

# WESTERN AUSTRALIAN SPORT CENTRE TRUST



ANNUAL REPORT  
**2007 08**



## MESSAGE TO THE MINISTER

To the Honourable Terry K Waldron MLA

Minister for Sport and Recreation; Racing and Gaming; Minister assisting the Minister for Health.

In accordance with the requirements of section 64 of the Financial Management Act 2006, it is my pleasure to submit for your information and presentation to Parliament, the Annual Report of the Western Australian Sports Centre Trust for the year ended 30 June 2008.

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

A handwritten signature in black ink, appearing to read 'G. Partridge', enclosed within a thin black rectangular border.

Graham Partridge  
Chairman  
WESTERN AUSTRALIAN SPORTS CENTRE TRUST



# CONTENTS

Overview of the WA Sports Centre Trust.....	4
Executive Summary - Chairman's Report.....	5
Chief Executive Officer's Report.....	6
Financial Overview .....	7
Operational Structure.....	8
Our Structure .....	9
WA Sports Centre Trust Board .....	10
Agency Performance - Report on Operations .....	13
Report on Operations 2007-08.....	14
Challenge Stadium .....	14
Arena Joondalup .....	17
Speeddome .....	19
Motorplex .....	19
Property and Services .....	20
Marketing.....	22
Significant Issues and Trends.....	23
Disclosures and Legal Compliance .....	26
Key Performance Indicators.....	27
Key Performance Indicator Information .....	28
Other Financial Disclosures .....	31
Notes to the Financial Statements .....	36
Balance Sheet - For the year ended 30 June 2008.....	37
Income Statement - For the year ended 30 June 2008.....	38
Statement of Changes in Equity - For the year ended 30 June 2008 .....	39
Cashflow Statement - For the year ended 30 June 2008.....	40
Notes to the Financial Statements - For the year ended 30 June 2008.....	41
Publications.....	70
How to contact the Trust.....	70

## OVERVIEW OF THE WA SPORTS CENTRE TRUST

The Western Australian Sports Centre Trust (The Trust) is responsible for managing, operating and promoting the use of State facilities for elite sport and competition, recreational programmes and entertainment events.

The Trust employs over 211 full-time equivalent staff physically located in the following venues:



### Challenge Stadium

In 1986, the Trust's first venue, Perth Superdome, was built with its primary focus being a commitment to help develop elite sport and athletes in their pursuit of excellence. Now known as Challenge Stadium, the facility is currently home to a myriad of activities - including: elite sport, concerts, childcare, functions, events plus health and fitness facilities.

### Midvale SpeedDome

The Midvale SpeedDome provides training and competition facilities for cycling and rollersports in Western Australia. The SpeedDome opened in 1989 and is Perth's only combined indoor velodrome and rollersports complex.



### Arena Joondalup

Built in Perth's northern suburbs in 1992, Arena Joondalup provides multi-purpose sport, recreation and aquatic facilities for the local community. Home to in excess of 30 sporting clubs, 2,500 Health & Fitness members, 1000 Learn to Swim members and West Perth Football Club, Arena Joondalup caters for a variety of sports including hockey, netball, rugby, athletics, tennis, volleyball, badminton and soccer.

### Perth Motorplex

The Motorplex, opened in 2000, is Western Australia's world class motorsports complex and the only motor sport venue in Australia to combine both drag racing and speedway at one site. The complex comprises an oval speedway track and a quarter mile drag strip. The Motorplex was built by the Government of Western Australia with management responsibility vested in the Trust. The day-to-day operation of motor sport activity is carried out by Kwinana Motorplex Pty Ltd via a license agreement with the Trust.

### Future Venues

**Perth Arena** - In February 2008 the Government of WA confirmed that the Trust would be the owner of the Perth Arena. Work is underway on Perth's new, state-of-the-art multipurpose indoor entertainment and sports venue. When complete, the Perth Arena will be the jewel in the crown of the City's premier entertainment precinct. It is expected to be operational in 2011.

**State Athletics Stadium and State Basketball Centre** - The State Government is developing new athletics and new basketball facilities for Western Australia through the development of two new sports stadiums at AK Reserve. The new facilities will join the sports precinct which is already home to Challenge Stadium, the Western Australian Institute of Sport and UWA Sports Park. The State Athletics Stadium is expected to be operational in the 2008-09 year and the State Basketball Centre is expected to open in the 2009/2010 year. The Trust has been confirmed as the future owner of these facilities on behalf of the State Government.



## EXECUTIVE SUMMARY - Chairman's Report



2007-08 marked the 21st year of operations for the Trust and with this coming of age came confirmation of a significant expansion in responsibilities, when the new Perth Arena and the State Athletics Stadium and State Basketball Centre were added to the Trust's portfolio of venues. The completion of the State Athletics Stadium and

State Basketball Centre facilities near Challenge Stadium and McGillivray Oval will create a world class sporting precinct. The new Perth Arena has been designed as a world-class facility and is currently under construction in the centre of Perth.

The Trust is excited about this expansion and takes the view that as custodians of major State facilities it is our responsibility to ensure that the venues themselves meet the future needs of patrons and users – it is with this intent we have embarked on a major strategic planning exercise to position the agency's capability to deliver over the next five years. The Trust looks forward to implementing the new strategic directions in collaboration with our partners.

The Board has commenced work on integrating the new assets and will focus significant energy in 2008-09 on building world-class systems to position it well for this growth phase over the coming years.

From a sporting perspective, the Trust played a critical role in the support of elite sport programmes with its venues being used as elite training and/or competition facilities for swimming, water polo, basketball, netball, cycling, softball, rowing and canoeing. Resident athletes at the Trust facilities qualified for the Beijing Olympics in a variety of disciplines and we are very proud to have contributed to their success.

The Trust successfully completed a \$2.6 million refurbishment programme for the Challenge Stadium Aquatic Centre in 2007-08 to enable the venue capacity to host the XII FINA Masters World Swimming Championships and introduced a capacity for short-course competitions in the future.

To encourage community sport and participation we have continued to provide a wide range of programmes and competitions for both individuals and teams across our venues.

The Trust's commercial endeavours also ensure the delivery of high quality entertainment to the community and some 380 events were hosted during the year including concerts, banquets, sporting activities, conferences, exhibitions, school swimming, water polo and diving meets. The Trust also provided the Western Australian community with venues for a variety of quality indoor sports and entertainment events prior to the opening of the Perth Arena. Some event hosting highlights included:

- The XII FINA World Masters Swimming Championships at Challenge Stadium with an estimated 5104 competitors and officials with 4404 actively taking part from 74 Federations.
- Boxing World Title Fight at Challenge Stadium
- 14 Wildcats National Basketball League games
- Eight West Coast Fever ANZ National Netball fixtures

I would like to take this opportunity to thank the former Minister for Sport and Recreation the Hon John Kobelke and his staff for the very positive support they have extended to the Trust. I am delighted to report that as Chairman and in conjunction with the Chief Executive Officer, the Trust has been able to establish an excellent working relationship with the Minister and have met with him on a regular basis.

My sincere thanks also go to all members of the board who have dealt with the many challenges that have come before it in a timely and professional manner which has resulted in the Trust successfully going through a period of unprecedented growth

I would like to also like to record the Boards thanks to Graham Moss the outgoing CEO for his 18 years of committed service to the Trust. I would also like to pay tribute to, and thank all the staff at the Trust, led by the newly appointed CEO - David Etherton and his management team for their support and tireless dedication to maximising the benefits to the Western Australian community from our facilities.

Graham Partridge

## CHIEF EXECUTIVE OFFICER'S REPORT



2007-08 has been a successful year for the Trust and one that can be characterised by significant achievements, change and opportunity.

The Trust hosted the XII FINA World Masters Swimming Championships in April 2008. The World Masters attracted approximately 5000 competitors and officials from

74 Federations to compete in all of the aquatic disciplines of swimming, water polo, diving and synchronised swimming. It is estimated that national and international visitors spent in excess of \$12 million whilst in Perth for these Championships providing a great return on the Trust's significant investment in this event. This high quality competition reinforced Western Australia's reputation as an excellent venue for world swimming championships with more than 70 world records broken during the event.

Major capital works were carried out at Challenge Stadium prior to the staging of the XII FINA World Masters which included \$2.6 million for the retiling of the indoor aquatic centre pool deck, the refurbishment of the outdoor 8 lane and 10 lane pool shells and the installation of a moveable boom in the 10 lane outdoor pool. These works significantly enhanced the venue's presentation and operational flexibility and were managed on time and within budget parameters.

Another major capital works project saw the replacement of the drag strip at the Perth Motorplex with the new ultra flat surface making it compliant with international competition standards (FFA75). This investment of \$1.3 million means the venue can continue to provide world class facilities for Western Australians to legally race their vehicles and see world class events.

The Trust provided significant support to elite sport in Western Australia for both training and competition purposes and also delivered significant opportunities for the community to become more active through health and fitness programmes and entertainment events. Continued work is necessary to ensure that our venues are not only maintained but also compliant with competition requirements. The combined Trust venues delivered:

- Health and fitness gymnasiums for more than 4,000 members in two venues
- Swim school training to almost 2,500 students across its 7 pools

- Superior customer service to more than 2 million patrons who visited the venues
- More than 200 sporting events in 2007-08
- A home to more than 20 WA amateur and professional sporting teams

The Trust has had a long term commitment to sustainability and energy savings initiatives and was proud to achieve the highest energy reduction of any state government agency in 2007-08 and was awarded the Energy Champion Award by the Office of Energy for 2002 – 2007 as the leading energy saving state government agency over this five year period. We look forward to continuing to deliver improved solutions to venue management in this area. The Trust has saved enough energy to power 8,000 homes for a year with a 47% reduction in 5 years.

The acquisition of new venues and the review of the Trust are major catalysts for us to review our strategic directions. We will be focussing on the challenges ahead and building capacity of our people and our systems whilst managing and more clearly articulating the necessary balancing act of supporting elite sport, providing venues for community activities and acting in a commercial manner where required.

As the new CEO, I would like to thank the Board for the opportunity and state that I am excited about the challenges and the future of the Trust. I look forward to working with the highly dedicated and multi-talented staff that bring the venues in our portfolio alive. The hard work and determination of the Trust team has delivered the excellent results highlighted throughout this annual report.

A handwritten signature in black ink, appearing to read 'DPEtherton'.

David Etherton  
Chief Executive Officer

## FINANCIAL OVERVIEW

The operational results for the year were consistent with expectations in all areas of business except for three situations. The first was the occurrence of an unanticipated loss in the high profile International swimming event the FINA Masters. Attendees were 25% less than that budgeted with a resulting loss of just over \$500,000.

The second situation was a change in cost base on the depreciation of buildings. In previous years depreciation has been charged on the written down value of buildings. Following discussions with the Office of the Auditor General the decision was taken, that the current years, depreciation be based on the assets replacement cost.

The depreciation refocus will enable readers of the financial statements to more accurately ascertain the true costs associated with the replacement of these assets over their useful life. The impact of this change has been to increase depreciation by approximately \$1m in 2006-07 which adversely impact upon the Trust's bottom line profit or loss. This increased depreciation will grow in future years.

The third situation was recognition of an increase in the Property Plant and Equipment asset values at 30 June 2007 of \$14,222,146. This increase in the value of buildings was not recognised in the Trust's books and financial statements in 2006-07 but has been correctly brought to account in the current financial statements. The Trust's 2007-08 and all future years statements will reflect the appropriate valuation of its building assets as provided by the Governments WA Land Information Authority.

Total liabilities at 30 June 2008 were \$5,490,289, compared to \$6,514,914 at 30 June 2007. This reduction occurred by keeping strict control of the management of costs and their payment. Current assets also experienced a reduction from \$6,931,954 at 30 June 2007 to \$3,199,431 at 30 June 2008. The reduction in the Amounts Receivable for Services account represents approximately \$2m of this drop, which largely reflects the smaller drawdowns of funds for capital expenditure purposes in 2008-09.

For 2007-08 approximately \$4m was drawdown from the Trust's Amounts Receivable for Services account for capital expenditure purposes including the enhancements to the swimming pool at Challenge Stadium (\$2.6m), improvement to the Drag Strip at Motorplex (\$1.3m) and other less significant asset upgrades and maintenance. This number reverts to approximately \$1.7m in 2008-09. General Receivables declined by 28% to \$654,162 as a result of additional emphasis being placed on debtor follow up and monitoring. The drop in the Other Assets balance of \$1,139,900 is due to the 2006-07 balance for this account including a large number of one off expenditure prepayments including the Motorplex drag strip replacement, Challenge Stadium Pool Replacement and 2008 Fina World Master Games payments.





## OPERATIONAL STRUCTURE

### Enabling Legislation

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

### Responsible Minister

The Hon. John Kobelke BSc DipEd JP MLA, Minister for Sport and Recreation for the period reported.

### WA Sports Centre Trust Mission

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

### Values

In striving to achieve our mission, the Trust has adopted a set of organisational values. These values apply to staff at all levels within the Trust. From the staff we recruit, to the practices and strategies we implement we aim to uphold these values:

Customer Service  
Teamwork  
Achievement  
Innovation  
Opportunity and Development  
Honesty and Integrity  
Recognition

## PERFORMANCE MANAGEMENT FRAMEWORK

### Relationship to Government Strategic Goals

The Trust contributes directly to the State Government goal of:

Enhancing the quality of life and wellbeing of all people throughout Western Australia by providing high quality, accessible services.

By achieving the following outcomes:

- Provision of facilities for elite sports training and competition
- Provision of facilities for community sport, entertainment and recreation

These outcomes are achieved through the delivery of two key services:

1. Management of Elite Sport Facilities
2. Management of Community Sport, Entertainment and Recreation Facilities

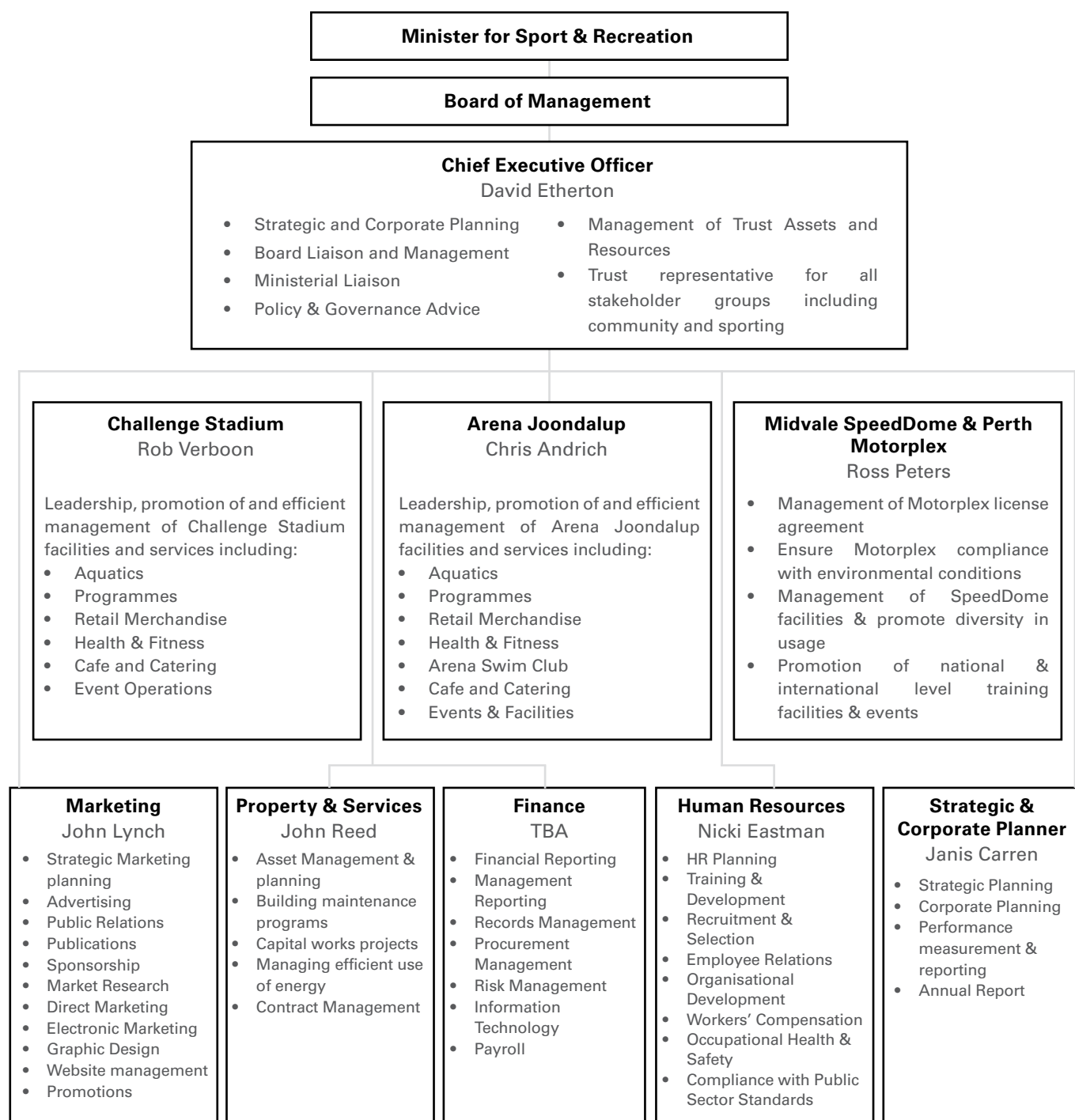
### Changes to Outcome Based Management Framework

The Trust's Outcome Based Management Framework did not change during 2007-08.

### Shared Responsibilities with other Agencies

The Trust did not share any responsibilities with other agencies in 2007-08.

## OUR STRUCTURE



## TRUST MANAGEMENT TEAM

The Trust Management Team (TMT) comprises the Chief Executive Officer, the three Venue Managers, the Manager Property and Services, Manager Finance, Manager Human Resources, Manager Marketing and the Strategic and Corporate Planner.

## WA SPORTS CENTRE TRUST BOARD

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

During 2007-08 the Board met monthly and carried out its responsibilities in line with an approved Code of Conduct for Government Boards and Committees. The Board met on 14 occasions in the reporting period. The number of meetings attended by each member is shown in the table opposite.

### BOARD MEMBERS

#### Mr Graham Partridge, Chairman

Mr Partridge was appointed Chairman of the Trust on the 12th March 2007 for a term expiring on the 30th June 2009. Graham Partridge is well placed for his role as Chairman of the Trust Board having considerable experience in the role of Chairman and leading organisations together with long associations with Sporting Organisations and Facilities both as a manager and participant.



Graham is the Executive Director of the Australia Day Council of Western Australia and a Director of the POWA Institute, a not for profit organisation working in alliance with the de Bono Institute of Australia to grow thinking power of all Western Australians to deliberately create better futures.

Graham is a past National and State President of Local Government Managers Australia (LGMA) and has been awarded a Certificate of Merit and Local Government Medal, LGMA's highest honour

Graham has 30 years experience as a Chief Executive Officer in Local Government and during that time gained a strong International and National perspective and respect as a Local Government Professional. He has a vast understanding of the interrelations between Government, business, sporting and community sectors.

Graham brings to the Board a strong strategic analysis, commercial acumen, facility management skills as well as a deep understanding of change management, consultation and governance

#### Ms Suzanne Taylor

Ms Taylor was appointed to the Board of the Trust on the 12th March 2007 for a term expiring on the 30th June 2008. This has subsequently been extended to 30th June 2010. Suzanne is the Director of Administration of Gemini Medical Services which provides General Practice and Occupational Health services to Australian State and Local Governments and to large industry and mining companies in regional Australia. She has also had extensive international experience in retail operations.



#### Mr Graham Goerke

Mr Goerke was appointed to the Board of the Trust on the 12th March 2007 for a term expiring on the 30th June 2008. This has subsequently been extended to 30th June 2010. Graham is the Chairman of Partners of Jackson McDonald Lawyers and has over 25 years of experience in the area of commercial law. He is particularly involved in commercial property development, conveyancing and leasing with much experience in hospitality and tourism developments, environmental law and native titles. Graham is Chairman of the Audit, Finance and Governance Sub-Committee of the Board.



#### Mr Ronnie Hurst

Mr Hurst was re-appointed to the Board commencing on the 12th March 2007 for a term expiring on the 30th June 2008. This has subsequently been extended to 30th June 2010. Ronnie is currently employed with the Department of Sport and Recreation in the position of Director Programmes and Services. Prior to his employment with the Department, he was employed with the City



## WA SPORTS CENTRE TRUST BOARD

of Melville in the position of Manager Community Development. He had a distinguished sporting career, having competed in the 1978 Commonwealth Games in springboard and high board diving representing Scotland. He also played Rugby Union for Edinburgh and Western Australia and is a martial arts practitioner.

### Mr Glen Bartlett

Mr Bartlett was appointed to the Board of the Trust on the 12th March 2007 for a term expiring on the 30th June 2009. Glen is a Partner in Clayton Utz and leads a team of approximately 12 professionals who work in the area of workplace relations and employment law. He had a distinguished sporting career in Australian Rules Football being an inaugural member of the West Coast Eagles and is a life member of the East Perth Football club.



### Mr Sean Walsh

Mr Walsh was appointed to the Board of the Trust on the 12th March 2007 for a term expiring on the 30th June 2009. Sean was the inaugural Deputy Chair of the Trust and served on the Board of the Trust for five years. He has held various positions in the Western Australian Government including the Chief of Staff to Dr Geoff Gallop in his capacity as Leader of the Opposition and Premier of Western Australia. He has had extensive involvement in competition sport including tennis, rugby union, football and athletics.



### Ms Barbara Macnish

Ms Macnish was appointed to the Board of the Trust on the 12th March 2007 for a term expiring on the 30th June 2009. Barbara is the Executive Director Portfolio Coordinator for the Department of Culture and Arts and has had extensive experience in State and Commonwealth Government organisations. She is a member of several Boards and Committees and was the winner of the Western Australian Telstra Business Women of the Year Award in 2003. Barbara Chairs the Events and Marketing Sub Committee of The Board.



### Ms Victoria Wilmot

Ms Wilmot was reappointed to the Board of the Trust commencing 12th March 2007 for a term expiring on the 30th June 2009. Vicky is currently employed with the University of Western Australia and in the position of Manager Treasury and Investments. She is a member of the Institute of Chartered Accountants in Australia, a Fellow of the Financial Services Institute of Australia and she forms part of the Finance sub-committee of the Board. She has won a number of State and National awards in financial, legal and portfolio management fields and has a strong interest in sport.



### Ms Pam Glossop

Ms Glossop was appointed to the Board of the Trust on the 18th June 2007 for a term expiring on the 30th June 2010. Pam is currently the Chief Executive Officer of Bowls WA and has had extensive experience in the sport and recreation industry. She has had a distinguished sporting career representing Australia in hockey at the 1980 and 1984 Olympic Games and as coach at the Australian Institute of Sport Hockey Unit from 1984 to 1993. Pam was the Queensland Sportswoman of the year in 1979 and 1983 and was an inaugural inductee into the Queensland Hockey Hall of Fame in 2002.



### Board Meetings and Attendances

Board Member	Actual Attendance	Possible Attendance
Mr Graham Partridge, Chairman	14	14
Ms Suzanne Taylor	13	14
Mr Graham Goerke*	9	11*
Mr Ronnie Hurst*	7	8*
Mr Glen Bartlett	10	14
Mr Sean Walsh	13	14
Ms Barbara Macnish	11	14
Ms Victoria Wilmot	10	14
Ms Pam Glossop	11	14

\* Board member on approved period of leave during 2007-08.

## WA SPORTS CENTRE TRUST BOARD

### FORMAL COMMITTEES OF THE BOARD

The Board appoints committees to assist in the performance of its functions. The terms of reference and performance of the committees is reviewed by the Board on an ongoing basis. The formal committees of the Board, their terms of reference and membership are listed below:

**Title: Audit, Finance and Governance Committee**

**Role:** To assist the Board of management in fulfilling its oversight responsibilities for the financial reporting and accountability process, the system of internal control, the audit process, good governance and best practice and the Trust's process for monitoring compliance with laws and regulations and the code of conduct.

**Members:** Graham Goerke (Chair), Graham Partridge, Pam Glossop, Ronnie Hurst, Victoria Wilmot, David Etherton and Finance Manager

**Title: Events and Marketing Subcommittee**

**Role:** Utilise its expertise and networks to create and capitalize on events & marketing opportunities to grow Trust business.

Streamline the consideration by the Board of events and marketing policies, strategies and results.

Promote open lines of communications amongst members of the Board, the management team and key external stakeholders in relation to events and marketing.

**Members:** Barbara Macnish (Chair), Sean Walsh, Suzi Taylor, Ronnie Hurst (until 24th April 2008), David Etherton, John Lynch, Rob Verboon and Curtis Clarke

### DECLARATION OF INTERESTS

The Board has a standing declaration of interest process where Board agenda papers are not distributed to those members who have declared or perceived interest in relation to any matter. In addition to this process, Board members declare other interests from time to time as matters arise. Three declarations of interest were made during the course of the financial year:

Vicky Wilmot and Graham Goerke – Mt Claremont Sports Precinct

Glen Bartlett – West Perth Football Club Facilities Review

Pam Glossop – Hockey WA

### INDEPENDENT EXTERNAL ADVICE

Individual Board members have the right to seek independent professional advice on particular matters before the Board, subject to approval from the Chairman, at WA Sport Centre Trust's expense.

### KEY LEGISLATION

In the performance of its functions, the Trust is subject to the following key legislation:

Anti-Corruption Act 1988  
 Anti-Discrimination Act 1938  
 Archives Act 1983, Commonwealth  
 Censorship Act 1996  
 Civil Liability Act 2002  
 Classification (Publications Films and Computer Games) Enforcement Act 1996  
 Commercial Tenancy (Retail Shops) Agreements Act 1985  
 Copyright Act 1993  
 Corruption and Crime Commission Act 2003  
 Criminal Code  
 Crowns Suits Act 1947  
 Electoral Act 1907  
 Environmental Protection Act 1986  
 Evidence Act 1906  
 Equal Opportunity Act 1984  
 Fair Trading Act 1987  
 Financial Management Act 2006  
 Freedom of Information Act 1992  
 Government Employees Superannuation Act 1987  
 Government Financial Responsibility Act 2000  
 Income Tax Assessment Act 1936  
 Industrial Relations Act 1979  
 Industrial Relations Act 1990, Commonwealth  
 Liquor Licensing Control Act 1988  
 Library Board of Western Australia Act 1951  
 Minimum Conditions of Employment Act 1993  
 Occupational Health, Safety and Welfare Act 1984  
 Occupiers Liability Act 1985  
 Perth Parking Management Act 1999  
 Public Sector Management Act 1994  
 Salaries and Allowances Act 1975  
 State Supply Commission Act 1991  
 State Records Act 2000  
 Treasury Regulations and Treasurer's Instructions  
 Western Australian Sports Centre Trust Act 1986  
 Worker's Compensation and Rehabilitation Act 1981



# AGENCY PERFORMANCE - REPORT ON OPERATIONS

## EVENT DIRECTORY

### Challenge Stadium

Australia v Asia All Stars Swim Meet  
 12 Swimming WA Events  
 12 WA Diving Events  
 XII FINA World Masters Swimming Championships  
 PSA Boys Interschool Swimming  
 46 WA Water Polo Summer and Winter Competition Fixtures  
 66 School Swimming Carnivals  
 18 School Water Polo Competitions  
 AUSSI Masters State Championships  
 WA Disabled State Championships  
 33 Club Swimming Events  
 Danny Green v Manny Siaca  
 Danny Green v Stipe Drews World Title fight  
 Australian Boomers v Iran Basketball  
 8 ANZ Championship National League Netball Games  
 14 NBL Perth Wildcats Fixtures  
 38 WA State Netball League Games  
 Country Week Volleyball Competition  
 WA Dancesport Championships  
 Rottnest Channel Swim Briefing  
 National U/21 Netball Championships  
 NWA Wrestling  
 Black Sabbath Concert  
 The Cure Concert  
 Fallout Boy Concert  
 Marilyn Manson Concert  
 Josh Groban Concert  
 Good Charlotte Concert  
 Kelly Clarkson Concert  
 Black Crowes Concert  
 Sonu Niigaam – Indian Concert  
 James Blunt Concert  
 Michael Buble x 4 Concerts  
 WA School Girls' Breakfast  
 Hollywood Hospital Dinner  
 CEC Sun Ball  
 Curtin University Engineering Ball  
 UWA Ecoms Ball  
 Clough Dinner  
 Western Australian Institute of Sport (WAIS) Dinner  
 WA Netball Dinner  
 Wildcats Annual Dinner  
 Youth Alive x 2  
 Carsafe Launch  
 Therapy Students Ball  
 Notre Dame Ball  
 Mindarie SHS Ball  
 Churchlands SHS Graduation Ball  
 Newman College Speech Night  
 Anglican Church 150 year celebration

St Hilda's Ball  
 Iona – Centenary Mass  
 Mirrabooka SHS Ball

### Arena Joondalup

Oliver Mtukuzdi Concert  
 2007 Oceanic Judo Championships  
 Wildcats Pre-season match  
 New Rock Experience  
 Cerebral Palsy awareness football game  
 Inaugural Golden West Antique Fair  
 National Karate Championships 2008  
 21 School swimming carnivals  
 4 Splash iT Pool Parties  
 Arena Swim Club Championships  
 Arena Swim Club Long Distance Championships  
 Westcoast Masters Swim Meet  
 Swimming WA Shell Novice  
 Breakers Swim Club Meet  
 Royal Life Saving Society Junior Lifeguard Swimming  
 Carnival  
 Arena Swim Club Shell Novice Swim Meet  
 11 West Perth Home Games  
 3 Joondalup Giants Home Games  
 10 Smarter than Smoking Premiers League Games  
 Charity Police Match  
 Bikers Charity Ride  
 Joondalup Brothers Rugby Dinner  
 WA Beach Volleyball Dinner Presentations  
 FESA Seminar  
 Netball 1 Gold Coaching  
 Western Power Academy Cup  
 3 Golden West Antique Fairs

### SpeedDome

Summer Track Racing x 25  
 State Senior & Junior Under 19 Championships x 2 days  
 Grand Prix  
 Westral Wheel Race  
 Cyclo Sportif Cicli a Swan Valley  
 National Speed Skating Championships x 4 days

### Motorplex

National Drag Racing x 13 days  
 Super Speedway x 14  
 Speedway Practice x 14  
 Auto X/ Moto X/ Karting x 18  
 Monday off Street Drag Racing x 12  
 Wednesday off Street Drag Racing x 40  
 Special Drag Racing Events x 7  
 Fast Friday x 7  
 Motorvation x 2 days  
 Burnout Shows x 2

## REPORT ON OPERATIONS 2007-08

### Challenge Stadium

Challenge Stadium experienced another successful year in 2007-08. Venue operations during the year showed 959,196 patron visits, the fourth highest patronage level in the venue's history from a total of 380 events staged.

#### Aquatic Centre

Elite sport training and competition activities for 2007-08 included high performance swim training (25,060 hours of lane hire), competition swimming events (220 hours), diving training and competition (1,383 hours) and water polo competition fixtures and training (2,890 hours).

Major refurbishment work to the indoor swimming pool tiles, installation of Myrtha Renovation Systems to the 2 outdoor 50 metre pools and an extension to the 10 lane outdoor pool to house a Myrtha boom was all carried out in the first 6 months of the year. This significantly rejuvenated the appearance of the facility. This work was completed on-time and whilst it required some reduction in the number of aquatic events able to be staged for the year, disruption was kept to a minimum.

The Aquatic Centre conducted a total of 271 events during 2007-08. The highlight for the year was the XII FINA World Masters Championships held in April. Challenge Stadium hosted approximately 5,000 competitors and officials from around the world competing in all disciplines of swimming, water polo, diving and synchronised swimming.

Other major events included:

- Australia v Asia All Stars Swim Meet
- 12 Swimming WA Events
- 12 WA Diving Events
- PSA Boys Interschool Swimming
- 46 WA Water Polo Summer and Winter Competition Fixtures
- 66 School Swimming Carnivals
- 18 School Water Polo Competitions
- AUSSI Masters State Championships
- WA Disabled State Championships
- 33 Club Swimming Events

The Challenge Stadium Aquatic Centre attracted 324,763 patrons; representing a 2.15% increase in attendance from the previous year. The increased attendance was due to increased attendance numbers associated with the FINA World Masters Championships. General aquatic entries were 8.82% lower than the previous year due to the intermittent closure and refurbishment of the pools.

This was a great result exceeding projections of a 25% loss due to scheduled works.

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

- Swimming WA
- WA Water Polo Incorporated
- WA Diving Association
- Royal Life Saving Society of WA
- High Performance Coaches (Swimming, Diving, Water Polo)
- University of Western Australia Guild
- School Sports WA
- Diving and Triathlon Clubs
- Aqua Aerobics
- Learn to Swim Squads
- General recreation and fitness swimmers



## REPORT ON OPERATIONS 2007-08

### Event Operations

Challenge Stadium Arena comprises a 4,500 seat Main Arena, an 830m<sup>2</sup> training hall and a purpose built gymnastic training centre. These facilities are used for sports training and competition and for commercial activities such as conferences, product and car releases, exhibitions and trade events, large dinners/breakfasts and concerts.

A total of 109 events were staged in the arenas during 2007-08, a reduction of 20% on the previous year. The 2007-08 calendar consisted of 60 sporting events, 31 commercial events including 22 concerts and 18 banqueting events.

Patronage through the arena was 227,751 for the year representing a 12.96% reduction to the previous year.

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

- Danny Green v Manny Siaca
- Danny Green v Stipe Drews World Title fight
- Australian Boomers v Iran Basketball
- 6 Commonwealth Bank / ANZ Championship National League Netball Games
- 14 NBL Perth Wildcats Fixtures
- 38 WA State Netball League Games
- Country Week Volleyball Competition
- WA Dancesport Championships
- Rottnest Channel Swim Briefing
- National U/21 Netball Championships
- XII FINA World Masters Swimming Championships
- NWA Wrestling



The non-sporting events staged included:

- Black Sabbath Concert
- The Cure Concert
- Youth Alive Concert
- Good Charlotte Concert
- Fall Out Boy Concert
- Marilyn Manson Concert
- Motorhead Concert
- Kelly Clarkson Concert
- Planet Shakers Conference
- Black Crowes Concert
- Trade Gift & Home Wares Tradeshow
- Newspower Tradeshow
- Michael Buble' 4 Sellout Concerts
- James Blunt Concert
- CarSafe Launch
- Josh Groban Concert
- Movie "Two Fist One Heart" filming fight scenes
- Sonu Niigaam Concert
- Parenting Expo

### Event Catering

Event catering is delivered by four major business areas at Challenge Stadium, these being the Perfect Balance Café, Events, Banquets and Functions. 18 banquet functions were hosted in the Main Arena during the year, catering to a range of guests from 200 to 1200. Dinner functions included:

- Hollywood Hospital Dinner
- CEC Sun Ball
- Churchlands SHS Graduation Ball
- WA School Girls' Breakfast
- Curtin University Engineering Ball
- UWA Ecoms Ball
- Clough Dinner
- Western Australian Institute of Sport (WAIS) Dinner
- Mindarie SHS Ball

## REPORT ON OPERATIONS 2007-08

### Programmes

Challenge Stadium's Programmes business unit offers a wide range of quality programmes for schools, community and corporate groups. Programmes conducted during 2007-08 included:

- Challenge Swim School
- Kidz Gym
- Kidz Dance
- Birthday Parties
- Kidz Sportz Club (School Holiday Sports Programme)
- Multi Sportz
- Corporate Synergy Training
- Challenge Sports Experience (Sports Education Experiences)
- Kanga Karate

### Merchandise

The Challenge Sports Shop continued to stock a comprehensive range of aquatic swimwear and accessories, and aerobic and leisure wear year round. The Challenge Sports Shop increased its exposure to country clientele during the year with a significant increase in mail order sales, particularly to the north of the State.



### Challenge Fitness Centre

Fitness Centre memberships were stable against the statistics recorded in previous years with the annual attendance to the Fitness centre reaching 94,582. The membership and visit card memberships were on par with the previous year's statistics and realised an annual retention rate of 55%.

While membership numbers remain stable, new programme initiatives such as the City to Surf running programmes and triathlon training programmes helped increase the total income by 4.3%. The new programmes have successfully counteracted the huge increase in competition in the last 12 to 24 months as the major fitness chains move into WA.

### Customer Focus

Challenge Stadium participates in an annual customer service survey conducted by the University Of South Australia's Centre for Environmental and Recreation Management and uses the findings to analyse our customer service delivery. An overall customer satisfaction level of 83% was achieved according to feedback from the Challenge Stadium general recreation patrons. This result remains above the mean for similar venues around Australia and represents a 2% improvement on the Challenge Stadium result from last year.

### Western Australian Institute of Sport

Challenge Stadium continues to host the Western Australian Institute of Sport (WAIS). In this capacity, Challenge Stadium provides world class training and competition facilities for the majority of WAIS's four hundred plus athletes.

WAIS athletes continue to represent the State at international competitions with great success. WAIS's focus for this year has been on refining its programmes for the 2008 Olympic campaign and providing opportunities to some outstanding young talent.

### Hall of Champions

Challenge Stadium also hosts the WA Hall of Champions on behalf of WAIS on the venue's upper level. The Hall was established in 1985 and perpetuates the outstanding sporting achievements of Western Australia's best ever sportspeople. The Hall of Champions has grown from the initial fourteen Western Australian sporting champions who were inducted in 1985 to 113 members from 22 sports. The new members inducted to the Hall of Champions for 2007 were: Bridgette Gusterson (Water Polo), Priya Cooper (Swimming) and Craig Davies (Hockey).



## REPORT ON OPERATIONS 2007-08

### Sports Lotteries House

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

- WA Sports Federation
- Sports Medicine Australia
- Triathlon WA
- TouchWest
- Baseball WA
- ACHPER
- Water Polo Association
- Womensport West
- Fitness WA
- Canoeing WA
- WA Diving Association
- Masters Swimming
- Future Now
- Rottnest Channel Swimming Association

### Arena Joondalup

Arena Joondalup continues to deliver on the Trust's commitment to manage and market facilities to encourage community sport, entertainment and recreation and has continued to provide varied and new opportunities to increase community participation in sport and recreation and improve health.

Arena Joondalup patron visits were up 8.1% to 826,990 in 2007/08.

### Programmes and Sporting Competitions

Highlights included:

- Development of extra classes for Toddler Sport, Belly Dancing and Special Needs Bellydancing
- A very successful Aged Care Games in conjunction with Seniors Recreation Council
- A new Tuesday night soccer competition as a result of demand from Thursday nights
- A successful Soccer Knockout competition raising additional income

Participation rates for team sports were higher than in previous years with netball patrons increasing by 32% and Soccer by 40%. The Ultimate Sporting Competition (where teams play a different sport each week) showed an 11% increase in the number of teams participating.

Additionally Arena Joondalup hires out its fields and courts to assist sporting associations train and compete.



### Health and Fitness

Highlights included:

- The Arena 8 week Weight Loss Challenge ran 3 times in the year and proved successful in terms of both patronage and revenue.
- "Pump It" a programme for teenagers, was developed aimed at teenage boys in the transitional phase before being old enough to be a member of the gym at 16 years.
- With the support of WA Disabled Sport Association (WADSA) the Arena Joondalup LIFE Programme introduced additional activities such as multisport and dance while also enabling participants to utilise the gym equipment within a general community environment.
- Arena Health & Fitness entered teams in the Freeway Bike Hike, City to Surf Fun Run (including training course), Triathlons and Iron man events.
- Nutritional seminars conducted quarterly for patrons, providing an education service as well as promoting dietitian and personal training services.



## REPORT ON OPERATIONS 2007-08

### Childcare

Child Care continued to perform well in 2007-08. Support of Government policy to encourage pursuit of career changes by childcare workers saw many staff leave to commence teaching careers during the year which saw patron numbers drop. This has since recovered due to a new and vibrant team of permanent Play Leaders.

Vacation Care continued to be a popular school holiday programme within the community. The Australian Sports Commission funded programme, "Active After Schools Communities" continued to be a highlight of the After School Care programme. Department for Communities Licensing visited the service twice conducting Licensing Spot Checks and positive feedback was received at both visits. Additionally, the National Child Care Accreditation Council for Quality Assurance conducted surveys of the service with positive results.

### Event Operations

A variety of events were held during 2007-08:

- Oliver Mtukuzdi Concert in the Indoor Stadium
- 2007 Oceanic Judo Championships
- Wildcats Pre-season match
- New Rock Experience
- Cerebral Palsy awareness week – football game
- Golden West Antique Fair, client has rebooked for three more events
- The National Karate Championships 2008
- West Perth Football Club games (colts, reserves and league)

Other highlights included:

- New source of income from leasing western end of car park to Joondalup Health Campus
- New hockey cashiering process to improve gate takings
- Improved utilisation and income from Astro turf facilities

In addition, a partnership with Edith Cowan University (ECU) was finalised. This has seen ECU become an important user of the facility.

### Aquatics

In the aquatic centre a variety of events were also held:

- 21 School carnivals
- 4 Splash iT Pool Parties (one per quarter)
- Arena Swim Club Championships
- Arena Swim Club Long Distance Championships
- Westcoast Masters Swim Meet
- Swimming WA Shell Novice
- Breakers Swim Club Meet
- Royal Life Saving Society Junior Lifeguard Swimming Carnival
- Arena Swim Club Shell Novice

The Learn to Swim programme again proved popular with numbers being:

- 1189 participants (Term 1 2008)
- 1149 participants (Term 2 2008)
- 1004 participants (Term 3 2007)
- 1099 participants (Term 4 2007)

(These numbers include the holiday programme, term programme and bronze courses run each term. While holiday programme numbers did not meet target figures, term numbers exceeded expectations).

Other significant swimming programmes run during the course of the year included introduction of the Bronze Star Extension Course – which took the Venue's level of instruction up to Level 15. 2007-08 also saw the successful delivery of the Bronze Medallion Course held for students who have been through all 15 stages and had reached the 14 age requirement for the Bronze medallion.



## REPORT ON OPERATIONS 2007-08

### Swim Club

A number of Arena Joondalup swimmers achieved some excellent feats, namely:

- Jeremy Tidy 2008 Paralympion selection
- Kacey O'Connell 2008 National Age 14 years age champion
- Rhiannon Dielesen national event camp coach team selection
- Sophie Markham medalist senior Australian surf titles

The Arena Joondalup swim club also achieved some excellent feats including Arena Swim Club 1st position of the SWA Junior Championships.

Significant training initiatives conducted through the course of the year included the development of a new training manual for all staff, appointment of a designated trainer, mystery shopper exercises, leisure centre visitations and bi-monthly competency training.

### Commercial sales

The Sports Bar and Function sales revenue continued to grow in 2007-08.

### Retail

The Arena retail shop continued to stock a range of aquatic and aerobic swim and leisure wear.

### SpeedDome

The SpeedDome continued to fulfill its role as Western Australia's premier cycling venue providing facilities for elite and community cycling programmes and for state, national and international cycling events. Venue attendance increased 14.18% when compared to 2006-07.

The Trust hosted the Japanese and Great Britain National Track Cycling Teams and New Zealand Junior National Track Cycling Team at the Speeddome over the course of the year for Training camps.

New tenancies were secured in 2007-08 bringing an increased dynamism to the venue, these being the WA Institute of Sport Track Cycling Programme, Midland Cycle Club and Perth Mountain Bike Club.

To ensure that the needs of elite sport training and competition are well understood, a comprehensive review on the venue refurbishment requirements to achieve UCI (world governing body for cycling) standard was completed and new electronic timing equipment compliant with UCI standards was procured.



### Motorplex

The Trust has outsourced the day to day operations of the motorsport activities at the venue to Kwinana Motorplex Pty Ltd through a license agreement. The Perth Motorplex is highly regarded as a leading motorsport venue in Australia and has attracted an excellent international reputation.

The capacity of the venue was improved with the completion of the resurfacing of the Perth Motorplex drag strip at a cost of \$1.3 million to bring it to world class standard.

The 2008 racing season recorded total attendance of 254,635 spectators over 100 event dates.

Competitor numbers increased to an average of 209 compared to 154 in the first season of operation in 2000-01.

Noise monitoring confirmed noise emissions were compliant with the Noise Management Plan and a summary report of the noise monitoring and complaints received during the 2007-08 season was submitted to the Department of Environment and Conservation as required for annual audit.

## REPORT ON OPERATIONS 2007-08

### Property and Services

A wide range of capital works projects were undertaken at the Trust venues in order to maintain or improve the presentation and operational capabilities of the various sites.

#### At Challenge Stadium this included:

- Retiling of the indoor pool hall floor
- Refurbishment of both outdoor race pools
- Replacement of the outdoor pool pumps and pipe work
- Installation of chlorine gas treatment systems

#### At Arena Joondalup Capital Works included:

- Installation of a new building management system
- Installing Astroturf and sun shelter in the crèche garden
- Fitting a security gate to the loading bay entrance
- Repainting of the venue external steelwork

#### At Midvale SpeedDome work included:

- Replacement of the emergency lighting UPS system
- Installation of an electronic timing system

#### At Kwinana Motorplex the works included:

- Major repairs/replacement of the drag strip

### Energy Smart Government Programme

In accordance with the Energy Smart Government policy the Western Australian Sports Centre Trust committed to achieve a 12% reduction in non-transport related energy use by 2006-07. Now that that initial period has passed the programme is to be extended further, but without specified reduction percentages being applied.

The energy consumption figures below show that while overall energy reductions are at 47.5%, energy costs have only decreased by 37%. This is due to cost rises in the intervening 6 years.

Energy Smart Government programme	Baseline Data	2007-08 Actuals	Variation %
Energy Consumption (Gj)	65,227	34,312	-47.5%
Energy Cost (\$)	\$1,067,980	\$672,689	-37%
Greenhouse Gas Emissions (tonnes of CO <sub>2</sub> )	4460	5487	+23%
Performance Indicators by category Public Buildings MJ/sqm	1902	1005	-47.5%





## REPORT ON OPERATIONS 2007-08

The Trust has maintained and even slightly improved on the massive reductions achieved in the first five years of the Energy Smart programme, and it is certainly possible for further reductions to be achieved, particularly at Arena Joondalup.

In the 2007-08 year the Trust was proud to achieve the highest energy reduction of any State Government agency and was awarded the Energy Champion Award by the Office of Energy for its efforts.

During the year some of the energy saving initiatives undertaken included: -

- Installation of a new energy management system at Arena Joondalup.
- Addition of control of the water polo pool to the BMS system at Challenge Stadium.
- Improvements to the solar heating system at Arena Joondalup.
- Replacement of car park light with low wattage globes at Arena Joondalup
- Installation of a variable speed drive unit on the bore pump at Challenge Stadium.
- New contract negotiated for supply of both gas and electricity to all three maintained venues which is expected to result in significant cost advantages over the term of the agreement.

The geothermal heating system had a trouble-free year of operation at Challenge Stadium, and between it and the solar heating system installed on the water polo pool the gas costs are now \$243,000 below their 2002-03 levels.

The MEX system has also proved to be a good investment and is providing much better programming and control of the work scheduling.



## REPORT ON OPERATIONS 2007-08

### Marketing

The most significant initiative conducted during the year was the roll-out of the new "Famous" brand at the start of the 2007-08 year. All marketing communications for the year reflected this brand and new level of consistency. In its first year the success of the brand is difficult to assess and must be viewed as a long term investment in the financial success of the Trust.

The marketing team completed 272 projects from the marketing helpdesk for the year. These projects range from an entire marketing plan and execution for products like Health and Fitness membership drives to brochure updates and simple newsletters for Programmes and Childcare. In 2008-09 marketing will be implementing a new 'costs and results' reporting system to provide more return on investment (ROI) data.

The most successful project for the year was the \$30 for 30 days campaigns for Health and Fitness in Challenge Stadium and in Arena Joondalup. This was the first campaign to run concurrently across two business units from two venues. The campaign included advertising, point of sale, catalogues, magazines and electronic marketing. The results on marketing spend were: Arena Joondalup ROI - 676%; and Challenge Stadium ROI - 514 %.

Geographic analysis of the databases confirmed for the Trust how geographically driven its businesses are. With

the exception of events and elite sport the Challenge Stadium and Arena Joondalup can now provide accurate concentration data on the physical demographics of the customer base. A new direct marketing catalogue of current courses and products was distributed directly to households in the suburbs with the highest concentrations of Challenge Stadium and Arena Joondalup customers. The A5 size full colour catalogue also provided a range of special offer vouchers to drive business further and the initial response to the 15,000 catalogues distributed for each venue has been positive with a large number of vouchers redeemed. Four editions of the Pulse and Be Challenged Magazines were created and printed in 2007-08.

The websites for the Trust performed strongly with the 11,977 unique visitors a month in 2006-07 jumping to 26181 in 2007-08 and an independent review of the websites will be used to determine their future directions.

The single largest project for Marketing for the year was marketing one of the state's biggest ever international sporting events XII FINA World Masters Championships 2008. In the 10 months leading up to the event the team created information books, programmes, electronic newsletters, welcome kits and a signage plan. In addition promotional material at 12 international events, all publicity and the opening and closing ceremonies were coordinated by the Marketing team.





## SIGNIFICANT ISSUES AND TRENDS

The State Government has made a significant commitment constructing new sporting, entertainment and event facilities. Professional ownership and management of these facilities is a major requirement. The Trust is uniquely positioned to utilise its experience and expertise to maximise the benefits of these facilities for the people of Western Australia through advice and direct involvement.

The imminent completion of athletics, basketball and rugby facilities adjacent to Challenge Stadium and the completion of the sporting precinct structure plan provides an opportunity for integrated management practices in the precinct.

The increasingly competitive labour environment in Western Australia will continue to place pressure on the Trust's ability to maintain costs whilst retaining high quality customer service and facilities. Skill shortages, particularly in the area of trade skills, impacts on the ability to cost and time effectively manage back of house/maintenance and facility upgrades.

The latest adult and childhood obesity forecasts for the Australian population provide an opportunity for the Trust and its facilities to make an even greater contribution to the people of Western Australia. With competition in the health and fitness market continuing to grow, the Trust will need to remain proactive to continually enhance and differentiate its programmes in this area.

With an aging population, an opportunity exists to increase off-peak utilisation of the Trust's facilities through creative development and promotion of programmes and services that suit the needs of this market segment.

High levels of utilisation across the industry for facilities for school balls, corporate functions and board room meetings provides further opportunities to increased use of the Trust facilities in off-peak times.

Significant work was undertaken by the Trust in 2007-08 to respond to the Searle review of the Trust. Consistent with the governance recommendations in the review the Trust Board adopted the following:

- Board Charter
- Board Delegation of Authority
- Conflict of Interest register
- Gifts and Hospitality register
- Board Code of Conduct
- Strategic Corporate Governance Manual
- Ticket Allocation Policy and Hospitality Program
- Human Resources Delegations of Authority Policy, and
- Venue Hire Policy

### OUTLOOK FOR 2008-09

The Trust will continue to provide high quality venues to be used as elite training and/or competition facilities for swimming, water polo, basketball, cycling, gymnastics, volleyball, netball, athletics, hockey, soccer, softball, rowing and canoeing.

In addition, the Trust will:

- Continue to increase our reputation for excellence in venue management by staging concerts and regular community entertainment events at Challenge Stadium and Arena Joondalup as important indoor sports and entertainment venues in the lead up to the opening of the Perth Arena.
- The Trust will complete business plans for the State Athletics Stadium and State Basketball Centre in 2008-09 and subsequently seek additional funding through the State Budget process to accompany taking receipt of the new facilities and commencing operations.
- The State Athletics Stadium is due to commence operations April/May of 2009 and encompasses the latest track and timing technology with the provision of lighting to allow evening use of the track WA's Athletic organisations, schools and individual athletes will benefit immensely from a facility equal to the best facilities throughout Australia.
- The State Basketball Centre is due for completion in October 2009 and will be ready for operational use soon after. The Trust's focus for 2008-09 is to ensure the stadium's fit out and operational needs are correctly addressed to maximise the benefits to the Trust, Basketball WA, potential tenants and athletes.
- Longer term, the completion of the State Athletics Stadium and State Basketball Centre and their location on the Challenge Stadium/UWA Sports Precinct signify the completion of Stage One of the AK Reserve/UWA Sports Precinct Master Plan and stand to offer great future benefits for both sporting and commercial events as well as result in improved results for the sporting associations and athletes alike.
- The Trust will proceed with the development and implementation of an agreed management model to commence marketing and operational planning for the Perth Arena prior to its opening 2010-11. A business case regarding the capital expenditure requirements for 'fit out' will be prepared during 2008-09 as well as recurrent expenditure to ensure that once completed, the new venue has the infrastructure and facilities essential to ensure ongoing operational and commercial integrity.

## SIGNIFICANT ISSUES AND TRENDS

- The design features of the Perth Arena make it one of the most versatile entertainment/sports facilities in Australia, incorporating a World Class standard of excellence. In addition to the Hopman Cup, Perth Arena will also be host to international sports events, concerts of all sizes, family and production spectacular events, exhibitions, banquets, balls and functions. The Perth Arena's iconic design will be instrumental in attracting international focus as a premier entertainment destination.
- Complete the development of a comprehensive Strategic Plan to provide a clear strategic focus for the Trust and its involvement in community sport, entertainment, recreation and commercial activities.
- Implement changes based on an activity-based costing exercise for the Trust's operations. This exercise will increase understanding of the community, elite and commercial costs and contribution of events and activities at the Trust's venues.
- Examine opportunities to extend the Health and Fitness facilities at both Challenge Stadium and Arena Joondalup, with a view to increase memberships and casual users (thus revenue) and ensure a higher level of member retention.

### Challenge Stadium

Major works planned for 2008-09 at Challenge Stadium include:

- Indoor Pool chlorine gas installation
- Main Arena change room upgrade and Function Room Bathroom upgrade

The following key activities are also planned:

- Host 14 NBL Games
- Host 7 ANZ Trophy Games
- Host U/16 Girls and Boys National Water Polo Championships
- Host U/14 Girls and Boys National Club Water Polo Championships
- Stage 18 Entertainment Events in the main arena
- Increase banquet activities

### Arena Joondalup

The following key activities will occur at Arena Joondalup in 2008-09:

**ACSRA Facility** – The Arena Community Sport and Recreation Association Facility has been allocated funding from the Trust, City of Joondalup and the Department of Sport & Recreation. The upcoming financial year is

expected to see the planning come to fruition with the commencement of construction of Stage 2 of the project, shared clubrooms.

**Child Care Facility – Kidz Biz** - The finalisation of a Lease Agreement with Kidz Biz is expected to see the commencement of construction of a dedicated childcare facility at Arena Joondalup 2008-09.

### SpeedDome

In 2008-09, the SpeedDome will:

- Host the Lithuanian National Track Cycling Team for a training camp prior to Olympic Games in Beijing.
- Host the Australian, New Zealand and Canadian Paralympic teams for training camps prior to the Paralympic Games in Beijing.
- Identify diverse uses of outdoors facilities, including driver training and driving events.
- Identify strategies to increase utilization and multifunctional use of the venue.



## SIGNIFICANT ISSUES AND TRENDS

### Motorplex

In 2008-09, the Motorplex will:

- Host the 2009 Australian Sprintcar Championship
- Host in excess of 100 events including National Drag Racing, Super Speedway, Burnout shows and Stunt Shows
- Continue to provide opportunity for legal off Street Drag Racing
- Host Motorvation 23 annual car show
- Increase Driver Training and track hire use of the venue

### Property and Services

Further energy saving projects are planned for 2008-09 with the intent of improving standards of venue presentation and service delivery. These include:

- Extending the Building Management System controls at Challenge Stadium and Arena Joondalup
- Introducing more energy efficient lighting at all venues
- Improving control of lighting and air-conditioning at Arena Joondalup

The Trust will utilise "condition audit" information on its facilities to prioritise capital expenditure.

### Marketing

- The new website presence for the Trust and its venues will be completed in 2008-09. The websites will increase efficiency through tools such as on-line payment and features that will provide Trust business units with opportunities to increase sales.
- A brand strategy will be implemented to ensure a whole of organisation approach to enable the Trust venues to build recognition and loyalty among clients and communicate its full range of products and services.
- Building on new business processes, improved ROI (Return on Investment) analysis of marketing efforts will be implemented.
- With the budgeted higher revenues for Health and Fitness Centres for 2008-09 more resources will be allocated to increased membership drives and membership reactivations with the objective of lifting major campaigns results beyond 800% ROI.
- A media communication policy will be implemented to provide the Trust and the venues with an enhanced public image and a higher profile. Banquet and function business will be provided with enhanced



communication tools to assist with increased catering expectations.

- Street signage for Arena Joondalup and Challenge Stadium will be upgraded to better communicate the range of services after Main Roads research indicated 30,000 cars pass along Joondalup Drive and 11,500 along Stephenson Avenue daily.

## DISCLOSURES AND LEGAL COMPLIANCE



### Auditor General

#### INDEPENDENT AUDIT OPINION

To the Parliament of Western Australia

**WESTERN AUSTRALIAN SPORTS CENTRE TRUST  
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 Western Australian Sports Centre Trust.

The financial statements comprise the Balance Sheet as at 30 June 2008, and the Income Statement, Statement of Changes in Equity and Cash Flow Statement 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.

#### **Board's Responsibility for the Financial Statements and Key Performance Indicators**

The Board 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.

**Western Australian Sports Centre Trust  
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 Western Australian Sports Centre Trust 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 Trust 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 Trust are relevant and appropriate to help users assess the Trust's performance and fairly represent the indicated performance for the year ended 30 June 2008.

COLIN MURPHY  
AUDITOR GENERAL  
20 February 2009



## KEY PERFORMANCE INDICATORS

WA Sports Centre Trust

Certification of Performance Indicators

For the Year Ended 30 June 2008

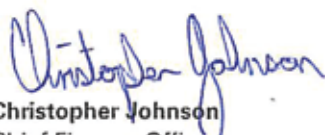
We hereby certify that the performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Western Australian Sports Centre Trust's performance and fairly represents the performance of the Western Australian Sports Centre Trust for the financial year ended 30 June 2008.



Graham Partridge  
Board Chairman  
Date: 6 February 2009



Graham Goerke  
Board Member  
Date: 6 February 2009



Christopher Johnson  
Chief Finance Officer  
Date: 6 February 2009



## KEY PERFORMANCE INDICATOR INFORMATION

### Efficiency and Effectiveness Indicators

#### Outcome 1: Provision of facilities for elite sports training and competition

##### Service 1. Management of elite sport facilities

##### Customer Satisfaction

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

##### Indicator 1.1 Customer Service Survey – Elite Sport Facilities

A customer service survey was conducted in May 2008 by the Centre for Environmental and Recreational Management, based within the University of South Australia. The survey measured overall satisfaction with facilities at Arena Joondalup, Challenge Stadium and the SpeedDome. Customers were asked to rate the quality of services and facilities on the scale of 1 (very poor) to 7 (very good).



The survey result for 2007-08 was positive with a customer satisfaction result of 82% compared to a customer satisfaction target level of 81% which was the level established in the previous year.

The survey result was based on the total number of respondents as 153, with an error rate of 10% and a confidence interval of 95%. Total population of 400 athletes.

#### Outcome 2: Provision of facilities for community sport, entertainment and recreation.

##### Service2. Management of community sport, entertainment and recreational facilities

##### Customer Satisfaction

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

A customer service survey was conducted in May 2008 by the Centre for Environmental and Recreational Management, based within the University of South Australia. The survey measured overall satisfaction. Customers were asked to rate the quality of services and facilities on the scale of 1 (very poor) to 7 (very good).

##### Indicator 2.1 Customer Service Survey – Challenge Stadium

The survey results for 2007-08 shows a customer satisfaction level of 82% compared to a target of 81%



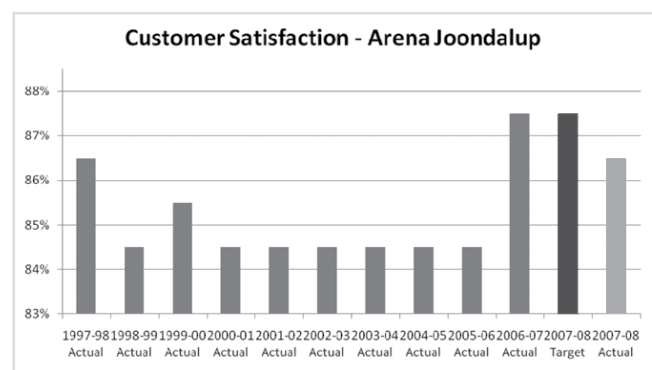
The Overall Satisfaction Score for 2008 of 82% shows an increase of 1% from the previous year's results and was better than target results.

The survey result was based on 302 responses, an error rate of 10% and a confidence interval of 95%. Total population 16,600.

## KEY PERFORMANCE INDICATOR INFORMATION

### Indicator 2.2 Customer Service Survey – Arena Joondalup

The survey result for 2007-08 shows a customer satisfaction level of 86% compared to a target of 87%.



Customer satisfaction at Arena Joondalup has been consistently high for a number of years and therefore the target has been to maintain this level of result. The 2007-08 figures were 1% less than that experienced in the previous year.

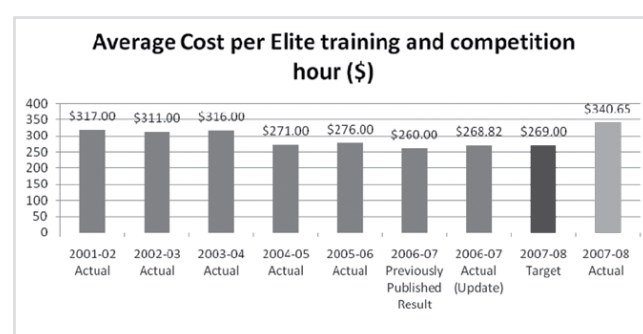
The survey result was based on 294 responses, a 10% error rate and a confidence interval of 95%. Total population 31,000.

### Desired Outcome 1: Provision of facilities for elite sport training and competition.

#### Service 1 Management of elite sport facilities

### Indicator 1. Cost of providing elite training and competition

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



The average cost per hour of elite training and competition for 2007-08 is \$340.65 compared with a target established last year of \$269.00. This increase in cost per hour can be directly attributed to the following factors:

- A new financial regime has seen an increase in the depreciation on assets owned by the Trust. It should also be noted that the 2006-07 results have been recalculated in the above table as a result.
- The number of elite hours available was reduced by approximately 6,535 hour in 2007-08 being largely due to the major refurbishment of pools at Challenge Stadium impacting on operations for approximately 6 months.
- Swimming WA reduced their competition hours by 30% in 2007-08.
- In 2007-08 a review was conducted of the method used to calculate elite training and competition hours resulting in a reduction in total hours being reported. As a result caution should be exercised when making any direct comparisons against previous years results.
- The capital user charge was removed in 2007-08 resulting in total cost of elite training and competition hours being reduced which counteracted some of the worsening of the results due to the four dot points above.

## KEY PERFORMANCE INDICATOR INFORMATION

### Efficiency and Effectiveness Indicators

**Desired Outcome 2: Provision of facilities for community sport, entertainment and recreation.**

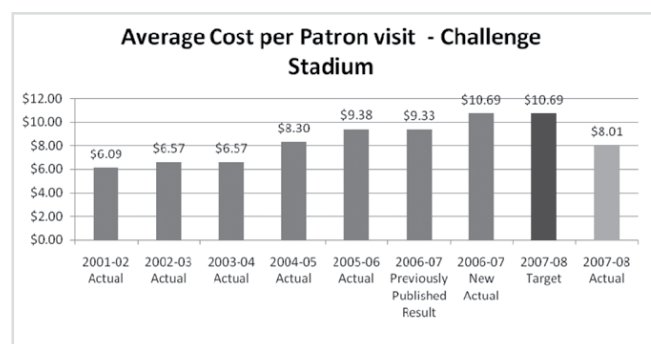
**Service2: Management of community sport, entertainment and recreational facilities**

#### Indicator 1. Average cost per patron visit – Challenge Stadium

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

The average cost per patron visit to Challenge Stadium in 2007-08 was \$8.01 compared to a target of \$10.69.

The Trust aims to achieve or better previous year's results in relation to its efficiency indicators and while the figures for 2007-08 indicate improvement, the decrease in cost per patron can be directly attributed to the removal of the capital user charge in 2007-08 reducing expenditure by approximately 26%. Total patronage figures were relatively stable over the same time period with 959,196 in 2007-08 as compared to 1,007,652 in 2006-07.

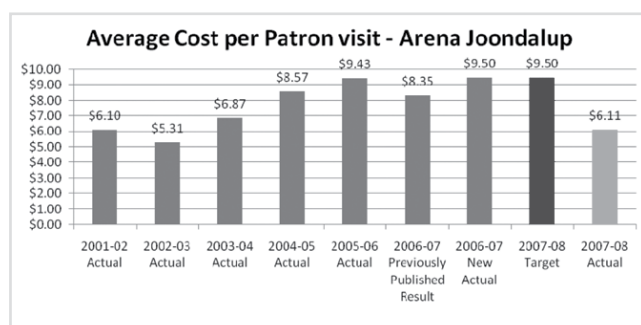


#### Indicator 2 Average cost per patron visit – Arena Joondalup

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

The average cost per patron visit to Arena Joondalup in 2007-08 was \$6.11 compared to a target of \$9.50.

The Trust aims to achieve or better previous year's results in relation to its efficiency indicators and while the figures for 2007-08 indicate improvement it should be noted that the decrease in cost per patron can be directly attributed to the removal of the capital user charge in 2007-08 reducing expenditure by approximately 26%. Additionally, the Total patronage figures for Arena Joondalup were 826,990 representing an increase of 86,898 over patronage recorded in 2006-07.



#### Comment against Key Performance Indicator Reporting

The Trust completed a major Activity Based Costing Project in 2008, the results of which are improving the clear identification of community service obligations and benefits delivered by the Trust. This information will have further impact on the methodologies relating to the current set of key performance indicators in future years

At the time of publishing these results, the Trust is reviewing its strategic directions and consequently it's Key Performance Indicators. A submission to the Output Structure Review Group (OSRG) will be made upon finalisation of the strategic plan with the expectation to establish a new reporting framework for the Trust.

## OTHER FINANCIAL DISCLOSURES

### Pricing Policies of Services Provided

The Trust's admission prices are reviewed annually as part of the State Budget process. In accordance with TI 903(4)(x) the Trust has discretion over pricing for goods and services, subject to Ministerial approval.

### Capital Works

The Trust's capital building works programme consists of projects that are funded from either Government capital appropriations, internally generated revenue or funds from other government offices. The Trust expended \$3.9m on capital works in 2007-08 comprising.

### Completed Capital Projects

\$2,105,035	Challenge pool refurbishment
\$1,194,693	Motorplex track repair/upgrade
\$ 403,000	Joondalup Basketball Courts
\$ 265,135	Joondalup Aquatic Centre repairs

### Capital Works in Progress

There were no major capital works in progress at year end.

### Employment and Industrial Relations

#### Staff Profile

The Trust employed 211 full-time equivalent staff in 2007-08. Employee Profile indicators for 30 June 2008 are as follows:

Classification level	Full Time Equivalents	Males (%)	Females (%)
Level 9 & above	1.00	100%	0%
Level 8	0	0%	0%
Level 7	5.2	69%	31%
Level 6	3.00	66%	33%
Level 5	6.00	66%	33%
Level 4	13.50	28%	72%
Level 3	22.40	39%	61%
Level 2	26.40	15%	85%
Level 1	36.20	44%	56%
Total	112.70	38%	62%

#### Notes:

**Excludes:** Casuals, employees seconded-out, employees on parental leave and leave without pay, Indigenous cadets and trainees, and seconded-in personnel not paid by Trust.

**Includes:** Seconded-in personnel paid by Trust.



## OTHER FINANCIAL DISCLOSURES

### Staff Development and Recruitment

The Trust continued to provide opportunities for employees to participate in training and development activities including;

- A combination of vocational education training programmes,
- Training to meet essential qualification requirements,
- Skills training related to employee positions, attendance at industry related conferences to aid in professional development and
- Training to enhance the quality of employment.

In continuing its commitment to improving leadership development the Trust implemented a second Frontline Management Programme in 2007–08. This year's programme was targeted at employees with current supervisory responsibilities as a development opportunity in preparing them to become the Trust's future leaders.

The Trust provided a total of 2742 hours of formal training to staff in 2007-08 (1629 hours in 2006-07) at a cost of \$79,199 (\$47,973 in 2006-07). This does not include on-the-job training or formal study outside of work hours.

The Trust's key employee training and development statistics for 2007-08 are detailed in the table below.

Total training hours provided to staff	2742 hours
Average hours per FTE	21.77 per permanent FTE
Total training costs	\$79 199
Average training investment	\$250 per person per training opportunity
Number of staff receiving Study assistance	2

### Industrial Framework

The Trust operates under two separate Industrial Agreements.

The Government Officers' Salaries, Allowances and Conditions Award 1989 and Government Officers' Salaries, Allowances and Conditions General Agreement 2006 covers approximately 55% of the Trust's permanent employees and 5% of the Trust's casual employees.

The 2006 General Agreement, negotiated and agreed between the State Government and the Civil Service Association, was registered at the end of July 2006 and is currently under negotiation. This Agreement provided for two salary increases: 4.5% in March 2006 and 4% in March 2007.

The Trust's General Agreement 2007 is negotiated and agreed between the Trust, The Media Entertainment and Arts Alliance of Western Australia and the Liquor, Hospitality and Miscellaneous Union, Western Australia Branch. This agreement covers approximately 45% of the Trust's permanent employees and 95% of the Trust's casual employees.

The 2007 Agreement was registered on the 12th September 2007 and provided for three salary increases 4.5% on 1st January 2007, 4% on 1st January 2008 and 4% on 1st January 2009.

### Worker's Compensation

The Trust implemented an Injury Management Policy in 2005 in line with the Code of Practice (Injury Management) 2005. This policy meets the requirements of the Workers Compensation and Injury Management Act 1981. The policy supports the early rehabilitation of injured workers through return to work programmes to allow them to return their pre injury positions as early as possible. The Trust utilises external rehabilitation providers in developing their return to work programmes and to ensure employees are provided with professional and qualified support in managing their rehabilitation.

All employees are provided with a copy of the Injury Management policy in their induction materials or when a workplace injury occurs. This policy is accessible to employees on the Trust's extranet.

## OTHER FINANCIAL DISCLOSURES

A statement of compliance with the injury management requirements of the Workers' Compensation and Injury Management Act 1981; and

A report on annual performance for 2007-08 against the following targets:

Indicator	Target 2007-08	Actual 2007-08
Number of fatalities	Zero (0)	Zero (0)
Lost time injury/diseases (LTI/D) incidence rate	Zero (0) or 10% reduction on previous year	3.3 Target not met. LTI incidence rate increased from 2.97 in 2006-07.
Lost time injury severity rate	Zero (0) or 10% improvement on previous year	Zero (0)

### Insurance Premiums paid to indemnify members of the Board

The Trust takes out Directors and Officer's Liability Insurance, covering members of the Trust Board and senior management. The limit of liability is \$10m.

### Other Legal Requirements

#### Advertising and Sponsorship:

(Electoral Act 1907, S175ZE)

In accordance with section 175ZE of the Electoral Act 1907, Trust incurred the following expenditure in advertising, market research, polling, direct mail and media advertising:

1. Total expenditure for 2007-08 was \$55,359.85
2. Expenditure was incurred in the following areas:

EXPENDITURE ADVERTISING AGENCIES (as at 30th June 2008)	
COMPANY	AMOUNT (ex GST)
Marketforce Productions	14,141.00
	<b>14,141.00</b>
EXPENDITURE MEDIA ADVERTISING AGENCIES	
Media Decisions (Challenge Stadium)	27,724.09
Media Decisions (Joondalup)	4,444.76
	<b>32,168.85</b>
MARKET RESEARCH	
University of South Australia	9,050.00
	<b>9,050.00</b>
DIRECT MAIL AGENCIES	
<b>TOTAL</b>	<b>55,359.85</b>

## OTHER FINANCIAL DISCLOSURES

### Sustainability

Premier's Circular 2004/14: Sustainability Code of Practice for Government Agencies

The Trust's planning, decision making and reporting are conducted in accordance with the sustainability principles contained within the Code of Practice for Government agencies. The Trust's commitment to sustainability and energy savings continue to ensure that its operations support sustainability. Key achievements include:

- Reduction of energy consumption by 47% in the last 5 years, (enough to power 8000 homes for a year).
- Installation of Western Australia's largest environmentally friendly and sustainable geothermal heating system to heat Challenge Stadiums five pools.
- Winning awards such as 2005 Energy Champion Award, 2005 Major Facility Management Award and an Environmental Design Gold Award from the International Institute of Consulting Engineers.
- Reduction in water consumption by 25% or 30,212 tonnes in the last 5 years (the equivalent of 1000 backyard pools per annum).

### Occupational Safety and Health

(Premier's Circular 2007/12: Code of Practice: Occupational Safety and Health in the Western Australian Public Sector)

All agencies are required to include in their annual reports information on occupational safety, health and injury management performance, policies and initiatives. The information reported is to be consistent with the guidelines contained in the abovementioned Premier's Circular.

The 2007-08 reporting year is the first time agencies have been required to include occupational safety, health and injury management in their annual reports in accordance with the Premier's Circular. In 2007-08 annual reports, agencies are to report on their performance in relation to the following (minimum requirement):

- The Trust demonstrates its commitment to Occupational Safety and Health (OSH) through the establishment of documented injury management and OSH policies and procedures. Evacuation procedures and evacuation routes are provided to all employees at induction; are displayed in each operational area and are accessible to all employees via the Trust extranet.

As a strategy for improving the Trust's commitment to and awareness of OSH responsibilities a part time OSH Coordinator is to be appointed to the Trust for the 2008-09 financial year. This position will be responsible for undertaking an evaluation of the OSH management systems; providing recommendations for improvement and coordinating the implementation of these recommendations. The OSH Coordinator will also assist in strengthening OSH related induction and training activities within the Trust.

- The Trust has established Occupational Safety and Health committees at both Challenge Stadium and Arena Joondalup. All employees have access to the Trust's incident, accident and hazard reporting forms via the Trust Extranet. On completion these forms are logged by Centre Management at each venue and reviewed by the OSH committee. The OSH committees meet at six weekly intervals and consist of appropriately trained OSH representatives.

### Corruption Prevention

(Premier's Circular 2005/02: Corruption Prevention)

The Trust has in place the following measures designed to reduce corruption and misconduct:

Policies on Suspected Official Corruption, Gifts and Benefits and Conflict of Interests have been adopted and are available to all staff on the agency extranet

Staff responsibilities are outlined in an induction package given to all new staff.

A register is maintained of all gifts received by Board members and staff above a nominal amount.

A conflict of interest register is also in place for staff members.

## OTHER FINANCIAL DISCLOSURES

### Risk Management Framework

The Trust recognises the need to effectively manage organisational risks and has a Risk Management Policy that outlines the objectives and responsibilities for risk management within the organisation. The policy also identifies potential sources of risk, and the steps in the risk management process.

Each of the four Trust venues has a Risk Management Plan that includes a brief introduction, aims and objectives of the plan, and a copy of the Risk Analysis legend (categorising likelihood, consequences/impact and level of risk). Each plan documents an action plan for each identified risk. The Trust has an Audit, Finance and Governance Committee which takes responsibility for ensuring that risk management has the appropriate protocols in place to ensure that all elements of risk are managed.

### Compliance with Public Sector Standards and Ethical Codes

In accordance with section 31(1) of the Public Sector Management Act 1994, the Trust is required to comment on the extent to which public sector standards, codes of ethics and any relevant code of conduct have been complied with.

Compliance Issues	Significant action taken to monitor and ensure compliance
Public Sector Standards	<p>Nil breach claims during 2007-08</p> <p>A Human Resources representative participates in all permanent recruitment processes for the Trust and coordinates each of the processes to ensure compliance with the Public Sector Standards. All processes undertaken for positions above level 2 are reviewed by the CEO prior to an appointment being made. All other appointments are reviewed by the Human Resources Manager prior to appointment.</p> <p>A HR Delegation of Authority Schedule was introduced in 2007-08 clarifying delegations responsibilities of all employees.</p>
WA Code of Ethics	<p>WA Code of Ethics is included in induction materials for all permanent and casual employees and accessible from the Trust extranet site.</p>
Agency Code of Conduct	<p>Two formal grievance resolution processes were undertaken in 2007-08.</p> <p>The Trusts code of conduct is contained within the Trusts Employee Conduct Policy and is part of all employees' induction materials.</p>

In the financial administration of the Trust, we have complied with the requirements of the Financial Management Act 2006 and every other relevant written law, and exercised controls which provide reasonable assurance that the receipt and expenditure of money and the acquisition and disposal of public property and incurring of liabilities have been in accordance with legislative provisions.

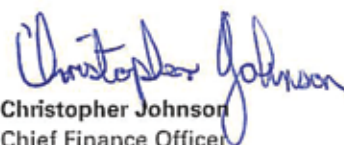
At the date of signing we are not aware of any circumstances which would render the particulars included in this statement misleading or inaccurate.



Graham Partridge  
Board Chairman  
Date: 6 February 2009



Graham Goerke  
Board Member  
Date: 6 February 2009



Christopher Johnson  
Chief Finance Officer  
Date: 6 February 2009



## NOTES TO THE FINANCIAL STATEMENTS

### Certification of Financial Statements

The accompanying financial statements of the Western Australian Sports Centre Trust 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 ending 30 June 2008 and the financial position as at 30 June 2008.

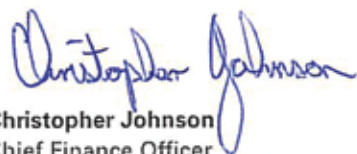
At the date of signing we are not aware of any circumstances which would render any particulars included in the financial statements misleading or inaccurate.



Graham Partridge  
Board Chairman  
Date: 6 February 2009



Graham Goerke  
Board Member  
Date: 6 February 2009



Christopher Johnson  
Chief Finance Officer  
Date: 6 February 2009

# Western Australian Sports Centre Trust

## Balance Sheet – For the Year Ended 30 June 2008

		2008	2007
		\$	\$
<b>ASSETS</b>	<b>Note</b>		
<b>Current Assets</b>			
Cash and cash equivalents	30	512,668	683,534
Inventories	20	390,018	392,930
Receivables	21	654,162	910,007
Amounts receivable for service	31	1,627,000	3,790,000
Other current assets	22	15,583	1,155,483
<b>Total Current Assets</b>		<b>3,199,431</b>	<b>6,931,954</b>
<b>Non-Current Assets</b>			
Amounts receivable for service	31	10,625,000	9,046,000
Property, plant and equipment	23	153,944,853	143,255,947
<b>Total Non-Current Assets</b>		<b>164,569,853</b>	<b>152,301,947</b>
<b>Total Assets</b>		<b>167,769,284</b>	<b>159,233,901</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables	25	2,072,061	2,571,196
Borrowings	26	162,951	212,688
Provisions	27	910,864	847,793
Other current liabilities	28	1,460,885	1,549,110
<b>Total Current Liabilities</b>		<b>4,606,761</b>	<b>5,180,787</b>
<b>Non-Current Liabilities</b>			
Borrowings	26	246,900	412,851
Provisions	27	332,500	387,000
Other non-current liabilities	28	304,128	534,276
<b>Total Non-Current Liabilities</b>		<b>883,528</b>	<b>1,334,127</b>
<b>Total Liabilities</b>		<b>5,490,289</b>	<b>6,514,914</b>
<b>NET ASSETS</b>		<b>162,278,995</b>	<b>152,718,987</b>
<b>EQUITY</b>			
Contributed Equity	29	37,544,690	37,459,690
Reserves	29	77,127,893	67,775,385
Retained earnings	29	47,606,412	47,483,912
<b>TOTAL EQUITY</b>		<b>162,278,995</b>	<b>152,718,987</b>

## Western Australian Sports Centre Trust

### Income Statement – For the Year Ended 30 June 2008

		2008	2007
		\$	\$
<b>INCOME</b>	<b>Note</b>		
<b>Revenue</b>			
Sales	7	5,602,966	4,882,950
Provision of services	8	8,357,627	8,325,508
Interest revenue	9	156,513	169,218
Other revenues	10	2,845,467	2,167,298
<b>Gains</b>			
Gains on disposal of non-current assets	11	10,509	-
<b>Total Income</b>		<b>16,973,082</b>	<b>15,544,974</b>
<b>EXPENSES</b>			
<b>Expenses</b>			
Cost of sales	7	2,257,515	2,053,555
Employee benefits expense	12	11,479,566	9,873,333
Supplies and services	13	5,626,637	4,791,776
Depreciation and amortisation expense	14	4,173,967	3,799,278
Finance costs	15	78,387	58,473
Accommodation expenses	16	1,214,261	1,456,331
Capital user charge	17	-	8,259,280
Other expenses	18	701,249	819,045
<b>Total expenses</b>		<b>25,531,582</b>	<b>31,111,071</b>
Loss before grants and subsidies from State Government		(8,558,500)	(15,566,097)
Grants and subsidies from State Government	19	8,681,000	15,386,000
<b>Profit/(loss) for the period</b>		<b>122,500</b>	<b>(180,097)</b>

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

# Western Australian Sports Centre Trust

## Statement of Changes in Equity - For the Year Ended 30 June 2008

	Note	2008 \$	2007 \$
<b>Balance of equity at start of period</b>		152,718,987	134,996,938
<b>CONTRIBUTED EQUITY</b>			
Balance at start of period		37,459,690	37,459,690
Capital contribution		85,000	-
<b>Balance at end of period</b>	<b>29</b>	<b>37,544,690</b>	<b>37,459,690</b>
<b>RESERVES</b>			
Asset Revaluation Reserve			
Balance at start of period		67,775,385	51,956,304
Gains from asset revaluation		9,352,508	15,819,081
<b>Balance at end of period</b>	<b>29</b>	<b>77,127,893</b>	<b>67,775,385</b>
<b>RETAINED EARNINGS</b>			
Balance at start of period		47,483,912	47,664,009
Profit (Loss) for the Period		122,500	(180,097)
<b>Balance at end of period</b>	<b>29</b>	<b>47,606,412</b>	<b>47,483,912</b>
<b>Balance of equity at end of period</b>		<b>162,278,995</b>	<b>152,718,987</b>
<b>Total income and expense for the period (a)</b>		<b>9,560,008</b>	<b>15,638,984</b>

(a) The aggregate net amount attributable to each category of equity is: gains from asset revaluations of \$9,352,508, plus surplus of \$122,500 (2007: gains from asset revaluations of \$15,819,081 less loss of \$180,097).

The Statement of Changes in Equity should be read in conjunction with the accompanying notes in particular Note 6.



## Western Australian Sports Centre Trust

### Cashflow Statement - For the Year Ended 30 June 2008

	Note	2008 \$	2007 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>			
Sale of goods and services		5,602,966	4,882,950
Provision of services		8,494,699	8,325,508
Interest received		156,513	169,218
GST receipts on sales		1,720,251	1,379,951
Other receipts		2,845,466	2,167,298
<b>Payments</b>			
Employee benefits		(11,261,912)	(9,879,829)
Supplies and services		(8,320,945)	(7,024,657)
Finance costs		(78,387)	(58,473)
Accommodation		(1,214,261)	(1,456,331)
Capital user charge		-	(8,259,280)
GST payments on purchases		(1,318,982)	(951,837)
GST payments on taxation authority		(290,603)	(440,139)
Other payments		(701,249)	(819,045)
<b>Net cash used in operating activities</b>		<b>(4,366,443)</b>	<b>(11,964,666)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sales of non-current asset		10,509	-
Purchase of non-current physical asset		(4,739,644)	(1,424,698)
<b>Net cash used in investing activities</b>		<b>(4,729,135)</b>	<b>(1,424,698)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from borrowings		-	794,757
Repayment of borrowings		(425,287)	(373,220)
<b>Net cash generated from financing activities</b>		<b>(425,287)</b>	<b>421,537</b>
<b>CASH FLOWS FROM STATE GOVERNMENT</b>			
Grants and subsidies		9,350,000	13,370,000
<b>Net cash provided by State Government</b>		<b>9,350,000</b>	<b>13,370,000</b>
Net increase in cash and cash equivalents		(170,866)	402,173
Cash and cash equivalents at the beginning of the year		683,534	281,361
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>30</b>	<b>512,668</b>	<b>683,534</b>

The Cashflow statement should be read in conjunction with the accompanying notes.

# Western Australian Sports Centre Trust

## Notes to Financial Statements - For the Year Ended 30 June 2008

### 1. Australian equivalents to International Financial Reporting Standards

#### General

The Trust's financial statements for the year ended 30 June 2008 have been prepared in accordance with

Australian equivalents to International Financial Reporting Standards (AIFRS), which comprise 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 Authority 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 Trust cannot early adopt an Australian Accounting Standard or 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 Trust for the annual reporting period ended 30 June 2008.

### 2. 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, the Framework, 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, the Framework, Statements of Accounting Concepts 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 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 report is presented in whole Australian dollars.

The judgements that have been made in the process of applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are included at Note 3 'Judgements made by management in applying accounting policies.'

The key assumptions made concerning the future, and other key sources of estimation uncertainty at the balance sheet date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are included at Note 4 'Key sources of estimation uncertainty.'

#### (c) Reporting Entity

The reporting entity comprises the Western Australian Sports Centre Trust.

# Western Australian Sports Centre Trust

## Notes to Financial Statements - For the Year Ended 30 June 2008

### (d) Income Revenue Recognition

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 and can be measured reliably.

#### Rendering of services

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

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

Revenue is recognised at fair value when the Trust obtains control over the assets comprising the contributions, usually when cash is received.

Other non-reciprocal contributions that are not contributions by owners are recognised at their fair value. Contributions of services are only recognised when a fair value can be reliably determined and the services would be purchased if not donated.

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

#### Interest

Revenue is recognised as the interest accrues.

#### 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.

### (e) Borrowing Costs

Borrowing costs for qualifying assets are capitalised net of any investment income earned on the unexpended portion of the borrowings. Other borrowing costs are expensed when incurred.

### (f) Property, Plant and Equipment and Infrastructure

#### Capitalisation/Expensing of assets

Items of property, plant and equipment and infrastructure costing \$1,000 or more are recognised as assets and the cost of utilising assets is expensed (depreciated) over their useful lives. Items of property, plant and equipment and infrastructure costing less than \$1,000 are 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 and infrastructure are initially recognised at cost. For items of property, plant and equipment and infrastructure acquired at no cost or for nominal cost, cost is their fair value at the date of acquisition.

#### Subsequent measurement

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

# Western Australian Sports Centre Trust

## Notes to Financial Statements - For the Year Ended 30 June 2008

Where market-based 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-based 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, i.e. the written-down current 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.

Independent valuations of land and buildings are provided annually by the Western Australian Land Information Authority (Valuation Services) and recognised with sufficient regularity to ensure that the carrying amount does not differ materially from the asset's fair value at the balance sheet date.

Fair value of infrastructure has been determined by reference to the written-down current replacement cost (existing use basis) as the assets are specialised and no market-based evidence of value is available. Land under infrastructure is included in land reported under Property, plant and equipment. Independent valuations are obtained every 3 to 5 years.

When infrastructure is revalued, the accumulated depreciation is restated proportionately with the change in the gross carrying amount of the asset so that the carrying amount of the asset after revaluation equals its revalued amount.

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

### Derecognition

Upon disposal or derecognition of an item of property, plant and equipment and infrastructure, any revaluation reserve relating to that asset is retained in the asset revaluation reserve.

### 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 method, using rates which are reviewed annually. Estimated useful lives for each class of depreciable asset are:

Buildings	40 to 50 years
Plant and equipment	3 to 15 years
Office equipment	3 to 20 years
Infrastructure	20 to 50 years

### (g) Impairment of Assets

Property, plant and equipment, infrastructure and intangible assets are tested for any indication of impairment at each balance sheet 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 considered impaired and is written down to the recoverable amount and an impairment loss is recognised. As the Trust 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, where the replacement cost is falling or where there is a significant change in useful life. Each relevant class of assets is reviewed annually to verify that the accumulated depreciation/amortisation reflects the level of consumption or expiration of asset's future economic benefits and to evaluate any impairment risk from falling replacement costs.

The recoverable amount of assets identified as surplus assets is the higher of fair value less costs to sell and the present



## Western Australian Sports Centre Trust

### Notes to Financial Statements - For the Year Ended 30 June 2008

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-based evidence. Where fair value is determined by reference to depreciated replacement cost, surplus assets are at risk of impairment and the recoverable amount is measured. Surplus assets at cost are tested for indications of impairment at each balance sheet date.

#### (h) Leases

Finance lease rights and obligations are initially recognised, at the commencement of the lease term as assets and liabilities equal in amount to the fair value of the leased item or, if lower, the present value of the minimum lease payments, determined at the inception of the lease. The assets are disclosed as plant and equipment under lease, and are depreciated to the Income Statement over the period during which the Trust is expected to benefit from their use. Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding lease liability, according to the interest rate implicit in the lease.

The Trust holds operating leases for its motor vehicles where the lessor effectively retains all of the risks and benefits incidental to ownership of the items held under the operating leases. Equal instalments of the lease payments are charged to the Income Statement over the lease term as this is representative of the pattern of benefits to be derived from the leased property.

#### (i) Financial Instruments

In addition to cash, the Trust has two categories of financial instrument:

- Loans and receivables;
- Financial liabilities measured at amortised cost. These have been disaggregated into the following classes:

##### Financial Assets

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

##### Financial Liabilities

- Payables
- Other borrowings
- Finance lease liabilities

Initial recognition and measurement is at fair value. 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 the face value because there is no interest rate applicable and subsequent measurement is not required as the effect of discounting is not material.

#### (j) Cash and Cash Equivalents

For the purpose of the Cash Flow Statement, cash and cash equivalents includes restricted cash and cash equivalents. These include 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, and bank overdrafts.

#### (k) 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 realizable value.

# Western Australian Sports Centre Trust

## Notes to Financial Statements - For the Year Ended 30 June 2008

### (l) Receivables

Receivables are recognised and carried at original invoice amount less an allowance for any uncollectible amounts (i.e impairment). The collectability of receivables is reviewed on an ongoing basis and any receivables identified as uncollectible are written-off against the allowance account. The allowance for uncollectible amounts (doubtful debts) is raised when there is objective evidence that the Authority will not be able to collect its debts. The carrying amount is equivalent to fair value as it is due for settlement within 30 days.

### (m) Payables

Payables are recognised when the Trust 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.

### (n) Borrowings

All loans payable are initially recognised at cost, being the fair value of the net proceeds received. Subsequent measurement is at amortised cost using the effective interest rate method.

### (o) Provisions

Provisions are liabilities of uncertain timing and amount and are recognised where there is a present legal or constructive obligation as a result of a past event and when the outflow of resources embodying economic benefits is probable and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each balance sheet date.

#### (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 balance sheet 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 balance sheet 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 balance sheet date.

When assessing expected future payments 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.

The expected future payments are discounted to present value using market yields at the balance sheet date on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

All annual leave and unconditional long service leave provisions are classified as current liabilities as the Trust does not have an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet 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 to the Gold State Superannuation Scheme (GSS), a defined benefit lump sum scheme also closed to new members. Employees commencing employment prior to 16 April 2007 who were not members of either the Pension or the GSS Schemes became non-contributory members of the West State

## Western Australian Sports Centre Trust

### Notes to Financial Statements - For the Year Ended 30 June 2008

Superannuation Scheme (WSS). Employees commencing employment on or after 16 April 2007 became members of the GESB Super Scheme (GESBS). Both of these schemes are accumulation schemes. The Trust 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 and GESBS Schemes.

The Pension Scheme and the pre-transfer benefit for employees who transferred to the GSS Scheme are defined benefit schemes. These benefits are wholly unfunded and the liabilities for future payments are provided for at balance sheet date. The liabilities under these schemes have been calculated separately for each scheme annually by Barton Consultancy Actuaries using the projected unit credit method.

The expected future payments are discounted to present value using market yields at the balance sheet date on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

The GSS Scheme, the WSS Scheme, and the GESBS Scheme, where the current service superannuation charge is paid by the Trust to the GESB, are defined contribution schemes. The liabilities for current service superannuation charges under the GSS Scheme, the WSS Scheme, and the GESBS Scheme are extinguished by the concurrent payment of employer contributions to the GESB.

The Gold State Superannuation Scheme is a defined benefit scheme for the purposes of employees and whole-of-government reporting. However, from an agency perspective, apart from the transfer benefits, it is a defined contribution plan under AASB 119.

#### (ii) Provisions - Other

##### Employment On-Costs

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

#### (p) Accrued Salaries

Accrued salaries represent the amount due to staff but unpaid at the end of the financial year, as the end of the last pay period for that financial year does not coincide with the end of the financial year. Accrued salaries are settled within a few days of the financial year end. The Trust considers the carrying amount of accrued salaries to be equivalent to the net fair value.

#### (q) Comparative Figures

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

### 3. Judgements made by management in applying accounting policies

The judgements that have been used in the process of applying accounting policies have had no material effect on amounts recognised in the financial statements.

### 4. Key sources of estimation uncertainty

There were no estimates or assumptions made concerning the future, or other key sources of estimation uncertainty at the balance sheet date that is likely to have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

# Western Australian Sports Centre Trust

## Notes to Financial Statements - For the Year Ended 30 June 2008

### 5. Disclosure of changes in accounting policy and estimates

#### Initial application of an Australian Accounting Standard

The Trust 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 Trust:

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 Trust exposure to risks, including enhanced disclosure regarding components of the Trust's financial position and performance and changes to the way of presenting certain items in the notes to the financial statements.

#### Future impact of Australian Accounting Standards not yet operative

The Trust 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 Trust has not applied the following Australian Accounting Standards and Australian Accounting Interpretations that have been issued and which may impact the Trust but are not yet effective. Where applicable, the Trust 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 Trust 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:	
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, AASB 116, 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.



## Western Australian Sports Centre Trust

### Notes to Financial Statements - For the Year Ended 30 June 2008

#### 6. Prior Period Errors

##### Depreciation of Buildings

The accounting policy of the Trust for initial recognition and subsequent measurement of buildings is as disclosed in Note 2(f).

Historically, the Trust has been calculating depreciation using a straight line basis applying the total useful life of the building on the depreciated replacement cost, instead of depreciating the gross replacement cost over the total useful life of the building. This has resulted in a lower depreciation expense being recognised. Further, the Trust has been using a "net basis" to disclose the carrying value of buildings, instead of a "gross method". The financial statements have been adjusted to reflect the above error.

As a result of the error, additional depreciation of \$682,503 should have been charged in 2006-07 on the Trust's buildings and hence the depreciation expense balance for 2006-07 should have been \$3,799,278 instead of \$3,116,775. In turn, this additional expense has resulted in the Trust reporting a loss of (\$180,097) in 2006-07 rather than a profit of \$502,406.

##### Valuation of Buildings Opening Balance as at 1 July 2006

As at 1 July 2006, the Trust had not recognised the correct uplift in the fair value of its buildings arising from their revaluation. The carrying value for Buildings at 30 June 2006, should have been \$112,259,016 not the \$110,175,951 reported in the financial statements. Both the Property, Plant and Equipment and Asset Revaluation Reserve Account balances have been adjusted accordingly.

##### Balance as at 30 June 2007

For the year ended June 30 2007, revaluation uplift on buildings was not recognised. The Buildings revaluation increment that should have been recognised in the 2006-07 financial statements was \$12,139,081 and hence the balance of the Asset Revaluation Reserve Account has been increased from \$53,553,239 to \$67,775,385 and the carrying value of buildings as at 30 June 2007 has been increased by \$12,139,081.

#### Effect on Statement of Changes in Equity of Correction of Errors in Previous Years

Reserves	Note	2007 Corrected Balance	2007 Reported Balance
Balance at start of period		49,873,239	49,873,239
Correction of Prior Period Error		2,083,065	-
Restated balance at start of period		51,956,304	49,873,239
Gains from asset revaluation not recognised in 2007 financial statements		12,139,081	-
Gains from asset revaluation recognised in 2007 financial statements		3,680,000	3,680,000
<b>Balance at end of period</b>	<b>29</b>	<b>67,775,385</b>	<b>53,553,239</b>
Retained Earnings			
Balance at start of period		47,664,009	47,664,009
Reported Profit in 2007 Financial Statements		502,406	502,406
		48,166,415	48,166,415
Correction of Prior Period Error		(682,503)	-
<b>Balance at end of period</b>	<b>29</b>	<b>47,483,912</b>	<b>48,166,415</b>

# Western Australian Sports Centre Trust

## Notes to Financial Statements - For the Year Ended 30 June 2008

	2008	2007
	\$	\$
<b>7. Trading profit</b>		
Sales	5,602,966	4,882,950
	5,602,966	4,882,950
Cost of Sales		
Opening Inventory	(392,930)	(397,970)
Purchases	(2,254,603)	(2,048,515)
	(2,647,533)	(2,446,485)
Closing Inventory	390,018	392,930
Cost of Goods Sold	(2,257,515)	(2,053,555)
Trading Profit	3,345,451	2,829,395
<b>8. Provision of services</b>		
Venue Usage	8,357,627	8,325,508
	8,357,627	8,325,508
<b>9. Interest revenue</b>		
Interest Revenue - Commonwealth Bank	111,243	33,907
Interest Revenue - Westpac Banking Corporation	45,271	135,311
	156,513	169,218
<b>10. Other revenue</b>		
Commissions, Sponsorship and Other Revenue	1,181,222	644,207
Programme revenue	1,664,245	1,523,091
	2,845,467	2,167,298

## Western Australian Sports Centre Trust

### Notes to Financial Statements - For the Year Ended 30 June 2008

	2008	2007
	\$	\$
<b>11. Net gain/(loss) on disposal of non-current assets</b>		
WDV of property, plant and equipment (PPE)	-	-
Proceeds from disposal of PPE	10,509	-
Net gain	10,509	-

<b>12. Employee benefits expense</b>		
Wages and salaries (a)	9,915,457	8,298,282
Superannuation	919,798	843,587
Long Service Leave	175,504	120,217
Annual Leave	468,807	530,144
Other Related Expenses	-	81,103
	11,479,566	9,873,333

(a) Includes the value of the fringe benefit to the employee plus the fringe benefits tax component. Employment on-costs such as workers compensation insurance are included at note 18 'Other Expenses'.

<b>13. Supplies and services</b>		
Communications	50,743	77,968
Consumables	548,231	224,995
Utilities	775,798	662,360
Major Event On-costs	858,356	1,044,566
Insurance	251,728	229,628
Equipment Hire	340,683	217,132
Advertising and Promotion	191,247	161,614
Other	2,609,851	2,173,513
	5,626,637	4,791,776

# Western Australian Sports Centre Trust

## Notes to Financial Statements - For the Year Ended 30 June 2008

	2008	2007
	\$	\$
<b>14. Depreciation expense</b>		
Depreciation Plant and Equipment	565,026	579,466
Depreciation Buildings	3,397,273	3,055,818
Depreciation Office Equipment	96,107	49,763
Depreciation Leased PPE	115,561	114,231
	4,173,967	3,799,278
<b>15. Finance costs</b>		
Unwind fair value discount	35,431	27,444
Finance Lease Finance Charges	42,956	31,029
	78,387	58,473
<b>16. Accommodation expenses</b>		
Cleaning	526,731	480,418
Repairs and maintenance	687,530	975,913
	1,214,261	1,456,331
<b>17. Capital user charge</b>		
Capital User Charge	-	8,259,280
The charge was a levy applied by Government for the use of its capital. The final charge was levied in 2006-07.		
<b>18. Other expenses</b>		
Doubtful Debts	-	500
Employment On Costs (a)	636,249	768,545
Audit Fees	65,000	50,000
	701,249	819,045

(a) Includes workers compensation, payroll tax and other employment on costs. The on-costs liability associated with the recognition of annual and long service leave is included at note 27 'Provisions'. Superannuation provisions accrued as part of the provision for leave are employee benefits and are not included in employment on-costs.



# Western Australian Sports Centre Trust

## Notes to Financial Statements - For the Year Ended 30 June 2008

	2008	2007
	\$	\$
<b>19. Grants and subsidies from State Government</b>		
Service appropriation (a)	8,681,000	15,386,000
	8,681,000	15,386,000

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

### 20. Inventories

Inventories held for resale		
- Finished goods at cost	390,018	392,930
	390,018	392,930

### 21. Receivables

Current		
Receivables	664,162	920,007
Allowance for Impairment of receivables	(10,000)	(10,000)
	654,162	910,007

Reconciliation of changes in the allowance for impairment of receivables:

Balance at start of year	10,000	9,500
Doubtful debts expense recognised in the income statement	-	500
Balance at end of year	10,000	10,000

### Credit Risk

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	638,801	873,938
More than 3 months but less than 6 months	11,521	36,069
More than 6 months but less than 1 year	13,840	-
	664,162	910,007

### 22. Other assets

Prepayments	15,583	1,155,483
	15,583	1,155,483

# Western Australian Sports Centre Trust

## Notes to Financial Statements - For the Year Ended 30 June 2008

	2008	2007
	\$	\$
<b>23. Property Plant and Equipment</b>		
Land		
At fair value (a)	19,680,000	17,250,000
	19,680,000	17,250,000
Buildings at Gross Carrying Amount	174,114,765	158,435,137
Accumulated Depreciation	(44,405,022)	(37,015,185)
	129,709,743	121,419,952
Plant and Equipment		
At Cost	9,693,666	9,116,488
Accumulated Depreciation	(6,016,501)	(5,451,475)
	3,677,165	3,665,013
Leased Plant, Equipment and Vehicles		
At capitalised cost	1,275,327	1,275,327
Accumulated Depreciation	(716,245)	(600,684)
	559,082	674,643
Office Equipment		
At Cost	997,486	828,855
Accumulated Depreciation	(678,623)	(582,516)
	318,863	246,339
	153,944,853	143,255,947

(a) Land and buildings were valued at 01/07/2007 by the Western Australian Land Information Authority (Valuation Services). The valuations were performed during the year end 30 June 2008 and recognised at 30 June 2008. In undertaking the revaluation, fair value was determined by reference to its depreciated replacement cost. Valuation Services, the Office of the Auditor General and the Department of Treasury and Finance assessed the valuations globally to ensure that the valuations provided (as at 01/07/2007) were compliant with fair value at 30 June 2008

## Western Australian Sports Centre Trust

### Notes to Financial Statements - For the Year Ended 30 June 2008

Reconciliations of the carrying amounts of land, property, plant, equipment and vehicles at the beginning and end of the reporting period are set out below.

	Land	Buildings	PPE	Leased PPE	Office Equip	Total
<b>2008</b>						
Carrying amount at start of year	17,250,000	121,419,952	3,665,013	674,643	246,339	143,255,947
Additions	-	4,903,085	577,178	-	168,631	5,648,894
Transfers	-	(138,529)	-	-	-	(138,529)
Revaluation Increments	2,430,000	6,922,508	-	-	-	9,352,508
Depreciation	-	(3,397,273)	(565,026)	(115,561)	(96,107)	(4,173,967)
Carrying amount at end of year	19,680,000	129,709,743	3,677,165	559,082	318,863	153,944,853

	Land	Buildings	PPE	Leased PPE	Office Equip	Total
<b>2007</b>						
Reported carrying amount at start of year	13,570,000	110,175,951	3,473,709	267,486	241,235	127,728,381
Recognition of prior period error in opening balance (Note 6)	-	2,083,065	-	-	-	2,083,065
Restated opening balance	13,570,000	112,259,016	3,473,709	267,486	241,235	129,811,446
Additions	-	77,673	770,770	521,388	54,867	1,424,698
Revaluation Increments (restated Note 6)	3,680,000	12,139,081	-	-	-	15,819,081
Depreciation (restated Note 6)	-	(3,055,818)	(579,466)	(114,231)	(49,763)	(3,799,278)
Carrying amount at end of year	17,250,000	121,419,952	3,665,013	674,643	246,339	143,255,947

#### 24. Impairment of assets

There were no indications of impairment to property, plant and equipment assets at 30 June 2008.

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

# Western Australian Sports Centre Trust

## Notes to Financial Statements - For the Year Ended 30 June 2008

<b>25. Payables</b>	<b>2008</b>	<b>2007</b>
<b>Current</b>	<b>\$</b>	<b>\$</b>
Trade Payables	1,377,211	2,170,160
Accrued Expenses	276,979	302,915
Accrued Salaries	297,379	88,296
GST Payable	120,491	9,825
	2,072,061	2,571,196

<b>26. Borrowings</b>	<b>2008</b>	<b>2007</b>
<b>Current</b>	<b>\$</b>	<b>\$</b>
Finance Lease Liabilities (secured) (a)	162,951	212,688
<b>Total Current</b>	<b>162,951</b>	<b>212,688</b>
<b>Non-current</b>		
Finance Lease Liabilities (secured) (a)	246,900	412,851
<b>Total Non current</b>	<b>246,900</b>	<b>412,851</b>

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

## Western Australian Sports Centre Trust

### Notes to Financial Statements - For the Year Ended 30 June 2008

	2008 \$	2007 \$
<b>27. Provisions</b>		
Current		
Employee benefits provision		
Annual Leave	476,364	474,602
Long Service Leave (a)	377,826	262,609
	854,190	737,211
Other provisions		
Employment On costs (b)	56,674	110,582
	56,674	110,582
Total Current	910,864	847,793
Non-current		
Employee benefits provision		
Long service leave (a)	289,131	336,522
	289,131	336,522
Other provisions		
Employment On Costs (b)	43,369	50,478
	43,369	50,478
Total Non current	332,500	387,000

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

Within 12 months of balance sheet date	377,826	262,609
More than 12 months after balance sheet date	289,131	336,522
	666,957	599,131

(b) The settlement of annual and long service leave liabilities gives rise to the payment of employment on-costs including workers' compensation insurance and payroll tax. The provision is the present value of expected future payments. The associated expense, apart from the unwinding of the discount (finance cost), is disclosed in note 18 'Other expenses'.



# Western Australian Sports Centre Trust

## Notes to Financial Statements - For the Year Ended 30 June 2008

<b>28. Other liabilities</b>	<b>2008</b>	<b>2007</b>
Current	\$	\$
Child care rental	10,000	-
Deferred Revenue	1,106,215	1,224,988
Interest Free Loan Office of Energy	344,670	324,122
	1,460,885	1,549,110
Non-current		
Interest Free Loan Office of Energy	304,128	534,276
	304,128	534,276

## 29. Equity

Equity represents the residual interest in the net assets of the Trust. The Government holds the equity interest in the Trust on behalf of the community. The asset revaluation reserve represents that portion of equity resulting from the revaluation of non-current assets.

Contributed Equity		
Balance at start of year	37,459,690	37,459,690
Contributions by owners		
- Capital contributions (a)	85,000	-
Balance at end of year	37,544,690	37,459,690

(a) Capital Contributions (appropriations) and non-discretionary (non-reciprocal) transfers of net assets from other State Government agencies have been designated as contributions by owners in Treasurer's Instructions T1955 'Contributions by Owners Made to Wholly Owned Public Sector Entities' and are credited directly to equity.

### Reserves

#### Asset Revaluation Reserve:

Balance at start of year	67,775,385	51,956,304
Net revaluation increments:		
- Land	2,430,000	3,680,000
- Buildings	6,922,508	12,139,081
Balance at end of year	77,127,893	67,775,385

#### Accumulated surplus

Balance at start of year	47,483,912	47,664,009
Result for the period	122,500	(180,097)
Balance at end of year	47,606,412	47,483,912

## Western Australian Sports Centre Trust

### Notes to Financial Statements - For the Year Ended 30 June 2008

#### 30. Notes to the Cash Flow Statement

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:

	<b>2008</b>	<b>2007</b>
	<b>\$</b>	<b>\$</b>
Cash and cash equivalents	512,668	683,534
	<b>512,668</b>	<b>683,534</b>

Reconciliation of Profit / (loss) to net cash flows provided by/(used in) operating activities

Profit / (Loss)	122,500	(180,097)
Non-cash items:		
Depreciation and amortization expense	4,173,967	3,799,278
Doubtful debts expense	-	500
Grants and subsidies from Government	(8,681,000)	(15,386,000)
(Increase)/decrease in assets:		
Current receivables	2,418,846	(548,454)
Current inventories	2,912	5,040
Other current assets	230,650	(953,721)
Non-current receivables	(1,579,000)	-
Increase/(decrease) in liabilities:		
Current accounts payable	(886,812)	796,417
Current provisions	63,071	(70,751)
Non-current provisions	(54,500)	122,000
Other current liabilities	(88,225)	538,954
Other non-current liabilities	(230,148)	(75,447)
Change in GST in receivables/payables	141,296	(12,025)
Net cash used in operating activities	(4,366,443)	(11,964,306)

At the reporting date, the Trust had fully drawn on all financing facilities, details of which are disclosed in the financial statements.

# Western Australian Sports Centre Trust

## Notes to Financial Statements - For the Year Ended 30 June 2008

<b>31. Amounts receivable for services</b>	<b>2008</b>	<b>2007</b>
Current	\$	\$
Loans and advances		
Receivable from Treasury Holding Account	1,627,000	3,790,000
	1,627,000	3,790,000
Non Current		
Receivable from Treasury Holding Account	10,625,000	9,046,000
	10,625,000	9,046,000
	12,252,000	12,836,000

Represents the non-cash component of service appropriations. It is restricted in that it can only be used for asset replacement.

### 32. Commitments for expenditure

#### (a) Capital expenditure commitments

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

	<b>2008</b>	<b>2007</b>
	\$	\$
Within 1 year	-	3,391,344
Later than 1 year and not later than 5 years	-	-
Later than 5 years	-	-
	-	3,391,344

#### (b) Lease commitments

Commitments in relation to leases contracted for at the reporting date but not recognised in the financial statements are payable as follows:

Within 1 year	110,059	165,250
Later than 1 year and not later than 5 years	44,406	47,489
	154,465	212,739

#### Representing:

Non-cancellable operating leases	109,518	124,835
Future finance charges on finance leases	44,947	87,904
	154,465	212,739

## Western Australian Sports Centre Trust

### Notes to Financial Statements - For the Year Ended 30 June 2008

#### (b) (i) Finance lease commitments

Minimum lease payment commitments in relation to finance leases are payable as follows:

Within 1 year	190,936	258,645
Later than 1 year and not later than 5 years	263,862	454,798
<b>Minimum finance lease payments</b>	<b>454,798</b>	<b>713,443</b>
Less future finance charges	(44,947)	(87,904)
<b>Present value of finance lease liabilities</b>	<b>409,851</b>	<b>625,539</b>
Included in the financial statements as:		
Current (note 26)	162,951	212,688
Non-current (note 26)	246,900	412,851
	<b>409,851</b>	<b>625,539</b>

The Trust has the option to purchase leased assets at their agreed fair value on expiry of the lease. These leasing arrangements do not have escalation clauses, other than in the event of payment default. There are no restrictions imposed by these leasing arrangements on other financing transactions. Certain finance leases have a contingent rental obligation, however these are not material when compared to the total lease payments made.

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

Within 1 year	82,074	77,346
Later than 1 year and not later than 5 years	27,444	47,489
	<b>109,518</b>	<b>124,835</b>

The motor vehicle leases are non-cancellable leases with terms up to three years, with lease payments monthly. New vehicle leases are negotiated at the end of this period, the number of vehicle leases being subject to the Trust's operational needs.

# Western Australian Sports Centre Trust

## Notes to Financial Statements - For the Year Ended 30 June 2008

### 33. Explanatory statements

This statement provides details of any significant variations between estimates and actual results for 2008 and between the actual results for 2007 and 2008. Significant variations are considered to be those greater than 10% or \$500,000.

#### (i) Significant variations between estimate and actual results for the financial year

	2008 Estimate \$	2008 Actual \$	Variance \$
<b>Income</b>			
User Charges and Fees	17,651,000	13,960,593	(3,690,407)
Other Revenue	1,782,000	2,845,467	1,063,467
<b>Expenses</b>			
Employee benefits expenses	9,838,000	11,479,566	(1,641,566)
Supplies and Services	10,207,000	5,626,637	4,580,363
Depreciation	3,206,000	4,173,967	(967,967)
Accommodation	2,145,000	1,214,261	930,739

#### User Charges and Fees

Whilst User Fees and Charges are consistent with prior years, this financial year saw a reduction in anticipated revenue largely due to reduced revenue from the XII FINA Masters World Swimming Championships and reduced availability of some of the Trust's assets (e.g. Challenge Stadium Aquatic Centre) due to refurbishment.

#### Other Revenue

Other Revenue is consistent with the previous year. The budgeted Other Revenue balance does not include an amount of approximately \$400,000 for Grants and Subsidy revenue in its total. The actual revenue received (\$403,481) from Grants and Subsidies for 2007-08 has been included as part of the Other Revenue actual total to be consistent with prior year financial statement reporting.

Hence adjusting the actual revenue total for this \$400k difference (Now \$2,445,467) means the overall real difference between budgeted and actual revenue would be approximately \$600k which is largely due to increased revenue associated with successful programs and events held by the Trust.

#### Employee Benefits Expenses

Employee Benefits expenses exceeded the estimate as a result of additional FTE's being required to cater for additional events having been undertaken by the Trust in 2007-08 and additional patronage at the Trust venues.

#### Supplies and Services

Supplies and Services expenses are consistent with the previous year. The Budgeted expenditure however includes an amount of approximately \$1,670,000 for Equipment Repairs and Maintenance which did not eventuate in the current financial year.

#### Depreciation

Depreciation expense was more than anticipated as the budget estimate was based on a methodology which didn't reflect the full cost of replacing the Trust's assets, the correction of which is reflected in the 2008 actual balance.



## Western Australian Sports Centre Trust

### Notes to Financial Statements - For the Year Ended 30 June 2008

#### Accommodation

Accommodation expenses are consistent with the previous year. The Budgeted expenditure however includes an amount of approximately \$760,000 for utility expenses in its total. The actual utilities expenditure of \$775,798 for 2007-08 has been included as part of the Supplies and Services expenditure to be consistent with prior year financial statement reporting. Hence adjusting the budget for this \$760k (Now \$1,385,000) means the overall real difference between budgeted and actual expenditure is \$170k which is due to less than anticipated expenditure on repairs and maintenance.

#### (ii) Significant variations between actual and prior year actual – revenues and expenditures

	2008 Actual \$	2007 Actual \$	Variance \$
<b>Income</b>			
User Charges and Fees	13,960,593	13,208,458	752,135
Other Revenue	2,845,467	2,167,298	678,169
<b>Expenses</b>			
Employee benefits expenses	11,479,566	9,873,333	(1,606,233)
Supplies and Services	5,626,637	4,791,776	(834,861)
Capital User Charge	-	8,259,280	8,259,280

#### User Charges and Fees

An excess over the 2007 result was largely due to increased prices and charges in 2007-08.

#### Other Revenue

The improvement on Other Revenue is largely due to increased prices and charges over the previous year and increased patronage at the Trust's various events and programmes.

#### Employee benefits expenses

Employee Benefits expenses exceeded the previous year as a result of additional FTE's being required to cater for extra events having been undertaken by the Trust in 2007-08 and additional patronage at the Trust venues.

#### Supplies and Services

The Supplies and Services expenses saw an increase in line with increased patronage and activity levels within the Trust operations in 2007-08.

#### Capital User Charge

This charge is not levied from 2007-08 onwards.

# Western Australian Sports Centre Trust

## Notes to Financial Statements - For the Year Ended 30 June 2008

### 34 Financial Instruments

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

Financial instruments held by the Trust are cash and cash equivalents, finance leases, receivables and payables. The Trust has limited exposure to financial risks. The Trust's overall risk management program focuses on managing the risks identified below.

#### Credit Risk

Credit risk arises when there is the possibility of the Trust's receivables defaulting on their contractual obligations resulting in financial loss to the Trust. The Trust 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 34(c).

The Trust trades only with recognised, creditworthy third parties. The Trust 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 Trust's exposure to bad debts is minimal. There are no significant concentrations of credit risk.

Provision for impairment of financial assets is calculated based on past experience, and current and expected changes in client credit ratings. For financial assets that are either past due or impaired, refer to Note 21 'Receivables'.

#### Liquidity Risk

The Trust is exposed to liquidity risk through its trading in the normal course of business. Liquidity risk arises when the Trust is unable to meet its financial obligations as they fall due. The Trust has appropriate procedures to manage cash flows by monitoring forecast cash flows to ensure sufficient funds are available to meet its commitments.

#### Market Risk

The Trust does not trade in foreign currency and is not materially exposed to other price risks (for example, equity securities or commodity prices changes). Other than as detailed in the Interest rate sensitivity analysis table at Note 34(c), the Trust has limited exposure to interest rate risk because it has no borrowings other than a non interest bearing loan with the Office of Energy and finance leases (fixed interest rate).

## Western Australian Sports Centre Trust

### Notes to Financial Statements - For the Year Ended 30 June 2008

#### (b) Categories of Financial Instruments

In addition to cash, the carrying amounts of each of the following categories of financial assets and financial liabilities at the balance sheet date are as follows

	2008	2007
	\$	\$
<b>Financial Assets</b>		
Cash and cash equivalents	512,668	683,534
Receivables	654,162	910,007
Amounts receivable for services	12,252,000	12,836,000
<b>Financial Liabilities</b>		
Financial liabilities measured at amortised cost	3,130,710	4,055,133

(a) The amount of financial liabilities measured at amortised cost excludes GST payable to the ATO (statutory receivable/payable).

#### (c) Financial Instrument Disclosures

##### Credit Risk, Liquidity Risk and Interest Rate Risk Exposure

The following table details the exposure to liquidity risk and interest rate risk as at the balance sheet date. The Trust'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 Trust. The contractual maturity amounts in the table are representative of the undiscounted amounts at the balance sheet date. An adjustment for discounting has been made where material.

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

The Trust 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.

# Western Australian Sports Centre Trust

## Notes to Financial Statements - For the Year Ended 30 June 2008

	Weighted Average Effective Interest Rate	Variable Interest Rate	Non- Interest Bearing	Within 1 Year	1 to 5 Years	Adjustment for Discounting	Carrying Amount
	%	\$	\$	\$	\$	\$	\$
<b>2008</b>							
Financial Assets							
Cash and cash equivalents	6.91	512,668	-	-	-	-	512,668
Amounts receivable for services	-	-	12,252,000	-	-	-	12,252,000
Receivables	-	-	654,162	-	-	-	654,162
		512,668	12,906,162	-	-	-	13,418,830
Financial Liabilities							
Payables	-	-	2,072,061	-	-	-	2,072,061
Loan - Office of Energy	7.00	-	-	362,103	306,688	(19,993)	648,798
Finance lease liabilities	7.68	-	-	190,936	263,862	(44,947)	409,851
		-	2,072,061	553,039	570,550	(64,940)	3,130,710
<b>2007</b>							
Financial Assets							
Cash and cash equivalents	6.15	683,534	-	-	-	-	683,534
Amounts receivable for services	-	-	12,836,000	-	-	-	12,836,000
Receivables	-	-	910,007	-	-	-	910,007
		683,534	13,746,007	-	-	-	14,429,541
Financial Liabilities							
Payables	-	-	2,571,196	-	-	-	2,571,196
Loan - Office of Energy	7.00	-	-	704,222	209,599	(55,423)	858,398
Finance lease liabilities	8.50	-	-	213,450	454,798	(42,709)	625,539
		-	2,571,196	917,672	664,397	(98,132)	4,055,133

The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities.

## Western Australian Sports Centre Trust

### Notes to Financial Statements - For the Year Ended 30 June 2008

#### Interest rate sensitivity analysis

The following table represents a summary of the interest rate sensitivity of the Trust's financial assets at the balance sheet date on the surplus for the period and equity for a 1% change in interest rates. It is assumed that the change in interest rates is held constant throughout the reporting period.

		-1% change		+1% change	
	Carrying Amt	Profit	Equity	Profit	Equity
	\$	\$	\$	\$	\$
<b>2008</b>					
<b>Financial Assets</b>					
Cash and cash equivalents	512,668	(5,127)	(5,127)	5,127	5,127
Total Increase/(Decrease)		(5,127)	(5,127)	5,127	5,127
<b>2007</b>					
<b>Financial Assets</b>					
Cash and cash equivalents	683,534	(6,836)	(6,836)	6,836	6,836
Total Increase/(Decrease)		(6,836)	(6,836)	6,836	6,836

#### Fair Values

All financial assets and liabilities recognised in the balance sheet, whether they are carried at cost or fair value, are recognised at amounts that represent a reasonable approximation of fair value unless otherwise stated in the applicable notes.



# Western Australian Sports Centre Trust

Notes to Financial Statements - For the Year Ended 30 June 2008

## Note 35. Schedule of income and expenses by service

	Management of facilities for elite sport		Management of facilities for community sport entertainment and recreation		Total	
	2008	2007	2008	2007	2008	2007
<b>REVENUE</b>						
Revenues from ordinary activities						
Sales	-	-	5,602,966	4,882,950	5,602,966	4,882,950
Provision of services	978,131	974,372	7,379,496	7,351,136	8,357,627	8,325,508
Interest revenue	-	-	156,513	169,218	156,513	169,218
Other revenues	-	-	2,845,466	2,167,298	2,845,466	2,167,298
Gain on disposal of non-current assets	-	-	10,509	-	10,509	-
<b>Total Income</b>	<b>978,131</b>	<b>974,372</b>	<b>15,994,950</b>	<b>14,570,602</b>	<b>16,973,081</b>	<b>15,544,974</b>
<b>EXPENSES</b>						
Expenses from ordinary activities						
Cost of sales	-	-	2,257,515	2,053,555	2,257,515	2,053,555
Employee expenses	5,715,518	4,915,797	5,764,047	4,957,536	11,479,565	9,873,333
Supplies and services	1,820,669	1,550,524	3,805,968	3,241,252	5,626,637	4,791,776
Depreciation and amortisation expense	1,709,674	1,556,200	2,464,293	2,243,078	4,173,967	3,799,278
Accommodation expenses	607,130	728,165	607,131	728,166	1,214,261	1,456,331
Borrowing costs	-	-	78,387	58,473	78,387	58,473
Capital user charge	-	3,393,640	-	4,865,640	-	8,259,280
Other expenses from ordinary activities	346,271	404,438	354,978	414,607	701,249	819,045
<b>Total Expenses</b>	<b>10,199,262</b>	<b>12,548,764</b>	<b>15,332,319</b>	<b>18,562,307</b>	<b>25,531,581</b>	<b>31,111,071</b>
Loss before grants and subsidies from government	(9,221,131)	(11,574,392)	662,631	(3,991,705)	(8,558,500)	(15,566,097)
Grants and subsidies from State Government	4,944,006	8,762,640	3,736,994	6,623,360	8,681,000	15,386,000
<b>Profit/loss for the period</b>	<b>(4,277,125)</b>	<b>(2,811,752)</b>	<b>4,399,625</b>	<b>2,631,655</b>	<b>122,500</b>	<b>(180,097)</b>

## Western Australian Sports Centre Trust

### Notes to Financial Statements - For the Year Ended 30 June 2008

#### 36 Remuneration of Members of the accountable authority and senior officers

##### Remuneration of Members of the Accountable Authority

The number of members of the Accountable Authority, whose total of fees, salaries, superannuation, non-monetary benefits and other benefits for the financial year, fall within the following bands are:

\$		
0 - 10,000	4	9
10,000 - 20,000	4	1
20,000 - 30,000	1	-
The total remuneration of the members of the Accountable Authority is:	93,858	29,498

The total remuneration includes the superannuation expense incurred by the Trust in respect of members of the Accountable Authority.

No members of the Accountable Authority are members of the Pension Scheme.

##### Remuneration of Senior Officers

The number of Senior Officers other than senior officers reported as members of the Accountable Authority, whose total fees, salaries, superannuation, non-monetary benefits and other benefits, for the financial year, fall within the following bands are:

\$		
30,000 - 40,000	-	1
40,000 - 50,000	1	1
80,000 - 90,000	1	2
90,000 - 100,000	4	2
100,000 - 110,000	1	2
110,000 - 120,000	1	1
130,000 - 140,000	1	-
170,000 - 180,000	1	-
190,000 - 200,000	-	1
The total remuneration of senior officers is:	1,037,371	969,589

The superannuation included here represents the superannuation expense incurred by the Trust in respect of senior officers other than senior officers reported as members of the Accountable Authority.

No Senior Officers are members of the Pension Scheme.

# Western Australian Sports Centre Trust

## Notes to Financial Statements - For the Year Ended 30 June 2008

### 37 Remuneration of auditor

Remuneration payable to the Auditor General for the financial year is as follows:

	2008	2007
	\$	\$
Auditing the accounts, financial statements and performance indicators	65,000	50,000

The expense is included at note 18 'Other expenses'

### 38 Resources provided free of charge

	2008	2007
	\$	\$
During the year the following resources were provided to other agencies free of charge for functions outside the normal operations of the Trust:		
Western Australian Institute of Sport - rental of building	271,000	261,000

### 39 Events occurring after the balance sheet date

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

### 40 Supplementary financial information

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

### 41 Contingent liabilities and contingent assets

#### Contingent Liabilities

The Trust has no contingent liabilities as at the reporting date.

#### Contingent Assets

The Trust has no further assets other than those assets included in the financial statements.

## PUBLICATIONS

The Western Australian Sports Centre Trust produced a range of publications. Copies of publications are available by contacting the Sports Centre Trust or by visiting [www.wasct.wa.gov.au](http://www.wasct.wa.gov.au)

- Be Challenged Magazine
- Pulse Magazine
- Arena Joondalup – Community Enrolments and Offers Catalogue
- Challenge Stadium – Community Enrolments and Offers Catalogue

## HOW TO CONTACT THE WA SPORTS CENTRE TRUST

### **The WA Sports Centre Trust**

Stephenson Avenue (Challenge Stadium)  
Mt Claremont WA 6010

Postal Address  
P.O. Box 302  
Claremont WA 6910

**Phone:**

(+61 8) 9441 8267

**Fax:**

(+61 8) 9441 8254

### **Challenge Stadium**

Stephenson Avenue  
Mt Claremont WA 6010

Postal Address  
P.O. Box 302  
Claremont WA 6910

**Phone:**

(+61 8) 9441 8222

**Fax:**

(+61 8) 9441 8288

### **SpeedDome**

Eddie Barron Drive  
Midvale WA 6056

Postal Address  
PO Box 1816  
Midland WA 6936

**Phone:**

(+61 8) 9250 6701

**Fax:**

(+61 8) 9250 6702

### **Arena Joondalup**

Kennedya Drive  
Joondalup WA 6027

Postal Address:  
PO Box 33  
Joondalup WA 6919

**Phone:**

(+61 8) 9300 3355

**Fax:**

(+61 8) 9300 1199

### **Perth Motorplex**

Cnr Anketell & Rockingham Roads  
Kwinana Beach WA 6167

Postal Address:  
PO Box 241  
Kwinana WA 6966

**Phone:**

(+61 8) 9419 6622

**Fax:**

(+61 8) 9439 4488