

**VenuesWest**

**Annual Report  
2010**

***Working together to deliver quality  
experiences***

**STATEMENT OF COMPLIANCE**  
**For the year ended 30 June 2010**

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 trading as VenuesWest for the year ended 30 June 2010.

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', with a small dot at the end.

Graham Partridge  
Chairman

## **OVERVIEW**

### OVERVIEW OF VENUESWEST

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

VenuesWest employs over 225 full-time equivalent staff physically located in the following venues:

#### ***Challenge Stadium***

In 1986, VenuesWest's first venue, Perth Superdrome, 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, public and competition aquatic facilities, 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, 2,000 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 and 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 VenuesWest. The day-to-day operation of motor sport activity is carried out by Kwinana Motorplex Pty Ltd via a non-exclusive license agreement with VenuesWest.

#### ***WA Athletics Stadium***

The WA Athletics Stadium opened in May 2009 and is the premier facility for athletics in Western Australia. The venue has a nine lane 400 metre Mondo athletics track and has been designed to give athletes maximum assistance to achieve great performances. It seats 2,000 people in the grandstand and more than 8000 on the grass banks. It already hosts a myriad of Athletics events and is also expected to host entertainment events in the future.

#### ***WA Basketball Centre***

Opened in January 2010, this new facility has been designed to cater for community, state and national level basketball competition with eight courts, including two show courts and seating for up to 2,000 spectators, providing an enormous boost to the game. It is a multi-purpose sports complex and, while basketball is its primary use, sports such as netball, volleyball, badminton and other indoor games are also being hosted.

#### **Future Venues:**

##### ***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 completed in 2012. In 2010 it was announced that VenuesWest intends to outsource the day to day management of the Perth Arena to AEG Ogden who are the preferred respondent to the tender for management.

**Rugby**

Currently under construction, this new \$10 million facility will join the Mt Claremont sporting precinct and replace Rugby WA's current venue at Perry Lakes. The project will deliver a multi-purpose facility with administration space for Rugby WA, high performance indoor training facilities, gymnasium space and change rooms and a small training space.

**Netball**

In May 2010, the State Government announced the plan and funding to deliver a new \$26million State Netball Centre. This latest addition to the VenuesWest portfolio of assets will include four world-standard indoor netball courts and office space for Netball WA at the Matthews Netball Centre in Floreat.

## **Executive Summary – Chairman’s Report**

The past year has been one of steady growth for VenuesWest, starting 1 July 2009 we saw the implementation commence for the Board’s new Strategic Plan– *Working together to deliver quality experiences (2009-2014)*.

VenuesWest’s services and business model were transformed during the year with the implementation of a complete organisational restructure designed to position the agency for growth and integration of new venues into existing operations. The new structure has built synergies in expertise and other resources across VenuesWest’s facilities.

It’s a credit to the hard-working VenuesWest staff that the transition to the new structure took place so smoothly with minimal impact on operations and without any disruption to services for our customers. In fact our customer satisfaction levels indicate that our high quality customer service has been sustained and in many cases improved across our venues and services. Our elite athletes training and competing at Challenge Stadium, Arena Joondalup and the SpeedDome reported a 90% overall satisfaction rate with VenuesWest which is the highest in more than a decade of corporate records. Our community patrons also reported significantly high levels of satisfaction with results of 84.2% and 87.1% being recorded at Challenge Stadium and Arena Joondalup respectively. These results are equal to the best results in the last decade.

The significant growth in our portfolio of assets has directly impacted on the services we provide. It was with great pride that VenuesWest hosted the first carnival season at the new WA Athletics Stadium this year prior to delivering the National Athletics Championships and selection trials for the 2010 Commonwealth Games in New Delhi, India. The investment in this venue to ensure compliance with both training and competition compliance resulted in Perth being able to host this event for the first time in over two decades.

The new WA Basketball Centre was opened in January of this year and this beautiful multi-purpose facility has already hosted two major events – Country Week Basketball and the National Junior Volleyball Championships, bringing youth from all over the state and country to participate in additional sporting competition in the Mt Claremont precinct.

VenuesWest has ensured that the Perth Arena project has continued to move forward towards the venues completion and opening. As the client and owner of this important venue, VenuesWest has overseen the continued construction of the facility and planning for the fit-out and its opening. The jacking up of the main retractable roof over the Arena in May was an important milestone and the people of Perth are now able to see the true scale of this exciting venue as it takes shape.

The announcement of the preferred respondent status for the operational and facilities management of the Perth Arena to AEG Ogdens in June will also ensure that collectively we are able to deliver high quality venue experiences to the people of Western Australia well into the future.

We are continuing to improve our capacity to support elite and community level sport and we welcomed the State Government’s announcements regarding the development and ownership of the new Rugby and Netball facilities. The investment in state sporting facilities is very exciting and VenuesWest looks forward to continuing its working relationships with the Department of Sport and Recreation, Building Management and Works and the relevant sporting associations to make these additional venues vibrant, thriving and viable additions to the current portfolio of assets.

VenuesWest’s services and products increase the sustainability of the sport, recreation and entertainment industries. Additionally, our asset management and development practices ensure that the needs of the present users are met while not compromising the ability of facilities to meet the needs of future generations.

It is necessary for success that elite athletes focus on the availability of competition and suitability of high-quality training facilities. Working in partnership with WAIS, VenuesWest seeks to deliver facilities that meet both the training and competition compliance requirements of targeted sports to ensure that Western Australia is a suitable home-base for athletes. A lack of competition at home leads to significant and regular travel and frequently relocation of young athletes to the east-coast. In 2009-10 our venues and staff supported training and competition for swimming, waterpolo, athletics, basketball, netball, gymnastics, cycling, hockey, volleyball, diving and many other sports.

VenuesWest is focussed on providing health and participation opportunities for individuals and families and entertainment experiences for Western Australians. Our efforts to optimize venue utilization and deliver commercial and community activities brings revenue that allows VenuesWest to provide sustainable subsidization of elite sport and community service obligations.

Over 1270 events were hosted during the year in our venues including sporting events, concerts, banquets, conferences and exhibitions. Some event hosting highlights included:

- 19 Concerts at Challenge Stadium
- Danny Green IBO World Title Fight
- 13 Wildcats National Basketball League games, 2 semi-finals and 2 Grand Final games.
- 6 West Coast Fever ANZ National Netball fixtures
- 9 West Perth Football Club Games

The successes of 2009-10 would not be possible without the deliberate and collaborative approach taken by VenuesWest to work with our strategic partners. The considerable progress made to ensure that effective and consistent partnerships and processes exist places us in a strong position for the years ahead. We look forward to continuing to deliver high quality services to the Western Australian community in conjunction with our private and public sector partners.

It is with gratitude that I acknowledge the support and guidance that VenuesWest has received from the Hon Minister Terry Waldron and his staff. We have been fortunate to have such a professional and enjoyable relationship with the Minister and support his aim to enhance the sport and recreation portfolio in Western Australia.

I would like to take this opportunity to thank my Board colleagues for their strategic input and commitment over the last year; the VenuesWest Board takes its governance responsibilities very seriously and I believe that the contents of this report reflect this during a period of significant organisational change and growth. In particular, I would like to thank the outgoing board member Ms Barbara Macnish for her valuable term on our Board and her strategic input.

I commend the efforts of the VenuesWest staff, led by chief executive David Etherton and the management team, in navigating the many challenges of the last twelve months.



Graham Partridge  
CHAIRMAN

## CEO's Message

What a year! The past year will be remembered as a year of fantastic results and significant change and growth.

In 2009-10, VenuesWest not only opened and integrated the activities of two new venues into our operations but also made significant progress regarding the development and future operational management of the Perth Arena facility, continued to deliver services to our elite, community and commercial clients at our existing venues and was entrusted with two further venues – the new State Rugby facility under construction in the Mt Claremont precinct and the planned Netball facility.

Managing such growth whilst operating with constrained resources is challenging and the constant reskilling of our people to respond to the increased scope of responsibilities is essential. Two significant organisational change agendas were implemented during the year. The first being the move away from a venue based structure and into a functional based structure. This complete restructure saw the creation of a new set of directorates who operate across all of our facilities. This flexible new structure enables us to maximise our resources and integrate new assets into our existing operations. The sharing of knowledge and the adoption of 'best practices' from across the venues is ensuring consistency in our processes and further success. The launch of a joint mentoring program for staff in conjunction with the Department of Sport and Recreation will deliver further opportunities to build and share knowledge.

The second major change agenda was the roll-in to the Office of Shared Services environment for our financial transactions. The transition to the new Oracle Based solution has allowed the review of internal business processes and the implementation of a financial system that is allowing a higher level of self-servicing by our employees and higher quality reporting. VenuesWest will continue to work with the Office of Shared Services in 2010-11.

In line with our commitment to safety and customer service, significant capital works projects were also undertaken in 2009-10 in our venues. The State Government's decision to increase the capital funding for our portfolio of assets was welcomed and is allowing us to tackle a backlog of maintenance and upgrade requirements across the facilities. This injection will enhance patron safety, improve venue presentation and ensure a better experience for our circa 2.5 million visitors annually.

### Highlights of 2009-10

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

An elite sport customer/user is a person who represents or is likely to represent Western Australia or Australia at age or open national/international competition and whose use of VenuesWest facilities is then subsidised by the State government.

In the lead up to the Commonwealth Games to be held in India in October 2010, we have been privileged to host various training sessions and qualifying competitions at our venues.

As a result of the investment and opening of the WA Athletics Stadium, Perth was host to the National Athletics Championships for the first time in over 20 years. This was the qualifying event for the 2010 Commonwealth Games.

At Challenge Stadium, SpeedDome and Arena Joondalup ongoing support of Western Australia's elite athletes was delivered in the sports of swimming, gymnastics, cycling, water-polo and diving, netball. Our ongoing strategic partnership with WAIS continues to grow and develop.

Challenge Stadium was home again to the Wildcats during 2009-10 and 13 regular games and 4 finals were hosted. Congratulations to the Wildcats on bringing home the NBL trophy this year.

The National Netball Competition grew this year and the opportunity to support women's sport at this level is very gratifying. 6 West Coast Fever ANZ National Netball games were hosted at Challenge Stadium in addition to the regular State and Premier League Netball competitions.

In total over 39,731 hours of elite training and competition hours were delivered by VenuesWest in the past 12 months and our overall elite athlete satisfaction levels rose to 90% the highest level recorded in over ten years of comparative surveying. This result is very exciting as the survey will be expanded to include our elite athletes at the two new venues for Athletics and Basketball next year which meet the very latest in competition and training compliance.

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

VenuesWest's commercial and community activities ensure that venue utilisation is optimised and that revenue is earned to enable the community service obligation to subsidise and support elite sport to be sustained.

The WA Basketball Centre was completed and opened by our Minister in January 2010. We welcome Basketball WA and the Perth Wildcats as key tenants in and users of the facility.

19 Concerts were hosted at Challenge Stadium bringing a very diverse customer base throughout the year.

VenuesWest is proud to be able to contribute to the physical and social health of the community. In 2009-10, over 3,140 children were enrolled at our Learn to Swim Programmes at Arena Joondalup and Challenge Stadium.

130 swimming carnivals and 46 athletics carnivals were delivered ensuring our continued partnership with community clubs and schools.

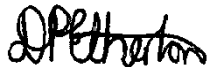
Health and participation opportunities for individuals and families were delivered through an enhanced Health and Fitness program and increased social sporting competitions at both Arena Joondalup and Challenge Stadium.

The public/private partnership arrangement for the management of the Motorplex continued and the venue delivered 70 sporting events attracting nearly 259,000 people during the course of the year.

Looking forward to 2010-11 and beyond, the continued growth of VenuesWest as it confirms its position as Western Australia's provider of premier sports, recreation and entertainment venues is very exciting. I would like to sincerely thank our numerous stakeholders who have worked with us in this time of change and improvement to enhance our service levels, transparency and consistency in practices.

The Board of VenuesWest continues to provide me and the organisation with strong leadership and guidance and this has been important in many of the results listed above. For this I am sincerely grateful.

The successes in 2009-10 have also resulted from the efforts, ideas and performance of VenuesWest's many employees and to them I say – thank you.



David Etherton  
Chief Executive Officer



# **OPERATIONAL STRUCTURE**

## **Enabling Legislation**

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

Under the provisions available within the above act, the new trading name, VenuesWest was gazetted on 8 May 2009.

## **Responsible Minister**

The Hon. Terry Waldron, Minister for Sport and Recreation for the 2009-2010 reporting period.

## **OUR PURPOSE – WHY WE EXIST**

### ***Western Australia's provider of premier sports, recreation and entertainment venues***

We will work to become recognised and valued as providing opportunities for

- Elite athlete support
- Health and participation for individuals and families
- Entertainment experiences for Western Australians

Our focus is on sustainable delivery of sporting, recreational and entertainment activities by maintaining an appropriate balance between services delivered and community and financial benefit.

## **OUR OPERATING PRINCIPLES**

VenuesWest operating principles have been developed to guide the way we do business. The principles guide our actions, help staff make appropriate decisions and are applied when developing new strategies and initiatives.

### ***VenuesWest responds to consumer needs***

Working in partnership with others, VenuesWest will provide services that safely and effectively meet the needs of Western Australians. Our aim is to enable timely access to the right services in the right setting.

### ***VenuesWest works in partnership***

We will partner and collaborate with other providers, government departments and service organisations to provide integrated, sustainable services that deliver benefit to Western Australians.

### ***VenuesWest is accountable for its resources and actions***

In providing dependable services for Western Australians, we are accountable to the community for the optimal utilisation of systems, assets and information. We learn from any mistakes and continuously improve the quality of the services we provide.

### ***Relationship to Government strategic goals***

VenuesWest 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.*

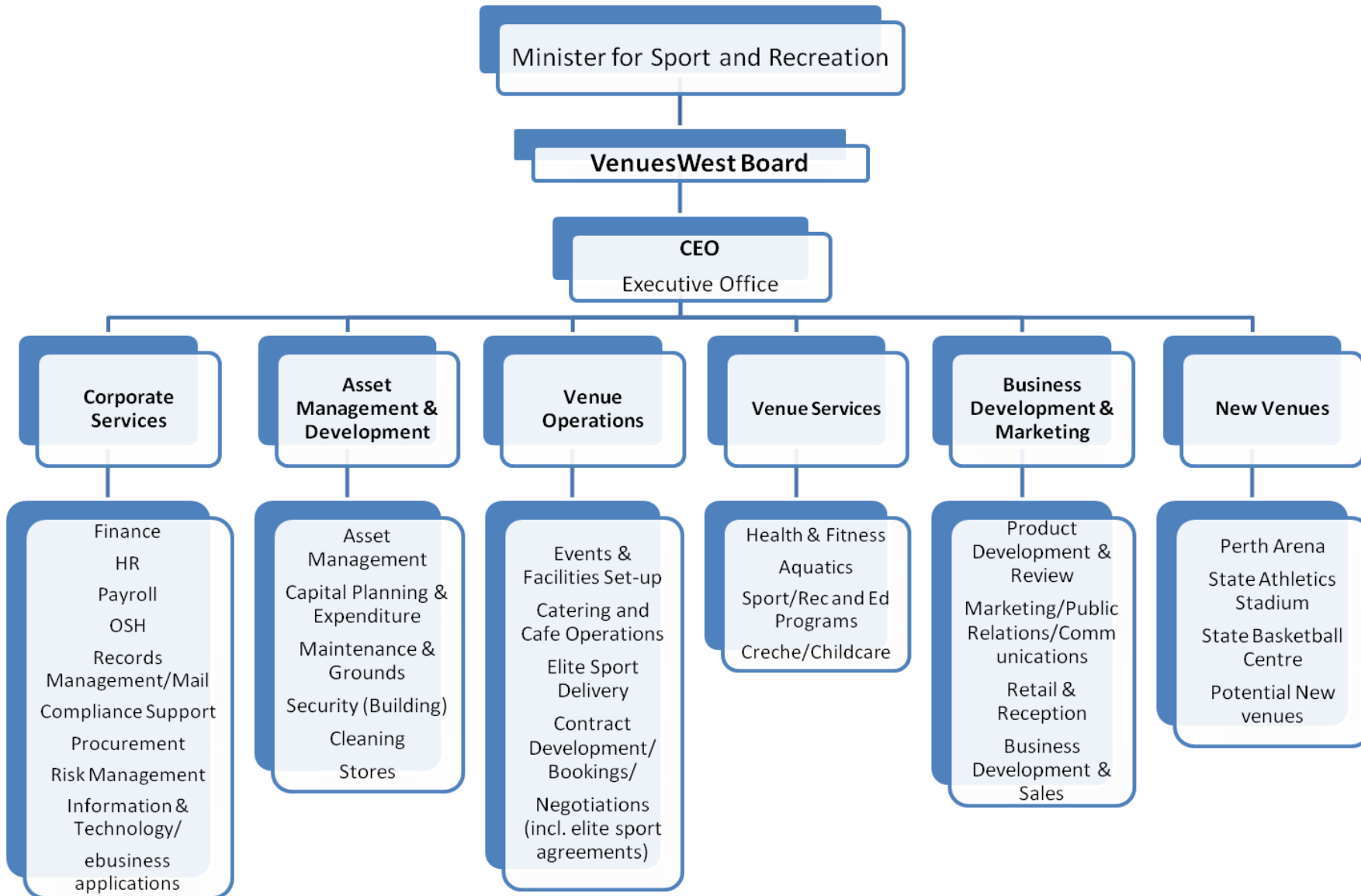
By achieving the following outcomes:

- 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

**VENUESWEST ORGANISATIONAL CHART – 2009-10**



**VENUESWEST MANAGEMENT TEAM**

VenuesWest Management Team (VMT) comprises the Chief Executive Officer, Director Venue Operations, Director Venue Services, Director Business Development and Marketing, Director Asset Management and Development, Director Corporate Services, Manager Business Planning and Improvement and the Executive Officer.

## **VENUESWEST BOARD**

VenuesWest 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 2009/10 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 fourteen occasions within the reporting period. The number of meetings attended by each member is shown in a table below.

<b>Board Meetings and Attendances</b>		
<b>Board Member</b>	<b>Actual Attendance</b>	<b>Possible Attendance</b>
Mr Graham Partridge, Chairman	9	12
Ms Suzanne Taylor	11	12
Mr Graham Goerke	10	12
Mr Ronnie Hurst	10	12
Mr Darren Beazley	9	11
Mr Sean Walsh	1	1
Ms Barbara Macnish	5	7
Mr Ken McAullay	3	3
Ms Pam Glossop	11	12
Ms Rowan Maclean	11	12
Mr Wayne Cox	11	12

<b>Special Board Meetings and Attendances</b>		
<b>Board Member</b>	<b>Actual Attendance</b>	<b>Possible Attendance</b>
Mr Graham Partridge, Chairman	2	2
Ms Suzanne Taylor	1	2
Mr Graham Goerke	2	2
Mr Ronnie Hurst	2	2
Mr Darren Beazley	2	2
Mr Sean Walsh	0	0
Ms Barbara Macnish	0	0
Mr Ken McAullay	1	1
Ms Pam Glossop	1	2
Ms Rowan Maclean	1	2
Mr Wayne Cox	2	2

## **BOARD MEMBERS**

### **Mr Graham Partridge, Chairman**

Mr Partridge was appointed Chairman of VenuesWest on 12 March 2007 with his current term expiring on the 30 June 2012. Graham is well placed for his role as Chairman of VenuesWest's Board having considerable experience in the role of Chairman and leading organisations as well as 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 and 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 VenuesWest on 12 March 2007 with her current term expiring on 30 June 2013.

Suzi has worked in the healthcare industry in Australia since 1996 and currently holds the position of WA State Director for the Independent Practitioner Network (“IPN”). IPN is Australia’s premium operator of medical centres with more than 30 locations and 250 doctors in WA. Before moving to Australia Suzi worked for eight years on the high seas with Princess Cruises prior to this she spent five years with Clinique in California while completing her Bachelor of Arts. In 2003 Suzi completed her Masters degree of Business Administration (MBA).

Suzi is the Chair of the VenuesWest Business Development and Marketing Subcommittee of the Board.

**Mr Graham Goerke**

Mr Goerke was appointed to the Board of VenuesWest on 12 March 2007 with his current term expiring on 30 June 2013. Graham is the Chairman of Partners of the law firm Jackson McDonald and has over 25 years of experience in the area of commercial law. He is particularly involved in the buying and selling of commercial and industrial property, property development and subdivision and leasing, with relevant experience in contaminated sites and environmental law.

Graham is Chairman of the VenuesWest Audit, Finance and Governance Subcommittee of the Board.

**Mr Ronnie Hurst**

Mr Hurst was re-appointed to the Board of VenuesWest on 12 March 2007 with his current term expiring on 30 June 2013. Ronnie is currently employed with the Department of Sport and Recreation in the position of Director of Strategic Projects. Prior to his employment with the Department, he was employed with the City of Melville in the position of Manager Community Development.

He has 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.

**Ms Barbara Macnish**

Ms Macnish was first appointed to the Board of VenuesWest on 12 March 2007. Barbara’s term expired on 1 March 2010, and as her appointment to the Board was as a public servant and she had resigned from the public sector, she was not re-appointed. Ms Macnish was most recently employed by the Department of Culture and Arts in a senior executive role. Prior to taking on this role in 2005, Barbara was Assistant Prices Commissioner (Department of Consumer and Employment Protection) heading up the FuelWatch programme from 2001 to early 2005 with earlier roles including Director Corporate Services for the Government Employees Superannuation Board and the then Ministry of Fair Trading.

During her appointment to the VenuesWest Board, Barbara was Chair of the Business Development and Marketing Subcommittee of the Board (formerly referred to as the Events and Marketing Subcommittee), a member of the Perth Arena Steering Committee and the Perth Arena Subcommittee to the Board.

**Ms Pam Glossop**

Ms Glossop was appointed to the Board of VenuesWest on 18 June 2007 with her current term expiring on 30 June 2013. 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.

**Ms Rowan Maclean**

Ms Maclean joined the Board of VenuesWest in July 2008 as the nominated member of the staff of the University of Western Australia. Her current term expires on 30 of June 2012. Rowan is the Director of Strategic Projects and is responsible for the UWA Sports Park located adjacent to Challenge Stadium. Rowan has had extensive experience in the management of property and assets in the Department of Culture and the Arts and the Department of Training and Employment.

Prior to this Rowan worked internationally in strategic and corporate asset management having completed her Bachelor Degree in Architecture at UWA in 1988.

**Mr Wayne Cox**

Mr Cox joined the Board in January 2009 and his current term expires 30 June 2013. Wayne worked as a financial controller for a large intellectual property law firm for nine years before going into public practice as a tax accountant. He has been a partner at Pascoe Partners for nine years and has over 20 years experience in taxation, superannuation and commercial accounting roles.

Pascoe Partners is one of the largest CPA firms in WA and administers about 750 self managed super funds employing about 70 staff. His principal responsibility is to business consultancy in areas of taxation, structural, superannuation and succession planning.

Wayne has a Bachelor of Business in Accounting, his CPA and a Masters in Taxation. Apart from his financial skills Wayne has a good understanding of the sports portfolio having been part of the WAIS rowing program and a former rugby player.

**Mr Darren Beazley**

Mr Beazley joined the VenuesWest Board on 8 June 2009 and his current term expires on 30 June 2012. Darren holds four degrees, including a Diploma of Teaching, Bachelor of Education, Graduate Diploma of Business and most recently, a Masters degree of Business Administration (MBA) and he has received certification as a Practising Marketer.

Darren has over fifteen years of experience in sport and recreation and has worked in the competitive world of AFL football and Western Australian Cricket. He is the Director of Commercial Operations for the Perth 2011 ISAF Sailing World Championships leading the commercial operations of the Olympic qualifying event to be held in December 2011.

Darren has also represented a number of international organisations as a senior executive and is currently President of the Athsma Foundation of WA, council member of Celebrate WA, Director of Football for Peel Thunder Football Club and serves on the executive committee of Asthma Australia.

**Mr Ken McAullay**

Mr McAullay was first appointed to the Board of VenuesWest on 1 March 2010 and his current term expires on 30 June 2012. He is a representative of the Public Sector on the VenuesWest Board. Ken has worked in various Public Sector organisations for over 45 years, and as a senior executive for the past 28 years. Ken is currently the General Manager of Corporate Services with the Insurance Commission of Western Australia.

Mr McAullay has been directly involved in Local Government of Western Australia having served as a Councilor for the Town of Cambridge in 2001 – 2005. He has had significant involvement in the sporting industry and was previously a Board member of the West Australian Football Development Trust, between 1997 – 2002.

Ken has also had a distinguished sporting career having represented the State in football and cricket. He is a member of the WA Football Hall of Fame.

### **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 Subcommittee**

**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 VenuesWest's process for monitoring compliance with laws and regulations and the code of conduct.

**Members:** *Graham Goerke – Chair (Board member VenuesWest), Graham Partridge (Chair of VenuesWest Board), Pam Glossop (Board member VenuesWest), Ken McAullay (Board member VenuesWest), Wayne Cox (Board member VenuesWest), David Etherton (VenuesWest CEO) Peter Stewart (VenuesWest Director Corporate Services), Ingrid Hawkins (VenuesWest Chief Finance Officer).*

**Title: Business Development and Marketing Subcommittee**

**Role:** Utilise its expertise and networks to create and capitalise on events and marketing opportunities to grow VenuesWest 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:** *Suzi Taylor – Chair (Board member VenuesWest), Graham Partridge (Chair of VenuesWest Board), Rowan Maclean (Board member VenuesWest), David Etherton (VenuesWest CEO), John Lynch, (VenuesWest Director Business Development and Marketing), and Barbara Tchorzewski (VenuesWest Event Development Coordinator)*

**Title: Perth Arena Subcommittee**

**Role:** Provide additional focus on all aspects of the Perth Arena Project and a link between the Board, the Perth Arena Project Office and the Transition Working Group.

Utilise its expertise and networks to provide a source for communication and direction to support the Perth Arena Project Office.

Act as advisor to the Board to streamline the consideration process, relating to issues involving any aspect of the project.

Provide direct liaison and open communication between the Perth Arena Project Office and the Board.

**Members:** *Graham Partridge – Chair (Chair of VenuesWest) , Ronnie Hurst (Board member VenuesWest), Darren Beazley (Board member VenuesWest), Wayne Cox (Board member VenuesWest), David Etherton (VenuesWest CEO) , Patrick Pierce (VenuesWest Perth Arena Consultant), Dave Harris (VenuesWest Perth Arena Project Coordinator).*

**Title: Perth Arena Steering Committee**

**Role:** Recognise the need to ensure the objectives of VenuesWest as owner/client are being met in regard to the construction, fit out and set up of the Perth Arena.

Provide strategic advice to the Board and Minister for Sport and Recreation through;

- The oversight of the contractual, commercial, legal and political risks and opportunities to be considered in the delivery of the Perth Arena project.
- Communication between the Perth Arena Project Office, VenuesWest, Strategic Projects (Department of Treasury and Finance) and relevant government agencies with input to the project.

Members:

*Graham Partridge – Co Chair (Chair of VenuesWest), Richard Mann – Co Chairman (Executive Director Strategic Projects, DTF), Nick Sloan (Adviser to Minister for Sport and Recreation), Darren Beazley - (Board member VenuesWest), David Etherton (VenuesWest CEO), Geoffrey Grice (State Solicitors' Office), Mike Barnes (Department of Treasury and Finance), Executive Support, Nigel McCombe (Project Director- Strategic Projects DTF), Patrick Pierce (VenuesWest Perth Arena Consultant), Dave Harris (VenuesWest Perth Arena Project Coordinator)*

### **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. Eight declarations of interest were made during the course of the financial year for the following matters involving;

Graham Partridge	Compass Eurest
Pam Glossop	Mel Tantrum Swim Squad, GHD, DSR Future Success 2 Committee, Media Tonic
Rowan Maclean	UWA, Cameron Chisholm Nicol

### **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 VenuesWest's expense.

## AGENCY PERFORMANCE

As Western Australia's provider of premier sports, recreation and entertainment venues, our facilities are significant sites for individuals, families and elite athletes.

VenuesWest's services reach beyond immediate catchment areas through the hosting of State and National sporting and entertainment events that bring Western Australians from all over the State.

VenuesWest's products and services are structured to increase patronage by Western Australians with a choice of services to meet individual needs and circumstances as opposed to:-

- Inactive lifestyle choices (community users)
- Relocation to other states/territories (elite and commercial event users)
- Loss of patronage to other destinations (commercial users)
- Lack of opportunity due to physical disabilities (all users)

In 2009-10 total patronage across the venues was as follows:-

Venue	2009-10
Challenge Stadium	952,678
Arena Joondalup	912,819
WA Athletics Stadium	71,711
WA Basketball Centre*	93,381
SpeedDome	21,192
Perth Motorplex	258,932
<b>Total Patronage</b>	<b>2,310,713</b>

\*Note: Venue operational from April 2010.

### Elite Sport – Training and Competition Hours

Working in partnership with WAIS, VenuesWest seeks to deliver facilities that meet both the training and competition compliance requirements of targeted sports to ensure that Western Australia is a suitable home-base for athletes.

In 2009-10 VenuesWest expanded the number of sports supported at the elite level as per the following:

#### Elite Training & Competition Hours

Challenge	25,764.45
Arena Joondalup	11,111.15
SpeedDome	736.00
WA Athletics Stadium	2,080.00
WA Basketball Centre*	39.50
<b>Total Elite Hours</b>	<b>39,731.10</b>

\*Note: Venue operational from April 2010.



## **AGENCY PERFORMANCE (Continued)**

### **Events**

The multi-purpose nature of the facilities owned and managed by VenuesWest enabled the delivery of a diverse range of events in 2009-10, servicing our elite, community and commercial customers.

Venue	Type of Event					Total
	Sport	Entertain-ment	Banquets	Functions	Other	
Challenge Stadium	145	19	15	577	5	<b>761</b>
Arena Joondalup	36	10	1	183	1	<b>231</b>
WA Athletics Stadium	47	-	-	93	-	<b>140</b>
WA Basketball Centre*	8	-	-	23	-	<b>31</b>
SpeedDome	18	-	-	-	-	<b>18</b>
Motorplex	70	-	-	-	-	<b>70</b>
<b>Totals</b>	<b>254</b>	<b>29</b>	<b>16</b>	<b>876</b>	<b>6</b>	<b>1251</b>

\*Note: Venue operational from April 2010.

### **Event Highlights included:**

- National Athletics Championships
- 19 Concerts at Challenge Stadium – acts included Alice Cooper, Chris Isaak, Suzi Quatro, Marilyn Manson, Backstreet Boys, Kelly Clarkson and Yusuf Islam
- Danny Green IBO World Title Fight
- 13 Wildcats National Basketball League games, 2 semi-finals and 2 Grand Final games.
- 6 West Coast Fever ANZ National Netball fixtures
- 9 West Perth Football Games
- Australian Boomers vs Argentina International Basketball fixture

## MAJOR ACHIEVEMENTS IN 2009-10 - VENUE OPERATIONS

The Venue Operations Directorate is responsible for all event and facilities set-up, catering and café operations, elite sports delivery, contract development / negotiations and facility bookings across VenuesWest.

VenuesWest venues played host to 1251 events across 6 venues over the past 12 months

### Challenge Stadium

Challenge Stadium's Main Arena has a capacity of 5,000 patrons for sporting and entertainment events.

Highlights for the year included:

- Perth Wildcat Home Games Season and 3 Finals, including 2 Grand Final games
- Boomers vs Argentina Basketball Game
- 6 West Coast Fever Home Games
- Australian Gymnastics Championships
- Danny Green IBO World Cruiser Weight Title Fight
- 19 concerts including Kelly Clarkson, Them Crooked Vultures, Chris Isaak, Slayer / Megadeth and Yusuf Islam.

### Arena Joondalup

The Arena Joondalup facility is a major elite sport, community and recreation facility in the northern suburbs.

Major events held at Arena Joondalup included:

- West Perth's WAFL Home Games
- National Handball Championships
- Bok Van Blerk Concert
- Cancer Council Relay for Life Joondalup
- Australian Super Fight
- The Biker Charity Ride

### WA Athletics Stadium

The WA Athletics Stadium has now been operational for 12 months and the major highlights for the year were:

- National Athletic Championships and Selection Trials for the Commonwealth Games
- Australian Masters Championship
- Cancer Council's Perth Relay for Life Fund Raising event

### Speed Dome

The International Track Cycling Grand Prix was held at Midvale Speed Dome on Saturday 7 November with exceptional patronage. The Grand Prix was the first event in ten years held at the Speed Dome with allocated, ticketed seating. Other events include,

- 11 Rounds of WATC WinterTrack series
- MCC Track Racing
- WATC Summer Track Series

### WA Basketball Centre

The WA Basketball Centre was officially opened in January and now has Basketball WA and Perth Wildcats as the major tenants. Basketball WA hosted its growing domestic competition at the venue from April 2010. Two major events were staged at the venue:

- Country Week Basketball
- National Junior Volleyball Championships.

### Perth Motorplex

The Perth Motorplex is managed by Kwinana Motorplex Pty Ltd under a non exclusive licence agreement.

Visitation for the Motorplex was 258,932. In 2009-10 the Motorplex hosted:

- six National Speedway and Drag racing events
- Australian Pro Stock Championships

- Gold State Doorslammer & Top Bikes
- WA Sprintcar Championships
- Australian Top Fuel Drag Racing Championships
- Super Speedway Sedan Muster
- Boxing Day Nitro Funny Car Championships
- 24<sup>th</sup> Motorvation annual car show
- Super Speedway Demo Derby
- World Series Super Speedway
- Monster Trucks

### **Contract Management Development**

A Contract Management and Development branch of Venue Operations was established this year to assist VenuesWest in the development of consistent lease and licence agreements across the portfolio. This branch has compiled a register of agreements and developed new standardised lease and licence documents. The branch has also made significant progress in reviewing all of VenuesWest tenancy's agreements.

### **Catering**

VenuesWest Catering Branch provides a wide array of catering services including event, banquet and function catering at all VenuesWest venues with the exception of the Perth Motorplex. Café services are provided at Arena Joondalup, Challenge Stadium and the WA Basketball Centre.

Sixteen banquet functions ranging from 250 – 1,400 where hosted across VenuesWest venues, one at Arena Joondalup and fifteen at Challenge Stadium these include;

- WAIS Annual Dinner
- Therapy Students Association Ball
- Notre Dame Ball
- CEC/SUN Ball
- JTC Ball
- MLC Ball
- PLC Ball
- St Marys Ball
- Perth College Ball

## **MAJOR ACHIEVEMENTS IN 2009-10 - VENUE SERVICES**

The Venue Services directorate is responsible for the delivery of high quality services to customers across the VenuesWest facilities in the areas of Health and Fitness, Aquatics, Sport, Recreation and Education, Creche and Childcare.

### **Aquatics**

The Aquatics Branch ensures that VenuesWest's operations with respect to staff, plant and equipment, water quality and pool surveillance meet legislative guidelines and customer expectations.

Achievements in 2009-10 included:

- Hosted Australian Under 18 Water Polo Championships
- Hosted Swimming WA State Age Championships
- Hosted the Commonwealth Diving championships
- Delivered 130 swimming carnivals spanning 179 days
- Reviewed and implemented more efficient opening hours

Special acknowledgement must also be given to the aquatics staff who ensured that a number of successful patron resuscitations were achieved in our facilities.

### **Sport, Recreation and Education**

The Sport, Recreation and Education Branch ensures the delivery of high quality (and viable) programmes for the community.

Achievements in 2009-10 included:

- Arena Swim Club were awarded 'A' grade Club Premiers for the first time ever.
- Commencement of the new Bike Education Programme at Speeddome.
- Largest ever numbers of Learn to Swim participants at both the Arena Joondalup and Challenge Stadium venues – totalling 3,144. This represents growth of 5% at Challenge Stadium and 2% at Arena Joondalup compared to 2008-09.
- An operating surplus of \$813,573 across all the venues was generated – the highest level to date.
- Successful launch of the new Holiday Junior Soccer Clinic in January 2010
- Continued growth of sporting competitions, including the new Challenge Cup Men's 5 aside Soccer knockout competition.

### **Childcare**

The continued success of the childcare programme run by VenuesWest at the Arena Joondalup venue in 2009-10 has seen a 50% increase in demand for After School Care since last year. This program is now operating at full capacity. Before School Care numbers are also 20% higher than in previous years.

The demand for Vacation Care has been slightly lower than previous years and VenuesWest introduced a new Vacation Teen Programme to assist parents with the competing demands of school holidays and work commitments. The demand for these programmes will be monitored and services adjusted to suit over the coming 12 months.

## **Health and Fitness**

The Health and Fitness Branch designs, coordinates and delivers gymnasium, circuit, aerobic activities and provides personal training instructors at Arena Joondalup and Challenge Stadium.

In 2009-10 achievements included:

- Facilitation of Vietnam Veterans completing a 12 month WA Heart Health course.
- Introduction of Heartmoves to VenuesWest. This National Heart Foundation initiative is designed to integrate health professionals and the fitness industry in the promotion of low to moderate intensity physical activity for 'at risk' populations.
- Introduced a New Group Fitness Timetable with additional classes and programs for our members and casual patrons alike. This includes Zumba Fitness the worldwide Latin inspired fitness craze.
- Overall attendances at Challenge Stadium increased by 9,365 however there was a decrease in overall attendances for Arena Joondalup of 16,022.
- Revenue across both venues for Health and Fitness was \$2,181,138; a decrease of \$483,775 on the previous financial year.

## **MAJOR ACHIEVEMENTS IN 2009-10 - BUSINESS DEVELOPMENT AND MARKETING**

The Business Development and Marketing Directorate has responsibility for all of VenuesWest's sales, customer reception desks, marketing, media and product development activities.

2009-10 was a challenging year as retail sales across the country remained lower than expected and this was reflected in fitness, function and retail figures throughout the year.

In the light of less than forecast revenue figures the Directorate led an initiative called Claw Back in early 2010 with a significant sales and marketing strategy aimed at driving increased revenue. The strategy included:

- Membership drives
- New sales material and offers
- Rescheduling retail sales based on venue traffic
- New stock range
- Targeting of internal customers
- Purchase behaviour research with users

All of the strategies were delivered by May 2010 and made a notable difference to the final sales figures for the year.

### **Business Development**

The Business Development branch's role is to deliver improved utilisation and return on investment for VenuesWest's facilities by proactively pursuing business opportunities. In 2009-10 the branch commenced the organisation's first outbound prospecting sales drives targeting lapsed customers and relevant businesses in surrounding suburbs.

Business secured in the last 12 months included 876 Functions and 15 Banquets.

The Business Development Branch also fully integrated the new corporate facilities at the WA Athletics Stadium and the WA Basketball Centre into the existing corporate booking system and commenced offering these facilities to potential users.

### **Retail**

The Retail Branch sought strategies to lift business in a relatively flat market with a reduced number of major swimming events. A number of retail sales focused on clearing excess inventory were successful.

Retail plans targeted an increase in the stockturn with a two year goal of achieving 2.5 times a year by reducing the total average inventory. As a result the retail branch increased both its cashflow and gross margin return on inventory this year as well as decreasing the slow moving stock, thus reducing markdowns.

The first major co-promotion with Sports Recreation and Education Branch targeting parents with children already using the venue resulted in an extraordinary 767% return on investment.

### **Fitness Sales**

In a year where significant competition entered the northern suburb catchment zone the Branch looked to improving retention and adding a third membership acquisition drive for the year. The new Health and Fitness retention management software was launched in May with the intention of engaging new members further and reducing attrition, especially to competitors. The sales team targeted increased penetration on 12 month memberships which produce a far better profit level than shorter memberships. This program was highly successful.

Fitness sales also commenced the use of Desktop SMS messaging for the first time as a lead management promotional tool.

	Challenge Stadium	Arena Joondalup
Members at start of year	1274	2013
Members at end of year	1233	1847
Difference	-3%	-8%

12 month members at start of year	96%	68%
12 month members at end of year	98%	82%
Difference	2%	14%

### **Customer Service**

The branch completed the task of consolidating customer services across the major venues and reporting over a single management structure as well as significantly changing the mix of casual to permanent staff. This had a major impact on streamlining a higher more consistent level of customer service across the organisation as well as an amalgamated set of procedures. The branch introduced work shadowing to increase the knowledge base of its team and mystery shopping to measure performance.

### **Marketing**

Marketing have been delivering a very sophisticated Return On Investment (ROI) measure on almost every campaign this year which has had a major impact on decision making and spending on campaigns. Major successes include:

<b>Promotion</b>	<b>ROI</b>
Café Coffee	421%
Retail sale	767%
Aquacard	23743%
Little Heroes	2390%
Junior Soccer Competition	910%

Four editions of the VenuesWest Front Row Magazine and Catalogues were designed and distributed throughout the year.

## MAJOR ACHIEVEMENTS IN 2009-10 - ASSET MANAGEMENT AND DEVELOPMENT

The Asset Management and Development Directorate guides the strategic management and development of VenuesWest's infrastructure to ensure that the venues consistently meet customer, stakeholder and regulatory authority expectations. The Directorate also ensures that VenuesWest's assets are acquired, maintained and improved to optimise venue usage and growth objectives.

The cleaning contract across all venues was reviewed and awarded for three years, with two one year options. The synergies of having one cleaner across venues is delivering a higher quality of venue presentation with greater cost effectiveness.

### Energy Smart Government Programme

In accordance with the Energy Smart Government policy VenuesWest committed to and exceeded a 12% reduction in non-transport related energy use

The original programme time line has passed and the results in the table below show how VenuesWest has performed at the venues enrolled in the survey. The venues included are Challenge Stadium, Arena Joondalup and Midvale Speeddome. Please note that figures have not been included for the new WA Athletics Stadium or the WA Basketball Centre as they were not included in the baseline data.

The energy consumption figures below show that while overall energy reductions are at 38% compared with the baseline, energy costs have only decreased by 7.3%. This is due to cost rises over the years.

Energy Smart Government programme	Baseline Data	2008-09 Actuals	2009-10 Actuals	Variation % against Baseline
Energy consumption (Gj)	65,227	37,752	40,561	38% reduction.
Energy cost (\$)	\$1,067,980	\$932,963	\$989,970	7.3% reduction
Greenhouse gas emissions (tonnes of CO <sub>2</sub> )	4,460	5,874	6,027	

VenuesWest has maintained the significant reductions achieved in the first five years of the Energy Smart programme, and it is certainly possible for further reductions to be achieved, a focus for 2010 – 2011 will be the monitoring and controlling of air conditioning plant and equipment.

Some of the energy saving initiatives undertaken during the year included continuing the lamp replacement program with T5 fixtures, overhauling damper mechanisms in air handling units, regular cleaning of air filters, replacement of leaking shut off valves on pool filtration equipment.

### Capital Works Projects

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

At Challenge Stadium this included:

- Carpet replacement in the Champions bar.
- Major repairs to the main sports arena (#1) roof completed
- Replacement of the fire Information panel and detection system
- Replacement of Fitness centre floor covering with recycled rubber.
- Two boiler burners were replaced with significant alterations in plant room auxiliary equipment to maintain current compliancy
- The venue was rekeyed completely
- The Building Management System software was upgraded
- A tree management and grounds improvement program was implemented.
- Two new three metre diving boards were installed prior to the Commonwealth Games Trials.

At Arena Joondalup capital works included:



- Aquatics hall lighting and emergency lighting renewal
- The sports hall retractable seating was serviced and repaired
- Evaporative air conditioning was installed to the café kitchen
- Replacement of Sports bar and Winners Club air conditioning systems
- The main irrigation controller was renewed
- The Football Kiosk was completely upgraded
- Filter pads were renewed on the Aquatics ventilation system.
- The domestic hot water system ring main was completely replaced over a period of three months.
- The ACSRA clubrooms project has commenced.
- Sports bar audio visual upgrade completed

At Midvale SpeedDome work included:

- Six additional motion detectors were installed to help curb the high incidence of vandalism.
- All plumbing fixtures were serviced and repaired as required.
- A comprehensive painting program was implemented.
- Track line marking was renewed.

WA Athletics Stadium:

Although the Stadium was under defects liability for the most part of the year, work has included:

- Negotiation of the turf maintenance contract.
- The 'take up' of various tenants to the building has required cabling and communications additions.
- Lighting control software has been upgraded and can now be operated by remote PC.
- External fencing has been erected around the stadium which compliments the existing and controls access.
- Two additional water coolers were installed at track level for the athletes to use.
- A disabled lift was installed into the announcers room.

## **MAJOR ACHIEVEMENTS IN 2009-10 - NEW VENUES**

### **Perth Arena**

A major functionality review of the Perth Arena was undertaken and appropriate variations to the initial design made to include construction of three additional permanent bars on the concourse level, two additional convenience food outlets and one merchandise outlet on the ground floor. A reassessment of storage indicated a need for several additional coolrooms, freezers and storerooms throughout the venue. The Building Management System was also reviewed and variations to existing specifications made to ensure that the venue has a centralised systems interface capability.

A two stage open tender process was conducted for the Facility and Operations Management of the Perth Arena. Stage one being an expression of interest and Stage two a shortlisted Request for Proposal. In June, Cabinet endorsed the Board's recommendation that AEG Ogden be appointed "Preferred Respondent" for the position of Facility and Operations Manager for the Perth Arena. Contract negotiations will conclude in 2010-11.

In February 2010 an agreement was reached with Solar Unlimited and Synergy to provide 528 solar panels on the roof of the Perth Arena. At up to 111kws of power expected to be generated, this will be one of Perth's larger projects that will significantly reduce the electricity demand from the 'mains grid' and help lower the Perth Arena's environmental footprint.

In March 2010 a "Bill of Quantities" was completed by quantity surveyors Ralph, Beattie and Bosworth (RBB) for "Fixed Fit Out" items associated with the base build. This was submitted to the building contractor for procurement as part of an extension of contract to base build.

The Perth Arena Interior Finishes report was completed. The stained timbers and natural stone flooring in geometric shapes will demand attention and serve as the benchmark by which the level of quality throughout the venue is judged.

In May 2010, the raising of the retractable roof steelwork 23 metres was a milestone for the construction program and set an intriguing new shape in the Perth skyline. The People of Perth got their first real taste of what is to come.

The Internal Statutory and Way Finding Signage package was finalised in June 2010.

Work with design consultants was completed in June to identify and provide a design schedule for the packaging of Loose Fit-Out items and equipment. The package includes furniture designs that will complement the unique interior finishes this world class venue has to offer.

Special mention should be made of the significant work undertaken this year by a selected team of VenuesWest staff in the preparation and submission of an extremely competitive Public Sector Comparator Bid for the "Operational and Facilities Management" of the Perth Arena to the procurement Probity Consultant.

### **Rugby**

The \$10 million rugby facility is the final stage of a three-pronged sports development in the Mount Claremont sporting precinct which has already delivered a new WA Athletics Stadium and WA Basketball Centre. The new facility will replace Rugby WA's current venue at Perry Lakes which will be demolished to make way for residential development. The project will deliver administration space for Rugby WA, indoor training facilities, gymnasium space and change rooms.

Final design approval was granted in February 2010 with the contract being awarded to Esslemont Construction. The project was tendered and the construction contract was awarded at a cost of under \$10 million following a very competitive tender process. The anticipated practical completion of the new facility is March 2011.

Site occupation took place on 15 April and construction started two weeks later. Discussions have commenced with Rugby WA in regards to their occupation of the facility.

**Netball**

On 15 May 2010, the Premier and the Minister for Sport announced the plan to deliver a new \$26 million State Netball Centre which will include four world-standard indoor netball courts and office space for Netball WA at the Matthews Netball Centre in Floreat.

Construction of the new facility is scheduled to commence in mid-2012 and it will be managed by VenuesWest.

## **MAJOR ACHIEVEMENTS IN 2009-10 - CORPORATE SERVICES**

VenuesWest undertook a complete restructure during the first half of 2009-10 to better reflect the operation as a single entity, rather than several individual operational venues. This significant organisational change agenda has also required a review of operating policies and procedures to ensure consistency and compliance.

The roll-in of the finance and procurement functions to the shared services environment occurred in December 2009. Significant financial reporting improvements were made in the second half of 2009-10 as a direct result, with further improvements planned for 2010-11.

Assets data was reconciled and imported into the shared services system and a full asset stock-take was conducted.

The VenuesWest General Agreement negotiations were successful and the revised Agreement will be registered in July 2010.

An ICT steering committee was constituted to help determine ICT priorities and deployment of resources across the agency. This group significantly informed the development of a scope for external consultants to help build an ICT Strategic Plan.

In liaison with DSR, a joint mentoring program was launched on 10 December 2009, which will see personal and management development of senior staff across both agencies.

VenuesWest was successful in obtaining increases to its capital funding to better address compliance, safety and visitor experiences at its older venues.

A comprehensive and contemporary Financial Management Manual was developed and adopted.

A position of Procurement Support Officer was established to provide procurement advice and expertise and become the point of contact for development of procurement and/or contract processes across the organisation.

## ***Finance Overview***

The 2009-10 financial performance of VenuesWest was positive despite the operational loss of \$2,411k. The Statement of Cash Flows reflects this situation with 2009-10 recording a significant and positive net increase in the cash position of \$33.2m compared to the previous financial year. One of the key changes has been the transfer of the Perth Arena Project to VenuesWest.

The 2009-10 Statement of Comprehensive Income was significantly impacted by depreciation with the increased depreciable value of VenuesWest's buildings and plant and equipment. This is partly related to the new Athletics and Basketball stadiums coming on stream. Additional appropriation was provided to cover most of the increased depreciation expense that relates to property assets. However, roll-in to the shared services environment coupled with revision to the asset capitalisation threshold has seen VenuesWest's property, plant and equipment asset value increase considerably. The depreciation that will be recognised against this asset category is not yet fully funded. Funding the full cost of depreciation of assets is critical and at present this results in a shortfall of some \$1.1m per year.

In addition, VenuesWest had budgeted for an expected receipt of \$935k resulting from a 2007 insurance claim relating to operations at the Perth Motorplex. This was not realised during 2009-10, which had a significantly impact on the financial position. VenuesWest is working with the Department of Treasury and Finance and will seek to redress this through amendments to future year appropriations.

VenuesWest's balance sheet remains strong with Net Assets increasing by \$335.1m in 2009-10. The most significant contributors to this growth was ownership recognition of the new Basketball Stadium and Perth Arena.

In 2009-10 the overall asset base has been increased by \$294.6m, with \$280m related to Perth Arena.

## **SIGNIFICANT ISSUES IMPACTING THE AGENCY**

Sports stadia have become identifiable gathering places for the community as well as symbols of contemporary culture. Major sporting and entertainment stadiums provide the opportunity to showcase government policy regarding sustainability and sensitive environmental developments. The significant investment by the State Government in major sporting facilities is coming to fruition.

To ensure the effective management of the Perth Arena project through the transition from delivery to commissioning and operation, VenuesWest has client agency status, budget responsibility and overall project completion and governance responsibility for this facility. Pre-start operational management of the venue will commence in 2010-11 and significant resources will be directed towards planning for a highly successful opening for this world class venue.

VenuesWest has experienced a significant period of growth with the completion and opening of the Western Australian Athletics Stadium and Western Australian Basketball Centre adjacent to Challenge Stadium. Further expansion will occur in 2010-11 with the completion of the new Rugby administration and high performance facility presenting increased opportunity for integrated management practices in the precinct to be adopted.

The Challenge Stadium/Mt Claremont sporting precinct continues to develop into a world class multi-sport precinct. Longer term planning for future national and international sporting events will be a focus in 2010-11.

Competition for the right to host national and international events remains strong. National and International Federations have very detailed technical specifications regarding the size, layout and requirements of their particular sport's venue and sites, including training and warm-up areas. VenuesWest will analyse the capacity of its facilities to meet those requirements and update them progressively within its capacity.

VenuesWest's strategic partnership with WAIS may be affected by implementation of components of the Crawford report and plans for reinvestment in capital infrastructure in order to meet training and competition compliance requirements for elite sport will need to be considered in light of those sports that continue to call Western Australia 'home'.

VenuesWest's rapidly growing portfolio of sport, recreation and entertainment assets and the ageing of VenuesWest's first four venues has resulted in a need for increased capital investment. An additional \$1.8M will be invested annually on restorative maintenance and capital enhancement. This program will deliver improved safety and increased levels of pro-active maintenance.

The need to ensure that State owned sporting, recreation and entertainment venues are utilised to the best of their capacity whilst ensuring an appropriate balance across its business mix of elite, community and commercial clients has been challenging in recent times and the outlook remains uncertain.

In the past decade Western Australia has seen strong growth in outdoor concerts due to the lack of suitable large scale indoor venues. Customers have grown used to this concert solution and promoters have built up the necessary infrastructure and expertise to support this trend. The opening of the new Perth Arena is expected to have an impact on this market as well as an impact on VenuesWest's existing venue capacity to raise commercial revenue through hosting of events.

In February 2010, the Office of the Auditor General undertook a performance examination of the planning and management of the Perth Arena. The resulting key findings confirmed the cost of the Perth Arena had grown considerably from the initial estimate and the timeframe had extended. The examination also confirmed that changes since December 2008 to the governance arrangements, greater project management resources and the appointment of a client agency have strengthened project governance and resulted in more robust project management.

The Board of VenuesWest acknowledged the outcomes of the report and strategies have since been reinforced to ensure compliance with the report's recommendations.



## 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 2010**

I have audited the accounts, financial statements, controls and key performance indicators of the Western Australian Sports Centre Trust.

The financial statements comprise the Statement of Financial Position as at 30 June 2010, and the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows 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 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. This document is available on the OAG website under "How We Audit".


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 2010**

**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 2010 and its financial performance and cash flows for the year ended on that date. They are in accordance with Australian Accounting Standards 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 2010.

  
COLIN MURPHY  
AUDITOR GENERAL  
17 September 2010



**KEY PERFORMANCE INDICATORS**

**WA Sports Centre Trust  
Certification of Performance Indicators  
For the Year Ended 30 June 2010**

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 (trading as VenuesWest) performance and fairly represents the performance of the Western Australian Sports Centre Trust for the financial year ended 30 June 2010.



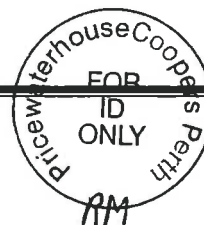
Graham Partridge  
CHAIRMAN  
10 September 2010



Graham Goerke  
BOARD MEMBER  
10 September 2010



David Etherton  
CHIEF EXECUTIVE OFFICER  
10 September 2010



## 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



**Source:** Customer Service Survey conducted by the Centre for Environmental Management, in association with the University of South Australia in May 2010. The CERM Performance Indicator Research Project focuses on benchmarking for sports and leisure services and facilities with approximately 165 organisations Australia-wide participating.

**Derivation:** The survey measured overall satisfaction with facilities at Arena Joondalup, Challenge Stadium and the SpeedDome. Elite Sport Customers were asked to rate the quality of services and facilities on a scale of 1 (very poor) to 7 (very good). 109 survey responses were completed and received. The standard error rate for the survey is +/-5%, with a confidence interval of 95%.

**Comment:** VenuesWest continues to manage its resources effectively to deliver elite sport facilities. The survey results for 2009-10 indicate a significant shift upwards in terms of customer satisfaction with a result of 90% compared to a customer satisfaction target level of 80%. The actual satisfaction levels were nearly 9% higher than the previous year – where a satisfaction level of 81.42% was recorded for 2008/09.

The activity profile of the athletes that completed the survey covered – squad swimming, gymnastics, water polo, skating, elite cycling and hockey at three venues – Challenge Stadium, Arena Joondalup and SpeedDome.

The target for 2009-10 was revised downwards to 80% based on concerns regarding the level of capital reinvestment in ageing facilities. The injection of new funds for this specific purpose will enable VenuesWest to pursue the retention of these extremely high satisfaction results.

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

### Service 2. Management of community sport, entertainment and recreational facilities

#### Customer Satisfaction

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

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

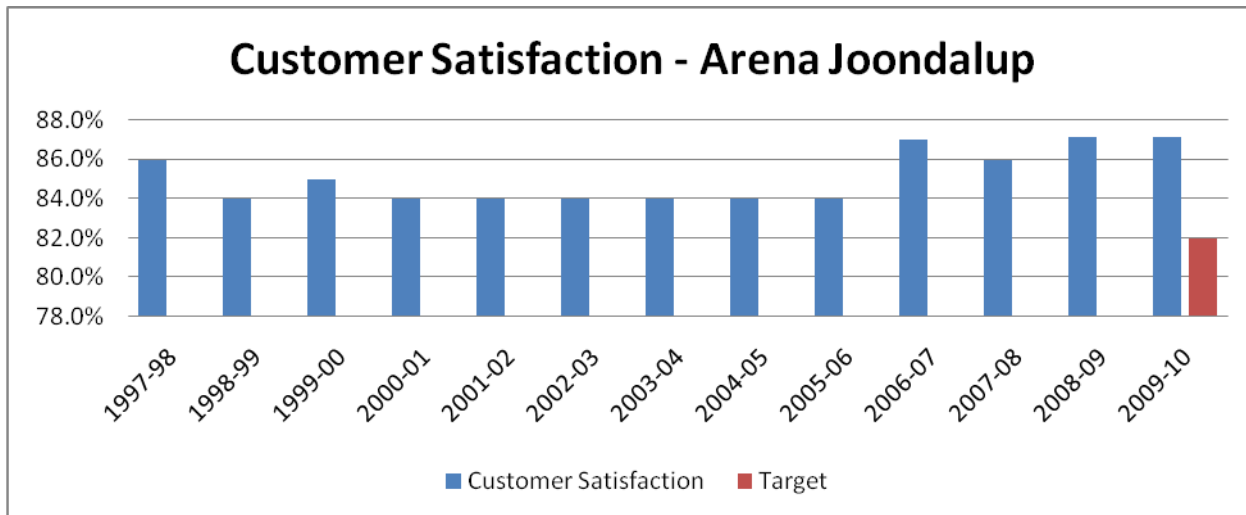


**Source:** Customer Service Survey conducted by the Centre for Environmental Management in association with the University of South Australia in May 2010. The CERM Performance Indicator Research Project focuses on benchmarking for sports and leisure services and facilities with approximately 165 organisations Australia-wide participating.

**Derivation:** The survey measured overall satisfaction with facilities at Challenge Stadium. Customers were asked to rate the quality of services and facilities on a scale of 1 (very poor) to 7 (very good). 638 individual responses were completed and received. This is above the recommended sample size by the CERM Benchmarking project of 200 – 300 respondents and significantly larger than the previous sample size of 352 responses received in 2008-09. The standard error rate for the survey is +/-5%, with a confidence interval of 95%.

**Comment:** VenuesWest continues to manage its resources effectively to deliver sport, recreation and entertainment facilities effectively. The survey results for 2009-10 were positive with an overall customer satisfaction result of 84.2% indicating sustained levels of customer service as compared to the same results achieved in 2008-09 and 4% above the customer satisfaction target level of 80%. The 2009-10 target was revised downwards to reflect planning projections that the significant organisational change agenda and growth in responsibilities may have a slightly negative impact on staff morale and therefore customer service delivery. This was proved not to be the case.

**Indicator 2.2 Customer Service Survey – Arena Joondalup**



**Source:** Customer Service Survey conducted by the Centre for Environmental Management , in association with the University of South Australia in May 2010. The CERM Performance Indicator Research Project focuses on benchmarking for sports and leisure services and facilities with approximately 165 organisations Australia-wide participating.

**Derivation:** The survey measured overall satisfaction with services and facilities at Arena Joondalup. Customers were asked to rate the quality of services and facilities on a scale of 1 (very poor) to 7 (very good). 598 responses were completed and received. This is above the CERM recommended sample size of 200 – 300 respondents and significantly larger than the previous sample size of 479 respondents received in 2008-09. The standard error rate for the survey is +/- 5%, with a confidence interval of 95%.

**Comment:** VenuesWest continues to manage its resources effectively to deliver sport, recreation and entertainment facilities effectively. The survey result for 2009-10 shows sustained levels of customer satisfaction of 87.1% compared to a target of 82%.

Customer satisfaction at Arena Joondalup has been consistently high for a number of years, however the ability to sustain this performance level was seen as unlikely whilst also pursuing improved efficiencies and profitability levels and implementation of new organizational structure hence the 2009-10 target was adjusted downwards. The 2009-10 figures however show that customer satisfaction levels were maintained at the levels experienced in the previous year.

### Indicator 2.3 Customer Service Survey – SpeedDome



**Source:** Customer Service Survey conducted by the Centre for Environmental Management, associated with the University of South Australia in May 2010. The CERM Performance Indicator Research Project focuses on benchmarking for sports and leisure services and facilities with approximately 165 organisations Australia-wide participating.

**Derivation:** The survey measured overall satisfaction with services and facilities at SpeedDome. Customers were asked to rate the quality of services and facilities on a scale of 1 (very poor) to 7 (very good). Given the nature of this venue the predominant use is by elite athletes, however 15 community responses were received.

**Comment:** VenuesWest continues to manage its resources effectively to deliver sport, recreation and entertainment facilities effectively. The survey result for 2009-10 shows increased levels of customer satisfaction of 88.6% compared to a target of 82%. Customer satisfaction at the SpeedDome has been consistently high for a number of years, however the ability to sustain this performance level was seen as unlikely whilst also pursuing improved efficiencies and profitability levels and implementation of new organizational structure hence the 2009-10 target was adjusted downwards. This was proved not to be the case with satisfaction levels showing an improvement of 2.6%.

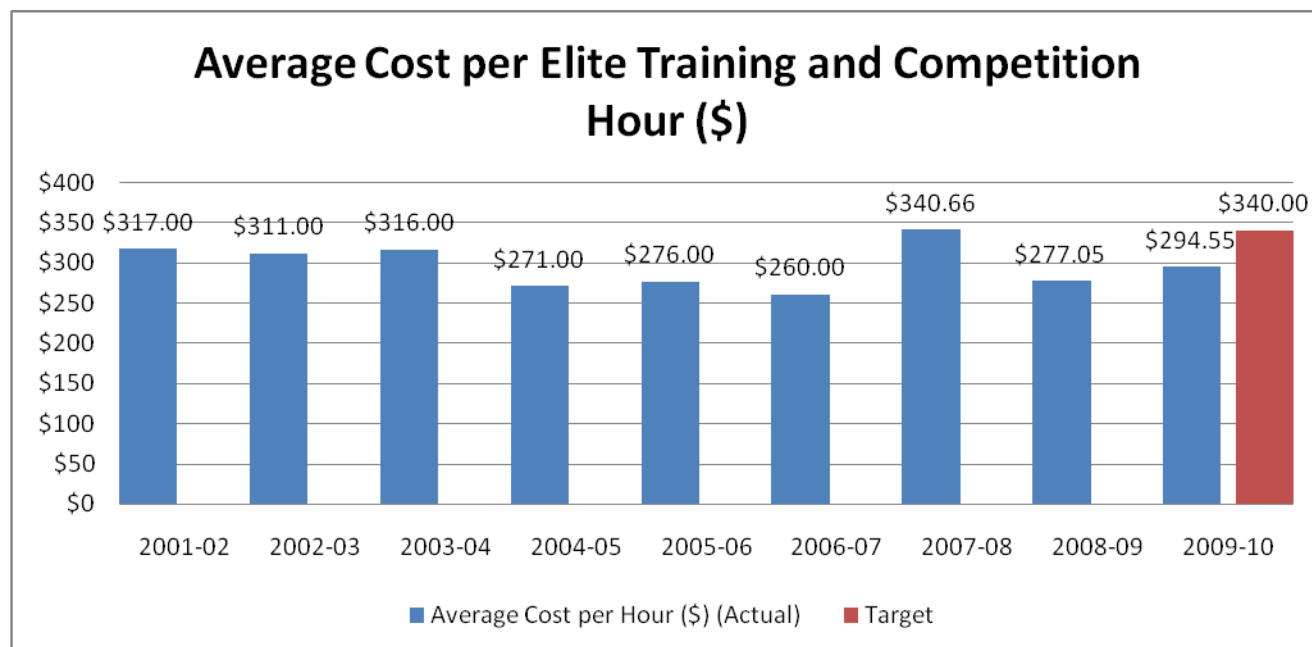
## KEY EFFICIENCY INDICATORS

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

#### Service 1 Management of elite sport facilities

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

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



**Source:** CLASS Management System and Financial Statements.

**Derivation:** The average cost of providing elite training and competition facilities per hour is calculated by dividing the total cost of elite training and competition facility provision by the total number of elite training and competition hours delivered.

**Comment:** The average cost per hour of elite training and competition for 2009-10 is \$294.55 compared with a target established last year of \$340. By comparison, the cost per hour has increased slightly since 2008-09 however it is not appropriate to make direct comparisons against previous years due to the inclusion of two new venues. The 2009-10 results are extremely positive and show the efficiency with which VenuesWest has managed the expansion of its responsibilities whilst effectively servicing increased and diversified sports and venues.

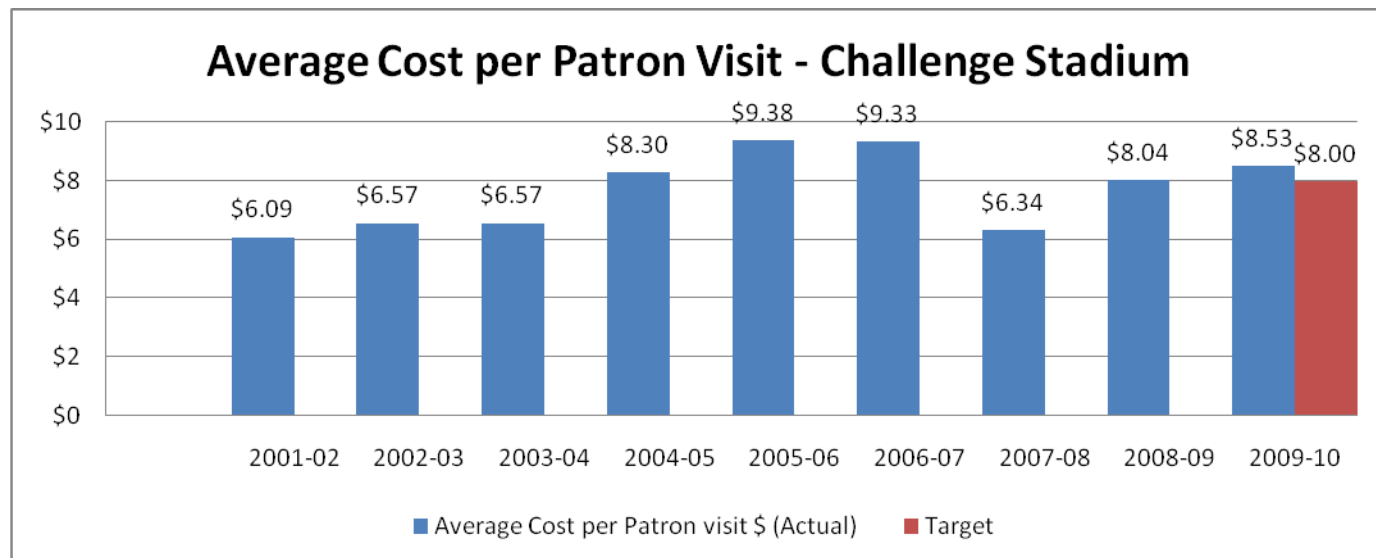
The results can be directly attributed to the following factors:

- An additional 641.6 hours of elite training and competition were delivered across VenuesWest's facilities in 2009-10 compared to 2008-09.
- Elite training and competition hours were delivered at two new venues in 2009-10 – the WA Athletics Stadium and the WA Basketball Centre. It should be noted however that the WA Basketball Centre did not become operational until very late in the financial year and as a result only 39.5 hours of elite training and competition hours were delivered at this venue.
- The addition of two new venues has increased the depreciation and accommodation costs associated with the delivery of Service One.

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

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

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



**Source:** CLASS Management System and Financial Statements.

**Derivation:** The average cost of providing venue services and facilities to the West Australian community per hour is calculated by dividing the total cost of community service and facility provision by the total number of community hours delivered.

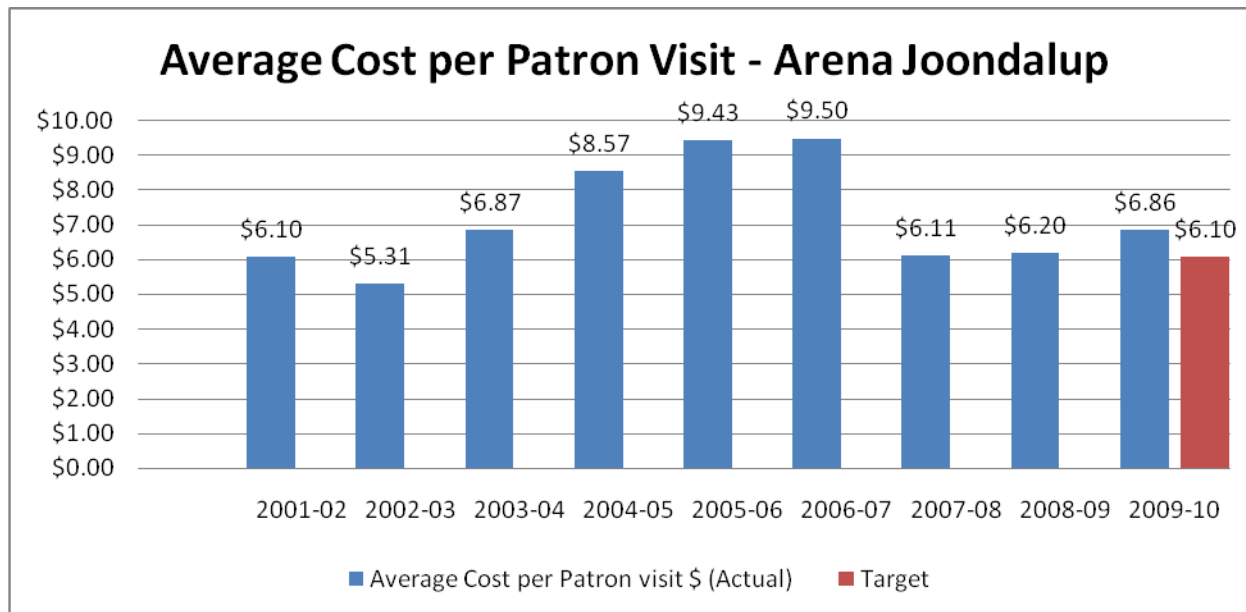
**Comment:** The average cost per patron visit to Challenge Stadium in 2009-10 was \$8.53 compared to a target of \$8.00. Comparatively the average cost per patron visit to Challenge Stadium rose by 49 cents against the 2008-09 result. This result reflects the slight decrease in patronage of 5,554 compared to last year plus the increasing depreciation costs (circa 30 cents per patron) associated with the venue.

The changing dynamics of the business should also be taken into account. The cost per patron will vary depending on the number and types of events. Challenge Stadium hosted 19 concerts in 2009-10 compared to 15 concerts in 2008-09 and 145 sports events compared to 100 sports events in 2008-09.

Furthermore the cost per patron is not totally borne by VenuesWest for commercial events, in these circumstances the costs associated with event specific infrastructure, staffing etc are on-costed to the hirer of the venue.

## 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.



**Source:** CLASS Management System and Financial Statements.

**Derivation:** The average cost of providing venue services and facilities to the West Australian community per hour is calculated by dividing the total cost of community service and facility provision by the total number of community hours delivered.

**Comment:** The average cost per patron visit to Arena Joondalup in 2009-10 was \$6.86 compared to a target of \$6.10. Comparatively the average cost per patron visit to Arena Joondalup rose by 66 cents against the 2008-09 result. This result reflects a decrease in patronage of 45,220 compared to last year plus the increasing depreciation costs (circa 30 cents per patron) associated with the venue.

The changing dynamics of the business should also be taken into account. The cost per patron will vary depending on the number and types of events. In 2008-09 Arena Joondalup hosted the Rock-iT musical festival which brought an additional 26,500 patrons to the venue which significantly altered the cost per patron reported. Increased competition in the Health and Fitness Market in the northern suburbs combined with the global economic crisis has also impacted on membership numbers at Arena Joondalup.

It should also be noted that the cost per patron is not totally borne by VenuesWest for commercial events, in these circumstances the costs associated with event specific infrastructure, staffing etc are on-costed to the hirer of the venue. Arena Joondalup hosted 195 non-sporting related events and functions during the course of the year.

### Comment against Key Performance Indicator Reporting

The 2009-10 Annual Report will conclude the reporting by VenuesWest of this current set of Key Performance Indicators. A new Output Structure has been endorsed by the Department of Treasury and Finance which is reflective of both the growth in asset base and responsibilities. Further information relating to the new measures can be found in the 2010-11 State Budget.



## **MINISTERIAL DIRECTIVES**

VenuesWest received Ministerial directives on the following issues;

- The Minister directed the Board to rescind the decision regarding Board recognition of Productivity and Achievement
- The Minister provided VenuesWest with the directive that Cabinet will have final endorsement of the Perth Arena Facilities and Operational Management

## **GOVERNANCE DISCLOSURES**

### **Key Legislation**

In the performance of its functions, VenuesWest 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

## Employment and Industrial Relations

### Staff Profile

VenuesWest engaged an average of **225** FTE across the year to June 30 2010. Employee Profile indicators as of 30 June 2010 are as follows;

Classification Level	FTE	Males (%)	Females (%)
Level 9 & Above	2	100	0
Level 8	4	50	50
Level 7	2.6	77	23
Level 6	7.21	69	31
Level 5	10.53	66	34
Level 4	12.71	47	53
Level 3	23.39	54	46
Level 2	38.58	20	80
Level 1	33.23	37	63
TOTAL	134.25	43 (Average)	57(Average)

*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 VenuesWest.*

*Includes: seconded-in personnel paid by VenuesWest.*

### Staff Development and Recruitment

As a result of the restructure the focus of this year's training was predominately training to meet essential qualification requirements. Other training included the following;

- Team building training for the VenuesWest Executive Team conducted by Merribrook – This training focused on bringing the newly appointed executive team together.
- Safari Challenge – Business Development & Marketing Directorate – This training focused on bringing the team together to ensure a clear understanding of vision and direction.
- Attendance at industry related conferences to aid in professional development.
- Training to enhance the quality of employment.

Following are the key figures for training in VenuesWest :

As a result of the restructure training figures represented in the table below reflect less training hours for the 0910 period.

	2009-10	2008-2009
Total hours of training provided to staff	2773	3762
Average hours per permanent FTE	19	28.45
Total training costs (excl. travel)	84641	103154
Average training investment per permanent FTE	630	904*
Number of staff receiving study assistance	2	2

VenuesWest received and processed 1670 applications for its 91 vacancies. On average 18.35 applications were received for each vacancy. The turnaround time to fill each vacancy was approximately 27 days. Vacancies in comparison to last year doubled as a result of the restructure but the turnaround time remained the same.

*\*Please note that the average training investment in 2008-09 on a head-count basis was \$202 and this figure was published in the 2008-09 Annual Report. To ensure that appropriate comparisons are made, this figure has been adjusted in the table above to reflect the organisation's investment per permanent FTE only.*

## Industrial Framework

VenuesWest operates under two separate industrial agreements. *The Government Officers' Salaries, Allowances and Conditions Award 1989* and *Government Officers' Salaries, Allowances and Conditions General Agreement 2008*. The third and final increase relevant to the GOSAC GA 2008 occurred in the pay of the 29<sup>th</sup> April 2010. The Department of Commerce Labour Relations Public Sector Directorate (PSD) will lead negotiations for the replacement of these agreements. Negotiations are expected to commence in October 2010.

The WA Sports Centre Trust General Agreement 2007 expired at the end of December 2009. Extensive work was carried out in negotiations for a replacement agreement which was finalised in May 2010 after agreement was reached between VenuesWest, The Media Entertainment and Arts Alliance of Western Australia and the Liquor, Hospitality and Miscellaneous Workers' Union, Western Australia Branch. The new agreement now known as the VenuesWest General Agreement 2010 was endorsed by the Board in May 2010. Salary increases of 3% in January 2010, 2.75% in January 2011 and a further 3.25% in January 2012 were negotiated between the parties. As an in principle agreement was reached on the 5<sup>th</sup> February 2010, provision has been allowed for back payments to apply effective as of this date.

This new Agreement covers approximately 70 permanent employees.

## Insurance Premiums paid to indemnify members of the Board

VenuesWest takes out Directors and Officers Liability Insurance, covering members of the VenuesWest 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, VenuesWest incurred the following expenditure in advertising, market research, polling, direct mail and media advertising:

1. Total expenditure for 2009 – 2010 was \$22,060.73
2. Expenditure was incurred in the following areas:

## EXPENDITURE ADVERTISING AGENCIES

(as at 30th June 2010)

COMPANY	AMOUNT (exc gst)
Sensis	5,075.40
Function Rooms Perth	516.00

## EXPENDITURE MEDIA ADVERTISING AGENCIES

Media Decisions	15,169.33
Lasso Media	1,300.00

## MARKET RESEARCH

n/a

## DIRECT MAIL AGENCIES

n/a

## MEDIA ADVERTISING ORGANISATIONS

n/a

**TOTAL** **\$ 22,060.73**

***Disability Access and Inclusion Plan Outcomes  
(Disability Services Act 1993, S29)***

VenuesWest prides itself on ensuring that all of its services and access to its venues are available to all members of the community including people with disabilities. The following initiatives assist in ensuring VenuesWest to make its venues more accessible to people with disabilities:

- Electrical mobile hoist is installed to move people with disabilities from their wheelchairs into the indoor pools at Challenge Stadium;
- A mechanical hoist is available to lift disabled swimmers into the outdoor pool at Challenge Stadium;
- The Super Fins Athlete Club, a club for people with disabilities, is given priority to reserve the edge lanes when they visit Challenge Stadium to ensure they have easy access to the pools;
- VenuesWest supports the Companion Card Program initiative at all its venues which permits free access to the facilities for carers;
- A set of steps are installed in the water polo pool at Challenge Stadium to assist disabled patrons to exit the pool;
- Hand rails that are lower to the ground making it easier for people with disabilities to exit the pool have been ordered for the indoor pool at Challenge Stadium;
- Two foldaway benches at the same height as a wheelchair seat are available to assist wheelchair bound patrons at the Challenge Stadium pools;
- VenuesWest coordinates the Life Program specifically aimed at maintaining fitness for people with disabilities;
- Wheelchair spaces are made available at concert and other events held at VenuesWest venues;
- Information published by VenuesWest is available in different formats on request;
- Training of front-line staff on management and dealing with visitors with disabilities has been undertaken to ensure the same quality of service is afforded to all patrons of VenuesWest services and events;
- Newly constructed venues managed by VenuesWest are built to meet or exceed disability access and inclusion requirements, including the Western Australian Athletics Stadium and Western Australian Basketball Centre;

## Compliance with Public Sector Standards and Ethical Codes

Public Sector Management Act 1994, s31(1))

### Compliance issues

### Significant action taken to monitor and ensure compliance

#### Public Sector Standards

- VenuesWest received one claim of breach of Human Resources Standards (Recruitment) during the 2008-09 financial year. This was resolved resulting in withdrawal of the breach claim.
- A Human Resources representative participates in all permanent recruitment processes for VenuesWest and coordinates each of the processes to ensure compliance with the Public Sector Standards. All processes undertaken for positions - level 3 (GOSAC) and above (or equivalent under WASCT General Agreement) are reviewed by the CEO prior to an appointment being made. All other appointments are reviewed by the Human Resources Manager prior to appointment.
- Information regarding the Public Sector Standards in Recruitment is available on VenuesWest's website.
- A HR Delegation of Authority Schedule that clarifies delegations and responsibilities of all employees is in place and available on VenuesWest's Intranet for all staff.
- All HR Policies are reviewed on a regular basis to ensure consistency with the Standards.

#### WA Code of Ethics

- Code of Ethics is included and promoted in induction materials for all permanent, fixed term and casual employees and is accessible from VenuesWest's Intranet site.
- Compliance with the Code of Ethics is monitored through staff feedback during exit interviews.
- Information regarding the WA Code of Ethics is promoted on VenuesWest's website.
- VenuesWest plans to make training in Accountable and Ethical Decision Making available to all staff in 2010-2011

#### Agency Code of Conduct

- VenuesWest has a clearly documented and accessible formal internal grievance resolution process in place.
- Three formal grievance resolution processes were undertaken in 2009-10, two of which were resolved to the satisfaction of all parties concerned and the third has been closed.
- VenuesWest's code of conduct is contained within VenuesWest's Employee Conduct Policy and is part of all employees' induction materials.
- Performance Management Plans specifically incorporate obligations for adhering to WA Code of Ethics and VenuesWest's Code of Conduct.
- A complete review of the Code of Conduct is well underway and will be completed in the first half of 2010-11.

## **Recordkeeping Plans**

*(State Records Act 2000 and State Records Commission Standard 2, Principle 6)*

VenuesWest's Record Keeping Plan details the record keeping program for the agency including which records are to be created and how those records are to be kept. Measures to ensure compliance with the State Records Commission - Standard 2 Record Keeping Plans: Principle 6, include:

- Updating record keeping systems as necessary and evaluating their efficiency and effectiveness not less than once every five years. VenuesWest's Record Keeping Plan was fully reviewed during 2009-10 in conjunction with the establishment of a new organisational structure. This was submitted to the State Records Office for approval in June 2010.
- A complete review of VenuesWest retention and Disposal Schedule was conducted during 2009-10.
- Providing information sessions on record keeping for existing and new staff. One-on-one information sessions were undertaken with relevant employees and recordkeeping obligations are included in induction materials.
- Conducting an annual review of the record keeping training program to ensure efficiency and effectiveness.
- A review of the current induction process is underway.
- External consultancy assistance will be engaged in the first half of 2010-11 to help establish and implement common records management processes and consolidate recordkeeping systems across all VenuesWest sites and a position specifically to manage records has been established in the VenuesWest structure for the first time.

## **Occupational Safety, Health and Injury Management**

*(Public Sector Commissioner's Circular 2009-11: Code of Practice: Occupational Safety and Health in the Western Australian Public Sector)*

### Item 1

#### **Statement of agency's commitment to OSH and injury management**

VenuesWest is committed to providing workplaces that are free from work related injury and disease through the combined efforts of employees and management, and through its safety management system. However, should an employee suffer a work related injury, illness or disability VenuesWest has a documented process in place to manage and rehabilitate such employees to enable them to remain at work, or return to work at the earliest appropriate time.

This commitment is stated in VenuesWest's Occupational Safety and Health Policy and Injury Management Policy, both of which are available on the organisation's intranet as is the VenuesWest safety management system (SMS).

VenuesWest policies and procedures are covered with all employees during the induction process as well as instruction on how to access these documents on the intranet. Personnel receive training with regard to their duties and responsibilities for occupational safety, health and injury management.

The strategic goals and targets for 2009/10 for occupational safety, health and injury management are detailed in item 5 below.

### Item 2

#### **Description of the formal mechanism for consultation with employees on OSH matters**

The Occupational Safety and Health Committee, including employee representatives, form the key to occupational safety and health consultation within VenuesWest. The committee members' appointment, location and contact details are communicated to all employees as part of the induction process and are available on VenuesWest intranet.

The Occupational Safety and Health Committee meets bi-monthly to discuss and resolve occupational safety and health issues, review incident and hazard reports, review procedures and review progress against the occupational safety and health plan. Minutes from these meetings are available on the intranet and a copy posted on staff safety and health notice boards around the venues.

VenuesWest also has a documented issue resolution procedure which is communicated to all employees at induction and is also available on the VenuesWest intranet.

Item 3

**Statement of compliance with injury management requirements of the Workers' Compensation & Injury Management Act 1981**

VenuesWest has a documented Injury Management Policy and Procedure which states its commitment to compliance with the Workers Compensation and Injury Management Act 1981.

This Policy and Procedure is communicated to all employees during the induction process and is made available to them should they suffer a worker related injury by the Human Resources Support Officer. The Policy and Procedure are also available on the VenuesWest intranet.

It is stated in the VenuesWest Injury Management Policy and Procedure that return to work programs will be developed in accordance with the Act.

Item 4

**Statement confirming that a self evaluation (annual) or external accredited assessment (within previous 3 years) of OSH safety & health management systems has been completed with a summary of findings.**

An annual audit of VenuesWest's safety management system was conducted internally in January 2010 against the elements in the WorkSafe Plan. Results of the audit were presented to the VenuesWest Management Team and used in development of the Occupational Safety and Health Plan.

Executive Summary of Audit Results:

Results from the audit indicate a "satisfactory" level of performance across all elements of the WorkSafe Plan. Specific results were as follows with results from the previous audit shown in brackets. Management Commitment 69% (64%), Planning 65% (62%), Hazard Management 65% (61%), Training 68% (66%) and Consultation 63% (54%).

In the previous audit there were 10 out 50 (20%) of indicators that only scored "5", which is deemed "inadequate". All of these areas have since been addressed and there are now no indicators with a score below "6".

It is recommended that the next audit is conducted by an external assessor.

Item 5

**Record of performance against the following targets for 2009/10**

<b>Indicator</b>	<b>Target</b>	<b>Actual</b>
Number of fatalities	Zero (0)	Zero (0)
Lost time injury/disease (LTI/D) incidence rate (Zero or 10% reduction on previous year)	1.93	1.30
Lost time injury severity rate (>60 days) (Zero or 10% reduction on previous year)	Zero (0)	33.3%
% of workers returned to work within 28weeks (full duties/full hours pre injury)	-	66.7%
% of managers trained in OSH and injury management responsibilities (see below)	> = 50%	72%

**LTI/D Incidence Rate**

The rate for 2008/09 was 1.93, with a reduction of 10% resulted in a target of 1.73. The actual rate was 1.3 which is a reduction of over 30%,

**Percentage of managers trained in OSH responsibilities (past 3 years).**

This includes managers and coordinators but does not include those employees at supervisory level. OSH components of Cert IV in Frontline Management

- Monitor a Safe Workplace (BSBFMN411A)

In house training course for Management Team

- Hazard identification and risk management
- Duty of care obligations

Item 6**Optional requirements**

New initiatives for the year:

- Flu vaccinations (incorporating H1N1) for staff in May 2010
- Electronic incident report database under development

Percentage of elected Safety & Health representatives trained:

- 64% of current representatives trained (7/11). One booked for course August 2010 and remaining 3 to be booked before December 2010.



## FINANCIAL DISCLOSURES

In the financial administration of VenuesWest, 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.



Mr Graham Partridge  
CHAIRMAN  
10 September 2010



Mr David Etherton  
CHIEF EXECUTIVE OFFICER  
10 September 2010



Ms Ingrid Hawkins  
CHIEF FINANCIAL OFFICER  
10 September 2010

## NOTES TO THE FINANCIAL STATEMENTS

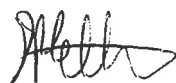
Certification of Financial Statements for the year ended 30 June 2010.

The accompanying financial statements of the Western Australian Sports Centre Trust (VenuesWest) 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 2010 and the financial position as at 30 June 2010.

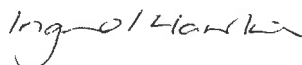
At the date of signing, we are not aware of any circumstances which would render any particulars included in the financial statements misleading or inaccurate.



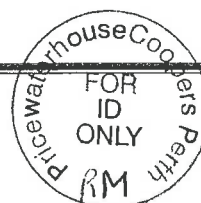
Mr Graham Partridge  
CHAIRMAN  
Date: 10 September 2010



Mr David Etherton  
CHIEF EXECUTIVE OFFICER  
Date: 10 September 2010



Ms Ingrid Hawkins  
CHIEF FINANCIAL OFFICER  
Date: 10 September 2010



**Western Australian Sports Centre Trust**  
**Statement of Comprehensive Income**  
**For the year ended 30 June 2010**

	Note	2010 \$000	Restated 2009 \$000
<b>COST OF SERVICES</b>			
<b>Expenses</b>			
Employee benefits expense	6	14,018	12,972
Supplies and services	7	5,429	3,771
Depreciation	8	6,991	4,332
Finance costs	9	46	51
Accommodation expenses	10	3,062	1,765
Grants and subsidies	12	3	-
Cost of sales	15	2,065	2,632
Loss on disposal of non current assets	11	12	34
Other expenses	13	1,051	1,174
<b>Total cost of services</b>		<b>32,677</b>	<b>26,731</b>
<b>INCOME</b>			
<b>Revenue</b>			
User charges and fees	14	11,028	8,773
Sales	15	5,439	5,792
Interest revenue	16	1,472	79
Other revenue	17	1,027	1,440
<b>Total Revenue</b>		<b>18,966</b>	<b>16,084</b>
<b>Total income other than income from State Government</b>		<b>18,966</b>	<b>16,084</b>
<b>NET COST OF SERVICES</b>		<b>13,711</b>	<b>10,647</b>
<b>Income from State Government</b>			
Service appropriation	18	11,355	10,065
Resources received free of charge	18	5	-
<b>Total income from State Government</b>		<b>11,360</b>	<b>10,065</b>
<b>DEFICIT FOR THE PERIOD</b>		<b>(2,351)</b>	<b>(582)</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
Changes in asset revaluation surplus		(33,973)	21,931
Losses recognised directly in equity		(37)	(645)
<b>Total other comprehensive income</b>		<b>(34,010)</b>	<b>21,286</b>
<b>TOTAL COMPREHENSIVE (EXPENSE)/INCOME FOR THE PERIOD</b>		<b>(36,361)</b>	<b>20,704</b>

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

**Western Australian Sports Centre Trust**  
**Statement of Financial Position**  
**As at 30 June 2010**

		<b>2010</b>	<b>2009</b>
		<b>\$000</b>	<b>\$000</b>
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	30	36,155	2,932
Inventories	19	327	336
Receivables	20	5,063	551
Amounts receivable for services	21	3,354	1,627
Other current assets	22	-	31
<b>Total Current Assets</b>		<u>44,899</u>	<u>5,477</u>
<b>Non-Current Assets</b>			
Amounts receivable for services	21	13,707	11,754
Property, plant and equipment	23	497,252	202,689
<b>Total Non-Current Assets</b>		<u>510,959</u>	<u>214,443</u>
<b>Total Assets</b>		<u>555,858</u>	<u>219,920</u>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables	25	1,705	1,644
Borrowings	26	110	472
Provisions	27	1,612	1,299
Other current liabilities	28	2,382	1,502
<b>Total Current Liabilities</b>		<u>5,809</u>	<u>4,917</u>
<b>Non-Current Liabilities</b>			
Borrowings	26	13	123
Provisions	27	500	500
<b>Total Non-Current Liabilities</b>		<u>513</u>	<u>623</u>
<b>Total Liabilities</b>		<u>6,322</u>	<u>5,540</u>
<b>NET ASSETS</b>		<u><u>549,536</u></u>	<u><u>214,380</u></u>
<b>EQUITY</b>			
Contributed Equity	29	440,459	68,942
Reserves	29	65,086	99,059
Accumulated surplus	29	43,991	46,379
<b>TOTAL EQUITY</b>		<u><u>549,536</u></u>	<u><u>214,380</u></u>

The Statement of Financial Position 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 2010**

	Note	Contributed Equity \$000	Reserves \$000	Accumulated Surplus/ (deficit) \$000	Total Equity \$000
<b>Balance at 1 July 2008</b>	29	37,545	77,128	47,606	162,279
Total comprehensive income for the year		-	21,931	(582)	21,349
Changes in accounting policy or correction of prior period errors		-	-	(645)	(645)
<b>Restated total comprehensive income for the year</b>		-	<b>21,931</b>	<b>(1,227)</b>	<b>20,704</b>
Transactions with owners in their capacity as owners:					
Capital appropriations		237	-	-	237
Other contributions by owners		31,160	-	-	31,160
Total		31,397	21,931	(1,227)	52,101
<b>Balance at 30 June 2009</b>		<b>68,942</b>	<b>99,059</b>	<b>46,379</b>	<b>214,380</b>
<b>Balance at 1 July 2009</b>		68,942	99,059	46,379	214,380
Total comprehensive income for the year		-	(33,973)	(2,351)	(36,324)
Changes in accounting policy or correction of prior period errors		-	-	(37)	(37)
<b>Restated total comprehensive income for the year</b>		-	<b>(33,973)</b>	<b>(2,388)</b>	<b>(36,361)</b>
Transactions with owners in their capacity as owners:					
Capital appropriations		73,452	-	-	73,452
Other contributions by owners		298,065	-	-	298,065
Total		371,517	(33,973)	(2,388)	335,156
<b>Balance at 30 June 2010</b>		<b>440,459</b>	<b>65,086</b>	<b>43,991</b>	<b>549,536</b>

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

**Western Australian Sports Centre Trust**  
**Statement of Cash Flows**  
**For the year ended 30 June 2010**

	Note	2010 \$000	2009 \$000
<b>CASH FLOWS FROM STATE GOVERNMENT</b>			
Service appropriation		6,048	6,859
Capital appropriation		73,452	237
Holding account drawdowns		1,627	2,077
<b>Net cash provided by State Government</b>		<b>81,127</b>	<b>9,173</b>
Utilised as follows:			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Payments</b>			
Employee benefits		(13,432)	(12,408)
Supplies and services		(7,243)	(7,367)
Finance costs		(46)	(33)
Accommodation		(3,063)	(1,383)
Grants and subsidies		(3)	-
GST payments on purchases		(13,554)	(878)
GST payments to taxation authority		-	(533)
Other payments		(1,065)	(935)
<b>Receipts</b>			
Sale of goods and services		5,439	5,792
User charges and fees		9,131	9,209
Interest received		1,472	63
GST receipts on sales		1,484	1,426
GST receipts from taxation authority		9,924	-
Other receipts		1,027	1,440
<b>Net cash used in operating activities</b>	30	<b>(9,929)</b>	<b>(5,607)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of non-current physical asset		(128,533)	(664)
<b>Net cash used in investing activities</b>		<b>(128,533)</b>	<b>(664)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Other proceeds – transfer from other departments		91,029	-
Repayment of borrowings		(471)	(482)
<b>Net cash from/(used) in financing activities</b>		<b>90,558</b>	<b>(482)</b>
Net increase in cash and cash equivalents		33,223	2,420
Cash and cash equivalents at the beginning of the period		2,932	512
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	30	<b>36,155</b>	<b>2,932</b>

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

**WA Sports Centre Trust**  
**Notes to Financial Statements**  
**For the year ending 30 June 2010**

**1. Australian Accounting Standards**

**General**

The Western Australian Sports Centre Trust's (the Trust's) financial statements for the year ended 30 June 2010 have been prepared in accordance with Australian Accounting Standards. The term 'Australian Accounting Standards' refers to Standards and Interpretations issued by the Australian Accounting Standard Board (AASB). The Trust has adopted any applicable, new and revised Australian Accounting Standards from their operative dates.

**Early adoption of standards**

The Trust cannot early adopt an Australian Accounting Standard unless specifically permitted by T11101 'Application of Australian Accounting Standards and Other Pronouncements'. No Australian Accounting Standards that have been issued or amended but not operative have been early adopted by the Trust for the annual reporting period ended 30 June 2010.

**2. Summary of significant accounting policies**

**(a) General statement**

The financial statements constitute general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the AASB 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 Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the AASB.

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

**(b) Basis of preparation**

The financial statements have been prepared on the accrual basis of accounting using the historical cost convention, except for land and buildings which have been measured at fair value. The accounting policies adopted in the preparation of the financial statements have been consistently applied throughout all periods presented unless otherwise stated.

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

The judgements that have been made in the process of applying the Trust's 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 end of the reporting period 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, trading as VenuesWest.

**(d) Contributed equity**

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

The transfer of net assets to/from other agencies, other than as a result of a restructure of administrative arrangements, are designated as contributions by owners where the transfers are non-discretionary and non-reciprocal.

## **(e) 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.

#### *Provision of services*

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

#### *Interest*

Revenue is recognised as the interest accrues.

#### *Service appropriations*

Service Appropriations are recognised as revenues at nominal value in the period in which the Trust gains control of the appropriated funds. The Trust gains control of appropriated funds at the time those funds are deposited to the bank account or credited to the 'Amounts receivable for services (holding account)' held at Treasury.

#### *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.

### ***Gains***

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

## **(f) Borrowing costs**

Borrowing costs for qualifying assets are capitalised net of any investment income earned on the unexpended portion of the borrowings. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. Other borrowing costs are expensed when incurred.

## **(g) Property, plant and equipment**

### *Capitalisation/expensing of assets*

Items of property, plant and equipment costing \$5,000 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 costing less than \$5,000 are immediately expensed direct to the Statement of Comprehensive Income (other than where they form part of a group of similar items which are significant in total).

### *Initial recognition and measurement*

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

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



### *Subsequent measurement*

Subsequent to initial recognition as an asset, the revaluation model is used for the measurement of land, buildings and the cost model for all other property, plant and equipment. Land and buildings are carried at fair value less accumulated depreciation (buildings only) and accumulated impairment losses. All other items of property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses.

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 depreciated replacement cost. Where the fair value of buildings is determined on the depreciated replacement cost basis, 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 annually to ensure that the carrying amount does not differ materially from the asset's fair value at the end of the reporting period.

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, any revaluation surplus relating to that asset is retained in the asset revaluation surplus.

### *Asset revaluation reserve*

The asset revaluation surplus is used to record increments and decrements on the revaluation of non-current assets as described in note 23 'Property, Plant and Equipment'.

### *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	5 years
Leased office equipment	4 years

### **(h) Impairment of assets**

Property, plant and equipment assets are tested for any indication of impairment at the end of each reporting period. 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 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 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 the end of each reporting period.

#### **(i) 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 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 and some plant and equipment. Lease payments are expensed on a straight line basis over the lease term as this represents the pattern of benefits derived from the lease.

#### **(j) Financial instruments**

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

- Loans and receivables;
- Financial liabilities measured at amortised cost.

Financial Instruments 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 of financial instruments is at fair value which normally equates to the transaction cost or the face 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.

#### **(k) Cash and cash equivalents**

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

#### **(l) Accrued salaries**

Accrued salaries (see note 28 Other liabilities) represent the amount due to staff but unpaid at the end of the financial year, as the pay date for the last pay period for that financial year does not coincide with the end of the financial year. Accrued salaries are settled within a fortnight of the financial year end. The Trust considers the carrying amount of accrued salaries to be equivalent to its net fair value.

#### **(m) Inventories**

Inventories are measured at the lower of cost and net realisable value. Costs are assigned by the method most appropriate to each particular class of inventory, with the majority being valued on a first in first out basis. Inventories not held for resale are valued at cost unless they are no longer required, in which case they are valued at net realisable value.

**(n) 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 Trust 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.

**(o) Payables**

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

**(p) 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.

**(q) 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 the end of each reporting period.

***(j) 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 reporting period 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 reporting period 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 end of the reporting period.

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 using market yields at the end of the reporting period on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

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 reporting period.

***Superannuation***

The Government Employees Superannuation Board (GESB) in accordance with legislative requirements administers public sector superannuation arrangements in Western Australia.

Employees may contribute to the Pension Scheme, a defined benefit pension scheme now closed to new members or the Gold State Superannuation Scheme (GSS), a defined benefit lump sum scheme also closed to new members.

The Trust has no liabilities under the Pension or the GSS Schemes. The liabilities for the unfunded Pension Scheme and the unfunded GSS Scheme transfer benefits due to members who transferred from the Pension Scheme, are assumed by the Treasurer. All other GSS Scheme obligations are funded by concurrent contributions made by the Trust to the GESB. The concurrently funded part of the GSS Scheme is a defined contribution scheme as these contributions extinguish all liabilities in respect of the concurrently funded GSS Scheme obligations.

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 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 GESB makes all benefit payments in respect of the Pension and GSS Schemes, and is recouped from the Treasurer for the employer's share.

**(ii) Provisions - other**

*Employment on-costs*

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

**(r) Superannuation expense**

The superannuation expense in the Statement of Comprehensive Income comprises employer contributions paid to the GSS (concurrent contributions), the West State Superannuation Scheme (WSS), and the GESB Super Scheme (GESBS).

The GSS Scheme is a defined benefit scheme for the purposes of employees and whole-of-government reporting. However, it is a defined contribution plan for agency purposes because the concurrent contributions (defined contributions) made by the agency to GESB extinguishes the agency's obligations to the related superannuation liability.

**(s) Resources received free of charge or for nominal cost**

Resources received free of charge or for nominal cost that can be reliably measured are recognised as income and as assets or expenses as appropriate, at fair value.

Where assets or services are received from another State Government agency, these are separately disclosed under Income from State Government in the Statement of Comprehensive Income.

**(t) 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 preparation of financial statements requires management to make judgements about the application of accounting policies that have a significant effect on the amounts recognised in the financial statements. The Trust evaluates these judgements regularly.

**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 end of the reporting period 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.

**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 effective for annual reporting periods beginning on or after 1 July 2009 that impacted on the Trust.

*AASB 101 – Presentation of Financial Statements* (September 2007). This Standard has been revised and introduces a number of terminology changes as well as changes to the structure of the Statement of Changes in Equity and the Statement of Comprehensive Income. It is now a requirement that owner changes in equity be presented separately from non-owner changes in equity. There is no financial impact resulting from the application of this revised Standard.

*AASB 2007-100 - Further Amendments to Australian Accounting Standards arising from AASB 101*. This Standard changes the term 'general purposed financial report' to 'general purpose financial statements', where appropriate in Australian Accounting Standards and the Framework to better align with IFRS terminology. There is no financial impact resulting from the application of this Standard.

AASB 2008-13 - 'Amendments to Australian Accounting Standards arising from AASB Interpretation 17 – Distributions of Non-cash Assets to Owners [AASB 5 & AASB 110]. This Standard amends AASB 5 'Non-current Assets Held for Sale and Discontinued Operations' in respect of the classification, presentation and measurement of non-current assets held for distribution to owners in their capacity as owners. The Trust does not expect any financial impact when the Standard is first applied prospectively.

AASB 2009-2 - 'Amendments to Australian Accounting Standards - Improving Disclosures about Financial Instruments [AASB 4, AASB 7, AASB 1023 & AASB 1038]. This standard amends AASB 7 and requires enhanced disclosures about fair value measurements and liquidity risk with respect to financial instruments. There is no financial impact resulting from the application of this revised Standard.

### 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 that has been issued that may impact the Trust. Where applicable, the Trust plans to apply these Australian Accounting Standards from their application date:

Title	Operative for reporting periods beginning on/after
	1 January 2013

AASB 2009-11 *Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12].*

The amendment to AASB 7 requires modification to the disclosure of categories of financial assets. The Trust does not expect any financial impact when the Standard is first applied. The disclosure of categories of financial assets in the notes will change.

1 July 2013

AASB 1053 *Application of Tiers of Australian Accounting Standards*

This Standard establishes a differential financial reporting framework consisting of two tiers of reporting requirements for preparing general purpose financial statements.

The Standard does not have any financial impact on the Trust. However, it may affect disclosures in the financial statements of the Trust if the reduced disclosure requirements apply. The Department of Treasury and Finance (DTF) has not yet determined the application or the potential impact of the new Standard for agencies.

1 July 2013

AASB 2010-2 *Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements.*

This Standard makes amendments to many Australian Accounting Standards, including Interpretations, to introduce reduced disclosure requirements into these pronouncements for application by certain types of entities.

This Standard is not expected to have any financial impact on the Trust. However this Standard may reduce some note disclosures in the financial statements of the Trust. DTF has not yet determined the application or the potential impact of the amendments to these Standards for agencies.

## 6. Employee benefits expense

	<b>2010</b> <b>\$000</b>	<b>2009</b> <b>\$000</b>
Wages and salaries (a)	11,942	11,011
Superannuation – defined contribution plans (b)	1,100	949
Long service leave (c)	272	416
Annual leave (c)	704	596
	<u>14,018</u>	<u>12,972</u>

(a) Includes the value of the fringe benefit to the employee plus the fringe benefits tax component

(b) Defined contribution plans include West State, Gold State and GESB Super Scheme (contributions paid)

(c) Includes a superannuation contribution component.

Employment on-costs such as workers' compensation insurance are included at note 13 'Other Expenses'

The employment on-costs liability is included at note 27 'Provisions'

## 7. Supplies and Services

	<b>2010</b> <b>\$000</b>	<b>Restated 2009</b> <b>\$000</b>
Lease, rental and hire costs	738	201
Consumables	677	1,027
Repairs and maintenance	552	320
Minor equipment	458	518
Other expenses	445	62
Contracts for security for events	322	-
Licences, fees and registration	319	175
Professional services	313	490
Insurance	302	121
Campaign, promotions and publications	265	291
Contracts	261	503
Labour hire	254	-
Professional services – finance	182	-
Communications	181	63
Food supplies	160	-
	<u>5,429</u>	<u>3,771</u>

## 8. Depreciation expense

	<b>2010</b> <b>\$000</b>	<b>2009</b> <b>\$000</b>
<u>Depreciation</u>		
Plant, equipment and vehicles	623	499
Leased office equipment	311	99
Buildings	6,057	3,734
<b>Total depreciation</b>	<u>6,991</u>	<u>4,332</u>

## 9. Finance Costs

	2010 \$000	2009 \$000
Finance lease finance charges	40	33
Unwinding of discount applied to provisions	2	18
Interest paid	4	-
<b>Finance costs expensed</b>	<b>46</b>	<b>51</b>

## 10. Accommodation expenses

	2010 \$000	Restated 2009 \$000
Repairs and maintenance	1,231	727
Utilities and rates	1,099	615
Cleaning	533	423
Lease rentals	199	-
	<b>3,062</b>	<b>1,765</b>

## 11. Loss on disposal of non-current assets

	2010 \$000	2009 \$000
<u>Cost of Disposal of Non-Current Assets</u>		
Plant and equipment	4	34
Bad Debt write off	8	-
<u>Proceeds from Disposal of Non-Current Assets</u>		
Plant and equipment	-	-
<b>Net loss</b>	<b>12</b>	<b>34</b>

## 12. Grants and subsidies

	2010 \$000	2009 \$000
After school sessions for Childcare	3	-
	<b>3</b>	<b>-</b>

## 13. Other expenses

	2010 \$000	Restated 2009 \$000
Payroll on-costs (taxation)	553	738
Other expenses	258	180
Workers compensation	163	188
Professional services – external audit fees	77	68
	<b>1,051</b>	<b>1,174</b>

## 14. User charges and fees

	2010 \$000	Restated 2009 \$000
User charges	7,349	1,885
Fees	3,679	6,888
	<b>11,028</b>	<b>8,773</b>

**15. Trading profit**

	<b>2010 \$000</b>	<b>Restated 2009 \$000</b>
Sales	5,439	5,792
Cost of sales:		
Opening inventory	(336)	(390)
Purchases	(2,056)	(2,578)
	<u>(2,392)</u>	<u>(2,968)</u>
Closing inventory	327	336
Cost of Goods Sold	<u>(2,065)</u>	<u>(2,632)</u>
<b>Trading profit</b>	<b><u>3,374</u></b>	<b><u>3,160</u></b>

**16. Interest revenue**

	<b>2010 \$000</b>	<b>2009 \$000</b>
Interest revenue on balances at bank	1,472	79
	<u>1,472</u>	<u>79</u>

**17. Other revenue**

	<b>2010 \$000</b>	<b>Restated 2009 \$000</b>
Recoups	415	20
Ticket royalties and commission	247	275
Athletics – staffing contribution	159	-
Aquatic recovery – schools	101	13
Other revenue	105	1,132
	<u>1,027</u>	<u>1,440</u>

**18. Income from State Government**

	<b>2010 \$000</b>	<b>2009 \$000</b>
Appropriation received during the year:		
Service appropriation (a)	11,355	10,065
Resources received free of charge (b)		
Determined on the basis of the following estimates provided by agencies:		
Department of Treasury and Finance	5	-
	<u>11,360</u>	<u>10,065</u>

- (a) Service appropriations are accrual amounts reflecting the net cost of services delivered. The appropriation revenue comprises a cash component and a receivable (asset). The receivable (holding account) comprises the depreciation expense for the year.
- (b) Where assets or services have been received free of charge or for a nominal cost, the Trust recognises revenue equivalent to the fair value of the assets and/or the fair value of those services that can be reliably measured and which would have been purchased if they were not donated, and those fair values shall be recognised as assets or expenses as applicable. Where the contribution of assets or services are in the nature of contributions by owners, the Trust makes an adjustment directly to equity.



## 19. Inventories

	2010 \$000	2009 \$000
<u>Current</u>		
Inventories held for re-sale:		
- Finished goods (at cost)	327	336
<b>Total</b>	<b>327</b>	<b>336</b>

## 20. Receivables

	2010 \$000	2009 \$000
<u>Current</u>		
Receivables	2,489	630
GST receivable	2,604	1
Allowance for impairment of receivables	(30)	(80)
<b>Total</b>	<b>5,063</b>	<b>551</b>

### Reconciliation of changes in the allowance for impairment of receivables:

Balance at start of year	80	10
Doubtful debts expense recognised in the statement of comprehensive income	(50)	70
Amounts written off during the year	-	-
Amount recovered during the year	-	-
<b>Balance at end of year</b>	<b>30</b>	<b>80</b>

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

## 21. Amounts receivable for services

	2010 \$000	2009 \$000
<u>Current</u>	3,354	1,627
Non-current	13,707	11,754
	<b>17,061</b>	<b>13,381</b>

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

## 22. Other assets

	2010 \$000	2009 \$000
<u>Current</u>		
Prepayments	-	31
<b>Total</b>	<b>-</b>	<b>31</b>

### 23. Property, plant and equipment

	<b>2010</b>	<b>2009</b>
	<b>\$000</b>	<b>\$000</b>
<u>Land</u>		
At fair value (a)	21,868	22,768
Accumulated impairment losses	-	-
	<u>21,868</u>	<u>22,768</u>
<u>Buildings</u>		
At fair value (a)	191,898	227,721
Accumulated depreciation	(24)	(51,544)
	<u>191,874</u>	<u>176,177</u>
<u>Buildings under construction</u>		
Construction costs	280,272	-
	<u>280,272</u>	<u>-</u>
<u>Plant and equipment</u>		
At cost	7,923	8,729
Accumulated depreciation	(5,293)	(5,581)
	<u>2,630</u>	<u>3,148</u>
<u>Office equipment</u>		
At cost	1,382	568
Accumulated depreciation	(924)	(433)
	<u>458</u>	<u>135</u>
<u>Leased office equipment</u>		
At capitalised cost	1,131	1,204
Accumulated depreciation	(981)	(743)
	<u>150</u>	<u>461</u>
	<u><b>497,252</b></u>	<u><b>202,689</b></u>

(a) Land and buildings were revalued as at 1 July 2009 by the Western Australian Land Information Authority (Valuation Services). The valuations were performed during the year ended 30 June 2010 and recognised at 30 June 2010. In undertaking the revaluation, fair value was determined by reference to market values for land: \$21,868,000 and buildings: \$191,874,000. For the remaining balance, fair value of land and buildings was determined on the basis of depreciated replacement cost.

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

<b>2010</b>	<b>Land \$000</b>	<b>Buildings \$000</b>	<b>Buildings under construction \$000</b>	<b>Plant &amp; equipment \$000</b>	<b>Office equipment \$000</b>	<b>Leased office equipment \$000</b>	<b>Total \$000</b>
Carrying amount at start of year	22,768	176,177	-	3,148	135	461	202,689
Derecognition of assets following change in accounting policy	-	-	-	(31)	(6)	-	(37)
Transfers	-	53,172	153,914	(376)	326	-	207,036
Additions	-	1,655	126,358	332	188	-	128,533
Disposals	-	-	-	-	(5)	-	(5)
Revaluation decrements	(900)	(33,073)	-	-	-	-	(33,973)
Depreciation	-	(6,057)	-	(443)	(180)	(311)	(6,991)
<b>Carrying amount at end of year</b>	<b>21,868</b>	<b>191,874</b>	<b>280,272</b>	<b>2,630</b>	<b>458</b>	<b>150</b>	<b>497,252</b>

<b>2009</b>	<b>Land \$000</b>	<b>Buildings \$000</b>	<b>Buildings under construction \$000</b>	<b>Plant &amp; equipment \$000</b>	<b>Office equipment \$000</b>	<b>Leased office equipment \$000</b>	<b>Total \$000</b>
Carrying amount at start of year	19,680	129,710	-	3,677	319	560	153,946
Derecognition of assets following change in accounting policy	-	-	-	(521)	(125)	-	(646)
Additions	260	31,098	-	456	10	-	31,824
Disposals	-	-	-	(34)	-	-	(34)
Revaluation increments	2,828	19,103	-	-	-	-	21,931
Depreciation	-	(3,734)	-	(430)	(69)	(99)	(4,332)
<b>Carrying amount at end of year</b>	<b>22,768</b>	<b>176,177</b>	<b>-</b>	<b>3,148</b>	<b>135</b>	<b>461</b>	<b>202,689</b>

#### 24. Impairment of assets

There were no indications of impairment to property, plant and equipment at 30 June 2010.

The Trust held no goodwill or surplus assets.

## 25. Payables

	<b>2010</b>	<b>2009</b>
	<b>\$000</b>	<b>\$000</b>
<u>Current</u>		
Accrued expenses	814	1
Trade payables	306	1,461
GST payable	580	123
Other payables	5	59
<b>Total</b>	<b>1,705</b>	<b>1,644</b>

## 26. Borrowings

	<b>2010</b>	<b>2009</b>
	<b>\$000</b>	<b>\$000</b>
<u>Current</u>		
Finance lease	93	159
Office of Energy loan	17	313
<b>Total current</b>	<b>110</b>	<b>472</b>
<u>Non-current</u>		
Finance lease	-	93
Office of Energy loan	13	30
<b>Total non-current</b>	<b>13</b>	<b>123</b>

## 27. Provisions

	<b>2010</b>	<b>2009</b>
	<b>\$000</b>	<b>\$000</b>
<u>Current</u>		
<i>Employee benefits provision</i>		
Annual leave (a)	757	624
Long service leave (b)	706	580
<i>Other provisions</i>		
Employment on-costs (c)	149	95
	<b>1,612</b>	<b>1,299</b>
<u>Non-current</u>		
<i>Employee benefits provision</i>		
Long service leave (b)	467	467
<i>Other provisions</i>		
Employment on-costs (c)	33	33
	<b>500</b>	<b>500</b>

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

	<b>2010</b>	<b>2009</b>
	<b>\$000</b>	<b>\$000</b>
Within 12 months of the end of the reporting period	495	408
More than 12 months after the reporting period	262	216
	<b>757</b>	<b>624</b>

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

	<b>2010</b> <b>\$000</b>	<b>2009</b> <b>\$000</b>
Within 12 months of the end of the reporting period	463	409
More than 12 months after the reporting period	710	638
	<u>1,173</u>	<u>1,047</u>

- (c) The settlement of annual and long service leave liabilities gives rise to the payment of employment on-costs including workers' compensation insurance. The provision is the present value of expected future payments. The associated expense, apart from the unwinding of the discount (finance cost), is disclosed in note 13 'Other expenses'.

The review of provisions is consistent with *Accounting Standard AASB119*.

#### **Movements in other provisions**

	<b>2010</b> <b>\$000</b>	<b>2009</b> <b>\$000</b>
Movements in the employment on-cost provision during the financial year are set out below.		
Carrying amount at the start of the year	128	11
Additional provisions recognised	54	117
<b>Carrying amount at the end of year</b>	<u>182</u>	<u>128</u>

#### **28. Other liabilities**

	<b>2010</b> <b>\$000</b>	<b>2009</b> <b>\$000</b>
<u>Current</u>		
Unearned revenue (visit passes, Ticketmaster)	1,411	1,459
Accrued purchasing cards	465	-
Accrued salaries	273	-
Unsettled events funds	195	-
Other	38	43
<b>Total</b>	<u>2,382</u>	<u>1,502</u>

#### **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 surplus represents that portion of equity resulting from the revaluation of non-current assets.

#### **Contributed equity**

	<b>2010</b> <b>\$000</b>	<b>2009</b> <b>\$000</b>
Balance at the start of the period	68,942	37,545
<u>Contribution by owners</u>		
Capital appropriation(a)	73,452	31,397
Other contributions by owners	298,065	-
<b>Balance at the end of the period</b>	<u>440,459</u>	<u>68,942</u>

- (a) Under TI 955 *Contributions to Owners Made to Wholly Owned Public Sector Entities* Capital appropriations have been designated as contributions by owners in accordance with AASB Interpretation 1038 *Contributions by Owners Made to Wholly-Owned Public Sector Entities*.

## Reserves

	2010 \$000	2009 \$000
<u>Asset revaluation surplus</u>		
Balance at start of year	99,059	77,128
Net revaluation increments/(decrements):		
Land	(900)	2,828
Buildings	(33,073)	19,103
<b>Balance at end of year</b>	<b>65,086</b>	<b>99,059</b>

## Accumulated surplus

	2010 \$000	2009 \$000
Balance at start of year	46,379	47,606
Result for period	(2,351)	(582)
Expense recognised directly in equity	(37)	(645)
<b>Balance at end of year</b>	<b>43,991</b>	<b>46,379</b>

## 30. Notes to the Statement of Cash Flows

### Reconciliation of Cash

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

	2010 \$000	2009 \$000
Cash and cash equivalents	<u>36,155</u>	<u>2,932</u>

### Reconciliation of net cost of services to net cash flows used in operating activities

	2010 \$000	2009 \$000
Net cost of services	(13,711)	(10,647)
<u>Non-cash items:</u>		
Depreciation expense (note 8)	6,991	4,331
Doubtful debts expense	(50)	70
Resources received free of charge (note 18)	5	-
Finance costs	39	-
Write-offs	8	42
Adjustment for other non-cash items	3	-
Net loss on sale of property, plant and equipment (note 11)	4	34
<u>(Increase)/decrease in assets:</u>		
Current receivables (b)	(1,908)	(33)
Current inventories	9	54
Other current assets	31	(15)
Non-current receivables	-	42
<u>(Increase)/decrease in liabilities:</u>		
Current payables (b)	(397)	(430)
Current provisions	312	389
Other current liabilities	880	386
Non-current provisions	1	167
Change in GST in receivables/payables (a)	(2,146)	3
<b>Net cash used in operating activities</b>	<b>(9,929)</b>	<b>(5,607)</b>

- (a) This reverses out the GST in receivables and payables  
 (b) Note that the Australian Taxation Officer (ATO) receivable/payable in respect of GST and the receivable/payable in respect of the sale/purchase of non-current assets are not included in these items as they do not form part of the reconciling items.

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

### 31. Commitments

#### Capital expenditure commitments

	2010 \$000	2009 \$000
Capital expenditure commitments, being contracted capital expenditure additional to the amounts reported in the financial statements, are payable as follows:		
Within 1 year	160,430	178,804
Later than 1 year and not later than 5 years	35,972	54,074
	<u>196,402</u>	<u>232,878</u>
The capital commitments include amounts for:		
Buildings	196,402	232,744
Computer and infrastructure equipment	-	134
	<u>196,402</u>	<u>232,878</u>

#### Lease commitments

	2010 \$000	2009 \$000
Commitments in relation to leases contracted for at the end of the reporting period but not recognised in the financial statements are payable as follows:		
Within 1 year	162	176
Later than 1 year and not later than 5 years	225	354
	<u>387</u>	<u>530</u>
Representing:		
Non-cancellable operating leases	386	519
Future finance charges on finance leases	1	11
	<u>387</u>	<u>530</u>

#### Finance lease commitments

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

	2010 \$000	2009 \$000
Within 1 year	93	169
Later than 1 year and not later than 5 years	-	94
Minimum finance lease payments	93	263
Less future finance charges	-	(11)
<b>Present value of finance lease liabilities</b>	<u>93</u>	<u>252</u>

The present value of finance leases payable is as follows:

Within 1 year	93	159
Later than 1 year and not later than 5 years	-	93
<b>Present value of finance lease liabilities</b>	<b>93</b>	<b>252</b>

Included in the financial statements as:

Current (note 26)	93	159
Non-current (note 26)	-	93
	<b>93</b>	<b>252</b>

### Non cancellable operating lease commitments

<b>2010</b>	<b>2009</b>
<b>\$000</b>	<b>\$000</b>

Commitments for minimum lease payments are payable as follows:

Within 1 year	161	166
Later than 1 year and not later than 5 years	225	353
	<b>386</b>	<b>519</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.

### 33. Contingent liabilities and contingent assets

The Trust has no contingent liabilities or contingent assets.

### 33. Events occurring after the end of the reporting period

The Trust has no subsequent events to report.

### 34. Explanatory statement

Significant variations between estimates and actual results for income and expense are shown below. Significant variances are considered to be those greater than 10% or \$5 million.

#### Significant variances between estimated and actual result for the financial year

	<b>2010 Estimate \$000</b>	<b>2010 Actual \$000</b>	<b>Variation \$000</b>
<b>Expenses</b>			
Employee benefits expense and Other expenses	12,192	15,069	(2,877)
Depreciation	3,206	6,991	(3,785)
Supplies and services and Accommodation expenses	10,568	8,491	2,077
<b>Income</b>			
Interest revenue	70	1,472	1,402
Other revenue	3,523	1,027	(2,496)

#### Employee benefits expense

The additional expense relates to the staffing restructure within VenuesWest and additional casual events staff which is on-charged to event promoter

#### Depreciation

The variance is due to the transfer to the Trust of the WA Athletics Stadium and WA Basketball Centre along with unfunded depreciation on plant, equipment and other assets



#### Supplies and services/Accommodation expenses

The variance is due to the transfer to the Trust of the WA Athletics Stadium and WA Basketball Centre

#### Interest revenue

The interest is related to balances at bank with an increase in the cash position in 2009-10

#### Other revenue

Cancellation of tentative or scheduled events – reflected in reduced expenses

### **Significant variances between actual and prior year actual**

	<b>2010</b>	<b>2009</b>	<b>Variance</b>
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
<b>Expenses</b>			
Depreciation	6,991	4,332	2,659
<b>Income</b>			
User charges and fees	11,028	8,773	2,255
Other revenue	1,027	1,440	(413)

#### Depreciation

The variance is due to the transfer to the Trust of the WA Athletics Stadium and WA Basketball Centre along with unfunded depreciation on plant, equipment and other assets

#### User charges and fees/Other revenue

The variance is due to increased admission fees and facilities hire within Aquatics and Sport, Recreation and Education. The variance under user charges and other revenue should be viewed as one due to account code changes between the two financial years.

## **35. Financial instruments**

### **(a) Financial risk management objectives and policies**

Financial instruments held by the Trust are cash and cash equivalents, borrowings, finance leases, loans and 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 maximum exposure to credit risk at end of the reporting period in relation to each class of recognised financial assets is the gross carrying amount of those assets inclusive of any provisions for impairment as shown in the table at note 35(c) 'Financial instrument disclosures' and note 20 'Receivables'.

For receivables other than government, 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. At the end of the reporting period there were no significant concentrations of credit risk.

Allowance for impairment of financial assets is calculated based on objective evidence such as observable data indicating change in client credit ratings. For financial assets that are either past due or impaired, refer to note 35(c) 'Financial Instrument Disclosures'.

### Liquidity risk

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

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

### Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates and interest rates will affect the Trust's income or the value of its holdings of financial instruments. The Trust does not trade in foreign currency and is not materially exposed to other price risks. The Trust's borrowings were obtained through a loan from the Office of Energy.

### **(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 end of the reporting period are as follows:

	<b>2010</b>	<b>2009</b>
	<b>\$000</b>	<b>\$000</b>
<u>Financial Assets</u>		
Cash and cash equivalents	36,155	2,932
Loans and receivables (a)	19,528	13,931
<u>Financial Liabilities</u>		
Financial liabilities measured at amortised cost	1,248	2,116

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

### (c) Financial instrument disclosures

#### Credit risk and interest rate exposure

The following table discloses the Trust's maximum exposure to credit risk, interest rate exposures and the ageing analysis of financial assets. The Trust's maximum exposure to credit risk at the end of the reporting period is the carrying amount of financial assets as shown below. The table discloses the ageing of financial assets that are past due but not impaired and impaired financial assets. The table is based on information provided to senior management of the Trust.

The Trust does not hold any collateral as security or other credit enhancement 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.

<b>Interest rate exposures and ageing analysis of financial assets (a)</b>											
	Weighted Average Effective Interest Rate %	Carrying Amount \$000	<u>Interest rate exposure</u>			<u>Past due but not impaired</u>					Impaired financial assets \$000
			Fixed Interest Rate \$000	Variable Interest Rate \$000	Non-interest bearing \$000	Up to 3 months \$000	3-12 months \$000	1-2 years \$000	2-5 years \$000	More than 5 years \$000	
<b>Financial Assets</b>											
<b>2010</b>											
Cash and cash equivalents	-	36,155	-	-	36,155	-	-	-	-	-	-
Receivables (a), (b)	-	2,459	-	-	2,459	565	341	-	-	-	-
Amounts receivable for services	-	17,061	-	-	17,061	-	-	-	-	-	-
		<b>55,237</b>	<b>-</b>	<b>-</b>	<b>55,237</b>	<b>565</b>	<b>341</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2009</b>											
Cash and cash equivalents	5.38	2,932	-	2,932	-	-	-	-	-	-	-
Receivables (a)	-	550	-	-	550	550	-	-	-	-	-
Amounts receivable for services	-	13,381	-	-	13,381	-	-	-	-	-	-
		<b>16,863</b>	<b>-</b>	<b>2,932</b>	<b>13,931</b>	<b>550</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

(b) Included in the allowance for impairment of receivables, the authority has debtors of \$30,064 which it does not anticipate will be recovered.

### Liquidity risk

The following table details the contractual maturity analysis for financial liabilities. The contractual maturity amounts are representative of the undiscounted amounts at the end of the reporting period. The table includes interest and principal cash flows. An adjustment has been made where material.

	Weighted Average Effective Interest Rate %	Interest rate exposure and maturity analysis of financial liabilities						Past due but not impaired				More than 5 years
		Carrying Amount \$000	Fixed Interest Rate \$000	Variable Interest Rate \$000	Non-interest bearing \$000	Adjustment for discounting \$000	Total nominal account \$000	Up to 3 months \$000	3-12 months \$000	1-2 years \$000	2-5 years \$000	
<b>Financial Liabilities</b>												
<b>2010</b>												
Payables		1,125	-	-	1,125	-	-	1,125	-	-	-	-
Other borrowings	7.00	30	30	-	-	-	-	-	-	-	-	-
Finance lease liabilities	5.82	93	93	-	-	-	-	-	-	-	-	-
		<b>1,248</b>	<b>123</b>	<b>-</b>	<b>1,125</b>	<b>-</b>	<b>-</b>	<b>1,125</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2009</b>												
Payables		1,521	-	-	1,521	-	-	1,521	-	-	-	-
Other borrowings	7.00	343	343	-	-	2	345	-	-	-	-	-
Finance lease liabilities	8.08	252	252	-	-	-	-	-	-	-	-	-
		<b>2,116</b>	<b>595</b>	<b>-</b>	<b>1,521</b>	<b>2</b>	<b>345</b>	<b>1,521</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

### Interest rate sensitivity analysis

The following table represents a summary of the interest rate sensitivity of the Trust's financial assets and liabilities at the end of the reporting period 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.

	Carrying Amount \$000	-100 basis points		+100 basis points	
		Surplus \$000	Equity \$000	Surplus \$000	Equity \$000
<b>2010</b>					
<b>Financial Liabilities</b>					
Financial Liabilities	1,248	12	12	(12)	(12)
Total Increase/(Decrease)		<b>(350)</b>	<b>(350)</b>	<b>350</b>	<b>350</b>
<b>2009</b>					
<b>Financial Assets</b>					
Cash and cash equivalents	2,932	(29)	(29)	29	29
<b>Financial Liabilities</b>					
Financial Liabilities	2,116	21	21	(21)	(21)
Total Increase/(Decrease)		<b>(8)</b>	<b>(8)</b>	<b>8</b>	<b>8</b>

### Fair values

All financial assets and liabilities recognised in the statement of financial position, 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.

### 36. Remuneration of members of the Trust and senior officers

#### Remuneration of members of the Trust

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

\$	2010 \$000	2009 \$000
0 - 10,000	3	5
10,001 - 20,000	5	4
20,001 – 30,000	1	1
<b>The total remuneration of members of the Trust</b>	<b>104</b>	<b>102</b>

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

No members of the Trust are members of the Pension scheme.

#### Remuneration of senior officers

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

\$	2010 \$000	2009 \$000
20,000 – 30,000	-	2
60,001 – 70,000	-	2
70,001 - 80,000	1	3
80,001 – 90,000	-	2
100,001 – 110,000	2	3
120,001 – 130,000	1	1
130,001 – 140,000	1	-
270,001 – 280,000	1	1
<b>The total remuneration of senior officers</b>	<b>808</b>	<b>1,233</b>

The total remuneration includes the superannuation expense incurred by the Trust in respect of senior officers other than senior officers reported as members of the Trust.

No senior officers of the Trust are members of the Pension scheme.

### 37. Remuneration of the auditor

Remuneration payable to the Auditor General in respect of the audit for the current financial year is as follows:

	2010 \$000	2009 \$000
Auditing the accounts, financial statements and performance indicators	77	68

The expense is included at note 13 'Other expenses'

### 38. Related bodies

The Trust had no related bodies during the financial year as defined by TI 951.

### 39. Affiliated bodies

The Trust had no affiliated bodies during the financial year as defined by TI 951.

#### 40. Supplementary financial information

##### (a) Write-offs

	2010 \$000	2009 \$000
Public property written off by the Board during the financial year	4	34
Bad debt written off by the Board during the financial year	8	-
	<u>12</u>	<u>34</u>

#### 41. Schedule of income and expenses by service

	Management of Elite Sport Facilities		Management of Community Sport, Entertainment and Recreation Facilities		Total	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
<b>COST OF SERVICES</b>						
<u>Expenses</u>						
Employee benefits expense	5,607	6,459	8,411	6,513	14,018	12,972
Supplies and services	1,629	1,379	3,800	2,883	5,429	4,262
Depreciation expense	2,796	1,775	4,195	2,557	6,991	4,332
Finance cost	-	-	46	51	46	51
Accommodation expenses	1,225	692	1,837	692	3,062	1,384
Cost of sales	-	-	2,065	2,632	2,065	2,632
Loss on disposal of non-current assets	-	-	12	34	12	34
Other expenses	446	525	668	539	1,114	1,064
<b>Total cost of services</b>	<b>11,703</b>	<b>10,830</b>	<b>21,034</b>	<b>15,901</b>	<b>32,737</b>	<b>26,731</b>
<u>Income</u>						
User charges and fees	1,323	891	9,705	6,721	11,028	7,612
Sales	-	-	5,439	5,905	5,439	5,905
Interest revenue	-	-	1,472	79	1,472	79
Other revenue	-	-	1,027	2,488	1,027	2,488
<b>Total income other than income from State Government</b>	<b>1,323</b>	<b>891</b>	<b>17,643</b>	<b>15,193</b>	<b>18,966</b>	<b>16,084</b>
<b>NET COST OF SERVICES</b>	<b>(10,380)</b>	<b>(9,939)</b>	<b>(3,391)</b>	<b>(708)</b>	<b>(13,771)</b>	<b>(10,647)</b>
<b>INCOME FROM STATE GOVERNMENT</b>						
Service appropriation	4,659	5,732	6,696	4,333	11,355	10,065
Resources received free of charge	-	-	5	-	5	-
<b>Total income from State Government</b>	<b>4,659</b>	<b>5,732</b>	<b>6,701</b>	<b>4,333</b>	<b>11,360</b>	<b>10,065</b>
<b>Surplus/(deficit) for the period</b>	<b>(5,721)</b>	<b>(4,207)</b>	<b>3,310</b>	<b>3,625</b>	<b>(2,411)</b>	<b>(582)</b>

The schedule of Income and Expenses by Service should be read in conjunction with the accompanying notes

## **PUBLICATIONS**

VenuesWest produced a range of publications. Copies of publications are available by contacting VenuesWest directly or by visiting [www.venueswest.wa.gov.au](http://www.venueswest.wa.gov.au)

VenuesWest Strategic Plan  
Front Row magazine  
Arena Joondalup – Community Enrolments and Offers Catalogue  
Challenge Stadium – Community Enrolments and Offers Catalogue  
Challenge Stadium Banquets  
Challenge Stadium Famous for Kids Birthday Parties  
Challenge Stadium Famous for Fitness Gym-fit  
Challenge Stadium Famous for Kids Challenge Sports Experience  
Challenge Stadium Famous for Swimming Swim School/Famous for Kids (SREP wet/dry programmes)  
Challenge Stadium Famous for Swimming Adult Swim  
Challenge Stadium Famous for Fitness  
Challenge Stadium Famous for Childcare  
Challenge Stadium Functions (catering pack)  
Arena Joondalup Famous for Kids Arena Sports Experience  
Arena Joondalup Famous for Swimming Swim School/Famous for Kids (SREP wet/dry programmes)  
Arena Joondalup Famous for Fitness  
Arena Joondalup Famous for Childcare  
Arena Joondalup Functions (catering pack)  
Speeddome Famous for Kids Bike Education Experience  
WA Athletics Stadium Famous for Athletics (venue information)

## LOCATIONS AND CONTACT INFORMATION:

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