

**VenuesWest**

**Annual Report  
2011**

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

# ***Table of Contents***

## **Statement of Compliance**

### **Overview of the Agency**

- Overview
- Executive Summary
  - Chairman's Report
  - CEO's Message
- Operational Structure
- Performance Management Framework

### **Agency Performance**

- Venues
- Venue Operations
- Venue Services
- Business Development and Marketing
- Asset Management and Development
- New Venues
- Corporate Services
- Finance Overview

## **Significant Issues Impacting the Agency**

### **Disclosures and Legal Compliance**

- Independent Audit Opinion
- Financial Statements
- Detailed Key Performance Indicators Information
- Ministerial Directives
- Other Financial Disclosures
  - Pricing Policies
  - Major Capital Projects
- Governance Disclosures
- Other Legal requirements
  - Expenditure on advertising, market research, polling and direct mail
  - Disability Access and inclusion Plan Outcomes
  - Compliance with Public Sector Standards and Ethical Codes
  - Employment and Industrial Relations
  - Recordkeeping Plans
  - Government Policy Requirements
    - Occupational Safety, Health and Injury Management

### **Publications**

### **Location and Contact Information**

**STATEMENT OF COMPLIANCE**  
***For the year ended 30 June 2011***

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 2011.

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



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 on an average 254 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 training and competition, 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 the 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 was the first 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 \$17 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. This venue opens in July of 2011.

**Netball**

In May 2009, 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***

### **Message from the Chairman**

It is with great pleasure that I present the Annual Report for VenuesWest for the 2010-2011 financial year.

The rapid growth in both responsibilities and the venue portfolio of VenuesWest has continued this year. It is with great pride that VenuesWest has been charged with the custodianship of new venues and it has been an exciting time to be part of an overall investment strategy by the Western Australian Government into improving the sport and entertainment infrastructure for the State.

The newest venue – the Western Australian Rugby Centre was completed this year and will be fully operational in July 2011. This venue joins the Mt Claremont Sports Park Precinct and will be the new home for Western Australian rugby, driving the future growth of the sport in the State. We look forward to long and mutually rewarding relationship with Rugby WA and the Western Force over the coming years.

The announcement of VenuesWest’s role as the state government’s custodian for nib Stadium gives us further opportunity to be part of a \$95 million project to upgrade the rectangular stadium and ultimately deliver a 25,000 seat venue. Work on this project will continue in 2011-12 and will enable VenuesWest to expand on its partnerships with elite sports and ensure the delivery of elite-level rectangular sporting competition like rugby union, soccer and rugby league for Western Australians.

It is a little over a year until the Perth Arena is completed – the countdown is on until this world class venue opens its doors for the first time. Whilst the Perth Arena nears completion it was timely that this year we commenced planning for the long term development of two of our oldest venues, Challenge Stadium and Arena Joondalup.

In excess of 2.35 million people attended events, or used the facilities at VenuesWest over the past year. This was a terrific result in uncertain economic times and \$21 million in revenue was received from VenuesWest’s customers. Our users include elite athletes training and competing, young children acquiring new skills, those striving to improve their fitness and people wanting to be where the action is, seeing world class entertainment.

2010-11 saw VenuesWest deliver a record number of events - over 2,940 events were hosted during the year across our venues, including sporting events, concerts, festivals, banquets, conferences and exhibitions. Some event hosting highlights included Future Music Festival, Supafest, Carl Barron, Ke\$ha, No Sleep Til Perth Festival and Hillsong to name a few. We were very privileged to host Cirque Du Soleil at Challenge Stadium for a period of three weeks. The national tour of Saltimbanco, one of the company’s most loved shows commenced in Perth and saw our venue transformed to provide a vibrant Big Top experience.

Creating opportunities for Western Australians to participate in health and fitness is fundamental to VenuesWest’s core business. It was gratifying to receive external recognition this year for our LIFE program delivered at Arena Joondalup. This program received a ‘highly commended’ in the ‘Count Me In Awards’ and has subsequently been shortlisted for a Premier’s Award. This program is an example of a successful partnership between the West Australians Disability Sports Association, West Coast Institute of TAFE and ourselves and is now being expanded to the Challenge Stadium venue.

Much attention has been focussed on ‘Pathways’ in Sport in recent times. It is VenuesWest’s intent to continue to work in partnership with key providers to ensure that opportunities to boost children’s participation in sport occur. The pathway from development of new skills, to refinement and competition at the junior level right through to elite athlete level training and competition is critical if we are to achieve both healthier lifestyles and give talented athletes a chance to shine in the public eye. Our venues deliver these opportunities and in 2010-11 over 700 sporting events were delivered. Some sporting highlights included the Swimming WA long and short course State Age Championships, the Commonwealth Diving Championships, and the Australian University Games. We were proud to continue to host “home” events for Netball WA, including the West Coast Fever plus West Perth Football Club, Perth Wildcats, West Coast Waves Basketball, Athletics WA and Swimming WA. At the junior level we were able to deliver more than 150 swimming events, 60 water polo events, 20 diving events, 29 school athletics carnivals to name a few.

Looking forward, the 2011-12 year will be a significant one for VenuesWest as we celebrate 25 years of delivering premier sports, recreation and entertainment at our venues for the community. We will be preparing for the completion of the new Perth Arena and planning for the venue to become operational. We will also be overseeing an asset management and development program to examine the changing needs of our user groups and identify priorities for upgrading our ageing venues.

I would like to take this opportunity to recognise the significant efforts and achievements of the VenuesWest Board, Chief Executive and staff without whom this period of rapid organisational growth would not be possible. I also acknowledge our key strategic stakeholders who have worked with us collaboratively to achieve great success and have been willing to work together to deliver the best solutions for the Western Australian community.

I would like to extend my gratitude to the Hon Minister Terry Waldron and his professional staff for their ongoing support of and faith in VenuesWest. We look forward to continuing to work with the Minister to enhance sport, recreation and entertainment opportunities for all Western Australians.

Finally, on behalf of VenuesWest, can I thank all those who visit our venues and, in so doing, contribute to the vitality, excitement and diversity of the experience.

A handwritten signature in black ink, appearing to read 'G. Partridge', followed by a period.

GRAHAM PARTRIDGE  
CHAIRMAN

## CEO Foreword

The VenuesWest portfolio of assets continues to evolve to meet the needs of the millions of people who train, compete, recreate, work in or visit our facilities each year. The year saw a record of more than 2.35 million visitors to our venues and nearly 3,000 events. This level of visitation is indicative of our ability to deliver services that add value to venue members, hirers, tenants and patrons and it should be celebrated given the uncertain economic times and pressures on the family budget. Despite the national downward trend in retail sales impacting the sports shop and cafe operations, the increased utilisation of our venues generated \$21.13m in customer revenue.

The clarity of purpose provided by the Board of VenuesWest has driven some outstanding results— our focus on realising multiple venue synergies and integrating new venues into the portfolio has seen our involvement in some significant projects during the course of the year – including planning for the new State Netball Centre and the redevelopment of nib Stadium.

Of course the largest venue in the portfolio is currently under construction – the new Perth Arena has been a significant project this year and progress in its construction has advanced considerably. We look forward to working with AEG Ogden who will undertake the operational management of this venue. The Management Agreement for this venue was finalized in 2010/11 and this is a significant milestone in VenuesWest's development.

A focus for 2010-11 was to ensure the 'tooling up' of our operations to realise efficiencies. A capital expenditure program saw the acquisition of significant equipment to assist in mobility across venues and operational set ups for a wide variety of events and functions. A staged approach to upgrading the facilities at Challenge Stadium was also continued with bathroom and toilet upgrades completed on the dry side of the venue as well as roof repairs being undertaken. Business continuity was also addressed with the implementation of a backup heating solution at Challenge Stadium to ensure pool heating in the event of Geothermal system failure.

Communicating effectively with our customers and stakeholders is obviously essential – what is emerging however is the usefulness of various social media in getting timely information to the people who need it. VenuesWest launched several new aspects of its communication plan during the course of the year including our first Twitter page, YouTube channel and Facebook page improving our ability to provide up to date information to our users about things like pool lane availability and parking conditions.

The rapid growth in obesity, overweight and sedentary lifestyles has come into sharper public focus and awareness of the social, physical and health benefits of participation in sport and recreation is continuing to build momentum along with the messages regarding healthy eating and drinking. VenuesWest has been working with Healthway to ensure that our venues provide not only opportunities to partake in activities but also offer healthy eating and drinking choices for our patrons. An innovative sponsorship deal was finalized this year confirming our commitment to being proactive in this area, proving that an investment in sport and recreation can lessen the burden of the health and justice systems for tax payers.

We are continuing to work with our stakeholders and delivery partners to ensure effective delivery of services across the venues and two major precincts – Mt Claremont and Arena Joondalup. As the Mt Claremont Precinct has grown and VenuesWest and its partners have begun to host multiple events at the same time, one of the significant challenges for us all is traffic management and parking arrangements. I would like to thank our stakeholders who have worked with us to manage the constrained environment and identify plans and solutions with us over the past year.

Our capacity to deliver excellent venue experiences for Western Australians is critical to our success and this year we hosted 708 elite sporting events equating to nearly 25% of our total events calendar. Live music acts also featured heavily in our event calendar and VenuesWest was able to transform both its indoor and outdoor facilities to host crowds ranging from 3,000 to 41,000 at any one time. I would like to take this opportunity to thank the hard-working staff who not only transform the venues to meet the needs of athletes and performing artists but then go on to deliver excellent customer service for our patrons.


Our customer satisfaction rates this year continued to be at very high levels. The results didn't quite scale the amazing heights reached in 2009/10 leaving us something to aim for in 2011/12. Elite user satisfaction was recorded at 82.8%, overall community, sport entertainment and recreational users were recorded at 78% and



commercial user satisfaction was measured for the first time with a rate of 78%. VenuesWest's profitable commercial activities contributed to nearly 45% of the total cost of elite users' use of the facilities.

On another related note, I would like to highlight how seriously we take the safety and wellbeing of our patrons whilst at our venues. Special acknowledgement must be given to the aquatics staff in particular who ensured that a number of successful patron resuscitations were performed in our facilities. Four of our staff members received bravery awards from the Royal Lifesaving Society of Australia during 2010-11.

I would like to thank the Chairman and all Board members for their ongoing leadership and significant contribution to the successful development and governance of this growing organisation. I look forward to another successful year in 2011-12.

A handwritten signature in black ink, appearing to read 'D Etherton', written in a cursive style.

DAVID EHERTON  
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 2010-2011 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.*

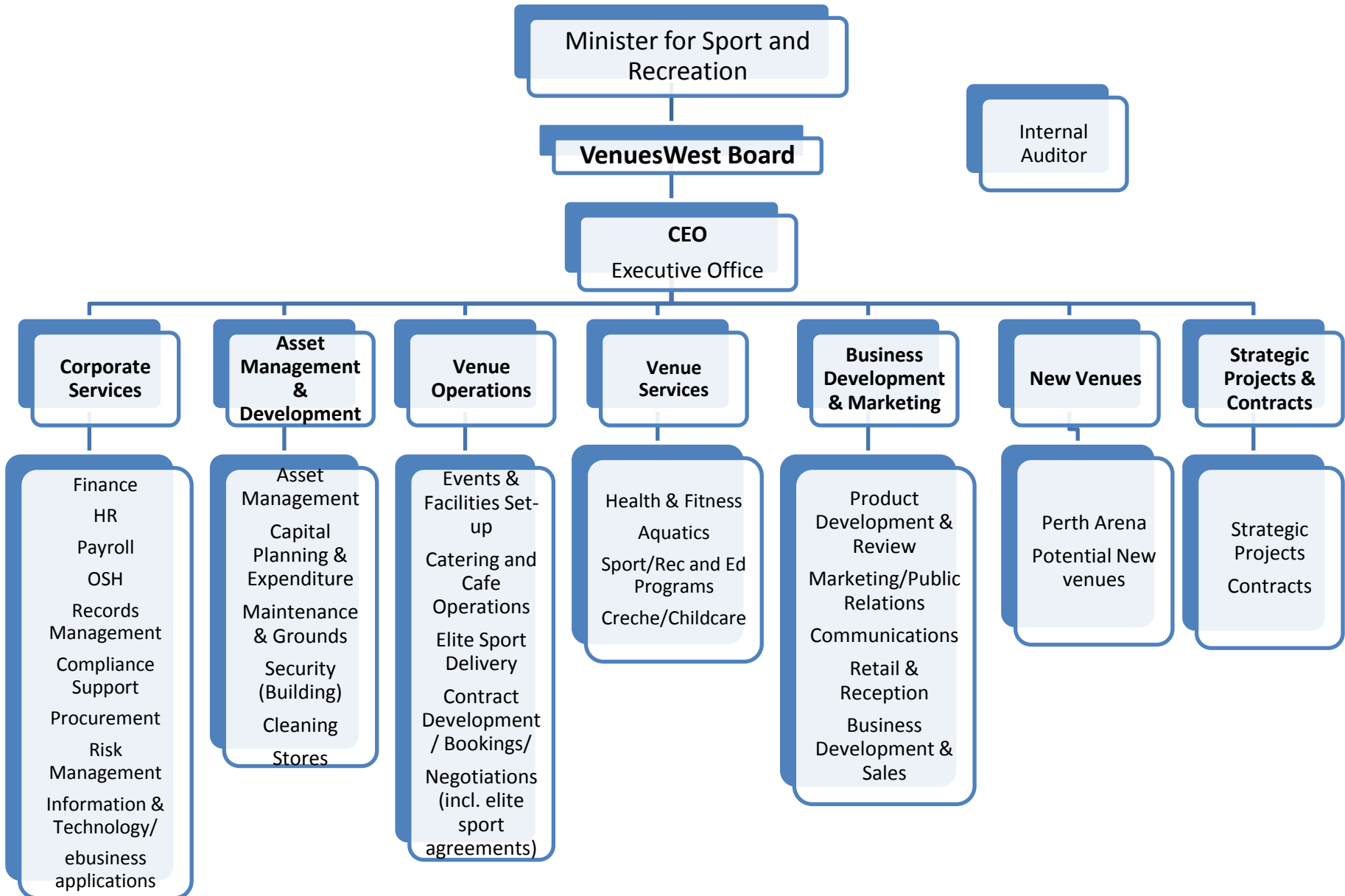
By achieving the following outcomes:

- 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 – 2010-2011**



**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, Director of New Venues, 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 2010/11 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 12 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	12	12
Ms Suzanne Taylor	9	12
Mr Graham Goerke	11	12
Mr Ronnie Hurst	11	12
Mr Darren Beazley	9	12
Mr Ken McAullay	6	11*
Ms Pam Glossop	11	12
Ms Rowan Maclean	6	11*
Mr Wayne Cox	12	12

\* Board member on approved period of leave during 2010-11.

## **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 and is the Chair of the Perth Arena Committee of 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 was previously the Chief Executive Officer of Touch WA, Women's Golf WA and Bowls WA and has had extensive experience in the sport and recreation industry.

She has had a distinguished sporting career representing Australia in hockey for 10 years from 1975 to 1984 including selection for the 1980 and 1984 Olympic Games. Pam was coach at the Australian Institute of Sport Hockey Unit from 1984 to 1993. She was named the Queensland Sportswoman of the year in 1979 and 1983 and was an inaugural inductee into the Queensland Hockey Hall of Fame in 2002. In 2011 Pam was inducted into the Queensland Sporting Hall of Fame.

**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 Councillor 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.

**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 ten 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 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 Committee 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 and acts as a representative of the public sector on the VenuesWest Board. 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 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 held executive and director positions in the private healthcare industry in Australia since 1996. Before moving to Australia Suzi worked for eight years on the high seas as a senior manager 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) and in 2011 achieved Graduate status of the Australian Institute of Company Directors (GAICD)

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

**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 is an Associate Fellow of AMI.

Darren has over eighteen years of experience in sport and recreation and has worked in the competitive world of AFL football and Western Australian Cricket. He is Chief Operating Officer for the Perth 2011 ISAF Sailing World Championships leading a number of key areas within the Olympic qualifying event to be held in December 2011. His role involves working with many national and international bodies, commercial entities and sporting organisations.

Darren is also a committed member of the community. He is currently President of the Asthma Foundation of WA, serves on the board of Asthma Australia and is a council member of Celebrate WA.

**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 Campus Developments and is responsible for the UWA Sports Park. 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.

## Formal Committees of the Board

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

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

**Role:** To assist the Board of management in fulfilling its oversight responsibilities for the financial reporting and accountability process, the system of internal control, the audit process, good governance and best practice and 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)*

**Ex Officio:** *David Etherton (VenuesWest CEO) Peter Stewart (VenuesWest Director Corporate Services), Ingrid Hawkins (VenuesWest Chief Finance Officer).*

**Title: Business Development and Marketing Committee**

**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),*

**Ex Officio:** *David Etherton (VenuesWest CEO), John Lynch, (VenuesWest Director Business Development and Marketing), and Steve Harper (VenuesWest Director Venue Operations)*

**Title: Perth Arena Committee**

**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)*

**Ex Officio:** *David Etherton (VenuesWest CEO), Patrick Pierce (VenuesWest Perth Arena Project Manager), 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), Nicholas Egan (State Solicitors' Office), Alex Rimkus Assistant Director Infrastructure & Finance (DTF), Michael Lenanton (Project Officer- Strategic Projects DTF), Guy Mander – Project Director Perth Arena, Appian Group,*

*Ex Officio: David Etherton (VenuesWest CEO), Patrick Pierce (VenuesWest Perth Arena Project Manager), 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. 3 declarations of interest were made and one previous declaration was rescinded during the course of the financial year for the following matters involving;

Pam Glossop Western Australian Olympic Council  
 David Etherton Wanneroo Basketball Association  
 David Etherton Relative debt written off  
 Rowan Maclean Cameron Chisholm Nicol, rescinded.

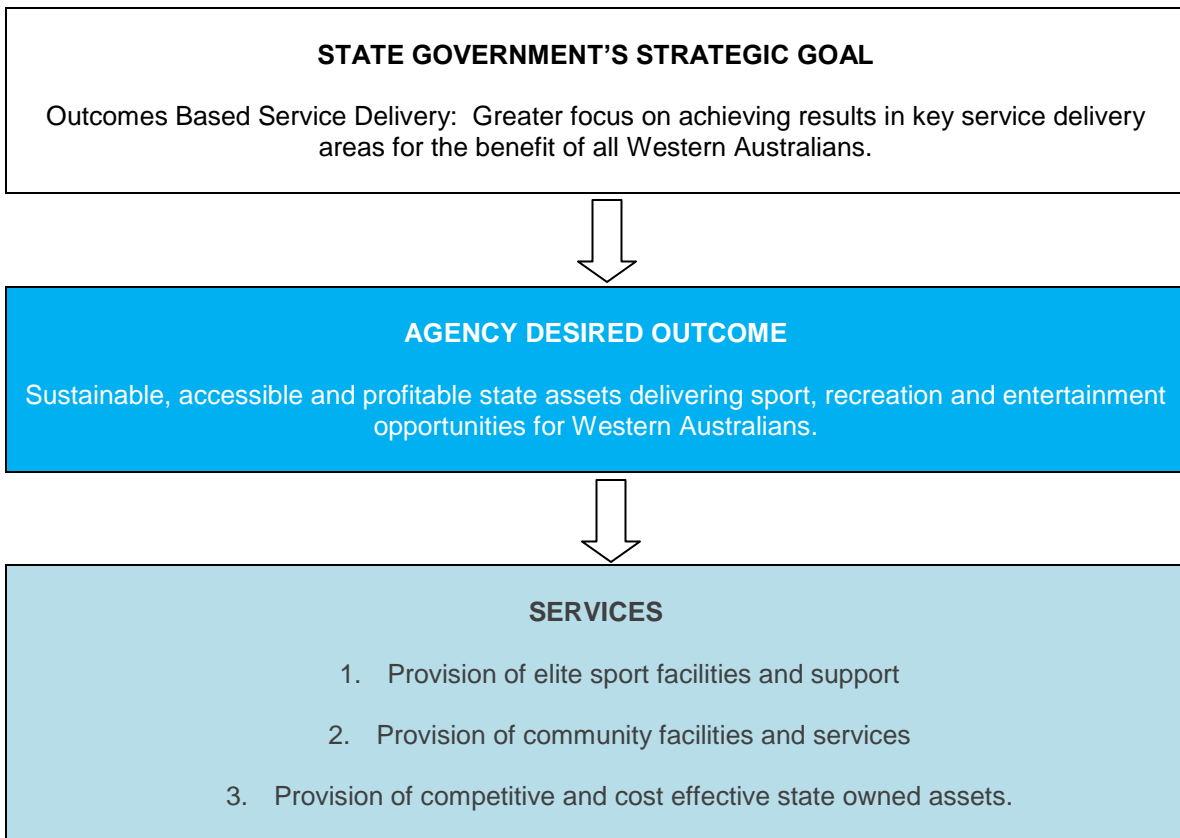
### **INDEPENDENT EXTERNAL ADVICE**

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.



## Performance Management Framework

VenuesWest's challenge is to balance industry, government and community requirements in achieving its strategic directions. VenuesWest's major contribution to the Government's strategic objectives is to the goal – Outcomes Based Service Delivery.



## 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 2010-11 total patronage across the venues was as follows:-

Venue	2010-11
Challenge Stadium	846,303
Arena Joondalup	952,666
WA Athletics Stadium	99,317
WA Basketball Centre	164,571
SpeedDome	24,589
Perth Motorplex	263,277
<b>Total Patronage</b>	<b>2,350,723</b>

### 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 2010-11 VenuesWest expanded the number of sports supported at the elite level as per the following:

Elite Training & Competition Hours	
Challenge	9,905.30
Arena Joondalup	10,506.90
WA Athletics Stadium	1,920.50
WA Basketball Centre	4,337.75
SpeedDome	516.35
<b>Total Elite Hours</b>	<b>27,186.80</b>

## 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 2010-11, servicing our elite, community and commercial customers.

Venue	Type of Event					
	Elite	Commercial	Banquets	Functions	Community	Total
Challenge Stadium	66	55	10	296	55	482
Arena Joondalup	45	6	1	837	79	968
WAAS	495	9	0	73	110	687
WABC	99	3	0	91	518	711
SpeedDome	3	1	0	0	13	17
Motorplex	0	80	0	0	0	80
<b>Totals</b>	<b>708</b>	<b>154</b>	<b>11</b>	<b>1297</b>	<b>775</b>	<b>2945</b>

### Event Highlights included:

#### Community Events

- 8 Basketball Tournaments
- 24 Elite Basketball Events
- 3 Little Athletics Events
- 2 Cycling Events
- 5 Rollerderby Events
- 29 School Athletics Carnivals

#### - Major Tenants

- 39 Netball WA Events
- 9 West Perth Games
- 15 Wildcats Games
- 9 Waves Basketball Games
- 26 Athletics WA Events

#### Major Commercial Events

- |  |  |
|--|--|
| <ul style="list-style-type: none"> <li>○ Future Music Festival</li> <li>○ Cirque Du Soleil</li> <li>○ Carl Barron</li> <li>○ Supafest</li> <li>○ Eason Chan</li> <li>○ Bliss n Eso</li> <li>○ Parkway Drive</li> <li>○ Ke\$ha</li> <li>○ Stone Temple Pilots</li> <li>○ Good Charlotte</li> <li>○ Bullet for my Valentine</li> <li>○ Danny Green – The Next Generation</li> <li>○ Wild West Boxing</li> <li>○ Dorothy the Dinosaur</li> <li>○ Youth Alive</li> </ul> | <ul style="list-style-type: none"> <li>○ Hillsong</li> <li>○ No Sleep Til Perth Festival</li> <li>○ Danny Green x 2 World Title fights</li> <li>○ 30 Seconds to Mars</li> <li>○ Circus Joseph Ashton</li> <li>○ Jason Derulo</li> <li>○ Pendulum</li> <li>○ Image Expo</li> <li>○ Florence &amp; The Machine</li> <li>○ Group News Expo</li> <li>○ Creedence Clearwater Revival</li> <li>○ Paramore</li> <li>○ Village People</li> <li>○ Relay for Life</li> </ul> |
|--|--|

130,507 total hours of bookings for the 2010/2011 financial year

## **MAJOR ACHIEVEMENTS IN 2010-11**

### **VENUE OPERATIONS**

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

VenuesWest venues played host to 2,945 events across six venues over the past 12 months.

This year VenuesWest hosted the largest outdoor music event held in Perth to date on 6 March 2011 with a sell-out crowd of over 41,000 people attending the Future Music Festival held at Arena Joondalup. Other significant event highlights included the successful completion of the three week run of Cirque Du Soleil at Challenge Stadium between 21 April and 8 May, the Supafest Music Festival held at Arena Joondalup on 10 April with a crowd of just under 20,000 people and the Hillsong religious event held in May with an estimated crowd of 7,300 people.

During 2010-11 much concerted effort towards the improvement of systems and implementation of consistent practices has occurred. A parking working group to examine options for car parking at the Mt Claremont precinct has gathered momentum and is identifying ways to overcome parking congestion issues when the precinct is hosting multiple events at the same time.

Proactive stakeholder engagement has continued to occur with a focus on the Mt Claremont Sports Park Precinct Coordination. A group of the stakeholders has been meeting bimonthly to discuss precinct wide issues and a cooperative approach to solving these problems adopted.

Improved reporting and reconciliation practices has delivered increased understanding of the performance of commercial events and a Venue Operations marketing plan was constructed with the intention of increasing the marketing opportunities for events throughout the year with great success.

## **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, Crèche and Childcare, Sport, Recreation and Education.

A variety of new programs were launched with the objective of recruiting new and retaining existing members. These programs included Heartmoves (a Heart Foundation program open to all), Zumba Toning and Zumba Gold at Challenge Stadium and the introduction of Boxing and Sh'Bam at Arena Joondalup. A positive response to the new fitness class timetable at Challenge Stadium has seen an increase in usage attendance of 6,206.

The LIFE program at Arena Joondalup was 'highly commended' in the 'Count Me In Awards' (State Government Division) and is shortlisted for the 'Premiers Award' as a joint community program with West Australian Disability Sports Association and West Coast Institute of Training. A modified version of the Life Program has commenced at Challenge Stadium with the assistance of students from Central TAFE.

In Aquatics an increase in overall attendance figures of 12% for Arena Joondalup and 1.5% for Challenge Stadium was achieved in 2010-11. VenuesWest Challenge Stadium was announced as the host of the 2012 Australian Short Course Championships and a program of capital investment agreed upon which will deliver major timing and scoreboard improvements as a result.

The Learn to Swim squad programme was integrated into the Arena Swim Club programme resulting in increased numbers for Arena Swim Club junior squads. The Arena Swim Club also achieved 'A' grade Premiers status. An alliance with West Coast Swim Club was also developed to encourage talented swimmers from the Challenge Stadium Learn to Swim to transition into a club program and conversely, club swimmers to migrate into the high performance program. Challenge Stadium has seen the highest number of enrolments ever for Learn to Swim and adult private lessons.

The aquatic facilities were also host to a range high quality competitions during the year. Some of the highlights included the Australian under 20 Water Polo Championships 2011, Swimming WA long and short course State Age Championships 2011, Commonwealth Diving Championships, Australian University Games 2010, Swimming WA Indian Ocean All Stars international swim meet 2011 and the Australian National Masters Games 2011.

Special acknowledgement must also be given to the aquatics staff who ensured that a number of successful patron resuscitations were performed in our facilities. Four aquatic staff members received bravery awards from the Royal Lifesaving Society of Australia during 2010/2011.

The high quality of the childcare programme at Arena Joondalup was acknowledged by the National Childcare Accreditation Council with a high quality rating in all eight requirements (a first for the program). The vacation care and out of hours school care program continued to reach full capacity throughout the year and operations were expanded with a temporary crèche facility commencing at the WA Basketball Stadium to support the ladies netball competition and complimenting the existing program at Challenge Stadium.

The Sport, Recreation and Education Branch ensures the delivery of high quality (and viable) programmes for the community. In 2010-11 a number of new programmes were introduced with Zumbatomics at Challenge Stadium, Kidz Gym and Kids Sports Camp at Arena Joondalup, Ladies Netball programme at WA Basketball Stadium and the High Performance team at WA Athletics Stadium.

## **BUSINESS DEVELOPMENT AND MARKETING**

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

Ensuring that the venues are utilized to the best of their capacity is a challenging balancing act and the directorate focused on innovation to counter the tough economic climate. With respect to banquets, clients often require a 12 month lead-time prior to the event, as a result a sold outbound strategy saw almost 300 customers contacted in one month and significant pre-booking effort focused on actively pursuing new business resulted in more than \$1.1 million contracted revenue (or 18 confirmed banquets) during 2010-11 for the year 2011-12.

Function sales remained stable despite the challenging economic environment. This was assisted by steady growth in new venues function facilities, particularly WA Basketball Centre.

Nationally the retail sector was widely reported to be on a downward slide, however new strategies targeting sales into swim schools and the addition of new product saw sales figures achieved that were on par with 2009-2010. This was particularly gratifying given the fact that competition swimming regulations are decreasing use of elite swim wear, and this saw the erosion of this market in Challenge Stadium.

The growth of no exit fee, low price, 24 hour health and fitness memberships was a notable feature in the evolution of the market. Strategies employed during the course of the year included additional promotions and the introduction of no exit fee memberships to stay competitive.

Overall total membership numbers were down by 100-200 members for the year at Arena Joondalup with Challenge Stadium membership relatively stable. Overall the result was credible in a highly challenging market with national household spend trending downwards.

Excellent marketing campaign results were achieved throughout the year, especially for Sports, Recreation and Education, Aquatics, the cafe and fitness courses. VenuesWest also launched its first Twitter page, YouTube channel and Facebook page.

VenuesWest was also successful in securing a significant sponsorship deal with Healthway to ensure that healthy eating and drinkings options are promoted and available which compliment the various opportunities delivered to the community to be active whilst visiting our facilities. The marketing branch completed the designs for signage and promotions of the Healthway sponsorship.

Reception training strategies saw excellent customer service results for the year. The team proactively worked to encourage customer feedback on performance, and as a result there was a 30% increase in patron comments received over the previous 12 month period. This feedback was then analysed and steps taken to improve performance in targeted areas.

A number of significant research projects were undertaken this year including:- an Internal Climate Survey, 4 cycles of mystery shopping, Fitness lapsed customers, Stakeholder research and function and banquet customers research.

Whilst more positive media coverage is desired and will be pursued in 2011-12, VenuesWest performed well in the handling of most incident media and achieved some proactive media particularly on fitness topics.

## **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 expectations. The Directorate also ensures that VenuesWest's assets are acquired, maintained and improved to optimize venue usage and growth objectives.

As Challenge Stadium enters its 25<sup>th</sup> year of operation, many aspects of the venue have begun to show their age. In 2010-11 a number of projects were undertaken to upgrade the facilities for our patrons and these included a major renovation of the toilets on the dry side of the venue, modification of change rooms to create additional 'space' for members, refurbishment of toilets at The Champions Club, renewal of the cool room in the main kitchen, complete upgrade of the Water polo plant room, painting of the Challenge Stadium main arena concourse and major roof repairs and water leak rectification.

Other projects included the recommissioning of an alternate pool heating system to provide pool water heating in the event of Geothermal system failure. This contingency planning will prevent interruption to commercial and community activities.

At Arena Joondalup a program of capital expenditure delivered an upgraded security camera, installation of new air conditioners and a complete rekeying of the venue. Landscaping and rainwater harvesting installation was also completed.

Water quality management has been improved for the lake on site at Arena Joondalup with the commissioning of a lake water treatment specialist. Results have been very encouraging with the algae well under control, a cleaner reticulation system with fewer blockages and better groundwater coverage.

Restorative work was also undertaken at the SpeedDome facility located in Midvale. Projects included major internal and external repainting, repair and replacement of emergency lighting and exit signs, extensive track repairs and replacement of the Early Warning Information System panel.

Capital projects at the WA Basketball Centre included the conversion of a wet area in order to provide washing facilities for Basketball WA. A mechanical services contract was also signed and commenced at the venue.

Through arrangement with the licensee, capital works to the value of \$250k were completed at the Motorplex venue.

Testing and tagging of nearly 2000 electrical appliances was completed at all venues.

## **CORPORATE SERVICES**

The Corporate Services Directorate supports VenuesWest's people, systems and processes in achieving the organisational goals.

During the course of 2010-11 financial reporting for the Board and management has improved substantially. External audit review has confirmed the significant improvements made with respect to financial controls and as a result the audit qualification received in 2008-09 was lifted.

The introduction of a Procurement Support position has allowed procurement processes to continue to improve and tighten. Significant progress has been made in putting in place panel contracts for provision of security, catering services and for the placement of vending machines.

The Information and Communication Technology (ICT) steering committee successfully oversaw the development of a comprehensive ICT Strategic Plan. This plan will form the basis of implementing all future ICT initiatives as well as the development of an ICT Service Continuity Plan.

Significant work to progress the improvement of risk management processes across the organization has commenced and VenuesWest is working with RiskCover to analyse, record and document actions to mitigate risk, including strategic and corporate risk.

The VenuesWest workforce is a diverse mix of permanent and casual employees. A project to ensure that a more comprehensive induction package was developed and completed during the year. As a result this new program is now delivered quarterly to new and existing staff.

Records Management is a focus area for VenuesWest, with a consultancy concluding in mid June 2011. This work resulted in a revised Record Keeping Plan being prepared for submission to the State Records Office as well as establishing process and system improvements required.



## **NEW VENUES**

### **Perth Arena**

Planning for the ongoing operational management of the Perth Arena included the evaluation and determination that AEG Ogden was the Preferred Respondent for the Facilities and Operational Management of the Perth Arena.

Progress in construction has intensified since the raising of the operable roof (over 12 months ago), with the west fixed roof 95% complete and services cabling and ducting being 90% installed. The under cladding of the external wall of the Perth Arena is now well underway.

VenuesWest's venue management expertise has ensured that a number of features will be included in the completed venue that optimise its potential. This includes provision of optional retractable seating reconfigured to suit VIP boxes, upgraded Corporate Suite seating (Camatic Quantum to Camatic Odeon) and consistent use of a colour scheme and furniture specifications through the facility.

The contract for management for the Perth Arena was negotiated and ready for signing early in the 2011-12 financial year.

### **Rugby**

The latest addition to the Mt Claremont Precinct, the new Western Australian Rugby Centre was completed this year and will be fully operational in July 2011. This venue joins the Mt Claremont Sports Park Precinct and will be the new home for Western Australian rugby, driving the future growth of the sport in the State. The lease agreement between VenuesWest and Rugby WA was signed during the course of the financial year and we look forward to working closely with Rugby WA and the Western Force in 2011-12.

### **Netball**

The Master plan for the Mathews site was adopted by the Town of Cambridge and VenuesWest continues to work with the Department of Sport and Recreation and the sport in the planning of this critical facility to ensure the delivery of four world-standard indoor netball courts and office space for Netball WA.

## **FINANCE OVERVIEW**

The 2010-11 financial performance of VenuesWest was reasonably positive in what has been a very challenging year.

2010-11 has seen an increase in events such as music festivals held at VenuesWest's venues, but reduced discretionary spend by our patrons. One of the key drivers to the result was a concerted effort to focus on and reduce bottom line costs where possible, whilst pursuing revenues in the form of increased events profitability.

The statement of cash flows reflects the positive outturn with a cash position of \$30.8million.

Revenue remained steady despite the economic climate. VenuesWest also received additional funding from Government of \$1million to cover increased depreciation expense in 2010-11.

A key expense which impacted VenuesWest's bottom line result was the growth in annual and long service leave liability balances. The management of VenuesWest is aware of this growth and has adopted strategies to reduce the liability whilst maintaining operational capacity.

VenuesWest's balance sheet remains strong with Net Assets increasing by \$82.6million in 2010-11. The Perth Arena is the most significant contributor to this growth.

In 2010-11 the overall asset base has increased by \$85.5million, with \$74.7million related to Perth Arena.

## **SIGNIFICANT ISSUES IMPACTING THE AGENCY**

Managing the significant growth of the asset portfolio on behalf of the State and ensuring the best management solutions are in place on a venue by venue basis is a key challenge for VenuesWest. With the opening of the new Rugby facility, preparation for the commissioning and opening of the new Perth Arena, planning of the new State Netball Centre and redevelopment of the nib stadium, VenuesWest will be particularly focussed on stakeholder management and the integration of new venues into its current portfolio in 2011/12.

The increased number and complexity of venues managed or governed by VenuesWest, combined with the increased demand for access to the facilities places increasing pressure on traditional information, communication and technology systems to deliver an efficient and reliable booking and information service. VenuesWest has developed an ICT Strategic Plan to meet these challenges.

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 2011-12. Competition for the right to host events remains strong. National and international sporting 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. Compliance with detailed specifications remains challenging as reflected in the new Key Performance Indicator on this topic included in this annual report.

The need to ensure that State owned sporting, recreation and entertainment venues are utilised to the best of their capacity whilst ensuring a balance across its business mix of elite, community and commercial clients is challenging. The original design of the venues and the need to undertake commercial activity has the potential for increased conflicts across this mix of clients, as they compete for limited facility availability.

An inherent component of the combined sport, recreation and entertainment industries is a high employee turnover rate and the need to constantly re-skill staff. Workforce planning to cater for the increased scope of responsibilities in the face of high employment levels particularly in Western Australia is essential to ensure scalability and consistency in service delivery.

Expectations of sporting codes and the community regarding improvement in facilities are growing at a greater rate than ability to pay. Increased exposure via travel and television to state of the art venues leads to comparisons with local infrastructure. In spite of the significant investment by the State in facilities in recent years, the majority of the state's infrastructure is ageing, resulting in an increasing need for refurbishment or replacement. "The capital investment program will deliver up to \$3.7 million each year to VenuesWest's older venues for the express purpose of capital maintenance and enhancement.

It is necessary for success that elite athletes focus on the availability of competition and suitability of high-quality training facilities. A lack of competition at home leads to significant and regular travel and frequently relocation of young athletes to the east-coast. The impact of the Federal Government's plan 'Australian Sport – the pathway to success' is unclear for Western Australian high performance sports and facility planning with respect to targeted sports that will continue to call Western Australia 'home'.

The strong Australian dollar will tend to increase the volume of international acts touring Australia. The WA public however only has the capacity to see so many acts and as such second tier acts may struggle to get viable crowds.

The expansion in the portfolio of assets managed on behalf of the State has lead to increased instances of contract management and negotiation of terms and conditions to ensure the best outcome in terms of services delivered and community and financial benefit. The strategic projects and contract management and monitoring functions of VenuesWest have necessarily expanded.

Despite internal energy efficiency initiatives, increased utility costs for a growing portfolio of assets is having an impact on the cost of services delivered to elite, community and commercial users. Utility costs are a comparatively large proportion of VenuesWest's expenses and with these costs growing significantly faster than CPI, it is challenging to keep fee increases down to CPI levels.

The awareness of the social, physical and health benefits of participation in sport and recreation is continuing to build momentum as evidenced by popular TV and other media programmes and segments. In an economic

climate where the family budget is under increasing demands, sport and recreation is however sometimes viewed as an optional extra and is subject to reduction/deletion.



## Auditor General

### INDEPENDENT AUDITOR'S REPORT

To the Parliament of Western Australia

### WESTERN AUSTRALIAN SPORTS CENTRE TRUST

#### Report on the Financial Statements

I have audited the accounts and financial statements of the Western Australian Sports Centre Trust.

The financial statements comprise the Statement of Financial Position as at 30 June 2011, the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and Notes comprising a summary of significant accounting policies and other explanatory information.

#### *Board's Responsibility for the Financial Statements*

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 for such internal control as the Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibility*

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the financial statements based on my audit. The audit was conducted in accordance with Australian Auditing Standards. Those Standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Trust's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Board, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my audit opinion.

#### **Opinion**

In my opinion, the financial statements are based on proper accounts and present fairly, in all material respects, the financial position of the Western Australian Sports Centre Trust at 30 June 2011 and its financial performance and cash flows for the year then ended. They are in accordance with Australian Accounting Standards and the Treasurer's Instructions.

## **Western Australian Sports Centre Trust**

### **Report on Controls**

I have audited the controls exercised by the Western Australian Sports Centre Trust. The Board is responsible for ensuring that adequate control is maintained over the receipt, expenditure and investment of money, the acquisition and disposal of public and other property, and the incurring of liabilities in accordance with the Financial Management Act 2006 and the Treasurer's Instructions, and other relevant written law.

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the controls exercised by the Board based on my audit conducted in accordance with Australian Auditing Standards.

### ***Opinion***

In my opinion, the controls exercised by the Western Australian Sports Centre Trust are sufficiently adequate to 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.

### **Report on the Key Performance Indicators**

I have audited the key performance indicators of the Western Australian Sports Centre Trust. The Board is responsible for the preparation and fair presentation of the key performance indicators in accordance with the Financial Management Act 2006 and the Treasurer's Instructions.

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the key performance indicators based on my audit conducted in accordance with Australian Auditing Standards.

### ***Opinion***

In my opinion, the key performance indicators of the Western Australian Sports Centre Trust are relevant and appropriate to assist users to assess the Trust's performance and fairly represent indicated performance for the year ended 30 June 2011.

### **Independence**

In conducting this audit, I have complied with the independence requirements of the Auditor General Act 2006 and the Australian Auditing Standards, and other relevant ethical requirements.



COLIN MURPHY  
AUDITOR GENERAL  
16 September 2011

## DISCLOSURES AND LEGAL COMPLIANCE

### FINANCIAL STATEMENTS

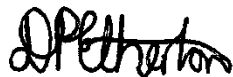
Certification of Financial Statements for the year ended 30 June 2011.

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 2011 and the financial position as at 30 June 2011.

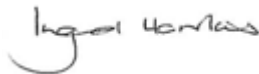
At the date of signing, we are not aware of any circumstances which would render any particulars included in the financial statements misleading or inaccurate.



Mr Graham Partridge  
CHAIRMAN  
Date: 13 September 2011



Mr David Etherton  
CHIEF EXECUTIVE OFFICER  
Date: 13 September 2011



Miss Ingrid Hawkins  
CHIEF FINANCIAL OFFICER  
Date: 13 September 2011

**Western Australian Sports Centre Trust**  
**Statement of Comprehensive Income**  
**For the year ended 30 June 2011**

	Note	2011 \$000	2010 \$000
<b>COST OF SERVICES</b>			
<b>Expenses</b>			
Employee benefits expense	6	16,949	14,571
Supplies and services	7	6,370	5,628
Depreciation	8	6,930	6,991
Finance costs	9	1	46
Accommodation expenses	10	3,267	2,863
Grants and subsidies	12	1	3
Cost of sales	15	2,529	2,065
Loss on disposal of non current assets	11	183	12
Other expenses	13	471	498
<b>Total cost of services</b>		<u>36,701</u>	<u>32,677</u>
<b>INCOME</b>			
<b>Revenue</b>			
User charges and fees	14	11,744	11,028
Sales	15	6,229	5,439
Interest revenue	16	-	1,472
Other revenue	17	3,164	1,027
<b>Total Revenue</b>		<u>21,137</u>	<u>18,966</u>
<b>Total income other than income from State Government</b>		<u>21,137</u>	<u>18,966</u>
<b>NET COST OF SERVICES</b>		<u>15,564</u>	<u>13,711</u>
<b>Income from State Government</b>			
Service appropriation	18	15,577	11,355
Resources received free of charge	18	6	5
<b>Total income from State Government</b>		<u>15,583</u>	<u>11,360</u>
<b>SURPLUS/(DEFICIT) FOR THE PERIOD</b>		<u>19</u>	<u>(2,351)</u>
<b>OTHER COMPREHENSIVE INCOME</b>			
Changes in asset revaluation surplus		15,661	(33,973)
Losses recognised directly in equity		-	(37)
<b>Total other comprehensive income</b>		<u>15,661</u>	<u>(34,010)</u>
<b>TOTAL COMPREHENSIVE INCOME/(EXPENSE) FOR THE PERIOD</b>		<u>15,680</u>	<u>(36,361)</u>

See also note 42 'Schedule of Income and Expenses by Service'  
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 2011**

		2011 \$000	2010 \$000
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	30	30,842	36,155
Inventories	19	285	327
Receivables	20	3,664	5,063
Amounts receivable for services	21	3,445	3,354
Other current assets	22	35	-
<b>Total Current Assets</b>		38,271	44,899
<b>Non-Current Assets</b>			
Amounts receivable for services	21	17,360	13,707
Property, plant and equipment	23	582,729	497,252
<b>Total Non-Current Assets</b>		600,089	510,959
<b>Total Assets</b>		638,360	555,858
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables	25	1,953	1,705
Borrowings	26	30	110
Provisions	27	1,762	1,612
Other current liabilities	28	1,688	2,382
<b>Total Current Liabilities</b>		5,433	5,809
<b>Non-Current Liabilities</b>			
Borrowings	26	-	13
Provisions	27	699	500
<b>Total Non-Current Liabilities</b>		699	513
<b>Total Liabilities</b>		6,132	6,322
<b>NET ASSETS</b>		<b>632,228</b>	<b>549,536</b>
<b>EQUITY</b>			
Contributed Equity	29	507,471	440,459
Reserves	29	80,747	65,086
Accumulated surplus	29	44,010	43,991
<b>TOTAL EQUITY</b>		<b>632,228</b>	<b>549,536</b>

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 2011**

	Note	Contributed Equity \$000	Reserves \$000	Accumulated Surplus/ (deficit) \$000	Total Equity \$000
<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>	29	<b>440,459</b>	<b>65,086</b>	<b>43,991</b>	<b>549,536</b>
<b>Balance at 1 July 2010</b>		440,459	65,086	43,991	549,536
Total comprehensive income for the year		-	15,661	19	15,680
<b>Restated total comprehensive income for the year</b>		-	<b>15,661</b>	<b>19</b>	<b>15,680</b>
Transactions with owners in their capacity as owners:					
Capital appropriations		67,012	-	-	67,012
Other contributions by owners		-	-	-	-
Total		67,012	-	-	67,012
<b>Balance at 30 June 2011</b>	29	<b>507,471</b>	<b>80,747</b>	<b>44,010</b>	<b>632,228</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 2011**

	Note	2011 \$000	2010 \$000
<b>CASH FLOWS FROM STATE GOVERNMENT</b>			
Service appropriation		8,479	6,048
Capital appropriation		67,012	73,452
Holding account drawdowns		3,354	1,627
<b>Net cash provided by State Government</b>		<b>78,845</b>	<b>81,127</b>
Utilised as follows:			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Payments</b>			
Employee benefits		(16,549)	(12,879)
Supplies and services		(9,514)	(7,044)
Finance costs		(1)	(46)
Accommodation		(3,267)	(3,262)
Grants and subsidies		(1)	(3)
GST payments on purchases		(10,837)	(13,554)
Other payments		(513)	(1,618)
<b>Receipts</b>			
Sale of goods and services		6,229	5,439
User charges and fees		12,266	9,131
Interest received		-	1,472
GST receipts on sales		2,137	1,484
GST receipts from taxation authority		9,703	9,924
Other receipts		2,998	1,027
<b>Net cash used in operating activities</b>	30	<b>(7,349)</b>	<b>(9,929)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of non-current physical asset		(76,716)	(128,533)
<b>Net cash used in investing activities</b>		<b>(76,716)</b>	<b>(128,533)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Other proceeds – transfer from other departments		-	91,029
Repayment of borrowings		(93)	(471)
<b>Net cash (used in)/provided by financing activities</b>		<b>(93)</b>	<b>90,558</b>
Net (decrease)/increase in cash and cash equivalents		(5,313)	33,223
Cash and cash equivalents at the beginning of the period		36,155	2,932
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	30	<b>30,842</b>	<b>36,155</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 2011**

**1. Australian Accounting Standards**

**General**

The Western Australian Sports Centre Trust's (the Trust's) financial statements for the year ended 30 June 2011 have been prepared in accordance with Australian Accounting Standards. The term 'Australian Accounting Standards' includes 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 2011.

**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).

Note 3 'Judgements made by management in applying accounting policies' discloses judgements that have been made in the process of applying the Trust's accounting policies resulting in the most significant effect on amounts recognised in the financial statements.

Note 4 'Key sources of estimation uncertainty' discloses 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.

**(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. The following specific recognition criteria must also be met before 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 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 fair 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***

Realised and unrealised gains 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. 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***

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 and buildings and historical cost 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.

In the absence of market-based evidence, 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.

Land and buildings are independently valued 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.

Depreciation 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

Land is not depreciated.

### **(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; and
- 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. 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) Amounts receivable for services (holding account)**

The Trust receives income from the State Government partly in cash and partly as an asset (holding account receivable). The accrued amount appropriated is accessible on the emergence of the cash funding requirement to

cover leave entitlements and asset replacement.

**(n) Inventories**

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

**(o) Receivables**

Receivables are recognised and carried at original invoice amount less 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.

**(p) 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.

**(q) 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.

**(r) 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.

***Provisions - employee benefits***

All annual leave and long service leave provisions are in respect of employees' services up to the end of the reporting period.

*Annual leave*

The liability for annual 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 liability is settled.

Annual leave not expected to be settled within 12 months after the reporting period is recognised and measured at the present value of amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

When assessing expected future payments consideration is given to expected future wage and salary levels including non salary components such as employer superannuation contributions, as well as 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.

The provision for annual leave is classified as a current liability as the Trust does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

*Long service leave*

The liability for 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 liability is settled.

Long service leave not expected to be settled within 12 months after the reporting period is recognised and measured at the present value of amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.



When assessing expected future payments consideration is given to expected future wage and salary levels including non salary components such as employer superannuation contributions, as well as 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.

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. Conditional long service leave provisions are classified as non-current liabilities because the Trust has an unconditional right to defer the settlement of the liability until the employee has completed the requisite years of service.

#### *Superannuation*

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

Eligible employees contribute to the Pension Scheme, a defined benefit pension scheme closed to new members since 1987, or the Gold State Superannuation Scheme (GSS), a defined benefit lump sum scheme closed to new members since 1995.

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

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 attributable 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.

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.

#### **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'.

#### **(s) 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).

#### **(t) 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 at fair value. Where the resource received represents a service that the Trust would otherwise pay for, a corresponding expense is recognised. Receipts of assets are recognised in the Statement of Financial Position.

Assets or services received from other State Government agencies are separately disclosed under Income from State Government in the Statement of Comprehensive Income.

## **(u) 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**

Key estimates and assumptions concerning the future are based on historical experience and various other factors that have a risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

### **Long Service Leave**

Several estimations and assumptions used in calculating the Trust's long service leave provision include expected future salary rates, discount rates, employee retention rates and expected future payments. Changes in these estimations and assumptions may impact on the carrying amount of the long service leave provision.

### **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 2010 that impacted on the Trust.

*2009-05 – Further amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 5, 8, 101, 107, 117, 118, 136 & 139]*

Under amendments to AASB 107, only expenditure that result in a recognised asset are eligible for classification as investing activities in the Statement of Cash Flows. All investing cashflows recognised in the Trust's Statement of Cash Flows relate to increases in recognised assets.

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

The Trust cannot early adopt an Australian Accounting Standard unless specifically permitted by TI 1101 *Application of Australian Accounting Standards and Other Pronouncements*. Consequently, the Trust has not applied early any of the following Australian Accounting Standards that have 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 Jan 2013
<i>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 &amp; 1038 and Interpretations 10 &amp; 12].</i>	
The amendment to AASB 7 <i>Financial Instruments: Disclosures</i> 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 Jan 2011
<i>AASB 2009-12 Amendments to Australian Accounting Standards [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 &amp; 1031 and Interpretations 2, 4, 16, 1039 &amp; 1052]</i>	
This Standard introduces a number of terminology changes. There is no financial impact resulting from the application of this revised Standard.	

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.

1 July 2011

*AASB 2011-2 Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project – Reduced Disclosure Requirements [AASB 101 & 1054]*

This Amending Standard removes disclosure requirements from other Standards and incorporates them in a single Standard to achieve convergence between Australian and New Zealand Accounting Standards for reduced disclosure reporting. DTF has not yet determined the application or the potential impact of the amendments to these Standards for agencies.

1 Jan 2011

*AASB 2010-5 Amendments to Australian Accounting Standards [AASB 1, 3, 4, 5, 101, 107, 112, 118, 119, 121, 132, 133, 134, 137, 139, 140, 1023 & 1038 and Interpretations 112, 115, 127, 132 & 1042] (October 2010)*

This Standard introduces a number of terminology changes as well as minor presentation changes to the Notes to the Financial Statements. There is no financial impact resulting from the application of this revised Standard.

1 July 2011

*AASB 2010-6 Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets [AASB 1 & AASB 7]*

This Standard makes amendments to Australian Accounting Standards, introducing additional presentation and disclosure requirements for Financial Assets.

The Standard is not expected to have any financial impact on the Authority. DTF has not yet determined the application or the potential impact of the amendments to these Standards for agencies.

1 Jan 2013

*AASB 9 Financial Instruments*

This Standard supersedes *AASB 139 Financial Instruments: Recognition and Measurement*, introducing a number of changes to accounting treatments.

The Standard was reissued on 6 Dec 2010 and the Department is currently determining the impact of the Standard. DTF has not yet determined the application or the potential impact of the Standard for agencies.

1 Jan 2013

*AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127]*

This Amending Standard makes consequential adjustments to other Standards as a result of issuing *AASB 9 Financial Instruments* in December 2010. DTF has not yet determined the application or the potential impact of the Standard for agencies.

1 July 2011

*AASB 1054 Australian Additional Disclosures*

This Standard, in conjunction with *AASB 2011-1 Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project*, removes disclosure requirements from other Standards and incorporates them in a single Standard to achieve convergence between Australian and New Zealand Accounting Standards.

1 July 2011

*AASB 2011-1 Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project [AASB 1, 5, 101, 107, 108, 121, 128, 132 & 134 and Interpretations 2, 112 & 113]*

This Amending Standard, in conjunction with *AASB 1054 Australian Additional Disclosures*, removes disclosure requirements from other Standards and incorporates them in a single Standard to achieve convergence between Australian and New Zealand Accounting Standards.

## 6. Employee benefits expense

	<b>2011</b>	<b>2010</b>
	<b>\$000</b>	<b>\$000</b>
Wages and salaries (a)	14,468	12,495
Superannuation – defined contribution plans (b)	1,244	1,100
Long service leave (c)	436	272
Annual leave (c)	801	704
	<u>16,949</u>	<u>14,571</u>

(a) Includes the value of the fringe benefit to the employee plus the fringe benefits tax component, leave entitlements including superannuation contribution 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

	2011 \$000	2010 \$000
Lease, rental and hire costs	1,253	937
Event specific costs	754	41
Consumables	536	677
Repairs and maintenance	512	552
Minor equipment	216	458
Other expenses	433	404
Contracts for security for events	383	322
Licences, fees and registration	325	319
Professional services	308	313
Insurance	286	302
Campaign, promotions and publications	252	265
Contracts	207	261
Labour hire	273	254
Professional services – finance	260	182
Communications	201	181
Food supplies	171	160
	<b>6,370</b>	<b>5,628</b>

## 8. Depreciation expense

	2011 \$000	2010 \$000
<u>Depreciation</u>		
Plant, equipment and vehicles	689	623
Leased office equipment	150	311
Buildings	6,091	6,057
<b>Total depreciation</b>	<b>6,930</b>	<b>6,991</b>

## 9. Finance Costs

	2011 \$000	2010 \$000
Finance lease charges	1	40
Unwinding of discount applied to provisions	-	2
Interest expense	-	4
<b>Finance costs expensed</b>	<b>1</b>	<b>46</b>

## 10. Accommodation expenses

	2011 \$000	2010 \$000
Repairs and maintenance	1,029	1,231
Utilities and rates	1,525	1,099
Cleaning	713	533
	<b>3,267</b>	<b>2,863</b>

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

	<b>2011</b> <b>\$000</b>	<b>2010</b> <b>\$000</b>
<u>Cost of Disposal of Non-Current Assets</u>		
Plant and equipment	29	4
Bad Debt write off	154	8
<b>Net loss</b>	<b>183</b>	<b>12</b>

**12. Grants and subsidies**

	<b>2011</b> <b>\$000</b>	<b>2010</b> <b>\$000</b>
After school sessions for Childcare	1	3
	<b>1</b>	<b>3</b>

**13. Other expenses**

	<b>2011</b> <b>\$000</b>	<b>2010</b> <b>\$000</b>
Other expenses	283	258
Workers compensation	124	163
Professional services – external audit fees	64	77
	<b>471</b>	<b>498</b>

**14. User charges and fees**

	<b>2011</b> <b>\$000</b>	<b>2010</b> <b>\$000</b>
User charges	8,802	7,349
Fees	2,942	3,679
	<b>11,744</b>	<b>11,028</b>

**15. Trading profit**

	<b>2011</b> <b>\$000</b>	<b>2010</b> <b>\$000</b>
Sales	6,229	5,439
Cost of sales:		
Opening inventory	(327)	(336)
Purchases	(2,487)	(2,056)
	(2,814)	(2,392)
Closing inventory	285	327
Cost of Goods Sold	(2,529)	(2,065)
<b>Trading profit</b>	<b>3,700</b>	<b>3,374</b>

**16. Interest revenue**

	<b>2011</b> <b>\$000</b>	<b>2010</b> <b>\$000</b>
Interest revenue on balances at bank	-	1,472
	<b>-</b>	<b>1,472</b>

## 17. Other revenue

	2011 \$000	2010 \$000
Recoups	2,061	415
Ticket royalties and commission	573	247
Athletics – staffing contribution	-	159
Aquatic recovery – schools	216	101
Other revenue	314	105
	<u>3,164</u>	<u>1,027</u>

## 18. Income from State Government

	2011 \$000	2010 \$000
Appropriation received during the year:		
Service appropriation (a)	15,577	11,355
Resources received free of charge (b)		
Determined on the basis of the following estimates provided by agencies:		
Department of Treasury and Finance	6	5
	<u>15,583</u>	<u>11,360</u>

- (a) Service appropriations fund the net cost of services delivered. Appropriation revenue comprises a cash component and a receivable (asset). The receivable (holding account) comprises the depreciation expense for the year and any agreed increases in leave liability during the year.
- (b) Assets or services received free of charge or for a nominal cost are recognised as revenue at fair value of the assets and/or services that can be reliably measured and which would have been purchased if they were not donated. Contributions of assets or services in the nature of contributions by owners are recognised directly to equity.

## 19. Inventories

	2011 \$000	2010 \$000
<u>Current</u>		
Inventories held for re-sale:		
- Finished goods (at cost)	285	327
<b>Total</b>	<u>285</u>	<u>327</u>

## 20. Receivables

	2011 \$000	2010 \$000
<u>Current</u>		
Receivables	1,979	2,489
GST receivable	1,727	2,604
Allowance for impairment of receivables	(42)	(30)
<b>Total</b>	<u>3,664</u>	<u>5,063</u>

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

Balance at start of year	30	80
Doubtful debts expense recognised in the statement of comprehensive income	12	(50)
<b>Balance at end of year</b>	<u>42</u>	<u>30</u>

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

## 21. Amounts receivable for services

	2011 \$000	2010 \$000
Current	3,445	3,354
Non-current	17,360	13,707
	<u>20,805</u>	<u>17,061</u>

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

	2011 \$000	2010 \$000
<u>Current</u>		
Prepayments	35	-
<b>Total</b>	<u>35</u>	<u>-</u>

## 23. Property, plant and equipment

	2011 \$000	2010 \$000
<u>Land</u>		
At fair value (a)	22,497	21,868
Accumulated impairment losses	-	-
	<u>22,497</u>	<u>21,868</u>
<u>Buildings</u>		
At fair value (a)	201,781	191,898
Accumulated depreciation	(1)	(24)
	<u>201,780</u>	<u>191,874</u>
<u>Buildings under construction</u>		
Construction costs	354,967	280,272
	<u>354,967</u>	<u>280,272</u>
<u>Plant and equipment</u>		
At cost	8,762	7,923
Accumulated depreciation	(5,763)	(5,293)
	<u>2,999</u>	<u>2,630</u>
<u>Office equipment</u>		
At cost	1,569	1,382
Accumulated depreciation	(1,083)	(924)
	<u>486</u>	<u>458</u>
<u>Leased office equipment</u>		
At capitalised cost	1,131	1,131
Accumulated depreciation	(1,131)	(981)
	<u>-</u>	<u>150</u>
	<u>582,729</u>	<u>497,252</u>

(a) Land and buildings were revalued as at 1 July 2010 by the Western Australian Land Information Authority (Valuation Services). The valuations were performed during the year ended 30 June 2011 and recognised at 30 June 2011. In undertaking the revaluation, fair value was determined by reference to market values for



land: \$22,497,000 and buildings: \$201,780,000. 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.

	Land \$000	Buildings \$000	Buildings under construction \$000	Plant & equipment \$000	Office equipment \$000	Leased office equipment \$000	Total \$000
<b>2011</b>							
Carrying amount at start of year	21,868	191,874	280,272	2,630	458	150	497,252
Additions	31	934	74,695	903	212	-	76,775
Disposals	-	-	-	(16)	(13)	-	(29)
Revaluation increments	598	15,063	-	-	-	-	15,661
Depreciation	-	(6,091)	-	(518)	(171)	(150)	(6,930)
<b>Carrying amount at end of year</b>	<b>22,497</b>	<b>201,780</b>	<b>354,967</b>	<b>2,999</b>	<b>486</b>	<b>-</b>	<b>582,729</b>

	Land \$000	Buildings \$000	Buildings under construction \$000	Plant & equipment \$000	Office equipment \$000	Leased office equipment \$000	Total \$000
<b>2010</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 increments	(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>

#### 24. Impairment of assets

There were no indications of impairment to property, plant and equipment at 30 June 2011.

The Trust held no goodwill or surplus assets.

## 25. Payables

	2011 \$000	2010 \$000
<u>Current</u>		
Accrued expenses	883	814
Trade payables	359	306
GST payable	705	580
Other payables	6	5
<b>Total</b>	<b>1,953</b>	<b>1,705</b>

## 26. Borrowings

	2011 \$000	2010 \$000
<u>Current</u>		
Finance lease	-	93
Office of Energy loan	30	17
<b>Total current</b>	<b>30</b>	<b>110</b>
<u>Non-current</u>		
Office of Energy loan	-	13
<b>Total non-current</b>	<b>-</b>	<b>13</b>

## 27. Provisions

	2011 \$000	2010 \$000
<u>Current</u>		
<i>Employee benefits provision</i>		
Annual leave (a)	816	757
Long service leave (b)	830	706
<i>Other provisions</i>		
Employment on-costs (c)	116	149
	<b>1,762</b>	<b>1,612</b>
<u>Non-current</u>		
<i>Employee benefits provision</i>		
Long service leave (b)	653	467
<i>Other provisions</i>		
Employment on-costs (c)	46	33
	<b>699</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:

	2011 \$000	2010 \$000
Within 12 months of the end of the reporting period	533	495
More than 12 months after the reporting period	283	262
	<b>816</b>	<b>757</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>2011</b>	<b>2010</b>
	<b>\$000</b>	<b>\$000</b>
Within 12 months of the end of the reporting period	628	463
More than 12 months after the reporting period	855	710
	<u><b>1,483</b></u>	<u><b>1,173</b></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'.

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

	<b>2011</b>	<b>2010</b>
	<b>\$000</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	182	128
Additional provisions recognised	(20)	54
<b>Carrying amount at the end of year</b>	<u><b>162</b></u>	<u><b>182</b></u>

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

	<b>2011</b>	<b>2010</b>
	<b>\$000</b>	<b>\$000</b>
<u>Current</u>		
Accrued Purchases	554	465
Unearned revenue (visit passes, Ticketmaster)	610	1,411
Accrued salaries	327	273
Unsettled events funds	157	195
Other	40	38
<b>Total</b>	<u><b>1,688</b></u>	<u><b>2,382</b></u>

#### **29. Equity**

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

#### **Contributed equity**

	<b>2011</b>	<b>2010</b>
	<b>\$000</b>	<b>\$000</b>
Balance at the start of the period	440,459	68,942
<u>Contribution by owners</u>		
Capital appropriation	67,012	73,452
Other contributions by owners	-	298,065
<b>Balance at the end of the period</b>	<u><b>507,471</b></u>	<u><b>440,459</b></u>

## Reserves

	2011 \$000	2010 \$000
<u>Asset revaluation surplus</u>		
Balance at start of year	65,086	99,059
Net revaluation increments/(decrements):		
Land	598	(900)
Buildings	15,063	(33,073)
<b>Balance at end of year</b>	<b>80,747</b>	<b>65,086</b>

## Accumulated surplus

	2011 \$000	2010 \$000
Balance at start of year	43,991	46,379
Result for the period	19	(2,351)
Expense recognised directly in equity	-	(37)
<b>Balance at end of year</b>	<b>44,010</b>	<b>43,991</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:

	2011 \$000	2010 \$000
Cash and cash equivalents	<b>30,842</b>	<b>36,155</b>

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

	2011 \$000	2010 \$000
Net cost of services	(15,564)	(13,711)
<u>Non-cash items:</u>		
Depreciation expense (note 8)	6,930	6,991
Doubtful debts expense	12	(50)
Resources received free of charge (note 18)	6	5
Finance costs	1	39
Write-offs (note 11)	154	8
Adjustment for other non-cash items	-	3
Net loss on sale of property, plant and equipment (note 11)	29	4
<u>(Increase)/decrease in assets:</u>		
Current receivables (a)	357	(1,908)
Current inventories	42	9
Other current assets	(35)	31
<u>Increase/(decrease) in liabilities:</u>		
Current payables (a)	62	(397)
Current provisions	150	312
Other current liabilities	(693)	880
Non-current provisions	199	1
Change in GST in receivables/payables (b)	1,001	(2,146)
<b>Net cash used in operating activities</b>	<b>(7,349)</b>	<b>(9,929)</b>

(a) 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.

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

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. Resources provided free of charge

	<b>2011 \$000</b>	<b>2010 \$000</b>
During the year the following resources were provided to other agencies free of charge for functions outside the normal operations of the Trust.		
Western Australian Institute of Sport	573	672
	<u>573</u>	<u>672</u>

### 32. Commitments

The commitments below are inclusive of GST where relevant.

#### Capital expenditure commitments

	<b>2011 \$000</b>	<b>2010 \$000</b>
Capital expenditure commitments, being contracted capital expenditure additional to the amounts reported in the financial statements, are payable as follows:		
Within 1 year	93,903	160,430
Later than 1 year and not later than 5 years	-	35,972
	<u>93,903</u>	<u>196,402</u>
The capital commitments include amounts for:		
Buildings	93,903	196,402
	<u>93,903</u>	<u>196,402</u>

#### Lease commitments

	<b>2011 \$000</b>	<b>2010 \$000</b>
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	150	162
Later than 1 year and not later than 5 years	111	225
	<u>261</u>	<u>387</u>
Representing:		
Non-cancellable operating leases	261	386
Future finance charges on finance leases	-	1
	<u>261</u>	<u>387</u>

## Finance lease commitments

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

	2011 \$000	2010 \$000
Within 1 year	-	93
Minimum finance lease payments	-	93
Less future finance charges	-	-
<b>Present value of finance lease liabilities</b>	<b>-</b>	<b>93</b>

The present value of finance leases payable is as follows:

Within 1 year	-	93
<b>Present value of finance lease liabilities</b>	<b>-</b>	<b>93</b>

Included in the financial statements as:

Current (note 26)	-	93
	-	<b>93</b>

## Non cancellable operating lease commitments

	2011 \$000	2010 \$000
Commitments for minimum lease payments are payable as follows:		
Within 1 year	150	161
Later than 1 year and not later than 5 years	111	225
	<b>261</b>	<b>386</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.

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

The Trust has no subsequent events to report.

## 35. Explanatory statement

This statement provides details of any significant variations between estimates and actual results for 2011 and between the actual results for 2010 and 2011. Significant variations are considered to be those greater than 10% or \$5 million.

### Significant variances between estimated and actual result for 2011

	2011 Estimate \$000	2011 Actual \$000	Variation \$000
<b>Expenses</b>			
Supplies and Services	10,263	6,370	3,893
Accommodation Expenses	240	3,267	(3,027)
Other Expenses	93	471	(378)

### Supplies and Services, Accommodation and Other Expenses

The variance within these areas is due to coding of items at the time of budget setting. The variance on the three areas should be reviewed together.

## Significant variances between actual results for 2010 and 2011

	2011 \$000	2010 \$000	Variance \$000
<b>Expenses</b>			
Employee Benefits Expense	16,949	14,571	2,378
Supplies & Services	6,370	5,628	742
Accommodation Expenses	3,267	2,863	404
Cost of Goods Sold	2,529	2,065	464
<b>Income</b>			
Sales and Other Revenue	9,393	6,466	2,927
Interest Revenue	-	1,472	(1,472)

### Employee Benefits Expense

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

### Supplies & Services, Accommodation Expenses and Cost of Goods Sold

The variance is due to the ownership of the WA Basketball Centre for the full year, and increased utilities costs across all venues. In addition, VenuesWest has incurred costs as a result of events held, which have been on-charged to the event promoter. These are offset by additional revenue.

### Sales and Other Revenue

An increase in events held has led to an increase in food and drink sales, along with ticket commission revenue.

### Interest Revenue

Interest previously earned by VenuesWest on balances at bank is no longer transferred to VenuesWest.

## 36. 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 36(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 36(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>2011</b>	<b>2010</b>
	<b>\$000</b>	<b>\$000</b>
<u>Financial Assets</u>		
Cash and cash equivalents	30,842	36,155
Loans and receivables (a)	22,777	19,528
<u>Financial Liabilities</u>		
Financial liabilities measured at amortised cost	1,278	1,248

(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	Interest rate exposure			Past due but not impaired					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>											
2011											
Cash and cash equivalents	-	30,842	-	-	30,842	-	-	-	-	-	-
Receivables (a), (b)	-	1,937	-	-	1,937	1,771	100	66	-	-	-
Amounts receivable for services	-	20,805	-	-	20,805	-	-	-	-	-	-
		<b>53,584</b>	-	-	<b>53,584</b>	<b>1,771</b>	<b>100</b>	<b>66</b>	-	-	-
2010											
Cash and cash equivalents	-	36,155	-	-	36,155	-	-	-	-	-	-
Receivables (a)	-	2,459	-	-	2,459	2,118	341	-	-	-	-
Amounts receivable for services	-	17,061	-	-	17,061	-	-	-	-	-	-
		<b>55,675</b>	-	-	<b>55,675</b>	<b>2,118</b>	<b>341</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 \$41,975 which it does not anticipate will be recovered.

### Liquidity risk

The following table details the contractual maturity analysis for financial liabilities. The table includes interest and principal cash flows. An adjustment has been made where material.

Interest rate exposure and maturity analysis of financial liabilities												
Financial Liabilities	Weighted Average Effective Interest Rate %	Carrying Amount \$000	Interest rate exposure					Past due but not impaired				
			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	More than 5 years \$000
<b>2011</b>												
Payables		1,248	-	-	1,248	-	-	1,248	-	-	-	-
Other borrowings	7.00	30	30	-	-	-	-	-	-	30	-	-
Finance lease liabilities	-	-	-	-	-	-	-	-	-	-	-	-
		<b>1,278</b>	<b>30</b>	<b>-</b>	<b>1,248</b>	<b>-</b>	<b>-</b>	<b>1,248</b>	<b>-</b>	<b>30</b>	<b>-</b>	<b>-</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>

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>2011</b>					
<u>Financial Assets</u>					
Financial Liabilities	1,278	13	13	(13)	(13)
Total Increase/(Decrease)		13	13	(13)	(13)
<b>2010</b>					
<u>Financial Assets</u>					
Cash and cash equivalents	36,155	(362)	(362)	362	362
Financial Liabilities	1,248	12	12	(12)	(12)
Total (Decrease)/Increase		(350)	(350)	350	350

### 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.

### 37. 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:

\$	2011 \$000	2010 \$000
0 - 10,000	3	3
10,001 - 20,000	-	5
20,001 – 30,000	5	1
30,001 – 40,000	1	-
<b>The total remuneration of members of the Trust</b>	<b>150</b>	<b>104</b>

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

#### 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:

\$	2011 \$000	2010 \$000
20,000 – 30,000	1	-
50,001 – 60,000	1	-
70,001 - 80,000	-	1
100,001 – 110,000	1	2
110,001 – 120,000	3	-
120,001 – 130,000	-	1
130,001 – 140,000	1	1
270,001 – 280,000	1	1
<b>The total remuneration of senior officers</b>	<b>946</b>	<b>808</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.

### 38. Remuneration of the auditor

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

	2011 \$000	2010 \$000
Auditing the accounts, financial statements and performance indicators	64	77

The expense is included at note 13 'Other expenses'

### 39. Related bodies

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

### 40. Affiliated bodies

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

#### 41. Supplementary financial information

##### (a) Write-offs

	2011 \$000	2010 \$000
Public property written off by the Board during the financial year	29	4
Bad debt written off by the Board during the financial year	154	8
	<u>183</u>	<u>12</u>

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

	Management of Elite Sport Facilities		Management of Community Sport, Entertainment and Recreation Facilities		Total	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
<b>COST OF SERVICES</b>						
<u>Expenses</u>						
Employee benefits expense	6,780	5,828	10,169	8,743	16,949	14,571
Supplies and services	1,911	1,689	4,459	3,939	6,370	5,628
Depreciation expense	2,772	2,796	4,158	4,195	6,930	6,991
Finance cost	-	-	1	46	1	46
Accommodation expenses	1,308	1,145	1,959	1,718	3,267	2,863
Cost of sales	-	-	2,529	2,065	2,529	2,065
Loss on disposal of non-current assets	-	-	183	12	183	12
Other expenses	189	201	283	300	472	501
<b>Total cost of services</b>	<b>12,960</b>	<b>11,659</b>	<b>23,741</b>	<b>21,018</b>	<b>36,701</b>	<b>32,677</b>
<u>Income</u>						
User charges and fees	1,409	1,323	10,335	9,705	11,744	11,028
Sales	-	-	6,229	5,439	6,229	5,439
Interest revenue	-	-	-	1,472	-	1,472
Other revenue	-	-	3,164	1,027	3,164	1,027
<b>Total income other than income from State Government</b>	<b>1,409</b>	<b>1,323</b>	<b>19,728</b>	<b>17,643</b>	<b>21,137</b>	<b>18,966</b>
<b>NET COST OF SERVICES</b>	<b>(11,551)</b>	<b>(10,336)</b>	<b>(4,013)</b>	<b>(3,375)</b>	<b>(15,564)</b>	<b>(13,711)</b>
<b>INCOME FROM STATE GOVERNMENT</b>						
Service appropriation	5,766	4,659	9,811	6,696	15,577	11,355
Resources received free of charge	-	-	6	5	6	5
<b>Total income from State Government</b>	<b>5,766</b>	<b>4,659</b>	<b>9,817</b>	<b>6,701</b>	<b>15,583</b>	<b>11,360</b>
<b>Surplus/(deficit) for the period</b>	<b>(5,785)</b>	<b>(5,677)</b>	<b>5,807</b>	<b>3,326</b>	<b>19</b>	<b>(2,351)</b>

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

## KEY PERFORMANCE INDICATORS

### WA Sports Centre Trust Certification of Performance Indicators For the Year Ended 30 June 2011

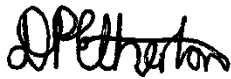
We hereby certify that the performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Western Australian Sports Centre Trust's (trading as VenuesWest) performance and fairly represents the performance of the Western Australian Sports Centre Trust for the financial year ended 30 June 2011.



Graham Partridge  
Chairman  
13 September 2011



Graham Goerke  
Board Member  
13 September 2011



David Etherton  
Chief Executive Officer  
13 September 2011

## KEY PERFORMANCE INDICATOR INFORMATION

### Efficiency and Effectiveness Indicators

**Outcome 1: Sustainable, accessible and profitable state assets delivering sport, recreation and entertainment opportunities for Western Australians.**

#### Service 1. Provision of elite sport facilities and support

##### 1.1 Percentage of targeted sports where venues meet international competition standards

###### Targeted Sports Compliance result 2010-11 – 66.66%

Sport	Competition standards met?		
	State	National	International
Athletics	Y	Y	Y
Basketball	Y	Y	Y
Cycling Indoor	Y	Y	N
Diving	Y	N	N
Gymnastics	Y	Y	Y
Netball	Y	Y	Y
Swimming	Y	N	N
Volleyball	Y	Y	Y
Water Polo	Y	Y	Y

**Source:** An annual assessment of venue facilities and services compared to State, national and international sport competition compliance requirements is undertaken against the nine targeted sports. International competition compliance standards are specified by the different official governing bodies:

FINA for swimming, water polo and diving.  
Federation International of Gymnastics (FIG).  
International Amateur Athletics Federation (IAAF)  
International Federation of Netball Standards (IFNA)  
International Basketball Federation (FIBA)  
Federation International of Volleyball (FIVB)  
Union Cycling International (UCI)

The identification of targeted sports is done in conjunction with WAIS, Department of Sport and Recreation and the State Sporting Associations.

**Derivation:** As at 2010-11 the percentage of targeted sports where venues meet international competition standards is 66.6%. This is the baseline from which targets for future years will be established. A stretch target for 2011-12 of 7/9 sports or 77.7% has now been established.

**Comment:** This indicator demonstrates the effectiveness by which the recurrent appropriation and ongoing capital investment program is able to sustain the compliance standards required of specific sports at the elite competition level.

Venues considered for inclusion in the VenuesWest portfolio have been designed to achieve the compliance requirements of the day – or have the capacity to host national/international competition if appropriately resourced.

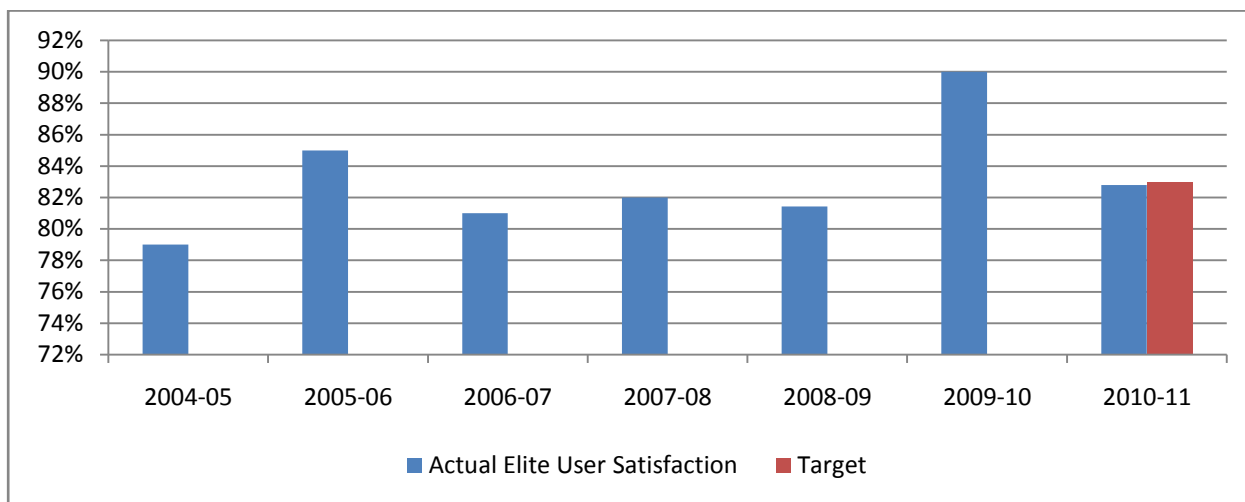
VenuesWest must work in partnership with its key stakeholders to deliver programs, services and support that meet community needs in facilities that are safe, functional and fit for purpose.

By striking a baseline of agreed elite sports that VenuesWest will target for venue compliance against competition standards, a new level of transparency is delivered for the state government and taxpayers alike of the capacity by which our venues can deliver major sporting events.

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, Department of Sport and Recreation and the relevant State Sporting Associations, 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 and top coaches to the east-coast.

It is not however intended that compliance be pursued to international standards in all sports at all costs. Competition cycles, changing compliance standards by international sporting bodies, alternative Australian venues and budgetary considerations will impact directly on performance and be taken into account in setting targets.

### Indicator 1.2 Elite User Satisfaction



Elite User Satisfaction 2010-11 1

**Source:** Customer Service Survey conducted by the Centre for Environmental Management, in association with the University of South Australia in June 2011. 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 by elite sport customers across VenuesWest’s facilities. Elite Sport Customers were asked to rate the quality of services and facilities on a scale of 1 (very poor) to 7 (very good). 78 survey responses were completed and received. The standard error rate for the survey is +/-5%, with a confidence interval of 95%.

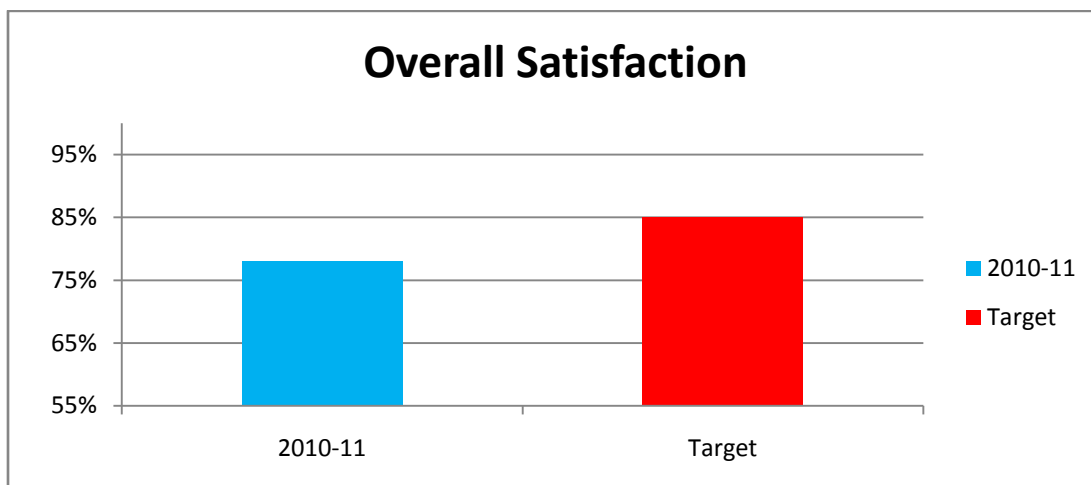
**Comment:**

VenuesWest continues to manage its resources effectively to deliver elite sport facilities. The survey results for 2010-11 indicate an overall satisfaction level of 82.8%. This result is in line with expectations as the significantly high result of 90% reported last year was not deemed sustainable. The target for 2010-11 was revised downwards to 83% based on concerns regarding the level of capital reinvestment in ageing facilities and the capacity to meet international training and competition compliance standards.

The activity profile of the elite athletes that completed the survey included – squad swimming, gymnastics, water polo, diving, skating, cycling, hockey, basketball, netball and volleyball.

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

### Indicator 2.1 Percentage of visitors whose expectations were met or exceeded by VenuesWest services.



**Source:** Customer Service Survey conducted by the Centre for Environmental Management in association with the University of South Australia in June 2011. The CERM Performance Indicator Research Project focuses on benchmarking for sports and leisure services and facilities with approximately 165 organisations Australia-wide participating.

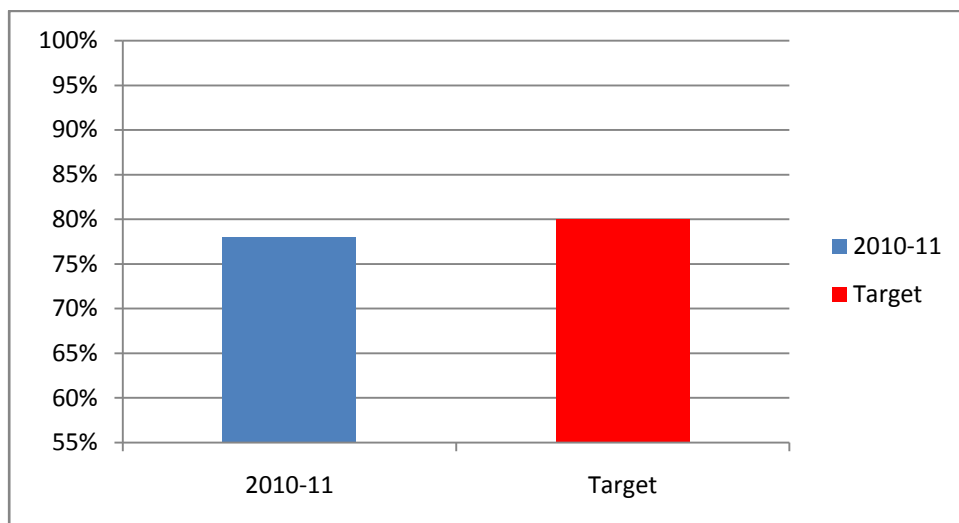
**Derivation:** The survey measured overall satisfaction by patrons at each of the VenuesWest facilities that VenuesWest both owns and manages. Customers were asked to rate the quality of services and facilities on a scale of 1 (very dissatisfied) to 7 (very satisfied). 861 individual responses were completed and received. This is above the recommended sample size by the CERM Benchmarking project of 200 – 300 respondents per venue. The standard error rate for the survey is +/-5%, with a confidence interval of 95%.

**Comment:** This indicator provides a measure of effectiveness of the provision of facilities and services for community sport, entertainment and recreation customers. The 2010-11 result of 78% was lower than the projected target of 85% proving that the target established for this new KPI was ambitious. Results previously captured are not comparable as they did not reflect the total portfolio of assets managed by VenuesWest. The 2010-11 result will form the baseline from which future years targets will be set. The lower than expected result is also reflective of lower user satisfaction levels at the new WA Basketball Centre (68%). As the programmes delivered at this venue are not totally within VenuesWest’s control – improvement measures will be the subject of partnership discussions in the next twelve months. Patrons indicated satisfaction levels of 82% at Arena Joondalup, 77% at Challenge Stadium and 83% at SpeedDome in 2010-11. Due to the seasonal nature of operations at the WA Athletics Stadium and the timing of the survey, satisfaction levels have not been captured for this venue. A variation to the survey period will be implemented in 2011-12 to incorporate this venue in the future.



### Service 3. Provision of competitive and cost effective state owned assets

#### Indicator 3.1 Commercial user satisfaction



**Source:** Commercial User Survey was conducted by VenuesWest in June 2011. This indicator will provide a measure of effectiveness of the provision of facilities and services for commercial customers. The relationship between customer satisfaction and repeat business is essential for the long term sustainability of VenuesWest.

**Derivation:** The survey measured overall satisfaction by commercial users/clients at all of the VenuesWest facilities. Clients were asked to rate the quality of services and facilities on a scale of 1 (very dissatisfied) to 7 (very satisfied). 49 individual responses were completed and received of a total population of 464 identified clients. The standard error rate for the survey is +/-5%, with a confidence interval of 95%.

**Comment:** The 2010-11 result of 78% was lower than the projected target of 80% proving that the target established for this new KPI was ambitious. No previous year comparisons are available for this indicator and the 2010-11 result will form the baseline from which future years targets will be set. The level of satisfaction recorded is indicative of a lower level of engagement experienced with Corporate Clients who utilise the venues to host their events or deliver their own business objectives.

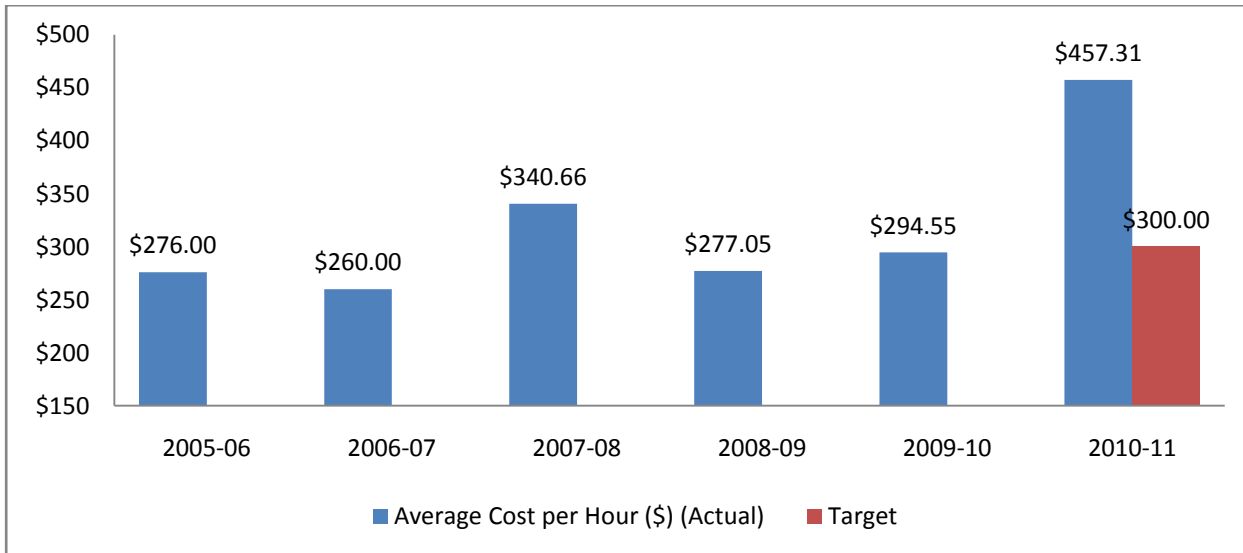
## KEY EFFICIENCY INDICATORS

**Desired Outcome 1: Sustainable, accessible and profitable state assets delivering sport, recreation and entertainment opportunities for Western Australians.**

### Service 1 Provision of elite sport facilities and support

#### Indicator 1. Ratio of direct government funding compared to provision of elite sport facilities

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.

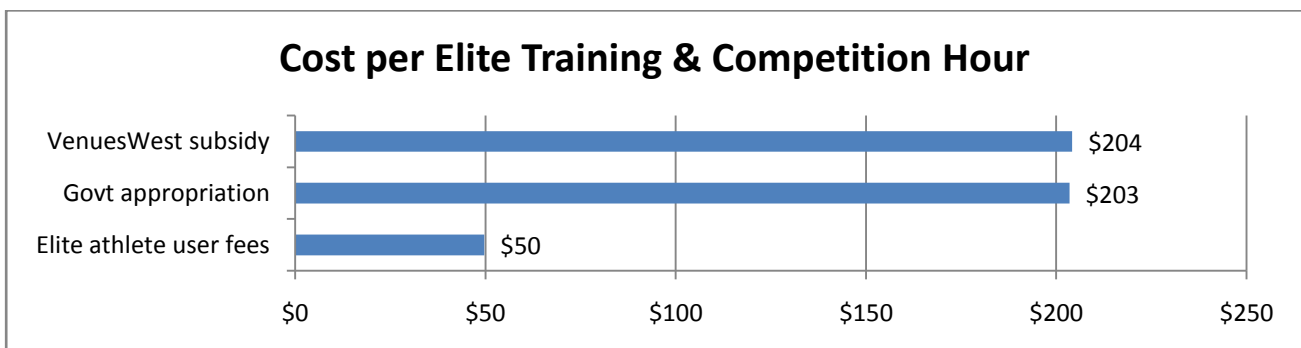


\*NB – A more stringent definition of “elite” customers has been used for 2010-11 reducing significantly the number of hours categorized as elite.

**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 2010-11 is \$457.31 compared with a target established last year of \$300. The 2010-11 results vary significantly to the previous year’s results due to a change applied to the definition of what constitutes elite training and competition and therefore caution should be exercised when making any comparisons. This KPI result is a conservative reflection of the number of hours elite athletes train and compete within the VenuesWest facilities as an elite individual will participate in club level activities and not be identified.



Government funding per elite training hour is \$203 compared to the subsidy provided by VenuesWest of \$204 per hour as a result of profitable activities delivered in service two and three. Therefore for every \$1 invested by the government in VenuesWest it is able to more than double the overall subsidy for elite athletes.

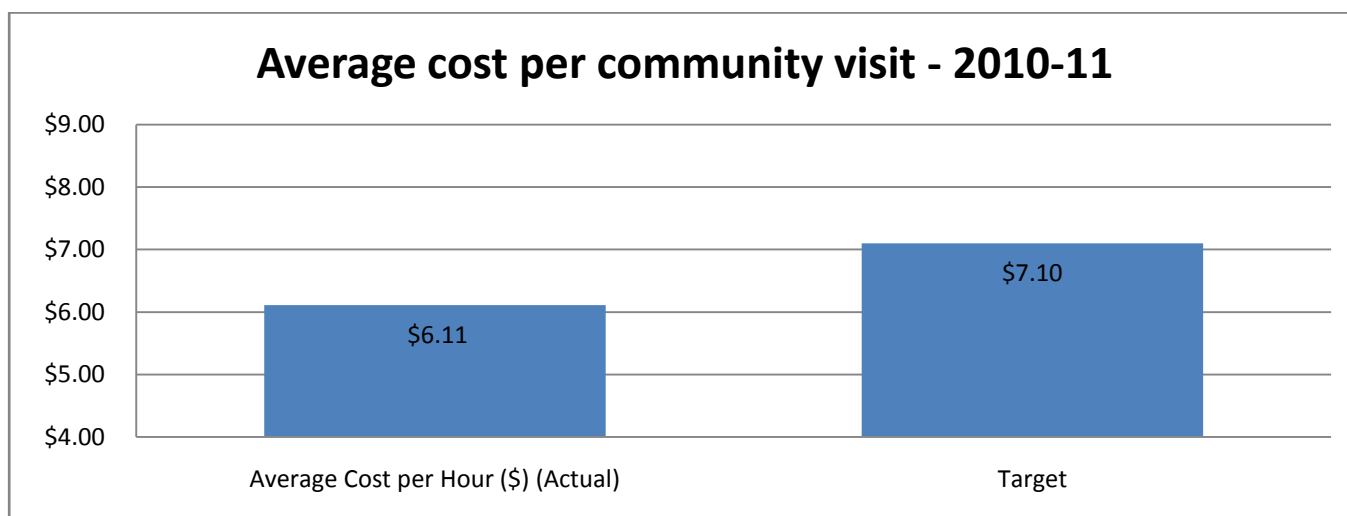
The results can be directly attributed to the following factors:

- Elite training and competition hours captured this year are significantly less due to the use of a more stringent definition for elite customers. A decrease of 11,391.75 hours. Club events are no longer counted for this indicator even though elite athletes generally compete in them.
- The pole vaulting training program was reduced and partially relocated resulting in a significant drop in utilisation at the WA Athletics Stadium.
- The addition of new venues has increased the depreciation and accommodation costs associated with the delivery of Service One.
- An increase in employee expenses for elite sport delivery of \$952k occurred due to pay increases for employees operating under both the Public Service and Government Officers General Agreement 2011 and the VenuesWest General Agreement.

## Service 2: Provision of community facilities and services

### Indicator 2.1 Average cost per patron visit

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.



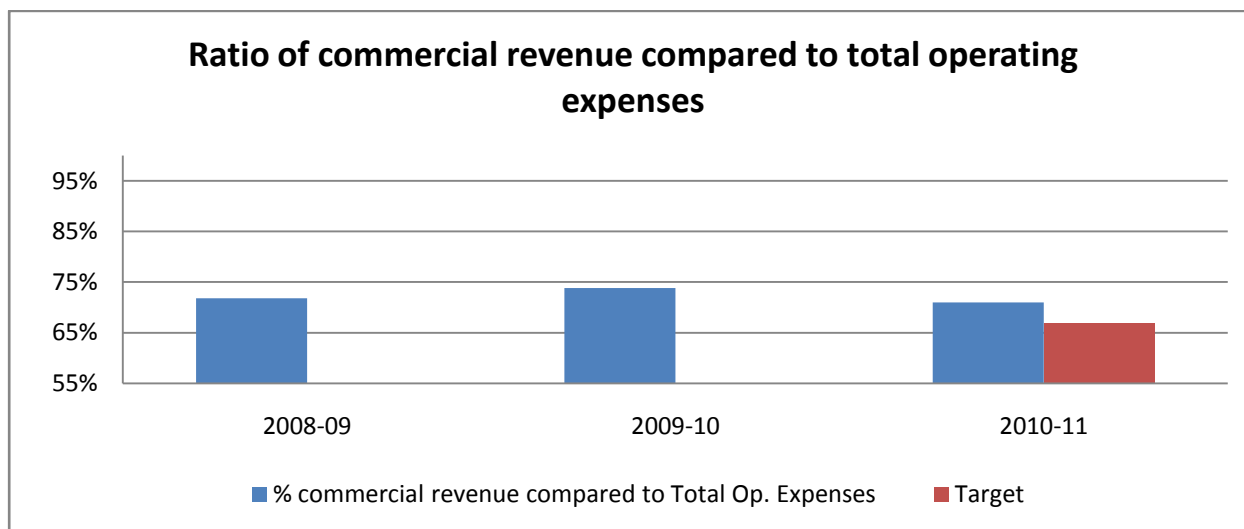
**Source:** CLASS Management System and Financial Statements.

**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 VenuesWest was \$6.11 compared to a target of \$7.10. This result is better than expected as the target was based on previous results captured at two major venues and some efficiencies were expected to be achieved. Previous year comparisons are not available as total community patronage was not captured across all venues and results were skewed by commercial and sport events. The 2010-11 result will be used as the baseline from which future targets will be established.

### Service 3: Provision of competitive and cost effective state owned assets

#### Indicator 3.1 Ratio of commercial revenue compared to total operating expenses



**Source:** 2010-11 Financial Statements and State Budget.

**Derivation:** Commercial revenue achieved as a percentage of total operating expenses for the year (across all Services and Venues).

**Comment:** The 2010-11 result indicates that 71% of VenuesWest's total operating expenses were offset by income derived from other sources. This is 4% better than the projected target of 67% for this new measure. This result reflects the specific effort directed towards ensuring that the programs and services delivered by VenuesWest appeal to potential visitors and yield profitable return for VenuesWest and/or maximum benefit to the State. This result also reflects a delay in pre-opening expenditure on the Perth Arena due to its completion being mid 21012.

VenuesWest aims to minimise its reliance on direct government funding and ensure that State Government Asset utilisation is optimal. Success in this service delivery will ensure sustainable delivery of Service 1 and 2 for the community. The increased revenue from commercial events has allowed VenuesWest's activities to effectively subsidise elite sport at a level greater than the service appropriation for elite activity.

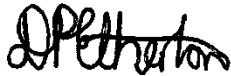
## OTHER FINANCIAL DISCLOSURES

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.

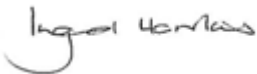
At the date of signing we are not aware of any circumstances which would render the particulars included in this statement misleading or inaccurate.



Mr Graham Partridge  
CHAIRMAN  
13 September 2011



Mr David Etherton  
CHIEF EXECUTIVE OFFICER  
13 September 2011



Ms Ingrid Hawkins  
CHIEF FINANCIAL OFFICER  
13 September 2011

## GOVERNANCE DISCLOSURES

### Ministerial Directives

No Ministerial directives were received during 2010-11.

### Pricing Policies

VenuesWest's admission prices are reviewed annually as part of the state budget process. Any increases recommended by VenuesWest require the approval of the Minister. An increase in VenuesWest's admission prices was approved as part of the 2010-11 budget. Admission prices are advertised on VenuesWest's website.

### Major Capital Projects

Cabinet endorsed funding for the Western Australian Rugby Centre in recognition of the need to drive the future growth of the sport. The project had an allocated budget of \$20million, with construction completed on 1 July 2011 at a cost of \$17million. The construction was managed by the Department of Treasury and Finance through its Building Management and Works division.

### 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  
Childcare Services Act 2007.  
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  
Health (Aquatic Facility) Regulation 2007  
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  
Poisons Act 1964, Poisons Regulations 1965  
Public Sector Management Act 1994  
Salaries and Allowances Act 1975  
State Supply Commission Act 1991  
State Records Act 2000  
State Trading Concerns Act 1916.  
Treasury Regulations and Treasurer's Instructions  
Western Australian Sports Centre Trust Act 1986  
Worker's Compensation and Rehabilitation Act 1981

## OTHER LEGAL REQUIREMENTS

### ***Expenditure on advertising, market research, polling and direct mail:***

*(Electoral Act 1907, s175ZE)*

In accordance with s175ZE of the Electoral Act 1907, the agency incurred the following expenditure in advertising, market research, polling direct mail and media advertising:

Total expenditure for 2010-11 was \$85,072.

Expenditure was incurred in the following areas:

Advertising Agencies	Nil		
<hr/>			
Media Advertising Organisations	\$53,658.91	OMD WA	\$26,129.45
		Sunday Times	\$1,000.00
		West Australian	\$1,525.00
		Parents Paper	\$1,430.00
		Lets Go Kids	\$429.00
		Kidzabuzz	\$275.00
		Kidspot	\$1,107.70
		JBA	\$385.00
		Function Rooms Perth	\$1,161.60
		Adconnect	\$3,871.00
		VIP Publishing	\$3,300.00
		Student Edge	\$3,300.00
		Perth Local	\$2,125.00
		PCB	\$1,840.00
		Impact Publications	\$1,088.50
		Adcorp	\$391.66
		Venues2Events	\$1,100.00
		Offspring	\$3,200.00
<hr/>			
Market Research Organisations	Nil		
<hr/>			
Polling Organisations	Nil		
<hr/>			
Direct Mail Organisations	\$2,729.73	Lasermail	\$2,729.73
<hr/>			

## ***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 and Arena Joondalup;
- 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,



## 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 no breach of Human Resources Standards (Recruitment) during the 2010-11 financial year.
- 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.
- All panel members receive email at commencement of recruitment process reiterating recruitment standards.
- A major review and update of HR Policies occurred in 2010-11.
- HR Manager & HR Coordinator attended launch of new standards with Public Sector Commission.

#### WA Code of Ethics

- Code of Ethics is included and promoted in induction materials and presented to permanent employees at Corporate Induction.
- Compliance with the Code of Ethics is monitored through staff feedback during exit interviews.
- Accountable and Ethical Decision Making training was presented to Tier 2 & 3 employees.

#### Agency Code of Conduct

- VenuesWest has a clearly documented and accessible formal internal grievance resolution process in place.
- VenuesWest core values were reviewed by employee working group with representation from all business units. A formal launch of the values and revised Code of Conduct is scheduled for early 2011-12.
- The intention is to provide all new and existing employees with a booklet that contains the values and Code of Conduct, requiring a sign-off from all staff.
- VenuesWest's code of conduct is contained within VenuesWest's Employee Conduct Policy and is included in all employees' induction materials.
- Performance Management Plans specifically incorporate obligations for adhering to WA Code of Ethics and VenuesWest's Code of Conduct.

## Employment and Industrial Relations Staff Profile

VenuesWest engaged an average of **254** FTE (permanent & casual) across the year to June 30 2011. Employee Profile indicators as of 30 June 2011, representing VenuesWest's permanent workforce, are outlined in the table below. VenuesWest recognises the importance of women in leadership positions and has identified several strategies to increase this ratio.

Classification Level GOSAC & VWGA Equivalent	FTE	Males (%)	Females (%)
Level 9 & Above	2	100	0
Level 8	3	67	33
Level 7	4.6	87	13
Level 6	7.8	90	10
Level 5	11.23	57	43
Level 4	10.41	49	51
Level 3	23.33	54	46
Level 2	36.74	19	81
Level 1	33.62	51	49
<b>TOTAL</b>	<b>132.73</b>	63.07% Average	36.93% Average

*Note: the figures in this table exclude casual employees, seconded-out personnel not paid by VenuesWest, employees on parental leave and leave without pay, Indigenous cadets and trainees, and seconded-in personnel not paid by VenuesWest. The table includes seconded-in and seconded-out personnel paid by VenuesWest.*

### Staff Development and Recruitment

The year's training and development predominately focused on training and skills maintenance required to meet essential qualification obligations. Other training highlights include;

- Introduction of a new Corporate Induction for all permanent employees
- Accountable & Ethical Decision Making
- Customer Focussed Selling for all staff in the Business Development and Marketing directorate to assist in skills development to deliver consistently high quality service to internal and external customers.
- A VenuesWest employee participated in the Foundations of Leadership program and successfully completed the course.
- Public Venue Management (Final year)

Following are the key indicative figures for training in VenuesWest:

As a result of austerity measures implemented in March 2011 total training spend is less than the 2009/10 period.

	<b>2009-10</b>	<b>2010-11</b>
Total hours of training provided to staff	2,654	2,953
Average hours per permanent FTE	21	18
Total training costs (excl. travel)	\$82,804	\$75,710
Average training investment per permanent FTE	652	468
Number of staff receiving study assistance	2	1

*Note: due to budgetary constraints, austerity measures were implemented in March 2011 which impacted training expenditures. This results in the total training spend in 2010-11 being lower than in 2009-10.*

VenuesWest received and processed 1,452 applications for its 66 vacancies. On average 22 applications were received for each vacancy. The average turnaround time to fill each vacancy was approximately 41 days.

### **Industrial Framework**

VenuesWest operates under two separate industrial agreements:

1. The *Government Officers' Salaries, Allowances and Conditions Award 1989* and *Government Officers' Salaries, Allowances and Conditions General Agreement 2008*. Were successfully merged to form the new *Public Service and Government Officers General Agreement 2011*. Under the new agreement, a pay increase for the first year of 3.75% was backdated to 15<sup>th</sup> April 2011. Further increases of 4.00% in April 2012 and 4.25% in April 2013 will be paid; and
2. The *VenuesWest General Agreement 2010* endorsed by the Board of VenuesWest in May 2010 is now in its second year of operation, with a salary increase of 2.75% effective from January 2011. A final salary increase of 3.25% will be paid from January 2012 and the agreement will expire on 31 December 2012.

December 2010 saw the first trial of venue close-down over the Christmas, New Year and Easter weekend periods. A review of the effectiveness of this trial will be undertaken to determine whether it will be included in any renegotiated agreement.

### **Insurance Premiums paid to indemnify 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.

## **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:

- External consultancy assistance was 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.
- 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. This has recently been reviewed again in June 2011 with the assistance of a Records Management consultancy and will be submitted to the State Records Office in July 2011.
- A complete review of VenuesWest retention and Disposal Schedule was conducted during 2009-10 and has recently been reviewed again in June 2011 with the assistance of a Records Management consultancy and will be submitted to the State Records Office in July 2011.
- 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.

## Government Policy Requirements

### 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. Premier's Circular 2007/12)*

#### 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 2010/11 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, as are those of the safety and health representatives. This information is also available on VenuesWest intranet.

Each venue has an Occupational Safety and Health Committee which 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.

There is also a bi-annual meeting of combined committees from all venues.

There are elected safety and health representatives from each work location who also form part of the OSH committees.

VenuesWest also has a documented issue resolution procedure that is communicated to all employees at induction, which 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.**

As per the recommendation of the 2010 report, an external, WorkSafe accredited assessor was employed to audit the VenuesWest Safety Management System in June 2011 against the elements in the WorkSafe Plan.

Results of the audit were presented to the VenuesWest Management Team (VMT) and used in development of the Occupational Safety and Health Plan following analysis of the recommendations from the audit.

Executive Summary of Audit Results

Due to a change in the indicators within each element of the WorkSafe Plan (as a result of a review), a direct comparison with previous results could not be made. However, the elements of the Plan remained essentially the same and therefore a general trend in relation to overall performance within an element was able to be established.

Results from the audit indicate deterioration in the level of performance across all elements of the WorkSafe Plan. Each element of the Plan had several indicators with scores of 5 or less which is deemed "inadequate". Management Commitment, Planning, Hazard Management, Consultation and Reporting and Training and Supervision all scored less than 50%.

The audit results revealed that while the elements of the Safety Management System were there, they were not universally implemented, reviewed and improved. This deterioration in performance may be in part due to the OSH Coordinator position being vacant for some 8 months. It is the intention of VenuesWest that this position be filled. There are additional initiatives that are proposed which will address some of the issues identified from the audit results. These are mentioned at "item 6".

Item 5

**Record of performance against the following targets for 20010/11:**

<b>Indicator</b>	<b>Target</b>	<b>Actual</b>
Number of fatalities	Zero (0)	0
Lost time injury/disease (LTI/D) incidence rate (Zero or 10% reduction on previous year)	1.74	3.15
Lost time injury severity rate (>60 days) (Zero or 10% reduction on previous year) The rate for 2009/10 was 33.333	30.0	25.0
% of workers returned to work within 28weeks (full duties/full hours pre injury)	-	100%
% of managers trained in OSH and injury management responsibilities (see below)	> = 50%	64%

$$\text{LTI/D Incidence Rate.} = \frac{\text{Number of LTI's}}{\text{Number of employees (FTE)}} \times 100$$

The rate for 2009/10 was 1.93 which, with a reduction of 10%, resulted in a target of 1.74 for 2010/11. The actual rate was 3.15 which is an 81% increase on the previous year.

There were 8 LTI's this financial year (compared to 3 the previous year). Of the 8 LTI's, 2 were classified as severe (60 days or more)), 3 lost between 7 – 10 days, 2 lost only one day and there is 1 pending acceptance from WorkCover.

Analysis of the LTI's did not reveal any specific issues within a particular area as the incidents involved a mix of permanent and casual staff across a variety of areas from Aquatics Officers, Venue Officers, café workers, car park attendants and sport instructors. It is envisaged that the introduction of the electronic incident report database will better capture all incidents, not just LTI's, and provide further data for analysis.

The data does however highlight the diversity of risk exposure from the variety of work types within VenuesWest.

**LTI Severity Rate**  $\frac{\text{Number of severe injuries}}{\text{Number of LTI's}} \times 100$

A severe injury is one with estimated 60 days or more lost from work.

There were two severe injuries in the 2010/11 financial year compared to one in the previous year. Statistically however, there was a reduction of about 25% in the LTI severity rate.

With such relatively small numbers it is difficult to deduce anything of significance from the data. Here again the capture of more information through the electronic incident report database will provide more data for analysis.

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

This includes Executive, Directors, Managers and Coordinators but does not include those employees at supervisory level. This figure has decreased compared to last year (74%) mainly due to Coordinator-level staff changes.

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

Other Safety and Health related training/courses/conferences

- Risk management
- Government risk management conference

Item 6

**Optional requirements**

New initiatives for the year:

- Flu vaccinations were offered to staff again this year in May 2011.
- Implementation of electronic incident report database.
- Commitment to implement RiskCover's RiskBase risk management system. This will also include training for staff in risk management principles.

Percentage of elected Safety & Health representatives trained:

- 83% trained between July 2010 and June 2011 (10/12). The remainder are booked to attend the training course in August 2011. Some representative positions became vacant due to staff movements and resignations.
- 67% (8/12) attended the WorkSafe Forum in October 2010.

## 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

Arena Joondalup – Community Enrolments and Offers Catalogue  
Arena Joondalup Swim School/Famous for Kids (SREP wet/dry programmes)  
Arena Joondalup Fitness  
Arena Joondalup Childcare  
Arena Joondalup Functions (catering pack)

Challenge Stadium – Community Enrolments and Offers Catalogue  
Challenge Stadium Banquets  
Challenge Stadium Birthday Parties  
Challenge Stadium Gym-fit  
Challenge Stadium Challenge Sports Experience  
Challenge Stadium Swim School/ Kids (SREP wet/dry programmes)  
Challenge Stadium Adult Swim  
Challenge Stadium Fitness  
Challenge Stadium Childcare  
Challenge Stadium Functions (catering pack)

SpeedDome Bike Education Experience

WA Athletics Stadium Famous for Athletics (venue information)



## HOW TO CONTACT VENUESWEST

VenuesWest - Arena Joondalup  
Kennedy Drive  
Joondalup WA 6027  
Postal Address:  
PO Box 33  
Joondalup WA 6919  
Phone: (+61 8) 9300 3355  
Fax: (+61 8)9300 1199

VenuesWest – Challenge Stadium  
Stephenson Avenue  
Mt Claremont WA 6010  
Postal Address  
PO Box 581  
Floreath WA 6014  
Phone: (+61 8) 9441 8211

VenuesWest - Perth Arena  
Project Office  
Level 3, 130 Royal St  
East Perth WA 6004  
PO Box 6099  
East Perth 6892  
Phone: (+61 8) 6211 7600  
Fax: (+61 8) 6161 5652

VenuesWest - SpeedDome  
Eddie Barron Drive  
Midvale WA 6056  
Postal Address  
PO Box 1816  
Midland WA 6936  
Phone: (+61 8) 9250 6701  
Fax: (+61 8) 9250 6702

VenuesWest – WA Athletics Stadium  
Stephenson Avenue  
Mt Claremont WA 6010  
Postal Address  
PO Box 581 Floreath WA 6014  
Phone: (+61 8) 6272 0400  
(+61 8) 9441 8222 - Human Resources  
Fax: (+61 8) 9441 8288 - Human Resources

VenuesWest – WA Basketball Centre  
Stephenson Avenue  
Mt Claremont WA 6010  
Postal Address  
PO Box 581 Floreath WA 6014  
Phone: (+61 8) 9287 0603

VenuesWest - Perth Motorplex  
Cnr Anketell and Rockingham Roads  
Kwinana Beach WA 6167  
Postal Address:  
PO Box 241  
Kwinana WA 6966  
Phone: (+61 8) 9419 6622  
Fax: (+61 8) 9439 4488

VenuesWest – WA Rugby Centre  
Stephenson Avenue  
Mt Claremont WA 6010  
Postal Address  
PO Box 581 Floreath WA 6014  
Phone: (+61 8) 9387 0700