
Shire of Merredin	the installation of an automatic irrigation system on the Merredin Recreation Ground Oval area.	39,556
Shire of Mingenew	re-grassing four tennis courts	14,179
Shire of Mullewa	resurfacing of three synthetic grass tennis courts	25,383
Shire of Northampton	resurfacing three tennis courts and one half basketball court with acrylic and construction of a new three rink synthetic lawn bowls surface.	84,333
Shire of Pingelly	to engage the services of a professional feasibility consultant	16,666
Shire of Ravensthorpe	recreation strategy for the Shire of Ravensthorpe	10,000
Shire of Trayning	a new seven rink woven synthetic surface, replacement of grass surrounds with synthetic surface, installation of four new energy efficient lighting towers and shade sail structures along the north and south banks and new fence	104,029
Shire of Waroona	lifecycle replacement of the 25m indoor pool liner	18,266
Shire of West Arthur	feasibility study into the development of a single multi-purpose use facility in Darkan	13,333
Shire of Westonia	installation of a three rink synthetic bowling green which is stage 2 of the redevelopment of the Westonia Recreation Precinct including lighting	73,500
Southern Capes Motorcycle Club Inc	motocross track watering system	15,413
Spalding Park Tennis Club Inc	resurfacing of three plexipave tennis courts with acrylic	8,843
Tarcoola Park Tennis Club Inc	replacement of four plexipave courts with synthetic grass	29,000
Tenterden Tennis Club	reconstruction and fibreglass sheeting of six courts	22,667
Tom Price Diamond Club Inc	construction of an improved playing field at Tiljuna Oval, Tom Price	53,240

Organisation	Project	Amount \$
Town of Bassendean	construction of two new synthetic tennis courts, perimeter fencing and lighting at BIC Reserve	57,888
Town of Kwinana	construction of new facilities and redevelopment of the Orelia Oval pavilion	613,000
Town of Victoria Park	upgrade to clubrooms at Fletcher Park	200,000
Varley Progress Association	replacement of eight-rink bowling green with synthetic turf and install a water-wise irrigation system	43,000
Walkaway Polocrosse Club	irrigation of grassed playing fields at Walkaway Recreation Grounds	32,700
Wannamal Community Centre Inc.	upgrade lighting at Wannamal Tennis courts	20,406
Waroona Bowling and Social Club Inc	installation of a synthetic carpet bowling green	79,000





## Auditor General

### INDEPENDENT AUDIT OPINION

To the Parliament of Western Australia

#### DEPARTMENT OF SPORT AND RECREATION FINANCIAL STATEMENTS AND KEY PERFORMANCE INDICATORS FOR THE YEAR ENDED 30 JUNE 2008

I have audited the accounts, financial statements, controls and key performance indicators of the Department of Sport and Recreation.

The financial statements comprise the Balance Sheet as at 30 June 2008, and the Income Statement, Statement of Changes in Equity, Cash Flow Statement, Schedule of Income and Expenses by Service, and Summary of Consolidated Account Appropriations and Income Estimates for the year then ended, a summary of significant accounting policies and other explanatory Notes.

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

#### Director General's Responsibility for the Financial Statements and Key Performance Indicators

The Director General is responsible for keeping proper accounts, and the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Treasurer's Instructions, and the key performance indicators. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements and key performance indicators that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; making accounting estimates that are reasonable in the circumstances; and complying with the Financial Management Act 2006 and other relevant written law.

#### Summary of my Role

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the financial statements, controls and key performance indicators based on my audit. This was done by testing selected samples of the audit evidence. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion. Further information on my audit approach is provided in my audit practice statement. Refer "<http://www.audit.wa.gov.au/pubs/Audit-Practice-Statement.pdf>".

An audit does not guarantee that every amount and disclosure in the financial statements and key performance indicators 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 and key performance indicators.

#### Department of Sport and Recreation Financial Statements and Key Performance Indicators for the year ended 30 June 2008

#### Audit Opinion

In my opinion,

- (i) the financial statements are based on proper accounts and present fairly the financial position of the Department of Sport and Recreation at 30 June 2008 and its financial performance and cash flows for the year ended on that date. They are in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Treasurer's Instructions;
- (ii) the controls exercised by the Department provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions; and
- (iii) the key performance indicators of the Department are relevant and appropriate to help users assess the Department's performance and fairly represent the indicated performance for the year ended 30 June 2008.

GLEN CLARKE  
ACTING AUDITOR GENERAL  
22 September 2008

# *Certification of Financial Statements*

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*for the year ended 30 June 2008*

The accompanying financial statements of the Department of Sport and Recreation have been prepared in compliance with the provisions of the Financial Management Act 2006 from proper accounts and records to present fairly the financial transactions for the financial year ended 30 June 2008 and the financial position as at 30 June 2008.

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.



David Parrick  
Chief Financial Officer



Ron Alexander  
Accountable Officer

17 September 2008

# Statement of financial performance

for the year ended 30 June 2008

	\$000	\$000	\$000
Total cost of services (expense limit)	64,630	58,091	(6,539)
(sourced from Income Statement)			
Explanation of variance			
Grants expenditure was reduced \$14.0M as a result of delays in the State Netball Centre (\$4.5M) and Mindarie Pool (\$1.9M) and the repositioning of CSRFF grants (\$7.0M). This was offset by increased expenditure on Employee Benefits (\$1.5M) Supplies and Services (\$2.5M) and payments for AK Reserve (\$3.5M)			
Net cost of services	61,146	38,497	(22,649)
(sourced from Income Statement)			
Explanation of variance			
In addition to the explanation provided above the Department generated an additional \$0.4M in User Charges and Fees, received \$10M in revenue from the Water Corporation for the Logue Brook Dam Trust and an additional \$3.5M in Other Revenue.			
Total equity	30,031	60,304	30,273
(sourced from Balance Sheet)			
Explanation of variance			
Equity increased as a result of an increase in Reserves (\$17.6M) as a result of the revaluation of the Camps network and increases in Contributed Equity (\$2.0M) and Accumulated Surplus (\$10M)			
Net increase/(decrease) in cash held	6,398	10,201	3,803
(sourced from Cash Flow Statement)			
Explanation of variance			
The increase in cash held is a result of additional revenue received for User Charges (\$0.4M), Logue Brook (\$10M) and AK Reserve recoup (\$3.5M). This was offset by greater than anticipated payments for AK Reserve (\$3.5M), Employee Benefits (\$1.5M), Supplies and Service (\$2.5M) and Net GST Payments (\$0.6M).			
	No.	No.	No.
Approved full time equivalent (FTE) staff level	154	163	9
(1) As specified in the budget statements for the 2007-08 Financial Year			
(2) Further explanations are also contained in Note 34 'Explanatory Statement' to the financial statements			

# Income statement

for the year ended 30 June 2008

	Note	2008 \$'000	2007 \$'000
<b>COST OF SERVICES</b>			
<b>Expenses</b>			
Employee benefits expense	6	12,525	11,650
Supplies and services	7	12,740	11,078
Depreciation and amortisation expense	8	1,509	961
Accommodation expenses	9	1,310	1,399
Grants and subsidies	10	29,896	29,227
Capital user charge	11	-	2,094
Other expenses	12	111	588
Loss on disposal of non-current assets	16	-	(1)
<b>Total cost of services</b>		<b>58,091</b>	<b>56,996</b>
<b>Income</b>			
Revenue			
User charges and fees	13	2,629	2,266
Commonwealth grants and contributions	14	868	977
Other revenue	15	16,092	2,970
Gain on disposal of non-current assets	16	5	-
Total revenue		19,594	6,212
<b>Total income other than income from State Government</b>		<b>19,594</b>	<b>6,212</b>
<b>NET COST OF SERVICES</b>		<b>38,497</b>	<b>50,784</b>
<b>INCOME FROM STATE GOVERNMENT</b>			
Service Appropriation	17	49,267	46,065
Liabilities assumed by the Treasurer	17	-	52
Resources received free of charge	17	47	24
<b>Total income from State Government</b>		<b>49,314</b>	<b>46,141</b>
<b>SURPLUS/(DEFICIT) FOR THE PERIOD</b>		<b>10,817</b>	<b>(4,643)</b>

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

# Balance Sheet

for the year ended 30 June 2008

	Note	2008 \$'000	2007 \$'000
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	30(a)	1,072	153
Restricted cash and cash equivalents	18	15,760	6,478
Inventories	19	5	5
Receivables	20	1,782	1,131
Amounts receivable for services	21	354	341
Other current assets	22	3,976	245
<b>Total Current Assets</b>		<b>22,949</b>	<b>8,354</b>
<b>Non-Current Assets</b>			
Receivables	20	-	-
Amounts receivable for services	21	2,597	1,783
Property, plant and equipment	23	41,429	24,053
Intangible assets	24	103	151
<b>Total Non-Current Assets</b>		<b>44,129</b>	<b>25,987</b>
<b>TOTAL ASSETS</b>		<b>67,078</b>	<b>34,342</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables	26	4,149	2,245
Provisions	27	1,178	1,061
Other current liabilities	28	613	307
<b>Total Current Liabilities</b>		<b>5,940</b>	<b>3,613</b>
<b>Non-Current Liabilities</b>			
Provisions	27	834	841
<b>Total Non-Current Liabilities</b>		<b>834</b>	<b>841</b>
<b>Total Liabilities</b>		<b>6,774</b>	<b>4,454</b>
<b>Net Assets</b>		<b>60,304</b>	<b>29,888</b>
<b>EQUITY</b>			
Contributed equity	29	24,020	22,020
Reserves	29	18,239	641
Accumulated surplus	29	18,045	7,226
<b>Total Equity</b>		<b>60,304</b>	<b>29,887</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>67,078</b>	<b>34,340</b>

The Balance Sheet should be read in conjunction with the accompanying notes.

# Statement of changes in equity

for the year ended 30 June 2008

	Note	2008 \$'000	2007 \$'000
<b>Balance of equity at start of period</b>		<b>29,887</b>	<b>28,200</b>
<b>CONTRIBUTED EQUITY</b>	<b>29</b>		
Balance at start of period		22,020	15,880
Capital contribution		2,000	6,140
Other contributions by owners		-	-
Balance at end of period		24,020	22,020
<b>RESERVES</b>	<b>29</b>		
Asset Revaluation Reserve			
Balance at start of period		641	451
Gains from asset revaluation		17,598	190
Balance at end of period		18,239	641
<b>ACCUMULATED SURPLUS/(DEFICIT)</b>	<b>29</b>		
Balance at start of period		7,226	11,869
Surplus for the period		10,819	(4,643)
Balance at end of period		18,045	7,227
<b>Balance of equity at end of period</b>		<b>60,304</b>	<b>29,887</b>
Total income and expense for the period		<b>28,417</b>	<b>(4,453)</b>

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



# Cash flow statement

for the year ended 30 June 2008

	Note	2008 \$'000	2007 \$'000
<b>CASH FLOWS FROM STATE GOVERNMENT</b>			
Service appropriation		48,099	44,948
Capital contributions		2,000	6,140
Holding account drawdowns		341	347
<b>Net cash provided by State Government</b>		<b>50,440</b>	<b>51,435</b>
<b>Utilised as follows:</b>			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Payments</b>			
Employee benefits		(12,256)	(11,414)
Supplies and services		(13,485)	(10,202)
Grants and subsidies		(27,395)	(28,903)
Accommodation		(1,268)	(1,360)
Capital User Charge		-	(2,094)
GST payments on purchases		(5,364)	(4,116)
Other Payments		(192)	(544)
<b>Receipts</b>			
User fees and charges		2,771	2,259
Commonwealth grants and contributions		868	977
GST receipts on sales		1,727	462
GST receipts from taxation authority		3,172	3,722
Other receipts		12,029	3,652
<b>Net cash used in operating activities</b>	30(b)	<b>(39,393)</b>	<b>(47,561)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Loans/advances		(100)	-
Repayments of loans and advances		460	715
Purchase of non-current physical assets		(221)	(8,541)
WIP- Major Stadia		(986)	-
<b>Net cash used in investing activities</b>		<b>(847)</b>	<b>(7,826)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>10,201</b>	<b>(3,952)</b>
Cash and cash equivalents at the beginning of period		6,631	10,583
<b>CASH AND CASH EQUIVALENTS AT THE END OF PERIOD</b>	30(a)	<b>16,832</b>	<b>6,631</b>

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

# Schedule of expenses and revenues by service

for the year ended 30 June 2008

	Infrastructure and organisational development		People development in sport and recreation		Recreation camps management		Total	
	2007/08	2006/07	2007/08	2006/07	2007/08	2006/07	2007/08	2006/07
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>COST OF SERVICES</b>								
<b>Expenses from ordinary activities</b>								
Employee expenses	7,624	6,045	2,325	2,592	2,576	3,013	12,525	11,650
Supplies and services	7,755	5,748	2,365	2,465	2,620	2,865	12,740	11,078
Depreciation and amortisation expenses	918	498	279	214	310	249	1,509	961
Accommodation expenses	797	726	243	311	269	362	1,310	1,399
Grants and subsidies	27,483	27,343	2,413	1,884	-	-	29,896	29,227
Capital User Charge	-	1,174	-	851	-	69	-	2,094
Other Expenses	67	305	21	131	23	152	111	588
Cost of disposal of non-current assets	1	(1)	-	-	-	-	-	(1)
<b>Total cost of services</b>	<b>44,645</b>	<b>41,839</b>	<b>7,646</b>	<b>8,447</b>	<b>5,798</b>	<b>6,710</b>	<b>58,091</b>	<b>56,996</b>
<b>Income from ordinary activities</b>								
User charges and fees	1	11	290	489	2,338	1,766	2,629	2,266
Commonwealth grants and contributions	274	309	594	668	-	-	868	977
Other revenues from ordinary activities	11,863	908	4,103	2,027	126	35	16,092	2,970
<b>Total income from ordinary activities</b>	<b>12,138</b>	<b>1,228</b>	<b>4,987</b>	<b>3,184</b>	<b>2,464</b>	<b>1,801</b>	<b>19,589</b>	<b>6,213</b>
<b>NET COST OF SERVICES</b>	<b>32,507</b>	<b>40,611</b>	<b>2,659</b>	<b>5,263</b>	<b>3,334</b>	<b>4,909</b>	<b>38,502</b>	<b>50,783</b>
<b>INCOME FROM STATE GOVERNMENT</b>								
Service Appropriation	31,531	26,176	10,346	12,995	7,390	6,897	49,267	46,068
Liabilities assumed by the Treasurer	-	30	-	15	-	8	-	53
Resources received free of charge	30	14	10	7	7	4	47	24
<b>Total income from State Government</b>	<b>31,561</b>	<b>26,218</b>	<b>10,356</b>	<b>13,016</b>	<b>7,397</b>	<b>6,908</b>	<b>49,314</b>	<b>46,145</b>
<b>SURPLUS/ (DEFICIT) FOR THE PERIOD</b>	<b>(946)</b>	<b>(14,391)</b>	<b>7,697</b>	<b>7,753</b>	<b>4,063</b>	<b>2,000</b>	<b>10,812</b>	<b>(4,643)</b>

The Schedule of Expenses and Revenues by Service should be read in conjunction with the accompanying notes.

# Summary of consolidated fund appropriations and income statements

for the year ended 30 June 2008

	2008 Estimate \$'000	2008 Actual \$'000	Variance \$'000	2008 Actual \$'000	2007 Actual \$'000	Variance \$'000
<b>DELIVERY OF SERVICES</b>						
Item 60 Net amount appropriated to deliver services	33,440	26,543	(6,897)	26,543	27,906	(1,363)
Item 61 Contribution to Community Sporting and Recreation Facilities Fund	16,200	9,700	(6,500)	9,700	5,200	4,500
Amount Authorised by Other Statutes:						
Lotteries Commission Act 1990	11,112	12,000	888	12,000	12,000	-
Salaries and Allowances Act 1975	194	197	3	197	189	8
<b>Total appropriations provided to deliver services</b>	<b>60,946</b>	<b>48,440</b>	<b>(12,506)</b>	<b>48,440</b>	<b>45,295</b>	<b>3,145</b>
<b>CAPITAL</b>						
Capital Contribution	100	2,000	(1,900)	2,000	6,140	(4,140)
<b>GRAND TOTAL</b>	<b>61,046</b>	<b>50,440</b>	<b>(10,606)</b>	<b>50,440</b>	<b>51,435</b>	<b>(995)</b>
<b>Details of Expenses by Service</b>						
Infrastructure and organisational development	53,164	44,644	8,520	44,644	41,839	2,806
People development in sport and recreation	7,391	7,647	(256)	7,647	8,448	(801)
Recreation Camps Management	4,075	5,799	(1,724)	5,799	6,710	(911)
Total Costs of Services	64,630	58,090	6,540	58,090	56,997	1,094
Less total revenues from ordinary activities	(3,484)	(19,590)	16,106	(19,590)	(16,283)	(3,306)
	61,146	38,500	22,646	38,500	40,714	(2,213)
Adjustments (i)	(200)	9,940	(10,140)	9,940	4,982	4,957
<b>Total appropriations provided to deliver services</b>	<b>60,946</b>	<b>48,440</b>	<b>12,506</b>	<b>48,440</b>	<b>45,696</b>	<b>2,745</b>
<b>Capital Expenditure</b>						
Purchase of non-current physical assets	100	1,212	(1,112)	1,212	8,541	(7,329)
Grants provided for capital purposes	-	-	-	-	-	-
Adjustments for other funding sources	-	788	(788)	788	(2,401)	3,189
<b>Capital Contribution (appropriation)</b>	<b>100</b>	<b>2,000</b>	<b>(1,900)</b>	<b>2,000</b>	<b>6,140</b>	<b>(4,140)</b>

(i) Adjustments are related to movements in cash balances and other accrual items such as receivables, payables and superannuation.

The Summary of Consolidated Fund Appropriations, Variance to Budget and Actual should be read in conjunction with the accompanying notes.

This Summary provides the basis for the Explanatory Statement information requirements of TI 945, set out in Note 34.

# Notes to the financial statements

## 1 Departmental mission and funding

The Department's mission is to enhance the quality of life of Western Australians through their participation and achievement in sport and recreation.

The Department is predominantly funded by Parliamentary appropriation supplemented by user charges levied for use of camp facilities on a fee-for-service basis. The financial statements encompass all funds through which the Department controls resources to carry on its functions.

## 2 Australian equivalents to International Financial Reporting Standards

### General

The Department's financial statements for the year ended 30 June 2008 have been prepared in accordance with Australian equivalents to International Financial Reporting Standards (IFRS), which comprises a Framework for the Preparation and Presentation of Financial Statements (the Framework) and Australian Accounting Standards (including the Australian Accounting Interpretations).

In preparing these financial statements the Department has adopted, where relevant to its operations, new and revised Standards and Interpretations from their operative dates as issued by the AASB and formerly the Urgent Issues Group (UIG).

### Early adoption of standards

The Department cannot early adopt an Australian Accounting Standard or Australian Accounting Interpretation unless specifically permitted by TI 1101 'Application of Australian Accounting Standards and Other Pronouncements'. No Standards and Interpretations that have been issued or amended but are not yet effective have been early adopted by the Department for the annual reporting period ended 30 June 2008.

## 3 Summary of significant accounting policies

### (a) General Statement

The financial statements constitute a general purpose financial report which has been prepared in accordance with the Australian Accounting Standards, Statements

of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board 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 Management Act and the Treasurer's Instructions are legislative provisions governing the preparation of financial statements and take precedence over the Accounting Standards, UIG Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board.

Where modification is required and has a material or significant financial effect upon the reported results, details of that modification and the resulting financial effect are disclosed in the notes to the financial statements.

### (b) Basis of Preparation

The financial statements have been prepared in accordance with Accounting Standard AAS 29 Financial Reporting by Government Departments on the accrual basis of accounting using the historical cost convention, modified by the revaluation of land, buildings and infrastructure which have been measured at fair value.

The accounting policies adopted in the preparation of the financial statements have been consistently applied throughout all periods presented unless otherwise stated.

The financial statements are presented in Australian dollars and all values are rounded to the nearest thousand dollars (\$'000).

### (c) Reporting Entity

The reporting entity is the Department. There are no related bodies.

### (d) Contributed Equity

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

# Notes to the financial statements

## 3 Summary of significant accounting policies continued

Transfer of net assets to/from other agencies are designated as contributions by owners where the transfers are non discretionary and non reciprocal. See note 29 'Equity'.

### (e) Income

#### *Revenue*

Revenue is measured at the fair value of consideration received or receivable. Revenue is recognised for the major business activities as follows:

#### *Sale of goods*

Revenue is recognised from the sale of goods and disposal of other assets when the significant risks and rewards of ownership control transfer to the purchaser.

#### *Rendering of services*

Revenue is recognised upon delivery of the service to the client or by reference to the stage of completion.

#### *Service Appropriations*

Service Appropriations are recognised as revenues in the period in which the Department gains control of the appropriated funds. The Department gains control of appropriated funds at the time those funds are deposited into the Department's bank account or credited to the holding account held at the Department of Treasury and Finance. See note 17 'Income from State Government' for further detail.

#### *Net Appropriation Determination*

The Treasurer may make a determination providing for prescribed revenues to be retained for services under the control of the Department. In accordance with the determination specified in the 2008/2009 Budget Statements, the Department retained \$19,595M in 2008 (\$6,212M in 2007) from the following

- *proceeds from fees and charges;*
- *Commonwealth specific purpose grants and contributions;*
- *revenues derived from the sale of real property;*
- *one-off gains with a value of less than \$10,000 derived*
- *from the sale of property other than real property; and*
- *other departmental revenue.*

#### *Grants, donations, gifts and other non-reciprocal contributions*

Revenue is recognised at fair value when the

Department obtains control over the assets comprising the contributions which is usually when cash is received.

Income due under the Lotteries Commission Act (1990) is recognised as revenue when due to the Department. Accordingly, amounts due but not received are recognised as accrued income.

#### *Gains*

Gains may be realised or unrealised and are usually recognised on a net basis. These include gains arising on the disposal of non current assets and some revaluations of non current assets.

### (f) Property, plant and equipment

#### *Capitalisation/Expensing of assets*

Items of property, plant and equipment costing more than \$5,000 are recognised as assets and the cost of utilising assets is expensed (depreciated) over their useful lives. Items of property, plant and equipment costing less than \$5,000 are immediately expensed direct to the Income Statement (other than where they form part of a group of similar items which are significant in total).

#### *Initial recognition and measurement*

All items of property, plant and equipment are initially recognised at cost.

For items of property, plant and equipment acquired at no cost or for nominal consideration, the cost is their fair value at the date of acquisition.

#### *Subsequent measurement*

After recognition as an asset, the Department uses the revaluation model for the measurement of land and buildings, and the cost model for all other property, plant and equipment. Land and buildings are carried at fair value less accumulated depreciation on buildings and accumulated impairment losses. All other items of property, plant and equipment are carried at historical cost less accumulated depreciation and accumulated impairment losses.

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

Where market evidence is not available, the fair value of land and buildings is determined on the basis of existing use. This normally applies where buildings are specialised or where land use is restricted. Fair value for existing use assets is determined by reference to the cost of replacing the remaining future economic benefits embodied in the asset, ie. the depreciated replacement cost. Where the fair value of buildings is dependent on using the depreciated replacement cost, the gross carrying amount and the accumulated depreciation are restated proportionately.

The revaluation of land and buildings is an independent valuation usually provided on an annual basis by the Department of Land Information (Valuation Services), in 2007-08 the valuation was conducted by the John Stanger Partnership (a Licensed Valuer) on the advice of Valuation Services.

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

Refer to note 23 'Property, plant and equipment' for further information on revaluations.

### **Depreciation**

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

Land is not depreciated. Depreciation on other assets is calculated using the straight line basis, using rates which are reviewed annually. Estimated useful lives for each class of depreciable asset are:

Buildings	20 - 40 years
Furniture & Fittings	5 years
Equipment	3 - 5 years
Computer Hardware	3 years
Computer Software	3 years

Motor vehicles used by the Department are leased. See note 3(i).

## **(g) Intangible Assets**

### **Capitalisation/Expensing of assets**

Acquisitions of intangible assets costing over \$5,000 and internally generated intangible assets costing over \$5,000 are capitalised. The cost of utilising the assets is expensed (amortised) over their useful life. Costs incurred below these thresholds are immediately expensed directly to the Income Statement.

All acquired and internally developed intangible assets are initially recognised at cost. For assets acquired at no cost or for nominal consideration, the cost is their fair value at the date of acquisition.

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

The carrying value of intangible assets is reviewed for impairment annually when the asset is not yet in use, or more frequently when an indicator of impairment arises during the reporting year indicating that the carrying value may not be recoverable.

Amortisation for intangible assets with finite useful lives is calculated for the period of the expected benefit (estimated useful life) on the straight line basis using rates which are reviewed annually. All intangible assets controlled by the Department have a finite useful life and zero residual value. The expected useful lives for each class of intangible asset are:

Software	3 years
Web site costs	3 years

### **Computer Software**

Software that is an integral part of the related hardware is treated as property, plant and equipment. Where the software is not an integral part of the related hardware, it is treated as an intangible asset. Software costing less than \$1,000 is expensed in the year of acquisition.

### **Web site costs**

Website costs are charged as expenses when they are incurred unless they relate to the acquisition or development of an asset, when they may be capitalised and amortised. Generally, costs in relation to feasibility studies during the planning phase of a web site and



# Notes to the financial statements

## 3 Summary of significant accounting policies continued

ongoing costs of maintenance during the operating phase are expensed. Costs incurred in building or enhancing a web site, to the extent that they represent probable future economic benefits controlled by the Department that can be reliably measured, are capitalised.

### (h) Impairment of Assets

Property, plant and equipment and intangible assets are tested for any indication of impairment at each reporting date. Where there is an indication of impairment, the recoverable amount is estimated. Where the recoverable amount is less than the carrying amount, the asset is written down to the recoverable amount and an impairment loss is recognised. As the Department is a not for profit entity, unless an asset has been identified as a surplus asset, the recoverable amount is the higher of an asset's fair value less costs to sell and depreciated replacement cost.

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

The Department tests intangible assets with an indefinite useful life and intangible assets not yet available for use for impairment each reporting date irrespective of whether there is any indication of impairment. The recoverable amount of assets identified as surplus assets is the higher of fair value less costs to sell and the present value of future cash flows expected to be derived from the asset. Surplus assets carried at fair value, have no risk of material impairment where fair value is determined by reference to market evidence. Where fair value is determined by reference to depreciated replacement cost surplus assets at risk of impairment and recoverable amount is measured. Surplus assets at cost are tested for indications of impairments at each reporting date.

See note 25 'Impairment of assets' for the outcome of impairment reviews and testing.

See note 3(o) 'Receivables' and note 20 'Receivables' for impairment of receivables.

### (i) Leases

The Department holds operating leases for head office,

a number of branch office buildings and motor vehicles. Lease payments are expensed on a straight line basis over the lease term as this represents the pattern of benefits derived from the leased properties and vehicles.

### (j) Financial Instruments

The Department has two categories of financial instrument:

- Loans and receivables (includes cash and cash equivalents); and
- Non trading financial liabilities.

These have been disaggregated into the following classes:

#### *Financial Assets*

- Cash and cash equivalents
- Restricted cash and cash equivalents
- Receivables
- Amounts receivable for services

#### *Financial Liabilities*

- Payables

Initial recognition and measurement of financial instruments is at fair value which normally equates to the transaction cost or face value. Usually the transaction cost or face value is equivalent to the fair value. Subsequent measurement is at amortised cost using the effective interest method.

The fair value of short-term receivables and payables is the transaction cost or face value because there is no interest rate applicable and subsequent measurement is not required as the effect of discounting is not material.

### (k) Cash and Cash Equivalents

For the purpose of the Cash Flow Statement, cash and cash equivalents includes restricted cash and cash equivalents. These are comprised of cash on hand and short-term deposits with original maturities of three months or less that are readily convertible to a known amount of cash, and which are subject to insignificant risk of changes in value.

### (l) Accrued Salaries

The accrued salaries suspense account (see note 18) consists of amounts paid annually into a suspense account over a period of 10 financial years to largely



meet the additional cash outflow in each eleventh year when 27 pay days occur in that year instead of the normal 26. No interest is received on this account.

Accrued salaries (refer note 28) 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. Accrued salaries are settled within a few days of the financial year end. The Department considers the carrying amount of accrued salaries to be equivalent to the net fair value.

#### (m) Amounts Receivable for Services (Holding Account)

The Department receives appropriation funding on an accrual basis that recognises the full annual cash and non cash cost of services. The appropriations are paid in the form of cash and partly as an asset (Holding Account receivable) that is accessible on the emergence of the cash funding requirement to cover items such as leave entitlements and asset replacement.

See also note 17 'Income from State Government' and note 21 'Amounts receivable for services'.

#### (n) Inventories

Inventories are measured 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.

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

#### (o) Receivables

Receivables are recognised and carried at original invoice amount less any provision for uncollectible amounts (impairment). The collectability of receivables is reviewed on an ongoing basis and any receivables identified as uncollectible are written off. The provision for uncollectible amounts (doubtful debts) is raised when collectability is no longer probable. The carrying amount is equivalent to fair value as it is due for settlement within 30 days. See note 3(j) 'Financial Instruments and note 20 'Receivables'.

#### (p) Payables

Payables are recognised when the Department becomes obliged to make future payments as a result of a

purchase of assets or services at the amounts payable. The carrying amount is equivalent to fair value, as they are generally settled within 30 days. See note 3(j) 'Financial Instruments and note 26 'Payables'.

#### (o) Receivables

Receivables are recognised and carried at original invoice amount less any provision for uncollectible amounts (impairment). The collectability of receivables is reviewed on an ongoing basis and any receivables identified as uncollectible are written off. The provision for uncollectible amounts (doubtful debts) is raised when collectability is no longer probable. The carrying amount is equivalent to fair value as it is due for settlement within 30 days. See note 3(j) 'Financial Instruments and note 20 'Receivables'.

#### (p) Payables

Payables are recognised when the Department becomes obliged to make future payments as a result of a purchase of assets or services at the amounts payable. The carrying amount is equivalent to fair value, as they are generally settled within 30 days. See note 3(j) 'Financial Instruments and note 26 'Payables'.

#### (q) Provisions

Provisions are liabilities of uncertain timing and amount. The Department only recognises a provision where there is a present legal, equitable or constructive obligation as a result of a past event and when the outflow of economic benefits is probable and can be measured reliably. Provisions are reviewed at each balance sheet reporting date and adjusted to reflect the current best estimate. See note 27 'Provisions'

#### (i) Provisions — Employee Benefits

##### ***Annual Leave and Long Service Leave***

The liability for annual and long service leave expected to be settled within 12 months after the end of the reporting date is recognised and measured at the undiscounted amounts expected to be paid when the liabilities are settled. Annual and long service leave expected to be settled more than 12 months after the end of the reporting date is measured at the present value of amounts expected to be paid when the liabilities are settled. Leave liabilities are in respect of services provided by employees up to the reporting date.

When assessing expected future payments

# Notes to the financial statements

## 3 Summary of significant accounting policies continued

consideration is given to expected future wage and salary levels including non salary components such as employer superannuation contributions. In addition, the long service leave liability also considers the experience of employee departures and periods of service.

A liability for long service leave is recognised as soon as an employee commences service. An actuarial assessment of long service leave undertaken by Barton Consultancy in 2004 determined that the liability measured using the short hand method was not materially different from the liability measured using the present value of expected future payments.

All annual leave and unconditional long service leave provisions are classified as current liabilities as the Department does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

### **Superannuation**

The Government Employees Superannuation Board (GESB) administers the following superannuation schemes.

Employees may contribute to the Pension Scheme, a defined benefit pension scheme now closed to new members or the Gold State Superannuation Scheme (GSS), a defined benefit lump sum scheme also closed to new members. The Department has no liabilities for superannuation charges under the Pension or the GSS Schemes as the liability has been assumed by the Treasurer.

Employees who are not members of either the Pension or the GSS Schemes become non contributory members of the West State Superannuation Scheme, an accumulation fund. The Department makes concurrent contributions to GESB on behalf of employees in compliance with the Commonwealth Government's Superannuation Guarantee (Administration) Act 1992. These contributions extinguish the liability for superannuation charges in respect of the WSS Scheme.

The GESB makes all benefit payments and is recouped by the Treasurer for the employer share in respect of the Pension and GSS Schemes.

See also note 3(r) 'Superannuation expense'.

## (ii) Provisions — Other

### **Employment On Costs**

Employment on-costs, including workers' compensation insurance, are not employee benefits and are recognised as liabilities and expenses when the employment to which they relate has occurred. Employment on-costs are not included as part of the Department's 'Employee benefits expense' and the related liability is included in Employment on-costs provision.

## (r) Superannuation Expense

The following elements are included in calculating the superannuation expense:

(a) Defined benefit plans - Change in the unfunded employer's liability assumed by the Treasurer in respect of current employees who are members of the Pension Scheme and current employees who accrued a benefit on transfer from that Scheme to the Gold State Superannuation Scheme; and

(b) Defined contribution plans - Employer contributions paid to the West State Superannuation Scheme (WSS) and the equivalent of employer contributions to the Gold State Superannuation Scheme (GSS).

Defined benefit plans - in order to reflect the true cost of services, the movements in the liabilities in respect of the Pension Scheme and the GSS transfer benefits are recognised as expenses. As these liabilities are assumed by the Treasurer (refer note 3(q)(i)), a revenue titled 'Liabilities assumed by the Treasurer' equivalent to the expense is recognised under Income from State Government in the Income Statement (see note 17 'Income from State Government').

Defined contribution plans - in order to reflect the true cost of services of the Department, the Department is funded for the equivalent of employer contributions in respect of the GSS Scheme (excluding transfer benefits). These contributions were paid to the GESB during the year and placed in a trust account administered by the GESB on behalf of the Treasurer. The GESB subsequently paid these employer contributions in respect of the GSS Scheme to the Consolidated Fund.

## (s) Resources Received Free of Charge or For Nominal Consideration

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

#### (t) Comparative Figures

Comparative figures have been restated on the AIFRS basis except for financial instruments information which has been prepared under the previous AGAAP Australian Accounting Standard AAS 33 'Presentation and Disclosure of Financial Instruments'. The transition date to AIFRS for financial instruments is 1 July 2005 in accordance with the exemption allowed under AASB1, paragraph 36A and Treasurer's Instruction 1101.

### 4 Disclosure of changes in accounting policies and estimates

Initial application of an Australian Accounting Standard

The Department has applied the following Australian Accounting Standards and Australian Accounting Interpretations effective for annual reporting periods beginning on or after 1 July 2007 that impacted on the Department:

1. AASB 7 'Financial Instruments: Disclosures' (including consequential amendments in AASB 2005-10 'Amendments to Australian Accounting Standards [AASB 132, AASB 101, AASB 114, AASB 117, AASB 133, AASB 139, AASB 1, AASB 4, AASB 1023 & AASB 1038]'). This Standard requires new disclosures in relation to financial instruments and while there is no financial impact, the changes have resulted in increased disclosures, both quantitative and qualitative, of the Department's exposure to risks, including enhanced disclosure regarding components of the Department's financial position and performance, and changes to the way of presenting certain items in the notes to the financial statements.

The Department cannot early adopt an Australian Accounting Standard or Australian Accounting Interpretation unless specifically permitted by TI 1101 'Application of Australian Accounting Standards and Other Pronouncements'. Consequently, the Department has not applied the following Australian Accounting Standards and Australian Accounting Interpretations that have been issued and which may impact the Department but are not yet effective. Where applicable, the Department plans to apply these Standards and Interpretations from their application date:

Title	Operative for reporting periods beginning on/after
AASB 101 'Presentation of Financial Statements' (September 2007). This Standard has been revised and will change the structure of the financial statements. These changes will require that owner changes in equity are presented separately from non-owner changes in equity. The Department does not expect any financial impact when the Standard is first applied.	1 January 2009
Review of AAS 27 'Financial Reporting by Local Governments', 29 'Financial Reporting by Government Departments and 31 'Financial Reporting by Governments'. The AASB has made the following pronouncements from its short term review of AAS 27, AAS 29 and AAS 31:	1 January 2009
AASB 1004 'Contributions' (December 2007).	1 July 2008
AASB 1050 'Administered Items' (December 2007).	1 July 2008
AASB 1051 'Land Under Roads' (December 2007).	1 July 2008
AASB 1052 'Disaggregated Disclosures' (December 2007)	1 July 2008
AASB 2007-9 'Amendments to Australian Accounting Standards arising from the review of AASs 27, 29 and 31 [AASB 3, AASB 5, AASB 8, AASB 101, AASB 114, AASB116, AASB 127 & AASB 137] (December 2007	1 July 2008
Interpretation 1038 'Contributions by Owners Made to Wholly-Owned Public Sector Entities (December 2007).	1 July 2008

The existing requirements in AAS27, AAS 29 and AAS 31 have been transferred to the above new and existing topic-based Standards and Interpretation. These requirements remain substantively unchanged. The new and revised Standards make some modifications to disclosures, otherwise there will be no financial impact.

# Notes to the financial statements

## 5 Services of the Department

Information about the Department's services is set out in the Schedule of Expenses and Revenues by Service. From 1 July 2005, the Recreation Camps and Reserve Board was amalgamated with the Department. This resulted in an additional service being added to the Department's responsibilities.

The three key services of the Department are:

### Service 1: Infrastructure and Organisational Development

This service provides industry leadership and support for infrastructure and organisational development, through funding and advice to sport and recreation organisations statewide, including state and local government.

### Service 2: People Development in Sport and Recreation

This service provides information, advice and education support to personnel involved in sport and recreation service delivery (e.g. coaches, officials, local governments, facility and trails managers, administrators and volunteers).

### Service 3: Recreation Camps Management

This service provides recreation camp programming opportunities (with associated catering and accommodation services) through a camp network.

	2008 \$'000	2007 \$'000
<b>6 Employee benefits expense</b>		
Salaries	9,742	9,189
Superannuation – defined contribution plans (West State/Gold State)	1,056	877
Superannuation – defined benefit plans (Gold State)	-	52
Long service leave (i)	242	238
Annual leave (i)	867	828
Other related expenses	619	467
	<u>12,525</u>	<u>11,650</u>

(i) Includes a superannuation contribution component

## 7 Supplies and services

Communications	533	432
Consultants and contractors	9,701	5,813
Materials	1,221	955
Motor vehicles	532	475
Travel	336	285
Other	417	3,117
	<u>12,740</u>	<u>11,078</u>

	2008 \$'000	2007 \$'000
<b>8 Depreciation and amortisation expense</b>		
Depreciation		
Furniture and fittings	212	236
Plant and equipment	12	10
Buildings	1,152	546
Computer equipment	62	91
Total depreciation	1,438	883
Amortisation		
Intangible assets	70	78
Total amortisation	70	78
Total depreciation and amortisation	1,509	961

## 9 Accommodation expenses

Lease rentals	979	939
Repairs and maintenance	208	360
Cleaning	123	100
	1,310	1,399

## 10 Grants and subsidies

### Recurrent

Sports financial grants	6,111	12,003
Advances (i)	600	600
Sports Lotteries Account	10,890	11,079
Community Sporting and Recreational Funds	12,295	5,545
	29,896	29,227

(i) Amounts totaling \$600,000 (2006: \$600,000) were advanced to the Western Australian Cricket Association (WACA) during the year to assist in the repayment of external finance. Under the Financial Assistance Agreement proposed between the Department and the WACA, these amounts will become repayable to the Department in the event that undertakings given by the WACA are not met. A further \$600,000 is scheduled to be advanced to the WACA in 2009/10 in the final year of the agreement.

## Notes to the financial statements

	2008 \$'000	2007 \$'000
<b>11 Capital user charge</b>		
Capital user charge	-	2,094
The charge was a levy applied by Government for the use of its capital. The final charge was levied in 2006-07		
<b>12 Other expenses</b>		
Equipment repairs and maintenance	106	586
Doubtful Debts	-	(2)
Employment on-costs (i)	5	4
	<b>111</b>	<b>588</b>
(i) Includes workers' compensation insurance and other employment on-costs. The on-costs liability associated with the recognition of annual and long service leave liability is included at note 27 'Provisions'. Superannuation contributions accrued as part of the provision for leave are employee benefits and are not included in employment on-costs.		
<b>13 User charges and fees</b>		
Accommodation	1,208	1,196
Fees from seminars	148	101
Meals	143	108
Programs	1,130	861
	<b>2,629</b>	<b>2,266</b>
<b>14 Commonwealth grants and contributions</b>		
ATSIC - Aboriginal Young People's Sport and Recreation	668	656
Australian Sports Commission	200	175
Other	(0)	146
	<b>868</b>	<b>977</b>
<b>15 Other revenue</b>		
Healthway	267	375
Rio Tinto Ltd	8	12
Expenditure Recoups	4,135	2,392
Logue Brook Trust	10,000	-
Other revenues	1,681	191
	<b>16,092</b>	<b>2,970</b>

	2008 \$'000	2007 \$'000
<b>16 Net gain/(loss) on disposal of non-current assets</b>		
<b>Costs of Disposal of Non-Current Assets</b>		
Computer equipment	-	1
<b>Proceeds from Disposal of Non-Current Assets</b>	5	-
Computer equipment		
Net Gain/(Loss)	5	(1)

## 17 Income from State Government

Appropriation revenue received during the year:

Service appropriations (i)	49,267	46,065
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The following liabilities have been assumed by the Treasurer during the financial year:

Superannuation (ii)	-	52
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Resources received free of charge: (iii)

Determined on the basis of the following estimates provided by agencies:

Crown Solicitors Office	47	24
	49,314	46,141

(i) Service appropriations are accrual amounts reflecting the full cost of services delivered. The appropriation revenue comprises a cash component and a receivable (asset). The receivable (holding account) comprises the depreciation expense for the year and any agreed increase in leave liability during the year.

(ii) The assumption of the superannuation liability by the Treasurer is only a notional revenue to offset the notional superannuation expense reported in respect of current employees who are members of the pension scheme and current employees who have a transfer benefit entitlement under the Gold State scheme. The notional superannuation expense is disclosed at Note 6 'Employee Benefits Expense'

(iii) Where assets or services have been received free of charge or for nominal consideration, the Department recognises revenues (except where the contributions of assets or services are in the nature of contributions by owners in which case the Department shall make a direct adjustment to equity) equivalent to the fair value of the assets and/or the fair value of those services that can be reliably determined and which would have been purchased if not donated, and those fair values shall be recognised as assets or expenses, as applicable.



## Notes to the financial statements

	2008 \$'000	2007 \$'000
<b>18 Restricted cash and cash equivalents</b>		
<b>Current</b>		
Community Sporting and Recreation Facilities Fund (i)	966	2,102
Sports Lotteries Account (iii)	4,387	4,085
ATSIC (iv)	101	31
ASC (iv)	21	36
Healthway (iv)	115	92
RIO (iv)	55	58
Alcoa of Australia Account (iv)	-	-
Logue Brook Trust (ii)	10,000	-
	<b>15,645</b>	<b>6,404</b>
<b>Non Current</b>		
Accrued salaries suspense account (v)	115	74
	<b>115</b>	<b>74</b>
<b>Total</b> Refer note 30 (a)	<b>15,760</b>	<b>6,478</b>

### The purposes of these accounts are set out below:

(i) Following the withdrawal of publication of Treasurer's Annual Statements Agency's are now required to report additional information for Trust Balances defined by section 16(1) of the Financial Management Act 2006. The Community Sporting and Recreation Facilities Fund (CSRFF) and the Logue Brook Trust Fund (LBTF) are the only accounts held by the Department which fall within the scope of this requirement. The purpose of the CSRFF account is to hold monies appropriated for the purpose of making grants for the development of public sporting and recreation facilities, and for the management and administration of those grants.

Opening Balance of CSRFF Account	2,102	2,317
Receipts	9,700	5,200
Payments	10,836	5,415
Closing Balance of CSRFF Account	<b>966</b>	<b>2,102</b>

(ii) The purpose of the LBTF account is to hold monies appropriated for the purpose of funding the identification and re-establishment of recreation amenities, where practical, within the localities of nearby dams and inland water bodies following cessation of recreational access to Logue Brook.

	<b>2008</b>	<b>2007</b>
	<b>\$'000</b>	<b>\$'000</b>

## 18 Restricted cash and cash equivalents continued

Opening Balance of LBTF Account		
Receipts	10,000	-
Payments	-	-
Closing Balance of LBTF Account	<u>10,000</u>	<u>-</u>

(iii) The purpose of the Sports Lotteries Account is to hold funds received by the Department of Sport and Recreation from Lotterywest pursuant to Section 22(2)(c) of the Lotteries Commission Amendment Act 1993.

(iv) Funds are being held on behalf of a number of organisations for a variety of sport development programs and initiatives ranging from work with specific target groups such as indigenous Australians, women and youth, to coaching, officiating and sport management initiatives and reviews.

(v) Amount held in the suspense account is only to be used for the purpose of meeting the 27th pay in a financial year that occurs every 11 years. AASB 101.57(d) requires cash and cash equivalents to be classified as current assets unless it is restricted in its use beyond twelve months. Accordingly, this suspense account will be non-current for 10 out of 11 years.

Where there is a balance of cash received as capital contributions remaining at year-end, this cash should not be disclosed as a restricted cash equivalents.

## 19 Inventories

### Current

Inventories held for resale

Saleable publications and merchandise (at cost)	<u>5</u>	<u>5</u>
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## Notes to the financial statements

	2008 \$'000	2007 \$'000
<b>20 Receivables</b>		
<b>Current</b>		
Receivables	406	355
Allowance for impairment of receivables	-	-
GST receivable	<b>1,157</b>	<b>446</b>
	1,563	801
 Prepayments	119	-
 Loans and advances (i):	100	330
– Other debtors	-	-
<b>Total current</b>	<b>1,782</b>	<b>1,131</b>
<b>Non-current</b>		
Loans and advances	-	-
– Other debtors	-	-
<b>Total non-current</b>	-	-
Reconciliation of changes in the allowance for impairment of receivables:		
<b>Balance at start of year</b>	-	(3)
 Doubtful debts expense recognised in the income statement	-	(2)
Amounts written off during the year	1	-
Amount recovered during the year	-	5
<b>Balance at end of year</b>	<b>1</b>	<b>-</b>
 <b>Credit Risk</b>		
Ageing of receivables past due but not impaired based on the information provided to senior management, at the balance sheet date:		
Not more than 3 months	1,695	1,130
More than 3 months but less than 6 months	73	1
More than 6 months but less than 1 year	6	-
More than 1 year	8	-
	<b>1,782</b>	<b>1,131</b>

	2008 \$'000	2007 \$'000
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## 20 Receivables continued

Receivables individually determined as impaired at the balance sheet date:

Carrying amount, before deducting any impairment loss

Impairment loss

-	-
-	-

The Department does not hold any collateral as security or other credit enhancements relating to receivables.

(i) Loan to WA Rugby League

Financial assistance of \$100,000 was provided to WA Rugby League in 2007/08 for costs associated with the establishment of a WA Red Team. The term of the loan is one year. The parties can agree to vary the manner, amount and times of any repayment of the loan amount.

Whilst the nature of the loan is non-interest bearing, the State has the authority within the loan agreement to charge interest on any late payments at a rate equivalent to the Official Cash Rate set by the Reserve Bank of Australia.

If an Event of Default occurs there is no additional security on the loan other than the power to deduct any amounts payable by the State on any account.

See also note 3(o) 'Receivables' and note 35 'Financial instruments'.

## 21 Amounts receivable for services

Current

354

341

Non-current

2,597

1,783

2,951

2,124

This asset represents the non-cash component of service appropriations (see note 3(m) 'Amounts Receivable for Services (Holding Account)'). It is restricted in that it can only be used for asset replacement or payment of leave liability.

## 22 Other Assets

### Current

Accrued Income

3,976

245

3,976

245

## Notes to the financial statements

	2008 \$'000	2007 \$'000
<b>23 Property, plant and equipment</b>		
Freehold land	716	801
At fair value	716	801
Buildings		
At fair value	38,740	23,041
Accumulated depreciation	-	(897)
	38,740	22,144
Major Stadia		
Work-In-Progress	998	-
Plant and equipment		
At cost	1,736	1,656
Accumulated depreciation	(796)	(573)
	940	1,084
Office equipment		
At cost	407	335
Accumulated depreciation	(372)	(310)
	35	25
	41,429	24,053

Freehold land and buildings were revalued as at 30 June 2008 by the Department of Land Information (Valuation Services). The valuations were performed during the year ended 30 June 2008 and recognised at 30 June 2008. In undertaking the revaluation, fair value was determined by reference to market values for land: \$801,000 and buildings: \$38,740,000. See note 3(f) 'Property, Plant and Equipment'.

## 23 Property, plant and equipment

### Reconciliations

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

	Freehold Land	Buildings	Buildings Under Construction	Plant and equipment	Office equipment	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>2008</b>						
Carrying amount at start of year	801	22,144	-	1,145	39	24,129
Additions	-	65	998	19	58	1,140
Revaluation Increments	(85)	17,683	-	-	-	17,598
Disposals	-	-	-	-	-	-
Depreciation	-	(1,152)	-	(224)	(62)	(1,438)
<b>Carrying amount at end of year</b>	<b>716</b>	<b>38,740</b>	<b>998</b>	<b>940</b>	<b>35</b>	<b>41,429</b>
<b>2007</b>						
Carrying amount at start of year	611	8,753	5,479	1,378	55	16,275
Additions	-	13,937	(5,479)	13	75	8,546
Revaluation Increments	190	-	-	-	-	190
Disposals	-	-	-	-	-	-
Depreciation	-	(546)	-	(307)	(105)	958
<b>Carrying amount at end of year</b>	<b>801</b>	<b>22,144</b>	<b>-</b>	<b>1,084</b>	<b>25</b>	<b>24,053</b>

## Notes to the financial statements

	2008 \$'000	2007 \$'000
<b>24 Intangible assets</b>		
Computer software		
At cost	371	349
Accumulated amortisation	(268)	(198)
	<u>103</u>	<u>151</u>
<b>Reconciliation</b>		
Carrying amount at start of year	151	112
Additions	23	117
Transfers from RCRB	-	-
Amortisation Expense	(70)	(78)
Carrying amount at end of year	<u>103</u>	<u>151</u>

## 25 Impairment of assets

There was no indication of impairment to property, plant and equipment, or intangible assets at 30 June 2008.

The Department held no goodwill or intangible assets with an indefinite useful life during the reporting period and at the reporting date there were no intangible assets not yet available for use.

All surplus assets at 30 June 2008 have been classified as assets held for sale or written off.

## 26 Payables

### Current

Sports Lotteries Account grants	1,161	1,001
Community Sporting and Recreation Facilities Fund grants	1,828	69
Trade and other payables	1,160	1,175
	<u>4,149</u>	<u>2,245</u>

Included in the Trade and Other Payables line are the unspent funds associated with Indian Ocean Territories service delivery arrangements as per the following:

Opening balance from previous year	40	(11)
Receipts from Commonwealth	56	75
Expenditure	71	24
Balance Carried forward	<u>25</u>	<u>40</u>

See also note 3(p) 'Payables' and note 35 'Financial instruments'.



## 27 Provisions

### Current

Employee benefits provision

Annual leave (i)

Long service leave (ii)

Other provisions

Employment on-costs (iii)

2008  
\$'000

2007  
\$'000

591

591

577

460

10

10

1,178

1,061

### Non-current

Employee benefits provision

Long service leave (ii)

Other provisions

Employment on-costs (iii)

819

826

15

15

834

841

(i) Annual leave liabilities have been classified as current as there is no unconditional right to defer settlement for at least 12 months after reporting date. Assessments indicate that actual settlements of all annual leave liabilities will occur within 12 months of the reporting date.

(ii) Long service leave liabilities have been classified as current where there is no unconditional right to defer settlement for at least 12 months after reporting date. Assessments indicate that actual settlement of the liabilities will occur as follows:

Within 12 months of reporting date

577

461

More than 12 months after reporting date

834

841

(iii) The settlement of annual and long service leave liabilities gives rise to the payment of employment on-costs including workers' compensation premiums. The provision is the present value of expected future payments. The associated expense, apart from the unwinding of the discount (finance cost), is included at note 12 'Other expenses'.

1,411

1,302

### Employment on-cost provision

Carrying amount at start of year

49

45

Additional provisions recognised

5

4

On Cost provision assumed from RCRB

-

-

Carrying amount at end of year

54

49

## Notes to the financial statements

	2008 \$'000	2007 \$'000
<b>28 Other liabilities</b>		
<b>Current</b>		
Accrued salaries	267	42
Deposits	347	265
Income received in advance	-	-
	<u>613</u>	<u>307</u>
<b>29 Equity</b>		
Equity represents the residual interest in the net assets of the Department. The Government holds the equity interest in the Department on behalf of the community. The asset revaluation reserve represents that portion of equity resulting from the revaluation of non-current assets.		
<b>Contributed equity</b>		
Balance at the start of the year	22,020	15,880
<b>Contributions by owners</b>		
Capital contribution	2,000	6,140
Transfer of net assets from other agencies (i)	-	-
Balance at the end of the year	<u>24,020</u>	<u>22,020</u>
<b>Reserves</b>		
<b>Asset revaluation reserve:</b>		
Balance at the start of the year	641	451
Land	(85)	190
Buildings	17,683	
Balance at the end of the year	<u>18,239</u>	<u>641</u>
<b>Accumulated surplus</b>		
Balance at the start of the year	7,226	11,869
Result for the period	10,819	(4,643)
Balance at the end of the year	<u>18,045</u>	<u>7,226</u>

<b>2008</b>	<b>2007</b>
<b>\$'000</b>	<b>\$'000</b>

### 30 Notes to the Cash Flow Statement

#### (a) Reconciliation of cash

Cash at the end of the financial year as shown in the Cash Flow Statement is reconciled to the related items in the Balance Sheet as follows:

Cash and cash equivalents	1,072	153
Restricted cash and cash equivalents (refer to note 18)	15,760	6,478
	<u>16,832</u>	<u>6,631</u>

#### (b) Reconciliation of net cost of services to net cash flows used in operating activities:

Net cost of services	(38,495)	(50,784)
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#### Non-cash items

Depreciation and amortisation expense	1,509	961
Superannuation expense (notional)	-	52
Resources received free of charge	47	24
Doubtful debts expense	-	-
Net loss on sale of property, plant and equipment	(5)	(1)

#### (Increase)/decrease in assets:

Current receivables (i)	60	75
Current inventories	(0)	13
Other current assets	(3,731)	789
Non-current receivables	-	-

#### Increase/(decrease) in liabilities:

Current payables (i)	1,904	998
Current provisions	117	98
Other current liabilities	306	81
Non-current provisions	(7)	133
Net GST receipts/(payments) (ii)	(387)	57
Change in GST in receivables/payables (iii)	(711)	(57)
Net cash provided used in operating activities	<u>(39,393)</u>	<u>(47,561)</u>

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

(ii) This is the net GST paid/received, i.e. cash transactions.

(iii) This reverses out the GST in receivables and payables.

# Notes to the financial statements

## 31 Commitments

### (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

The capital commitments include amounts for:

Building improvements

2008  
\$'000

2007  
\$'000

-	-
-	-
-	-

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

Commitments for minimum lease payments are payable as follows:

Within 1 year

Later than 1 year and not later than 5 years

Later than 5 years

959

897

3,348

3,732

3,204

3,696

7,511

8,325

The property leases are non-cancellable leases with terms ranging from two to fifteen years. Contingent rental provisions within these lease agreements consist of annual rent reviews or annual CPI increases. A variety of options exist to renew the leases at the end of their current term for an additional term of between two and five years.

### (c) Grants committed but not reflected in the financial statements

Within 1 year

Later than 1 year and not later than 5 years

26,230

42,707

14,124

5,951

40,354

48,658

Grant commitments are primarily funded from future years' revenue and arise when a funding application has been approved.

These commitments are all exclusive of GST.

## 32 Contingent liabilities and contingent assets

The Department is not aware of any contingent liabilities or contingent assets as at balance date.

## 33 Events occurring after the balance sheet date

The Department is not aware of any other matters or circumstances that have arisen since the end of the financial year to the date of this report which has significantly affected or may significantly affect the activities of the Department, the results of those activities or the state of affairs of the Department in the ensuing or any subsequent years.

## 34 Explanatory statement

This statement provides details of any significant variations between estimates and actual results for 2008 and between the actual results for 2007 and 2008 as presented in the financial statement titled Summary of Consolidated Fund Appropriations and Income Estimates.

Significant variations are considered to be those greater than 10% or \$250,000.

### (i) Significant variances between estimate and actual – total appropriation to deliver services:

There was a significant variation in the total appropriation, which was due to the following:

	2007/08 Estimate \$'000	2007/08 Actual \$'000	Variance \$'000
Net amount appropriated to deliver services	33,440	26,543	6,897
Contribution to Community Sporting and Recreation Facilities Fund	16,200	9,700	6,500
Amount Authorised by Other Statutes: Lotteries Commission Act 1990	11,112	12,000	(888)

#### Net amount appropriated to deliver services

The Department experienced recurrent and capital grant deferrals for several major projects totaling \$6.9M. These deferrals were due to delays in the commencement of some significant projects. The largest of these was the State Netball Centre (\$4.5M) and Mindarie swimming pool \$1.9M. Appropriations relating to these deferred projects are budgeted to be drawn down in the 2008/09 financial year.

#### Contribution to Community Sporting and Recreation Facilities Fund

The Department identified grant deferrals to the value of \$6.5M in respect of grants payable from the Community Sporting and Recreation Facilities Fund. The deferrals were due to delays in the completion of projects by grantees, as funds only become payable upon achievement of agreed milestones. Appropriations relating to these deferred amounts will be drawn when the grants are due for payment.

#### Amount Authorised by Other Statutes: Lotteries Commission Act 1990

Under this Act, the Department receives 5% of net subscriptions received by the Lotteries Commission paid into the Sports Lotteries Account. The amount received during the year has increased due to increased sales activity of Lotterywest products during 2007/08. This exceeded the original estimates provided by Lotterywest during the development of the 2007/08 Estimates.

# Notes to the financial statements

## 34 Explanatory statement continued

	2007/08 Estimate \$'000	2007/08 Actual \$'000	Variance \$'000
Service Expenditure			
Infrastructure and organisational development	53,164	44,644	8,520
Recreation Camps Management	4,075	5,799	(1,724)
Retained revenues from ordinary activities	3,484	19,590	(16,106)

### Infrastructure and organisational development

These amounts represent an under spend in grants for major facilities development such as The State Netball Centre \$4.5M and Ellenbrook pool \$1.9M. There are often significant delays in facilities planning and construction which impacts the timeframe in which monies are paid out. CSRFF funding in particular is subject to delays as approximately 60% of this funding is directed to Regional areas which are experiencing delays in building activities. This area is managed rigorously however many of the planning issues are beyond the direct control of the Department. Additionally \$1.1M of depreciation expense was incorrectly allocated to this output when the Estimates were calculated.

### Recreation Camps Management

Depreciation costs for the Camps network of \$1.1M were incorrectly allocated to the Infrastructure output at the Estimates stage. Additional expenses for Salaries (\$0.4M) and general operating costs (\$0.2M) were incurred as the camps returned to full operation following the completion of the major refurbishment.

### Retained Revenues

Retained revenue increased significantly as a result of the receipt of \$10M for the Logue Brook Dam Trust. This fund is to be used to develop replacement aquatic sport and recreation facilities as a result of the closure of Logue Brook Dam to public access. Additionally there was greater revenue of \$0.5M generated within the Camps network in their first full year after the completion of renovations.

### (ii) Significant variances between actual and prior year actual – total appropriation to deliver services.

	2008 \$'000	2007 \$'000	Variance \$'000
Net amount appropriated to deliver services	26,543	27,906	(1,363)
Contribution to Community Sporting and Recreation Facilities Fund	9,700	5,200	4,500

## 34 Explanatory statement continued

### Net amount appropriated to deliver services

There were a number of significant movements including the deferral of \$6.5M for capital grants offset by increased funding as a result of the return of Office of Shared Services savings (\$0.4M), additional funding Regional Housing \$0.35M and cost escalation and systems of \$0.45M.

### Contribution to Community Sporting and Recreation Facilities Fund

Contributions to the fund are actually close to their actual level of funding, the apparent increase is as a result of deferrals in 2007 to future years which reduced the apparent level of funding.

	2008 \$'000	2007 \$'000	Variance \$'000
Service Expenditure			
Infrastructure and organisational development	44,644	41,839	2,806
People development in sport and recreation	7,647	8,448	(801)
Recreation Camps Management	5,799	6,710	(911)

#### Infrastructure and organisational development

The increase in 2007/8 is a result of increases in Supplies and Service (\$2.0M) and Employee Expenses (\$1.0M) offset by a decrease in Other Expenses (\$0.3M).

#### People development in sport and recreation

The reduction in expenditure from 2006/7 is as a result of the elimination of the Capital User Charge (\$0.4M) and the deferral of projects into 2008/9 of \$0.2M.

#### Recreation Camps Management

The result reflects the cessation of the Capital User Charge in 2006/7 of \$1.3M offset by higher than anticipated depreciation costs of \$0.5M.

#### (iii) Significant variances between estimate and actual – Capital Contribution:

	2007/08 Estimate \$'000	2007/08 Actual \$'000	Variance \$'000
Capital Contribution	100	2,000	(1,900)
Capital Expenditure			
Purchase of non-current physical assets	100	1,212	(1,112)



# Notes to the financial statements

## 34 Explanatory statement continued

### Capital Contribution

Funding of \$1.9M was provided to the Department for initial project work relating to the development of the new major stadia.

### Capital Expenditure

The increase from the estimate represents the capitalisation of the Major Stadia costs incurred in the year of \$1M.

(iv) Significant variances between actual and prior year actual – Capital Contribution:

	2008 \$'000	2007 \$'000	Variance \$'000
Capital Contribution	2,000	6,140	(4,140)
Capital Expenditure			
Purchase of non-current physical assets	1,212	8,541	(7,329)
Retained revenues from ordinary activities	19,590	6,212	13,377

### Capital Contribution

Capital contribution declined from 2007 as the Camps refurbishment was completed during the 2006-07 financial year. The majority of the Capital funds provided to the Department in 2007-08 were for the Major Stadia.

### Capital Expenditure

The purchase of assets declined as a result of the end of the major capital investment in the Camps network which was finalised during 2006-07.

### Retained revenues from ordinary activities

Retained revenue increased significantly as a result of the receipt of \$10M for the Logue Brook Dam Trust. This fund is to be used to develop replacement aquatic sport and recreation facilities as a result of the closure of Logue Brook Dam to public access. Additionally there was greater revenue of \$0.5M generated within the Camps network in their first full year after the completion of renovations.

## 35 Financial Instruments

### (a) Financial Risk Management Objectives and Policies

Financial instruments held by the Department are cash and cash equivalents, restricted cash and cash equivalents, Treasurer's advances and receivables and payables. All of the Department's cash is held in the public bank account (non-interest bearing) apart from restricted cash held in a special purpose account. The Department has limited exposure to financial risks. The Department's overall risk management program focuses on managing the risks identified below.

#### Credit Risk

Credit risk arises when there is the possibility of the Department's receivables defaulting on their contractual obligations resulting in financial loss to the Department. The Department measures credit risk on a fair value basis and monitors risk on a regular basis.

The maximum exposure to credit risk at balance sheet date in relation to each class of recognised financial assets is the gross carrying amount of those assets inclusive of any provisions for impairment, as shown in the table at Note 35(b).

Credit risk associated with the Department's financial assets is minimal because the main receivable is the amounts receivable for services (holding account). For receivables other than government, the Department trades only with recognised, creditworthy third parties. The Department has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. In addition, receivable balances are monitored on an ongoing basis with the result that the Department's exposure to bad debts is minimal. There are no significant concentrations of credit risk.

#### Liquidity Risk

The Department is exposed to liquidity risk through its trading in the normal course of business. Liquidity risk arises when the Department is unable to meet its financial obligations as they fall due.

The Department has appropriate procedures to manage cash flows including drawdown's of appropriations by monitoring forecast cash flows to ensure that sufficient funds are available to meet its commitments.

#### Market Risk

The Department does not trade in foreign currency and is not materially exposed to other price risks (for example, equity securities or commodity prices changes). The Department is not exposed to interest rate risk because all other cash and cash equivalents and restricted cash are non-interest bearing, and have no borrowings other than the Treasurer's advance (non-interest bearing).

### (b) Credit Risk, Liquidity Risk and Interest Rate Risk Exposures

The following table details the exposure to liquidity risk and interest rate risk as at the balance sheet date. The Department's maximum exposure to credit risk at the balance sheet date is the carrying amount of the financial assets as shown on the following table. The table is based on information provided to senior management of the Department.

The Department does not hold any collateral as security or other credit enhancements relating to the financial assets it holds.

The Department does not hold any financial assets that had to have their terms renegotiated that would have otherwise resulted in them being past due or impaired

## Notes to the financial statements

### 35 Financial Instruments continued

	2008 \$'000	2007 \$'000
	Non Interest Bearing	Non Interest Bearing
<b>Financial Assets</b>		
Cash and cash equivalents	1,072	153
Restricted cash and cash equivalents	15,760	6,478
Receivables	1,782	1,131
Total financial assets	18,614	7,762
<b>Financial Liabilities</b>		
Payables	4,149	2,245
Accrued expenses	613	307
<b>Total financial liabilities</b>	<b>4,762</b>	<b>2,552</b>

#### 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.

### 36 Remuneration of senior officers

#### Remuneration

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

	2008 No.	2007 No.
80,001 - 90,000	6	4
90,001 - 100,000	5	7
100,001 - 110,000	1	6
110,001 - 120,000	1	1
120,001 - 130,000	2	3
130,001 - 140,000	1	1
140,000 - 200,000	4	-
210,001 - 220,000	1	1
	<b>\$'000</b>	<b>\$'000</b>
<b>The total remuneration of senior officers is:</b>	<b>2,426</b>	<b>2,518</b>

The total remuneration includes the superannuation expense incurred by the Department in respect of senior officers.

No senior officers are members of the Pension Scheme.

### 37 Remuneration of auditor

	2008 \$'000	2007 \$'000
Remuneration payable to the Auditor General for the financial year is as follows:		
Auditing the accounts, financial statements and performance indicators	65	54

### 38 Affiliated bodies

During the year the Department transferred or spent the following funds on behalf of organisations which represented at least 50% of those organisations' operational funding:

	2008 \$'000	2007 \$'000
Professional Combat Sports Commission	126	55
Western Australian Institute of Sport	3,989	3,974
	<b>4,115</b>	<b>4,029</b>

The organisations listed above are not subject to operational control by the Department.

### 39 Supplementary financial information

#### Write-Offs

During the financial year the following amounts were written off the Department's asset register under the authority of:

	2008 \$'000	2007 \$'000
The Accountable Officer	(5)	1