

ANNUAL REPORT 2017-2018



VENUES WEST

YEAR 2 OF OUR STRATEGIC PLAN
2016-2021

Bigger than our Buildings, Further than the Finish Line





About this Report

The aim of this report is to inform VenuesWest's customers, community and stakeholders about our organisation, its strategic priorities, performance and governance for the 2017-18 financial year.

The report was developed in accordance with the Western Australian Government's Annual Reporting Framework 2017-18. The report is published on our website www.venueswest.wa.gov.au. For customer enquiries or to provide feedback on the report please email: contactus@venueswest.wa.gov.au

Location and contact details for our venues can be found on the final page of this report.

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HON MICK
MURRAY MLA

Message to the Minister

To the Honourable Mick Murray MLA

Minister for Sport and Recreation

In accordance with the requirements of *Western Australian Sports Centre Trust Act, 1986* and Section 64 of the *Financial Management Act 2006*, it is our 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 2018.

The annual report has been prepared in accordance with the provisions of the *Financial Management Act 2006*.

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

Graham Goerke
CHAIR
VENUESWEST BOARD

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

David Etherton
CHIEF EXECUTIVE OFFICER

2017-18 HIGHLIGHTS

OFFICIAL OPENING OF OPTUS STADIUM



On 21 January 2018 with a Community Open Day that attracted nearly 70,000 people. VenuesWest now has 13 operational venues across metropolitan Perth.

4.7 MILLION CUSTOMERS



VenuesWest welcomed over 4.7 million customers into its world class venues. Beating 4 million for the first time ever.

91% CUSTOMER SATISFACTION



VenuesWest continues to impress its patrons, exceeding its target of 88%, and from the highest ever survey sample of over 10,000 customers.

RUGBY RETURN



nib Stadium benefited from the return of Western Force with seven World Series invitational matches. The first match on 4 May 2018 saw a record crowd of almost 20,000 witness the debut of the reborn Western Force.

WORLD CLASS EVENTS



89 world class sport and entertainment events and the largest ever attendance at a stadium sporting event in Western Australia, with 57,616 people at the West Coast Eagles versus Richmond AFL game at Optus Stadium.

RECORD ATTENDANCE



Optus Stadium hosted an Australian Football League Women's (AFLW) match with 41,900 people attending. The best ever attendance at an AFLW match and highest ever attendance for a stand-alone female sporting event in Australia.

SOCCER FIRST FOR WA



Australian Soccer team the Matildas played their first ever Western Australian match against Thailand at nib Stadium on 26 March 2018.

WORKING TOGETHER



Successful partnerships with our private operators resulting in better than budgeted revenue from events and catering.

HBF ARENA REDEVELOPMENT



In partnership with the State Government and the City of Joondalup additional Basketball and Football facilities were provided for the northern suburbs.

NEW TRACK FOR CYCLING ELITES



Replacement of the velodrome track at SpeedDome, providing a world class venue for elite track cycling athletes in Western Australia.

WORKPLACE CULTURE ACHIEVEMENT



Improved workplace culture focused on collective achievement and resulting in a net culture score of 81% and a participation rate of 92%.

SUPPORTING THE COMMUNITY



VenuesWest donated over \$80,000 in cash and in kind to its community partners and provided direct financial support to four young elite athletes through our Brand Ambassador program.

MR GRAHAM
GOERKE

Chair's Overview

VenuesWest's extensive growth over the last decade culminated in the delivery of a fully operational Optus Stadium and Sports Park Precinct in January 2018. The new Stadium is the most significant investment ever in sport and entertainment infrastructure in Western Australia, and to see the Stadium and grounds fully activated and enjoyed by fans was a significant moment for the organisation and for Perth as a city. In its first season, the multi-purpose Stadium recorded the second-highest average AFL attendance in the country, behind only the Melbourne Cricket Ground.

It was gratifying to see the Project Team that oversaw design and delivery of the Stadium, appointment of the operator VenuesLive and the securing of Optus as the commercial naming rights partner, receive well-earned recognition as Best Practice in Collaboration across government and between government and Non-Government organisations Awards by the Institute of Public Administration.

Through a period of change in the sport and entertainment sectors, our venues have been lively and active. Our partnership with our operators, service providers, key stakeholders and user groups enabled us to reach out to more Western Australians than ever. Attendance at sport and entertainment events was stronger than expected and delivered outstanding customer experiences with 91% satisfaction reported by event customers. It has been an incredible effort by staff to achieve this level of service whilst also achieving financial targets.

Taking on the operations of Perth Motorplex has been a challenge. I commend the Motorplex team for delivering a full calendar of successful events and the wider VenuesWest staff for their support whilst long term management and ownership of the venue is determined.

As part of our commitment to supporting high performance sport, we launched our Brand Ambassador program this year, with four outstanding WA athletes as our inaugural ambassadors; Steve Bird, Amber Merritt, Nikita Hains and Brianna Throssell. Each athlete was provided with sponsorship to assist them with their training and competition expenses. We have enjoyed following their journeys, celebrating their successes and sharing their achievements with our members and staff.

My sincere thanks go to our outgoing Chair Richard Muirhead. Richard was a dedicated and enthusiastic Board member who championed VenuesWest to be incredibly proactive in ensuring our venues and operations are always evolving to meet the changing environment. Welcome to Paralympian and Order of Australia Medal recipient Priya Cooper, I am confident she will be an outstanding addition to the experienced and diverse VenuesWest Board. I am honoured to have been appointed the new Chair and wish to thank my fellow Board members, Executive and staff for their tireless commitment to making our venues and the experiences within them, world class.

Graham Goerke
CHAIR



MR DAVID
ETHERTON

Chief Executive's Report

VenuesWest plays a significant role in the sport and entertainment experiences of Western Australians and in 2017-18 patronage at our 13 venues exceeded 4.7 million for the first time ever.

On 21 January 2018, our 13th venue Optus Stadium was officially opened, three months ahead of schedule, with a community open day. Its success was due in large part to the collaboration of key government agencies working together to win. The multi-purpose, world class Stadium hosts AFL and Cricket plus rugby league, rugby union, football and entertainment events. Two giant screens and an LED lighting display capable of reflecting team colours are some of the 'fans first' features within it. It is clear the people of Western Australia love the venue with its one millionth visitor welcomed at the AFL Fremantle versus Adelaide game in June, less than six months after a very successful opening.

With improved game day production, the State's AFL teams are delivering a high quality entertainment and sporting experience. Optus Stadium set a record attendance for AFL matches in Western Australia with an average of 47,723, representing a 41% increase on the previous year and the second highest average nationally. Our high customer satisfaction ratings were also reflected at Optus Stadium with the Western Derby survey results at 94%.

It is clear that Western Australia now has a world class stadium.

It was a big year for capital upgrades, with over \$13 million spent on improvement projects. A multi-sport expansion at HBF Arena delivered a new basketball stadium and football amenities to the local community. The cycling community received a new roof and velodrome track at the SpeedDome in Midvale. Track cycling is one of Western Australia's most successful sports at an international level and we look forward to the venue producing many more future champions. 'Venue Visions' were established this year, following consultation with our strategic stakeholders, and will drive future investment to ensure our facilities are fit for purpose.

VenuesWest championed the dreams of our Brand Ambassador, swimmer Brianna Throssell, and 32 other Western Australian athletes who competed in the Commonwealth Games on the Gold Coast. In February, the WA Athletics Stadium hosted the Queen's Baton Relay to celebrate the diversity of the Commonwealth Games and excite people about the world-class festival of sports and culture.

Commercially this year was challenging; a downturn in the market, the loss of the Western Force and a number of cancelled tours impacted revenue results. However, strong attendance figures at our major venues Optus Stadium, RAC Arena and nib Stadium enabled us to finish the year with a positive financial outcome. A new commercial strategy is in place for next year, ensuring we continue to focus on areas of greatest return.

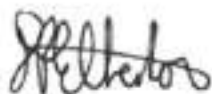
Security events at Stadiums and Arenas around the world have again highlighted the importance of infrastructure and operational processes. During the year the VenuesWest team was incredibly proactive in ensuring our venues and operations evolved to best meet the changing environment. A security review of the venues was undertaken to identify additional infrastructure recommendations. The findings will be utilised in 2018-19 to secure and prioritise investment across the portfolio to enhance safety and security infrastructure.

On a lighter note, our Community Partners Program allowed us to directly support charity organisations within our community. This year we donated over \$50,000 to our community partners, as well as nearly \$30,000 worth of tickets to sport and entertainment events. To see the delight on the faces of volunteers, families and staff attending events that were otherwise beyond their reach, warmed many hearts.

Overall, it was a very successful year and I would like to thank the Board for its continued guidance, and the Executive Team and staff for their commitment in championing dreams and finding a way to make it happen.

Through a steely focus on performance and collective achievement, we achieved all bar one of our performance targets. It is fair to say our intentional culture, supported by our Pulse program, has had a positive impact on staff and the organisation. VenuesWest's consistently high participation rate of 92% and the highest culture score yet of 81%, places us in the upper quartile of performance and is testimony to the many great people who work at VenuesWest.

I would like to sincerely thank the outgoing Board Chair Richard Muirhead for his dedication and commitment to VenuesWest. Richard was an outstanding leader of the Board, whilst also being very visible both within VenuesWest and externally. Richard's connection to and appreciation of staff has been highly valued. I welcome Graham Goerke as new Chair; Graham has extensive knowledge and experience of the organisation having been a Board member for 11 years. I look forward to working with him closely in 2018-19 and beyond.



David Etherton
CHIEF EXECUTIVE OFFICER

CORPORATE OVERVIEW



Role

VenuesWest manages the State's major sport and entertainment venues on behalf of the Western Australian Government.

Established under the *Western Australian Sports Centre Trust Act 1986*, VenuesWest is governed by a Board appointed by and responsible to the Minister for Sport and Recreation.

VenuesWest's asset portfolio consists of 13 venues valued in excess of \$2 billion, including the 60,000 seat world class Optus Stadium which opened in January 2018. In 2017-18, VenuesWest welcomed over 4.7 million patrons into its venues including:

- Children learning new skills
- People of all ages participating in sporting and fitness activities
- Families and friends enjoying live sport and entertainment experiences

- Locals as well as visitors to Western Australia being attracted to major events and world class venues

The majority of our venues exist to support Western Australian high performance athletes and teams by providing training and competition facilities. Direct subsidies to sports on venue and event costs and provision of accessible high performance sport experiences for the community are also provided. For every dollar invested by the State Government, VenuesWest more than doubles the investment in high performance sport through its commercial success.

VenuesWest's venues are located across the Perth metropolitan area offering a multitude of options for sport and entertainment events. Its corporate office is located adjacent to HBF Stadium in the Mount Claremont precinct.

Venues



CAPACITY 60,000 pax
ASSET VALUE \$1.075B
LOCATION Burswood
PRIMARY USE Australian Football, Cricket

OPTUS STADIUM

Opened in 2018, Optus Stadium is a 60,000 seat multi-purpose venue hosting a variety of sport and entertainment events including Australian Football League, International and Big Bash cricket, soccer, rugby league and union and concerts. A 'fans-first' approach to the design of the Stadium offers unrivalled spectator experiences including exceptional event atmosphere and state-of-the-art lighting, video and audio systems. The surrounding Stadium Park utilises the nearby Swan River and acknowledges the site's Aboriginal heritage. It offers year-round access for visitors to the nature playground in Chevron Parkland, the BHP Boardwalk and Amphitheatre, two restaurants, public art, picnic and barbecue facilities, and a network of walking and cycle tracks. VenuesLive is the operator of Optus Stadium, as agent for VenuesWest.



CAPACITY 5,000 pax
ASSET VALUE \$48.8M
LOCATION Mount Claremont
PRIMARY USE Elite Sport, Health and Fitness, Aquatics, Entertainment Events

HBF STADIUM

In 1986, VenuesWest's first venue, originally known as the Perth Superdrome, was built with its primary focus being to develop elite sport and athletes in their pursuit of excellence. Now known as HBF Stadium, the facility is currently home to a myriad of activities including elite sport training and competition, aquatics, health and fitness facilities, childcare and children's programs as well as functions, concerts and events.



CAPACITY 3,000 pax
ASSET VALUE \$8.1M
LOCATION Midvale
PRIMARY USE Indoor Cycling

SPEEDDOME

The 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.



CAPACITY 42,000 pax
ASSET VALUE \$63.1M
LOCATION Joondalup
PRIMARY USE Sporting Activities, Health and Fitness, Aquatics, Outdoor Festivals

HBF ARENA

Built in 1992, HBF Arena provides multi-purpose sport and aquatic facilities for the northern suburbs. It is home to in excess of 30 sporting clubs, 2,000 health and fitness members, 1,000 Learn to Swim members and the West Perth Football Club. HBF Arena caters for a variety of sports including football, hockey, netball, rugby, athletics, tennis, volleyball, badminton and soccer.



CAPACITY 15,000 pax
ASSET VALUE \$28.4M
LOCATION Kwinana Beach
PRIMARY USE Speedway, Drag Racing

PERTH MOTORPLEX

Western Australia's world class motorsports complex opened in 2000 and was the first motor sport venue in Australia to combine both drag racing and speedway on one site. The complex comprises an oval speedway track and a quarter mile drag strip.



CAPACITY 12,000 pax
ASSET VALUE \$20.9M
LOCATION Mount Claremont
PRIMARY USE Athletics

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 track and has been designed to give athletes maximum assistance to achieve great performances. It seats 2,000 people in the grandstand, more than 8,000 on the grass banks and hosts a myriad of athletics events.



CAPACITY 2,500 pax
ASSET VALUE \$41.8M
LOCATION Mount Claremont
PRIMARY USE Basketball

BENDAT BASKETBALL CENTRE

Opened in January 2010, the facility is 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. It is a multi-purpose sports complex and home of Basketball WA, Perth Wildcats and the Perth Lynx. Whilst basketball is its primary use, sports such as netball, volleyball, badminton and other indoor games are also hosted. The venue is co-managed with Basketball WA.



ASSET VALUE \$12.4M
LOCATION Mount Claremont
PRIMARY USE Elite Sport

WA RUGBY CENTRE

Opened in July 2011 the facility is located in the Mount Claremont sporting precinct and provides a multi-purpose facility with administration space for Rugby WA and Perth Glory, high performance indoor training facilities, gymnasium space and change rooms plus a small training area.



CAPACITY 15,500 pax
ASSET VALUE \$449.9M
LOCATION Perth
PRIMARY USE Elite Sport, Entertainment Events

RAC ARENA

RAC Arena, Western Australia's state-of-the-art multi-purpose indoor entertainment and sports venue, opened its doors in November 2012. Formerly known as Perth Arena, a naming rights sponsorship has been secured which will see the venue known as RAC Arena from 1 September 2018.

As the jewel in the crown of the City's premier entertainment precinct, the 15,500 capacity venue is home to NBL Champions the Perth Wildcats. Since opening, the venue has held 472 events, including the Hopman Cup, and a plethora of the world's best contemporary music artists, comedians and children's entertainers. AEG Ogden operates the venue on behalf of VenuesWest.



CAPACITY 10,000 pax
ASSET VALUE \$28.2M
LOCATION Armadale
PRIMARY USE Rowing,
 Canoeing, Triathlon

CHAMPION LAKES REGATTA CENTRE

VenuesWest was assigned ownership and management of Champion Lakes Regatta Centre in 2011-12. The facility is Western Australia's only purpose-built rowing facility and comprises a 55 hectare lake, 2,000 metre international standard rowing course, warm up lake, boat shed storage area and clubhouse. The Centre is home to a number of sporting groups and hosts national and international competitions.



CAPACITY 35,000 pax
ASSET VALUE \$82.9M
LOCATION Perth
PRIMARY USE Rugby Union,
 Rugby League, Soccer

nib STADIUM

As Perth's only rectangular stadium, the venue serves as the competition base for the high performance sporting codes of Rugby League, Rugby Union and Soccer. Following a \$95 million redevelopment, it is now a world class rectangular stadium capable of hosting high quality, large attendance sporting and entertainment events.



CAPACITY 1,050 pax
ASSET VALUE \$23M
LOCATION Jolimont
PRIMARY USE Netball

STATE NETBALL CENTRE

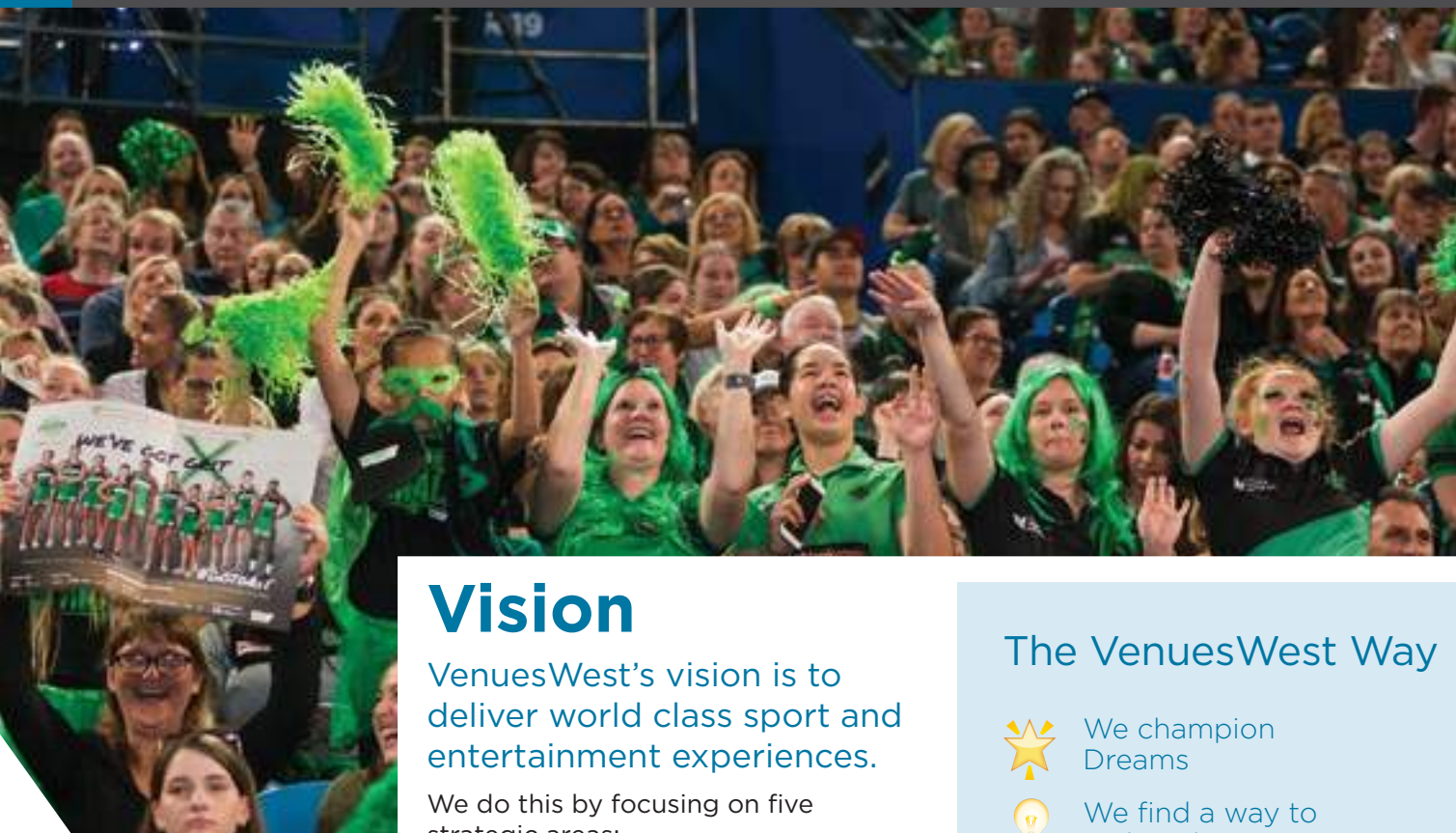
The \$26 million State Netball Centre opened in March 2015. The Centre includes four world-standard indoor netball courts and office space for Netball WA and the West Coast Fever, and is located within the Matthews Netball Centre in Floreat. The venue is co-managed with Netball WA.



ASSET VALUE \$27.9M
LOCATION Mount Claremont
PRIMARY USE Elite Sport

WA INSTITUTE OF SPORT (WAIS) HIGH PERFORMANCE SERVICE CENTRE

The WAIS High Performance Service Centre opened in April 2015. This impressive hi-tech facility enables talented Western Australian athletes to train in their home environment. The Centre houses specialist training and testing functions including a strength and conditioning gym, multi-purpose training area, 80m five lane indoor runway for long jump, sprinting and throwing sports, hydrotherapy and recovery pools, physiology and environmental laboratories, consultation rooms, athlete amenities and office space.



Vision

VenuesWest's vision is to deliver world class sport and entertainment experiences.

We do this by focusing on five strategic areas:

1. Outstanding customer experiences
2. Venues that are fit for purpose
3. A workforce that is aligned, highly capable and adaptable
4. Realising commercial success to subsidise high performance sport and reinvest in our venues
5. Securing world class events.

Culture

The VenuesWest Way guides the way we work, where the signature behaviours are modelled by our leaders and guide employees on the way things are done at VenuesWest. Our culture program ensures that as an organisation we are focused on achieving our objectives collectively.

The VenuesWest Way



We champion Dreams



We find a way to make it happen



We act like owners



Together we win

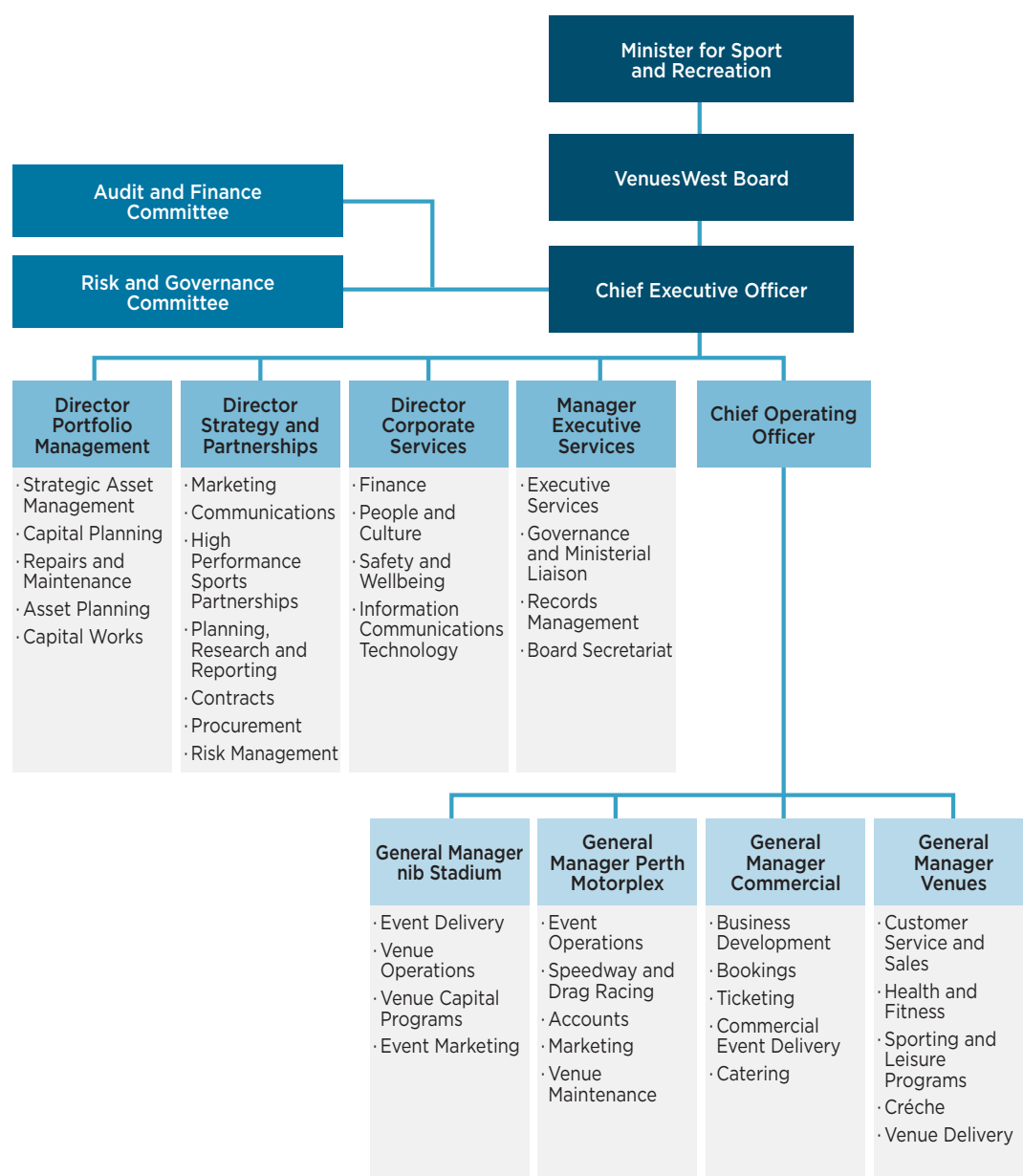


We celebrate success – big and small

Stakeholders

VenuesWest has a diverse range of stakeholders, including State and local government agencies, high performance sport athletes and teams, sport associations, event organisers, customers, venue operators, service providers, tenants, and community users. We service the broader Western Australian community, and welcome interstate and overseas visitors to our venues.

Organisational Structure



Board Profiles

As a Statutory Authority of the State Government of Western Australia, VenuesWest is governed by a Board. The *Western Australian Sports Centre Trust Act* provides for the establishment of a Board and the nine members are appointed by, and responsible to, the Minister for Sport and Recreation.

The Board has overall responsibility for corporate governance and sets the strategic direction of the organisation. In 2017-18, a total of 12 Board meetings were held, including two extraordinary meetings.



MR RICHARD
MUIRHEAD



MR GRAHAM
GOERKE



MRS MARY
ANNE STEPHENS



MR ROBERT
KENNEDY



MRS SUSAN
HUNT

Mr Richard Muirhead

Mr Muirhead was appointed Chair of the Board from 1 July 2015, and his term expired on 30 June 2018. Mr Muirhead has extensive executive experience within State Government, having been Chief Executive Officer at Tourism WA and the Department of Commerce and Trade. Richard previously held the position of State Director for CHOGM (Commonwealth Heads of Government Meeting) and is currently Principal of Spiral Consulting.

Mr Graham Goerke

Mr Goerke was appointed to the Board of VenuesWest on 12 March 2007 with his current term expiring 31 December 2019. Graham was a senior Partner at law firm Jackson McDonald and has over 30 years' experience in commercial law. At Jackson McDonald, he was particularly involved in the buying and selling of commercial and industrial property; property development, subdivision and leasing; with relevant experience in contaminated sites, environmental law and property/facilities management.

Mrs Mary Anne Stephens

Mrs Stephens was appointed to the Board on 29 October 2015, and her current term expires on 31 October 2021. Mary Anne brings over 25 years' experience in finance and operational roles both in the commercial and not-for-profit sectors, and key strengths in finance, risk and governance. She has spent the last 13 years of her career in roles focusing on strategy, finance, risk, governance and business intelligence.

Mr Robert Kennedy

Mr Kennedy joined the Board on 1 July 2015 and his current term expires on 31 December 2019. Robert has held senior roles within the Department of the Premier and Cabinet since 2003 and is currently the Executive Director. He has also held research and policy roles with both Commonwealth and State Government.

Mrs Susan Hunt

Mrs Hunt joined the Board on 1 September 2016 with her term expiring on 31 August 2021. Susan is the Chief Executive Officer of LotteryWest and Healthway, having previously been the Chief Executive Officer of Perth Zoo since 2004, and brings a wealth of commercial and facilities management expertise to the Board. Susan has also been President of the World Association of Zoos and Aquaria since 2015 and was awarded a Public Service Medal in 2010 for her outstanding contribution to conservation and public service.



PROFESSOR
PAUL JOHNSON



MS LINDA
WAYMAN



MR SCOTT
HENDERSON



MS DONNA
OXENHAM



MR ALEX
MCKENZIE

Professor Paul Johnson

Professor Johnson joined the Board on 1 July 2015 and his term expires on 30 June 2020. Paul is currently Warden of the Forrest Research Foundation and was previously Vice-Chancellor of the University of Western Australia as well as serving as Vice-Chancellor of La Trobe University in Victoria and as Deputy Director of the London School of Economics. Paul has served on a number of professional Councils, learned societies and professional bodies and has held the position of Director of UniSuper, and member of the Fund's Investment Committee. He is also a Member of the Advisory Council of the Australian Research Council.

Ms Linda Wayman

Ms Wayman joined the Board on 1 July 2017, and her term expires on 30 June 2019. Linda brings significant experience in major sporting events, media exposure and tourism, and marketing and communication strategies. For almost 15 years, she was General Manager of Southern Cross Austereo Perth, overseeing radio stations mix94.5 and hit92.9. She is also a former Telstra Business Woman of the Year, and an inductee into the WA Women's Hall of Fame.

Mr Scott Henderson

Mr Henderson joined the Board on 1 July 2017 for a two year term expiring on 30 June 2019. Scott brings over 20 years' strategic and management expertise in ASX listed and major corporations, as well as a significant involvement in sport having spent four years as CEO of Netball WA. His experience across a diverse range of Boards brings further breadth of knowledge to our organisation.

Ms Donna Oxenham

Ms Oxenham was appointed to the Board of VenuesWest on 1 September 2017, and her current term expires on 31 August 2020. A researcher at the University of Western Australia, Donna's 20 year sporting career saw her achieve 35 state and two national titles in the sport of Judo. Donna has worked with Indigenous people, groups and organisations throughout Western Australia and the broader Aboriginal Indigenous community, particularly within the fields of arts, history, cultural heritage and native title.

Mr Alex McKenzie

Mr McKenzie was appointed to the Board on 1 September 2016 and his term expired on 31 August 2017. Until his recent retirement, Alex spent over 25 years as Chief Executive Officer of the Royal Life Saving Society of WA. His extensive involvement in lifesaving and long standing commitment to aquatic safety were very relevant to our organisation and he also brought a strong background in compliance, auditing and strategic planning.

Meetings and remuneration

Board Members	Meetings attended	Approved Leave of Absence	Meeting eligible to attend	Remuneration \$
Mr Richard Muirhead	10	2	12	46,373
Mr Graham Goerke	11	1	12	30,167
Mr Robert Kennedy	10	2	12	-
Professor Paul Johnson	10	-	12	-
Mrs Mary Anne Stephens	11	1	12	30,167
Mrs Susan Hunt	10	1	12	-
Ms Linda Wayman	12	-	12	30,167
Mr Scott Henderson	10	1	12	-
Ms Donna Oxenham*	10	-	10	25,139
Mr Alex McKenzie**	2	-	2	5,028

*Ms Donna Oxenham commenced as a Board member in September 2017.

** Mr Alex McKenzie's term expired on 31 August 2017.

Executive Team

The day-to-day operations of VenuesWest are delegated by the Board to the Chief Executive Officer and Executive Team. VenuesWest has four directorates which all work together to deliver world class sport and entertainment experiences and support high performance sport through the optimisation of our venues.

David Etherton Chief Executive Officer

David commenced as Chief Executive Officer in February 2008. After graduating with an Economics Degree from the University of WA, David has had more than 25 years' experience in the tourism, events and venue management industries, with much of that time spent in senior leadership roles. David has a strong strategic focus, well developed commercial acumen and extensive experience in managing high volume customer interaction organisations to deliver exceptionally high customer service. Since commencing as CEO of the then WA Sports Centre Trust, David has overseen the significant growth and changes to the organisation. This has included expansion from four to 13 venues (including the successful opening of six brand new venues), the upgrading, transition and integration of two existing venues and the new Optus Stadium which opened in 2018. David is a director on the Lifeline Board and Chair of the GovNext-ICT Program Governance Board.

Peter Bauchop Chief Operating Officer

Peter joined VenuesWest in September 2014 as General Manager, nib Stadium and is now the Chief Operating Officer. Peter has 20 plus years senior management experience in public venue and event management across 23 facilities and over 400 major events. This includes General Manager for Hilton LivingWell and nine years as Chief Executive Officer at Allia Venue Management. Peter has a proven track record of delivering record financial performance for facilities that he manages, with consistent achievement of customer satisfaction levels in excess of 90%, and has procured and delivered some of the most iconic world class events in Western Australia including the Socceroos and Ed Sheeran. In 2018, Peter was one of only two people in Australia that year to be accredited as a Certified Venue Executive from the International Association of Venue Managers.



Janis Carren

Director, Strategy and Partnerships

Janis joined VenuesWest in June 2008 and has been a member of the Executive Team since that time, bringing with her extensive public sector experience gained from working in various Western Australian statutory authorities over a 20 plus year career. As Director Strategy and Partnerships, Janis is able to draw on her strengths as a strategic thinker and influencer and her experience in terms of advising and supporting Boards in the delivery of planning, communications, marketing, policy, research and organisational change projects that have been part of the organisation's considerable growth and success. Prior to VenuesWest, Janis was a member of the Executive Team at Tourism WA as its Strategic and Corporate Planner and the Manager of Business Planning and Improvement at Central TAFE. Janis accredits her early professional success to the opportunities made available to her at the Water Authority in various Corporate Development and Financial Administrative roles, enabling a thorough understanding of the public sector and commercial operating environment.

Steve Paul

Director, Corporate Services

Steve joined the Executive team in January 2017. Steve has experience at both State and National level roles in Human Resources and Organisational Development in both private and public sector environments including KPMG, ASX listed mining contracting

services and government agencies, the most recent being LandCorp. Steve has a tertiary degree in Arts and Management and several industry accreditations and post-tertiary qualifications.

Gary Conyard

Director, Portfolio Management

Gary has over 20 years' experience operating local government and private recreation facilities in the UK and Perth. Gary joined VenuesWest in 2005 as Aquatics Manager at HBF Stadium. After two years he was appointed Operations Manager overseeing capital projects and went onto manage major development projects including athletics, basketball and rugby facilities in the Mount Claremont precinct, the State Netball Centre and the WA Institute of Sport High Performance Service Centre. Gary was appointed Acting Director, Portfolio Management in May 2017 and was made a permanent member of the Executive in December that same year.

Helen Hill

Manager, Executive Services

Helen joined VenuesWest in October 2012, and holds the role of Manager Executive Services. With an Advanced Diploma in Business Management, Helen has over 25 years' experience in Executive support roles, holding similar roles in the banking and property industries both here and overseas. Prior to joining VenuesWest, she spent 14 years in an executive role in one of WA's largest local governments, providing research, advisory and support services.

OPERATIONAL PERFORMANCE REPORT



Performance Management Framework

VenuesWest contributes to the State Government Goal **Better Places:** Providing Western Australians with a quality environment with liveable and affordable communities and vibrant regions, through the management of

State owned sport and entertainment venues. VenuesWest supports the development of a thriving arts, culture and sporting scene by delivering world class sport and entertainment experiences to Western Australians.

Outcome Based Management Structure

Government Goal	Better Places: A quality environment with liveable and affordable communities and vibrant regions.
Agency Desired Outcome	Sustainable, accessible and profitable state assets delivering sport, recreation and entertainment opportunities for Western Australians.
Agency Services	<ol style="list-style-type: none"> 1. Provision of high performance sport facilities and support 2. Management of community sport, entertainment and recreation facilities 3. Provision of competitive and cost effective state owned assets

Shared Responsibilities

During the construction and opening of Optus Stadium, VenuesWest worked in partnership with other State Government agencies including the Department of Local Government Sport and Cultural Industries (Sport and Recreation), Department of Finance (Strategic Projects), Department of Transport (Public Transport Authority) and Main Roads WA. The Stadium Project Team oversaw construction of the Stadium by a consortium led by Brookfield Multiplex. Delivery of the Stadium three months ahead of schedule and its subsequent success can be attributed to this collaboration and 'one-team approach' as well as the project's strong Governance Framework. The Optus Stadium Project Team went on to win Gold for the IPAA Best Practice in Collaboration across Government Agencies and Bronze for the IPAA Best Practice in Collaboration between Government and Non-Government Agencies.

VenuesWest continues to work closely with the Division of Sport and Recreation within the Department of Local Government Sport and Cultural Industries to update the State Sporting Facilities Plan and Business Cases for venues.

In delivering the \$20 million redevelopment project at HBF Arena, VenuesWest worked with the Department of Finance, the City of Joondalup, LandCorp, West Perth Football Club and Wanneroo Basketball Association to deliver enhanced basketball and football facilities for the local community.

To continually improve safety and security of our venues we have collaborated with the Department of Mines, Industry Regulation and Safety (Worksafe) and WA Police on incident investigation and emergency response. A number of other State Departments have also provided timely support and advice to VenuesWest including the Department of Finance on procurement projects, the State Solicitors Office on advice for Motorplex and Optus Stadium and other major projects and contracts.

VenuesWest did not share any service-related responsibilities with other government agencies in 2017-18. We do however partner with private enterprise to service and operate major venues, including Optus Stadium, refer to page 26 for further information.

Strategic Direction

VenuesWest's *'Strategic Plan 2016-2021, Bigger than our Buildings, Further than the Finish Line'* ensures the organisation is focused on providing world class sport and entertainment experiences and outlines the direction for sustainable success. Each year the Board and Executive review the organisation's

activities to ensure they are aligned with the strategic direction and are providing maximum benefit to the State from the portfolio of venues. The following diagram shows the relationship between the State Government's Outcome Based Framework and VenueWest's Strategic Plan.

Alignment – Strategic Planning



Performance Measures

To evaluate our contribution to the State Government’s goal, VenuesWest measures its performance against a set of effectiveness and efficiency indicators. The effectiveness indicators report on the delivery of

services whilst efficiency indicators assess the resources used to deliver the services. Additional performance measures are set by the Executive to track delivery of our operations.

Key Performance Indicators (KPIs)	
Effectiveness Indicators	Percentage of targeted sports where venues meet international competition standards
	High Performance Sport User Satisfaction (Elite Customer Satisfaction)
	Percentage of visitors whose expectations were met or exceeded by VenuesWest’s services (Community Customer Satisfaction)
	Commercial user satisfaction (Commercial Customer Satisfaction)
Efficiency Indicators	The ratio of direct government funding for the provision of elite sport facilities measured by the cost per hour of high performance sport training and competition
	Average cost per community patron
	Ratio of commercial revenue compared to total operating expenses
Business Performance Measures	
<ul style="list-style-type: none">· Patronage· Stakeholder Satisfaction· Ticket Sales· Average spend per patron· Average cost per patron· Capital Budget Expended/Committed· Lost time injuries· Employee Expense Ratio· Net Culture Score (Workforce alignment and engagement)· Spend on Training· New Product Innovation	

Strategic Objectives

VenuesWest’s operations are guided by its Strategic Plan and the aim of supporting high performance sport through optimisation of our venues. It is essential we deliver world class facilities for high performance Western Australian athletes and subsidise the costs involved. We do this by ensuring commercial success in our operations to offer the subsidy and enable reinvestment in our venues.

We also play a broader role in promoting high performance sport and facilitating pathways for community participants and opportunities for Western Australians to be inspired by watching and participating in world class sport and entertainment events.

1. Delivering outstanding customer experiences

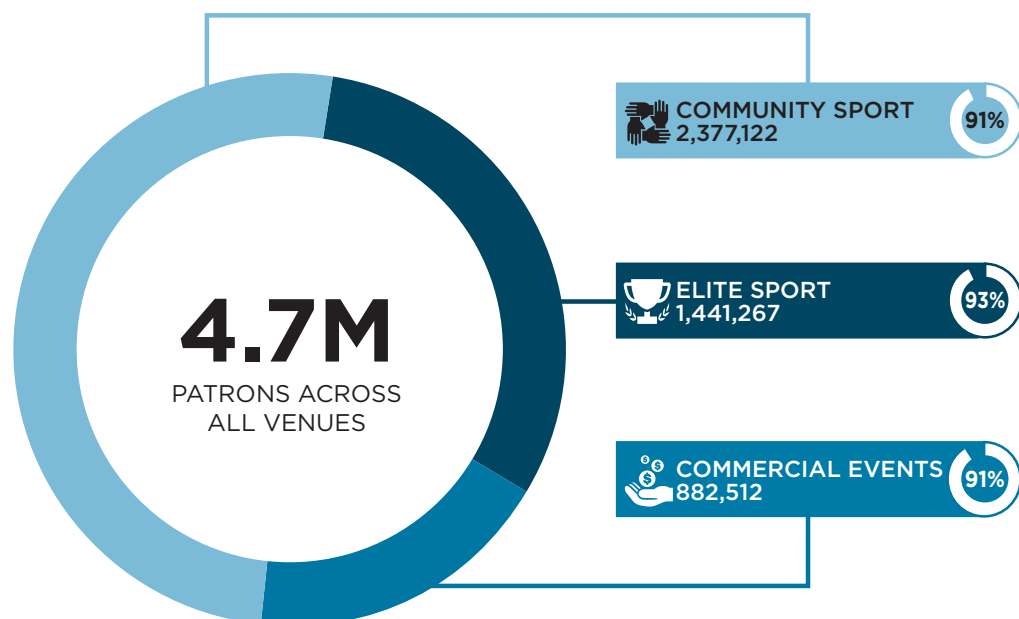
Delivering value for money and consistently providing outstanding customer service experiences across all our venues is important to us.

At VenuesWest we want our customers to enjoy their experience at every venue every time. Our diverse portfolio combined with the use of third party operators means that the need for consistency and reliability of customer service practices is critical.



During the year we continued to focus on delighting our customers and our satisfaction results show we delivered that for our 4.7 million patrons. The overall customer satisfaction level was 91%, exceeding our target of 88%. Elite (or High Performance) Sport

users are the most satisfied customers for the second year running, at 93% satisfaction. Customer surveys are conducted across all venues and this year's sample size was the highest ever at 10,350 respondents, a 23% increase on the previous year.



BENDAT BASKETBALL CENTRE 🧑🧑🧑 376,931

94%

CHAMPION LAKES REGATTA CENTRE 🧑🧑🧑 55,852

78%

HBF ARENA 🧑🧑🧑 1,143,627

93%

HBF STADIUM 🧑🧑🧑 730,888

95%

NIB STADIUM 🧑🧑🧑 272,038

94%

OPTUS STADIUM 🧑🧑🧑 1,064,930

90%

RAC ARENA 🧑🧑🧑 664,971

90%

PERTH MOTORPLEX 🧑🧑🧑 154,757

89%

SPEEDDOME 🧑🧑🧑 18,578

77%

STATE NETBALL CENTRE 🧑🧑🧑 103,747

93%

WA ATHLETICS STADIUM 🧑🧑🧑 114,034

85%

Marketing

In 2017-18, the development and rollout of the Digital and Social Media Strategy had a direct impact on customer reach through social media. Our customers expect to be able to engage with us via Social Media and responsiveness has never been more important. We now have a total of 21 social media channels with new additions including SpeedDome Facebook, HBF Stadium Gym Facebook, HBF Arena Gym Facebook, HBF Arena Instagram and

HBF Arena Twitter. Digital initiatives included increasing frequency of posted content, the introduction of video content for campaigns, implementing targeted ads with the use of custom audiences, sharing user-generated content and a number of creative strategies focused on key audience targets. Our followers and engagement grew significantly over the period enhancing the overall venue experience.

Social Media Growth 2017-18			
Channel	Total followers	Growth in followers	Growth (%)
Facebook			
VenuesWest	3,205	2,006	167
HBF Arena	4,520	2,583	133
HBF Stadium	3,761	1,569	72
HBF Stadium Gym	349	348	34,800
HBF Arena Gym	498	497	49,700
nib Stadium	6,950	1,276	22
WA Athletics Stadium	1,206	742	160
State Netball Centre	1,964	1,524	346
Champion Lakes Regatta Centre	814	380	88
Bendat Basketball Centre	1,480	1,278	632
SpeedDome	464	464	46,400
Instagram			
Perth Sports Life	3,331	3,018	964
nib Stadium	991	161	19
HBF Arena	2,101	2,101	210,100
HBF Stadium	2,004	1,800	882
Twitter			
VenuesWest	340	121	55
HBF Arena	80	80	8,000
HBF Stadium	284	27	11
nib Stadium	1,536	104	7
LinkedIn			
VenuesWest	937	530	130
YouTube			
VenuesWest	37	14	61

Image assets were updated to include drone footage and google business view video along with a full suite of photographs to promote the venues, programs and services. A virtual tour for customers with a 360 degree view of HBF Stadium and HBF Arena internally and externally was also completed.



Partnerships

VenuesWest has a number of partners who operate our venues or provide key services.

nib Stadium	Key operating services provided by: Spotless Catering/Mustard HOBAN MCS Security Threat Protect
RAC Arena	Operated by AEG Ogden
Optus Stadium	Operated by VenuesLive Maintenance by WestStadium

Co-Management Agreements are in place at two venues. Basketball WA manages the Bendat Basketball Centre and the State Netball Centre is managed by Netball WA.

Community Focus

VenuesWest's Community Partners Program entered its second year, allowing us to give directly to respected charity organisations within our community. To see the delight on the faces of volunteers, families and staff attending events warmed many hearts. This year we assisted the Starlight Foundation, St Vinnies, Make a Wish, Superfins and Autism West by donating close to \$50,000, including the proceeds from the AFLW match at Optus Stadium, and nearly \$30,000 worth of tickets to sport and entertainment events. Our CEO showed his direct support to one of our community partners, St Vinnies, when he took part in the CEO Sleepout.

2. Ensuring our venues are fit for purpose

Our portfolio of assets is diverse, from the brand new through to ageing facilities that must be well maintained to ensure they remain fit for purpose.

It is essential we safely maintain and invest in our venues, to ensure we meet national and international standards for sport as well as ensuring viable commercial capacity. The opening of Optus Stadium increased the number of sports VenuesWest is able to host at a national and international level. The Stadium can accommodate Australian Football (AFL), cricket, football (soccer), athletics, rugby league and union as well as large-scale concerts and shows.

In partnership with State and Local Government, substantial investment was made into the redevelopment of HBF Arena to increase and improve the facilities for Basketball and WAFL. VenuesWest also upgraded the toilets and change rooms and installed patron seating and a safety net for hockey at the venue.



New diving boards were installed ahead of national competitions and equipment replaced in the Gymnastics Training Centre at HBF Stadium. The Minister officially reopened SpeedDome with the new velodrome track, providing world class conditions for our indoor cyclists.

World Class Standards

VenuesWest has 18 targeted sports for which we aim to achieve compliance or have the capacity to host national and international events if appropriate event overlay is provided. The percentage of targeted sports where venues meet international competition standards was 83 percent in 2017-18.

Targeted sport	Venues that meet international competition standards
Athletics	Optus Stadium, WA Athletics Stadium
Australian Football	Optus Stadium
Basketball	RAC Arena, HBF Stadium
Canoeing	Champion Lakes Regatta Centre
Cricket	Optus Stadium
Indoor Cycling	SpeedDome (subject to lighting upgrades)
Diving	Nil
Football/Soccer	Optus Stadium, nib Stadium
Gymnastics	RAC Arena, HBF Stadium
Netball	RAC Arena, HBF Stadium
Rowing	Champion Lakes Regatta Centre
Rugby League	Optus Stadium, nib Stadium
Rugby Union	Optus Stadium, nib Stadium
Swimming	Nil
Tennis	RAC Arena
Triathlon	Champion Lakes Regatta Centre
Volleyball	RAC Arena, HBF Stadium
Water Polo	HBF Stadium

The safety and maintenance of our venues is a significant part of what we do. Facilities management plans and audits are in place to ensure our venues remain fit for purpose, and this year there was a significant focus on safety and security. Licensees and

contractors were subject to more stringent risk and OSH assessments as well as a detailed induction process. A review of security risks resulted in numerous initiatives being actioned including a comprehensive infrastructure audit of all venues.



Strategic Asset Management

VenuesWest has a three-year rolling capital investment program as part of its Strategic Asset Management Plan. The Plan is revisited on an annual basis according to business priorities and is now also guided by the venue visions. During 2017-18, VenuesWest managed 161 capital works projects.

Priorities were reviewed during the year, with 24 new projects included and 12 individual projects removed or merged with others, enabling funding for new priorities including the RAC Arena glazing project and the Digital Transformation projects.

The total capital works program in 2017-18 was valued at \$13.9 million. Key infrastructure and asset projects delivered included:

- ✓ Replacement of the hockey turf at HBF Arena.
- ✓ HBF Arena facility upgrades including painting of the grandstand, upgraded lighting, seating and safety nets.
- ✓ Upgrade of the Champions Club at HBF Stadium to accommodate green room facilities for major concert events.
- ✓ Structural remediation of the concrete grandstands at the 10 lane outdoor pool at HBF Stadium to mitigate safety issues for event competitions.
- ✓ New digital signage system for the Main Arena at HBF Stadium.
- ✓ Installation of a new canopy at the front door of HBF Stadium, including seating and plants to improve patron amenity and mitigate weather effects.
- ✓ Replacement of diving boards at HBF Stadium for improved athlete and event performance.
- ✓ Fibre optic expansion to the WAIS building for improved connectivity.
- ✓ Resurfacing of the banked skate track at SpeedDome to improve athlete performance and safety.
- ✓ Refurbishment of the gym entry at HBF Stadium.
- ✓ New start gates and operational boats at Champion Lakes to improve event delivery and safety.
- ✓ Installation of fans over the sports courts at HBF Arena to improve patron comfort.
- ✓ Emergency lighting upgrades at HBF Stadium to improve safety compliance.
- ✓ Carpark improvements at HBF Stadium including new drop-off areas and traffic management.
- ✓ Completion of the Security Infrastructure Review of venues.
- ✓ Procurement of mobile metal detectors for use at various venues.
- ✓ Completion of the roof safety and compliance project at various venues.
- ✓ Implementation of the new Electronic Document and Records Management system.

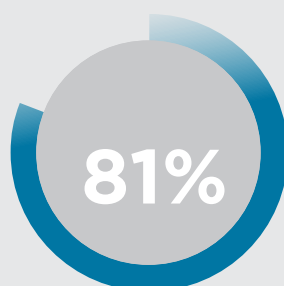
3.A workforce that is aligned, highly capable and adaptable

VenuesWest's success is highly dependent on the quality and performance of its people. To deliver world class sport and entertainment experiences we must continuously improve, innovate and perform.

VenuesWest's full-time equivalent employees at 30 June 2018 was 163.8 compared to 173.8 last year. The organisation invests heavily in its staff and ensuring individuals are focused and supported on key priorities. For this year that was the successful opening of Optus Stadium, increasing patronage and revenue, and reducing costs. Business Plans ensure our staff are aligned and our signature behaviours guide them on the way we work.

Culture

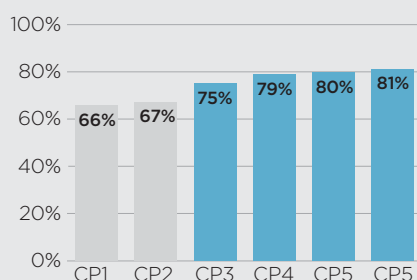
Our Culture Pulse program, underpinned by the VenuesWest Way signature behaviours, has had a positive effect on building an intentional culture focused on collective achievement. Participation in the regular Pulse surveys reached an astonishing 92% and the net culture score of 81% placed the organisation firmly in the top quartile range amongst Pulse organisations. The net culture score indicates staff are almost always positively demonstrating the signature behaviours with 'Finding a Way to Make it Happen' being demonstrated the most at 84%. The behaviours have a direct link to performance improvement within the organisation and this is evidenced through the outstanding business results, i.e. our exceptionally high overall customer satisfaction at 91%, the servicing of over 4.7 million customers (an all-time record) and better than expected financial results.



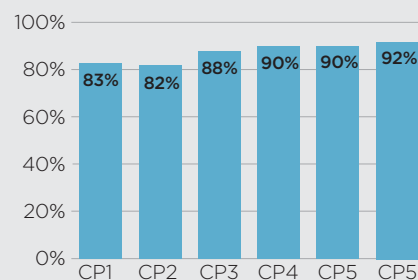
NET CULTURE SCORE



PARTICIPATION RATE



NET CULTURE SCORE (NCS)



PARTICIPATION RATE (PR)

Culture Pulse Results June 2018

The Net Culture Score indicates that 8.1 in every 10 employees are actively engaged in demonstrating the signature behaviours. 92% of the organisation participated in the survey showing high engagement in the program.

Six "Pulses" have occurred since October 2016. During this time the organisation has had an overall improvement of 15% Net Culture Score and 9% Participation.



Learning and Development

Development of Managers was a major focus with our Senior Management Team undertaking Wisdom in the Workplace training through the VenuesWest Way Culture program. An in-house People Management Development Program was developed and delivered and included training in Managing Conduct and Behaviour and Managing Performance. Additional modules in this program will be delivered next year.

Risk Management, Safety and Wellbeing continued to be strong areas of focus as the organisation pursued continuous improvement in its public safety and security. Training courses undertaken this period included:

- Fundamentals of Risk Management
- Event Risk
- Procurement Risk
- Contract and Insurance Risk
- Strategic Risk
- Project Risk
- Active Shooter and Dynamic Lockdown
- Lead and Operate as part of an Emergency Control Organisation
- Chief Fire Warden and Fire Warden

- First Aid, Cardiopulmonary Resuscitation, Self-Contained Breathing Apparatus and Aquatic Rescue
- Compressed Gas Cylinder Safety
- Work Safely at Heights
- Contact Officer

Training and business process mapping was conducted to ensure that employees were familiar and comfortable with new systems being introduced into the organisation including:

- Risk Management Control System (CAMMS); and
- Electronic Documents and Records Management System (Content Manager 9)

The implementation of the Human Resources Information System learning module improved the ability for employees to request and register for internal and external learning and development activities.

The Induction and on-boarding process was reviewed and improved to include more comprehensive information relating to VenuesWest's organisational objectives and human resources information. All new permanent and fixed term employees received a Human Resources Induction; 27 new employees attended the updated Corporate Induction.

Training for 2017 - 2018

Total Hours of training provided to permanent employees	2,396
Total Hours of training provided to casual employees	314.75
Average training hours per permanent headcount	10.03
Total Training Costs (permanent employees excluding travel)	\$106,043
Total Training Costs (casual employees excluding travel)	\$9,889.81
Employees receiving Study Assistance	1



Health and Wellbeing

VenuesWest takes the health and wellbeing of its staff seriously and is committed to building a workplace environment and culture that supports healthy lifestyle choices. Our wellness program called 'Our Health' contains a range of benefits for employees including lunchtime gym classes, gym memberships, access to health related resources, an employee assistance program and a variety of monthly initiatives. In recognition of the program's success, Healthier Workplaces WA assessed VenuesWest as a Gold Recognised Healthy Workplace for the second time this year.

Since 2016



Occupational Safety and Health

See page 48 for details on occupational safety, health initiatives and injury management reporting.

Business Systems

To maximise our capability and responsiveness, the right business systems and processes need to be in place. A review of venue processes found a high number of manual practices in place due to the inadequacy of our main systems. As a result, a new Electronic Document and Records Management System was successfully implemented this year, see page 45 for further details. Further digital transformation processes have been mapped and the requirements scoped for the procurement of new Data Management, Customer Relationship Management and Marketing Automation systems. The transformation will deepen in 2018-19 with a focus on event and booking management, data, privacy compliance, improved customer journeys and experience, and automation of messaging.



4. Supporting high performance sport through Commercial Success

High performance sport is woven into the fabric of our organisation. We deliver training and competition facilities, pathway programs and services, direct financial support and sponsorship to Western Australians, made possible only through our continued commercial success.

The current economic environment was challenging for our commercial events and earlier in the year, a series of tour cancellations and the loss of the Western Force from the Super Rugby competition made our financial situation look bleak. It was through our persistence, and that of our partners, that we were able to finish the year with a positive financial position. The success was driven by our commercial strategy and the performance of Optus Stadium as well as the better than expected results at nib Stadium and RAC Arena.

The opening year of Optus Stadium has been hugely successful with overall attendance exceeding expectations. The venue hosted international one-day cricket, Australian Rules Football (AFL) and AFL Women (AFLW) matches, the National Rugby League (NRL) double header, Chelsea versus Perth Glory football match and record crowds at Ed Sheeran. The venue's event spaces have successfully hosted many major and special events and the naming rights sponsorship provided a positive return to the State Government.

Since Sir Elton John opened RAC Arena (formerly Perth Arena) the venue has hosted over 472 events. The arena celebrated its fifth year of operation this year, and was announced the top performer across Australian arenas in sales in 2017 and named WA's Venue Caterer of the Year at the 2017 WA Restaurant and Catering Awards for the second consecutive year. The multi-purpose entertainment and sporting indoor arena hosted a number of world famous superstars including Robbie Williams, Bruno Mars and Harry Styles. Key tenants, Perth Wildcats and West Coast Fever, had strong attendances during the year and the venue's premier sporting event, the Hopman Cup, broke attendance records with fans cheering on tennis superstar Roger Federer.

The loss of Western Force in the Super Rugby competition left only Perth Glory in the Football A-league calling nib Stadium home. Through partnering with Tourism WA and patron Andrew Forrest the introduction of World Series Rugby at nib Stadium enabled Western Australian elite rugby players to stay at home and ensured the longer term financial sustainability of the venue.

Provision of elite sport facilities and support

VenuesWest delivers facilities that meet national and international training and competition requirements to ensure that Western Australia is a suitable home-base for athletes. This year, 18 targeted sports were directly supported through our venues providing high performance training and competition facilities to elite athletes.



Vikki Hile Photography

Elite hours by Venue	2016-17	2017-18	Variance
Bendat Basketball Centre	1,297	1,144	-153
Champion Lakes Regatta Centre	67	98	31
HBF Arena	10,610	10,212	-398
HBF Stadium	11,308	11,874	566
nib Stadium	369	333	-36
RAC Arena	221	158	-63
Optus Stadium	n/a	238	n/a
SpeedDome	235	218	-17
State Netball Centre	1,024	736	-288
WA Athletics Stadium	1,063	935	-128
WAIS High Performance Service Centre	5,960	7,210	1,250
Total	32,154	33,155	1,001

Brand Ambassadors

As part of our commitment to supporting high performance sport, we launched our Brand Ambassador program with four outstanding WA athletes – Steve Bird (Kayaking), Amber Merritt (Wheelchair Basketball), Nikita Hains (Diving) and Brianna Throssell (Swimming). Each athlete was provided with sponsorship towards training and competition expenses in return for increased brand advocacy of our venues. The highlights included Steve Bird Instagram engagement which increased our reach by 40% and the

inclusion of Brianna Throssell in the HBF Stadium Swim School 'The Home of Champions' Campaign resulted in a spike in engagement in the campaign, when it traditionally drops off. The ambassadors gave their time connecting with staff and stakeholders across a number of forums which strengthened the understanding of the role VenuesWest plays in directly supporting athletes. We enjoyed following their journeys, celebrating their successes and sharing their achievements with our customers and staff.

2017-18 ELITE SPORT HIGHLIGHTS

Athletics

- 945 hours of elite training and competition activity at the Western Australian Athletics Stadium
- Athletics WA Australian National Junior Championships held in March attracting over 8,000 competitors and spectators over the course of the event
- Perth Track Classic event in March
- WA Little Athletics State Championships in March
- 24 Elite Athletics WA Competitions
- 69 School Athletics Carnivals

Australian Football

- 14 Australian Football League fixtures held at Optus Stadium for the West Coast Eagles and Fremantle Dockers
- The first AFLW fixture at Optus Stadium between Fremantle Dockers and the Collingwood Magpies
- Fremantle v West Coast Eagles in the JLT Community Series at HBF Arena in March 2018
- 10 Western Australian Football League games held at HBF Arena with attendance ranging from 1,200 to 6,000 throughout the season

Basketball

- 14 regular season home games and four playoff series games for the Wildcats at RAC Arena
- 12 Perth Lynx Home Games at the Bendat Basketball Centre
- WNBL Final between the Perth Lynx and Townsville
- 13 State Basketball League games
- State Basketball League Grand Finals for Men and Women held on the same night
- State Basketball League All Stars Game
- Five men's National Wheelchair Basketball League (MNWBL) Games at the Bendat Basketball Centre
- Boys under 14 Australian Club Championships
- Four Weekend Country Championships
- Three Weekend State Championships
- WABL Finals over four Sundays in August/September 2017

Cricket

- Optus Stadium hosted a one-day international between Australia and England in January 2018, with a crowd of 53,781

Cycling Indoor

- 33 cycling events held throughout the year
- West Cycle National Masters Championships held in March
- Junior State Championships held across three days in January 2018

Diving

- WA Diving State Championships held in March at HBF Stadium
- The Scottish Swim and Dive team trained at our facilities during December and January
- 10 elite diving competitions held over the course of the year

Gymnastics

- Gymnastics WA High Performance Program delivered 3,400 training hours at VenuesWest facilities

Netball

- Australian Diamonds played New Zealand Silver Ferns at RAC Arena
- State Netball Grand Finals held at the State Netball Centre
- Four West Coast Fever games hosted at HBF Stadium, along with the West Coast Fever Challenge
- Two West Coast Fever games played at RAC Arena
- 1,385 elite training and competition hours
- Hosted the 17U & 19U Australian National Championships in April 2018
- West Coast Fever held full pre-season and ANZ Championship season training at State Netball Centre



2017-18 Elite Sport Highlights (Cont.)

Rowing Canoeing Triathlon

- Champion Lakes Regatta Centre delivered 195.5 hours of high performance training and 133.25 hours of elite competition activity
- The Australian Canoeing National Championships were held at the Centre in March, attracting over 2,500 competitors and spectators across the course of the event
- Four Rowing Regattas in June (Rowing WA x 2, IGSSA x 2) with total attendance over 3,000
- Five Canoeing events, 22 Rowing events, six Dragon Boating events, five Kayaking events, three Cross Country events, and eight Triathlon events were delivered throughout the year

Rugby League Rugby Union

- Six Super Rugby games held at nib Stadium with a total attendance of 51,056
- A crowd of 38,824 people attended the NRL Premiership double header at Optus Stadium in March 2018, with Melbourne Storm taking on Canterbury Bulldogs, followed by New Zealand Warriors versus South Sydney
- One National Rugby League fixture between South Sydney Rabbitohs v Gold Coast Titans held at nib Stadium with an attendance of 11,147
- HBF Arena hosted 30 Joondalup Brothers Rugby Union Games at an average of 400 people per game totaling 12,000 people over the season

Soccer/Football

- FIFA World Cup Qualifier match between the Socceroos and Bangladesh held at nib Stadium with a record crowd of 18,497
- Australia's International Women's Football team the Matildas played Thailand at nib Stadium in front of 7,549 fans
- 13 A-League games held at nib Stadium with a total attendance of 111,559

Swimming**HBF Arena**

- One Swimming WA event with 450 participants, plus another 28 school events.

HBF Stadium

- Hosted the first Commonwealth Festival Synchronised Championships over four days in September 2017. 692 athletes and spectators from seven different countries attended.
- Aquatic Super Series held in February with pool swimming only and 2,997 in attendance
- Olympic Trials were hosted for Synchronised Swimming over two days with 50 athletes vying for a spot on the team
- Synchronised National Championships were held after the trials for four days with 646 athletes and spectators
- Swimming WA Junior State Championships
- 135 Swim Meets held over the course of the year, plus 17 Swimming WA state events
- Synchronised Swimming State Championships in March along with three other competitions during the year
- Swimming WA State Open and Junior Long course and short course championships

Tennis

- Hopman Cup was held at RAC Arena in January with 78,464 in attendance. It was also the first Hopman Cup win for Australia in 17 years

Volleyball

- School Sports WA Country Week Volleyball competition held at HBF Stadium Main Arena

Water Polo

- Two National Championships held at HBF Stadium. In October 2017 the under 18 girls National Championships used two pools with 4,259 athletes and spectators attending. The Under 18 Boys National Water Polo Championships utilised three pools to accommodate the 30 teams with 4,443 athletes and spectators attending
- Water Polo Final Olympic trials were held for the Australian Men's Team over two days in April





5. Securing World Class Events

Our diverse portfolio including the award winning RAC Arena, redeveloped nib Stadium and the newly opened Optus Stadium enables us to attract world class events and competition to Western Australia.

VenuesWest contributes to the Western Australian Government's goal to provide a better and vibrant place

to live. We provide Western Australians with the opportunity to be inspired and experience international sporting events and world class entertainment. It is challenging to attract high quality performers and events due to the current economic conditions and the distance to Perth is often viewed as a barrier. In partnership with our Venue operators, Tourism WA and Sport and Recreation, we were able to provide a strong value proposition to our hirers and showcased a vibrant event calendar across our main venues.

LIST OF WORLD CLASS EVENTS 2017-18

Optus Stadium

- Ed Sheeran (two shows)
- Nitro Circus
- One-Day Cricket International Australia v England
- AFLW Fremantle Dockers v Magpies
- NRL Premiership Double Header
- Canterbury Bulldogs v Melbourne Storm and South Sydney Rabbitohs v NZ Warriors
- West Coast Eagles v Sydney Swans
- Fremantle Dockers v Essendon
- Gold Coast Suns v Fremantle Dockers
- West Coast Eagles v Geelong Cats
- West Coast Eagles v Gold Coast Suns
- Fremantle Dockers v Western Bulldogs
- Fremantle Dockers v West Coast Eagles
- West Coast Eagles v Port Adelaide
- Fremantle Dockers v St Kilda
- West Coast Eagles v Richmond
- Fremantle Dockers v North Melbourne
- West Coast Eagles v St Kilda
- Fremantle Dockers v Adelaide Crows
- West Coast Eagles v Essendon

RAC Arena

- Jerry Seinfeld
- Alice Cooper
- Midnight Oil
- Stevie Nicks
- Take That
- The Wiggles (four shows)
- Yusuf/Cat Stevens
- Cirque de Soleil Toruk (10 shows)
- Shawn Mendes
- Culture Club
- The Weeknd

- Mrs Browns Boys (three shows)
- Roger Waters
- Queen and Adam Lambert
- Robbie Williams
- Bruno Mars (two shows)
- Harry Styles
- Planet Earth II
- The Killers
- Imagine Dragons
- Disney on Ice (multiple shows)
- Perth Wildcats v Brisbane Bullets
- Perth Wildcats v Illawarra Hawks
- Perth Wildcats v Melbourne United
- Perth Wildcats v Illawarra Hawks
- Perth Wildcats v Sydney Kings
- Perth Wildcats v New Zealand Breakers
- Perth Wildcats v Adelaide 36ers
- Perth Wildcats v Brisbane Bullets
- Perth Wildcats v Melbourne United
- Perth Wildcats v Sydney Kings
- Perth Wildcats v New Zealand Breakers
- Perth Wildcats v Adelaide 36ers
- Perth Wildcats v Cairns Taipans
- Perth Wildcats v Cairns Taipans (final)
- Hopman Cup (13 sessions)
- UFC 221 Romero v Rockhold
- West Coast Fever v Collingwood Magpies
- West Coast Fever v GWS Giants
- West Coast Fever v Adelaide Thunderbirds

nib Stadium

- Paul McCartney
- Foo Fighters
- RnB Fridays

- Rugby League World Cup England v France and Wales v Ireland
- Perth Glory v Central Coast Mariners
- Perth Glory v Adelaide United
- Perth Glory v Melbourne Victory
- Perth Glory v Newcastle Jets
- Perth Glory v Wellington Phoenix
- Perth Glory v Adelaide United
- Perth Glory v Melbourne City
- Perth Glory v Western Sydney Wanderers
- Perth Glory v Melbourne City
- Perth Glory v Central Coast Mariners
- Perth Glory v Melbourne Victory
- Perth Glory v Sydney FC
- Perth Glory v Brisbane Roar
- Manly Sea Eagles v NZ Warriors
- Western Force v Rebels
- Western Force v Waratahs
- Western v South Africa
- Western Force v Fiji
- Western Force v Tonga
- Western Force v Rebels
- Western Force v Crusaders
- Football friendly Matildas v Thailand

HBF Stadium

- J Cole
- Halsey
- Perth Darts Masters
- West CoastFever v NSW Swifts

Bendat Basketball Centre

- Perth Lynx v Sydney Uni
- Perth Lynx v Bendigo
- Perth Lynx v Dandenong
- Perth Lynx v Townsville
- Perth Lynx v UC Capitals
- Perth Lynx v Dandenong
- Perth Lynx v Adelaide
- Perth Lynx v Melbourne

Performance Report

VenuesWest sets its performance measure targets annually and conducts a Quarterly Performance Review with senior managers.

The performance measures are used to identify and respond to emerging issues, monitor financial measures and ensure commercial success. The scorecard shows VenuesWest's performance against its KPIs and Performance Measures for 2017-18.

The key focus for 2017-18 was to improve patronage and the revenue to operating expense ratio.

Both key measures were achieved and successes included:

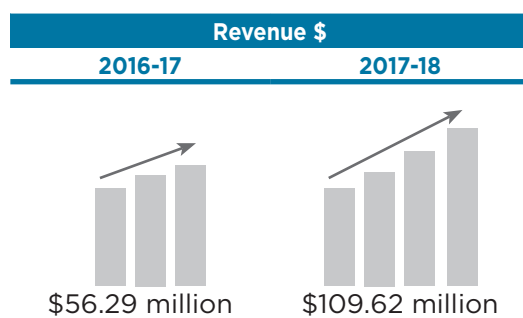
- the first time that patronage has been over 4.7 million;
- our customer satisfaction continued to be exceptional at 91%;
- yield per patron improved steadily over the year and across venues and events, and
- revenue increases improved our operating ratio.

Key areas requiring improvement include our interactions with stakeholders, operating cost per patron and innovation (new products). The Executive team has improved its focus on interactions with our key stakeholders and ensuring consistency of service delivery. Priorities are in place for 2018-19 to focus on ensuring a robust financial future and driving innovation in business practices.

Scorecard Results		
Customer	Target	Result
Patronage	4,750,000	4,700,347
Elite training and competition hours	32,154	33,155
High performance sport customer satisfaction KPI 2	90%	93%
Community customer satisfaction KPI 3	86%	91%
Commercial customer satisfaction KPI 4	90%	91%
Overall customer satisfaction	88%	91%
Stakeholder satisfaction	80%	52%
World class sporting facilities KPI 1	89%	83%
Financial	Target	Result
Tickets Sold - Self - and Co-managed venues	253,029	237,725
Tickets Sold - Partner managed venues	1,391,560	1,717,710
Subsidies to high performance sport KPI 5	\$2,083	\$3,433
Average spend per patron	>\$7.74	\$9.19
Average cost per patron	<\$8.25	\$10.35
Average cost per community patron KPI 6	\$8.93	\$9.89
Total revenue to operating expenses for self- and co-managed venues	>76%	70%
Total revenue to operating expenses (all venues) KPI 7	79%	82%
Internal Business Processes	Target	Result
Lost time injuries - Primary	0	0
Secondary	1.06	1.21
Employee expense ratio	<48%	46%
Capital expenditure - Committed	100%	93%
Learning and Growth	Target	Result
World Class Events - Sport	51	68
Entertainment	27	29
Net culture score	75%	81%
Spend on Training - \$ per FTE	>\$457.44	\$649.05
Hours per FTE	>12.29	14.33
New products	4	1
• Achieved • Not achieved but within 10% • Not achieved		

Financial Performance

VenuesWest's 2017-18 financial results were positive due to increased revenue growth at our partner-managed venues and the success from events and other commercial activities. Revenue grew by 94.7% this year, predominantly from the newly opened Optus Stadium, although self-managed venue revenue increased by \$1.3 million. The organisation's cash position is strong with current assets being \$101.55 million more, offsetting current liabilities of \$92.17 million.



Performance against Resource Agreement Targets

The budget targets set in our Resource Agreement with the State Government did not reflect the change in accounting standards to recognise all transactions of partner-managed venues and therefore were not met in 2017-18. With Optus Stadium accounts now being consolidated into our portfolio and experience gained from its operations, the organisation is in a better position to set long term targets and ensure financial sustainability into the future.

Financial Targets	Target 2017-18 \$,000	Actual 2017-18 \$,000	Variance \$,000
Total Cost of Services ¹	117,361	185,440	68,079
Net Cost of Services ²	70,353	75,820	5,467
Total Equity	1,772,377	1,698,069	(74,308)
Net Increase/(Decrease) in Cash Held ³	(9,890)	43,719	53,609
Salary Expense Limit ¹	19,210	43,151	23,941
Working Cash Targets	Target \$,000	Actual \$,000	Variance \$,000
Agreed Working Cash Limit (at Budget) ¹	4,111	4,111	0
Agreed Working Cash Limit (at Actuals)	6,265	5,759	506

Notes:

1. A change in the application of accounting standards to 2016-17 financial statements recognising all transactions of partner-managed venue operations were not reflected in the 2017-18 target.
2. The variation is mainly due to additional depreciation on the re-classification of assets relating to Optus Stadium.
3. The variation in cash held relates to greater than budgeted commercial receipts for events to be held in 2019-20.



Future Considerations

VenuesWest's portfolio of venues has grown steadily over the last eight years. The opening of Optus Stadium in January 2018 is the pinnacle of Government investment in sport and entertainment in Western Australia.

Over the next few years it is anticipated there will be little to no further growth in the portfolio. This will allow the organisation to consolidate and invest in its systems and people. The organisation continually reviews emerging issues and trends and is clear that we need to remain relevant to our customers and provide an experience they value.



The operations of Optus Stadium remain a key focus for VenuesWest. It is critical that an exciting calendar of events is delivered in the first year to showcase the world class facilities. Working in conjunction with Stadium operator VenuesLive and key stakeholders, we will strive to ensure Optus Stadium thrives in building Western Australia's profile and drawing premium entertainment and sporting events to the State.



The management of security across our 13 sport and entertainment venues is a high priority. VenuesWest will continue its comprehensive planning to ensure the delivery of safe venue experiences and will work collaboratively with the Western Australian Police and other essential service providers to assess infrastructure needs.



The challenging music and entertainment touring market experienced over the last 18 months is expected to continue. We will need to work tirelessly with promoters to attract major acts to extend their tours beyond the east coast. Event pricing pressures and increased customer discretion on entertainment may impact revenue targets. Customers are demanding a premium experience and it is essential that we offer a world class experience at every venue, every time to capture customers' selective entertainment spend.



The loss of the private operator at Perth Motorplex in 2016 resulted in VenuesWest self-managing the venue whilst a suitable operator or buyer was investigated. These discussions continue, and the Board has approved the appointment of a sales agent should a sale not be secured early. The self-management solution will remain in place until 30 June 2019.



The financial position of nib Stadium was negatively impacted by the loss of Western Force from the Super Rugby competition and the non-renewal of commercial naming rights with nib Insurance as at 30 June 2018. To offset these negative impacts, VenuesWest, in collaboration with venue partners, secured Western Force for a World Series season which has proven successful. Securing a Rugby series or additional long term content along with naming rights opportunities is a priority for VenuesWest.



The need to enhance patron experiences through the use of technology is advancing continuously. Opportunities resulting from the integration of technologies such as mobile, data and analytics, cloud and social platforms are creating a flurry of innovations that are transforming consumer markets. The challenge for VenuesWest is to meet customer expectations in relation to on-demand technology consumption to enhance the live experience. Over the coming years, it will be critical for all Stadium operators to develop the live experience in order to compete with home viewing of events through mainstream and alternative media platforms.



Consumer concerns regarding the re-sale ticket market have grown significantly with ticket scalping having a detrimental effect on genuine fans who miss out or have to pay inflated prices for events. VenuesWest will continue to increase consumer awareness of the risk of buying through ticket re-sellers, in addition to working with State Government agencies to progress Major Event Legislation to address the issue.



Aluminium composite panels have been installed as a cladding solution across many State Government assets. Following a series of fires nationally and internationally, the Federal and State Governments commenced an audit of State assets. VenuesWest has received reports from the first two venues which indicate they may not meet the provisions of the Building Code of Australia but could meet fire performance requirements with appropriate operational strategies and processes. Further advice is being sought on the most appropriate strategies which will be included in future planning and budgeting.

CORPORATE GOVERNANCE REPORT



Governance

VenuesWest is committed to robust governance practices being fundamental to the way we operate.

This section includes an overview of our corporate governance practices and disclosures required to ensure we meet the best interests of the people of Western Australia.

Governance is a key requirement of all we do and enables us to meet community expectations with respect to the integrity of our decision making in all areas including policy, compliance, product and service delivery.

Structure

VenuesWest is a Statutory Authority established under the *Western Australian Sports Centre Trust Act 1986* and operates as part of the Western Australian Public Sector.

Board

Our Chief Executive Officer reports to the Board appointed by, and reporting to, the Minister for Sport and Recreation. The *Western Australian Sports Centre Trust Act 1986* is the governing legislation which establishes the functions and powers of the Board and its relationship with the Minister and Chief Executive Officer. The Board is accountable for enabling legislation in order for VenuesWest to achieve business and performance outcomes imposed by the *Public Sector Management Act 1994* and the *Financial Management Act 2006*.

The Board must comprise nine trustees who are appointed by the Minister for Sport and Recreation, and have a broad range of skills including:

- three persons with knowledge and experience in sport
- three persons with knowledge and experience in commerce, law, financial management or administration
- two public service officers, and
- a member of staff of the University of Western Australia.

The Board focuses on strategic matters and relies on information provided by the Executive for strategic decision making and monitoring of performance and compliance.

Board Committees

To assist the Board in achieving the highest standards of corporate governance, the review of critical areas of VenuesWest's activities is undertaken by two Committees:

- The **Audit and Finance Committee** assists the Board in fulfilling its oversight responsibilities for the financial reporting and accountability process, internal control and the audit process.
- The **Risk and Governance Committee** assists the Board in fulfilling its oversight responsibilities for risk management, workplace safety and health and governance best practice including VenuesWest's processes for monitoring compliance with laws, regulations and the Code of Conduct.

Changes to the Board

Mr Alex McKenzie completed his term on 31 August 2017.

Ms Donna Oxenham was appointed for a term expiring 31 August 2020.

Mr Richard Muirhead completed his term as Chair on 30 June 2018.

Conflicts of Interest

The Board has a declaration process with a standing agenda item at all meetings providing for the declaration and management of any potential conflicts of interest. A Board Members' Conflicts of Interest Register is maintained on an ongoing basis. During 2017-18 nine new interests were declared and recorded on the Interest Register.

Independent external advice

Individual Board members have the right to seek independent professional advice at VenuesWest's expense on matters before the Board, subject to the approval of the Chair. There were no instances of independent advice being sought during the year.

Liability insurance

VenuesWest holds a Directors and Officers Liability Insurance policy to the value of \$20 million arranged through RiskCover. Members of the Board are also afforded cover under this policy. The current policy expires on 1 September 2018 and renewal documentation has been received for the 2018-19 year.

Ministerial Directives

Under Section 14(1) of the *Western Australian Sports Centre Trust Act 1986* the Minister may give directions in writing with respect to the functions of VenuesWest that the Minister believes to be in the public interest, and we shall give effect to any such direction.

During the period under review the Minister for Sport and Recreation issued a direction to VenuesWest to give effect to the Government's suspension of junior competition drag racing (eight to 16 age category) at Perth Motorplex, effective from 13 November 2017. The suspension is to remain in place until the police investigation into the fatal accident that occurred on 11 November 2017 at Perth Motorplex has been completed and its findings addressed.

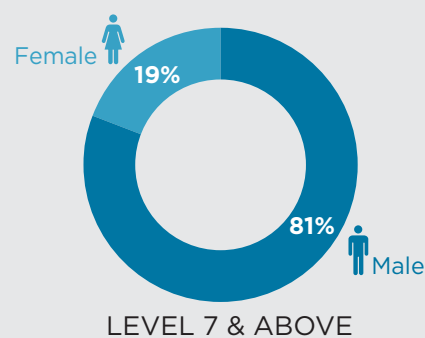
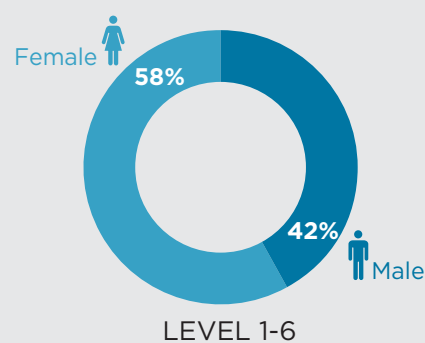
Freedom of Information

In accordance with the *Freedom of Information Act 1992*, VenuesWest has processes in place to assist with Freedom of Information (FOI) requests. In 2017-18, VenuesWest received three new applications under FOI legislation. All three applications were completed in the year.

Workforce Reporting

VenuesWest employees are covered under two separate Industrial Agreements with the Public Service and Government Officers General Agreement (PSGOGA) 2014 covering administrative employees and the VenuesWest General Agreement (VWGA) covering operational employees.

Employee Profile		
PSGOGA and VWGA Equivalent	FTE	
	2016-17	2017-18
Level 9 & Above	8.0	8.0
Level 8	4.0	4.0
Level 7	11.4	8.6
Level 6	16.0	17.1
Level 5	16.0	15.0
Level 4	24.0	24.6
Level 3	27.5	22.4
Level 2	46.6	49.4
Level 1	19.6	14.7
TOTAL	173.1	163.8



Key Recruitment Figures	
Total Number of Vacancies Filled	56
Total Number of Applications	1,916
Average Number of Applications per Vacancy	34
Average Turnaround time per vacancy	25.94 days

Public Sector Standards and Ethical Codes

In accordance with *Section 31 (1) of the Public Sector Management Act 1994* VenuesWest is required to report on compliance with public sector standards and ethical codes. All new employees are required to read and sign a declaration of commitment to the VenuesWest Code of Conduct prior to commencing employment. Accountable and Ethical Decision Making (AEDM) training is compulsory for all new employees and is conducted face-to-face on a regular basis throughout the year. 120 employees have participated in AEDM training in the last five years. A learning module is currently being developed for the new Learning Management System to facilitate AEDM refresher training for all employees.

There was one breach of employment standard claim investigated by the Public Sector Commission with the claim subsequently dismissed. Four breaches of our Code of Conduct were investigated internally and resolved.

Compliance issues	2017-18
Public sector standards	One
Compliance issues regarding Code of Ethics	Nil
Compliance issues regarding the Code of Conduct	Four

Disability Access

Optus Stadium set a new benchmark for accessibility at Western Australian sport venues. The venue incorporates a range of Access and Inclusion features including:

- Over 450 wheelchair positions, 28% more than required by the 2013 National Construction Code, are located across all levels of the Stadium. The positions incorporate flexible seats for carers and guests, accommodating groups of all sizes.
- An additional 327 Enhanced Amenity Seats for people who have mobility requirements who are not in wheelchairs.
- Three Changing Places toilets have been installed across the venue, two within the Stadium and one in the surrounding Stadium Park.
- 60 Universal Access Toilets within the venue with 16 in the General Admission area having electronic push button access.
- 12 lifts are available within the Stadium, all are on fully redundant power and will continue to operate in the event of a power outage or emergency.
- Nine times more ACROD bays than required in the 2013 National Construction Code. These bays are located underneath the Stadium and in the northern and southern areas of the Stadium Park.

The inclusion of these features into the Stadium and Park is the result of the Stadium Project Team’s consultation with the Access and Inclusion User Group, which was established in 2012. The Group includes representatives from a range of organisations within the disability sector who informed the Stadium’s design specifications and provided advice throughout the design and development phase.

VenuesWest’s Disability Access and Inclusion Plan is currently under review. A new Plan is being developed to ensure outcomes and strategies reflect current needs.

Records Management

VenuesWest is committed to improving its record keeping practices and compliance with the *State Records Act 2000*.

In 2017, the Electronic Document and Records Management System (EDRMS) project commenced to replace shared network drives. The Executive and Senior Management Team led the change initiative as part of a larger digital transformation of the organisation. The HPE Content Manager 9 solution was progressively implemented across all business areas and a review conducted on current practices to ensure compliance and best practice. A full-time Records Coordinator was engaged to ensure continued recordkeeping compliance and implementation of ongoing improvement initiatives. In accordance with State Records Commission Standard 2, Principle 6, our progress to best practice is outlined below.

Efficiency and Effectiveness of recordkeeping systems

A recordkeeping self-assessment was undertaken against the 35 recordkeeping indicators outlined in the WA State Records self-assessment tool. This assessment placed VenuesWest's maturity rating at between a Level 1 – *Inadequate* and Level 2 – *Acceptable but requires development*. Within five months of project commencement the following improvements have been implemented:

- HPE Content Manager 9 rolled out to over 200 staff.
- A Records and Information Management Framework and Improvement Program created to ensure continuous improvement is progressive.
- A Business Classification Scheme (BCS) developed and implemented. Approximately 130 staff were consulted to provide valuable input for their business area.

- A VenuesWest Retention and Disposal Schedule created and approved by the State Records Office.
- Transition to completely paperless Board and Executive meetings

Following these initiatives a further recordkeeping self-assessment was undertaken and a significant improvement found. Many of the indicators were assessed at Level 3 – Effective with others ranging from Level 2-3. A further assessment will be undertaken in 2019-20 when the following priority projects have been progressed and implemented:

- A target date of 31 January 2019 has been set for shared network drives to become read only and all documents stored on the shared drive will be moved to a secure archive location where they can be reviewed under the annual retention and disposal program.
- Recordkeeping induction for all new staff with regular reminders sent to all staff about their recordkeeping responsibilities.
- A training and marketing plan covering HPE Content Manager and recordkeeping compliance.
- Centralisation and scanning of incoming mail.
- A retention and disposal program is developed and implemented for electronic and hard copy records.
- A review of hard copy records, vital records and electronically archived records will be undertaken as part of the retention and disposal program.
- A Disaster Recovery Plan for hard copy records and placement of disaster recovery bins throughout VenuesWest's sites.
- An inventory of all business information systems that store records to determine key recordkeeping processes and compliance.

Recordkeeping training and induction programs

Staff across all locations have attended HPE Content Manager training with over 30 small group training sessions completed and some staff receiving individual training. A Recordkeeping Guide, including Help Sheets, was provided to staff during training sessions and is available on the Corporate Intranet. The Recordkeeping Framework is provided to new staff during induction.

A review of progress of network drive content and HPE Content Manager usage identified the following statistics between March and 30 June 2018:

HPE Content Manager Usage	HPE Content Manager File Containers	Migration of Shared Drive Documents
Over 4,000 documents have been created and stored	1,600 file containers	54,000 documents have been migrated to HPE Content Manager. Documents were deleted and replaced with HPE Content Manager reference files.

Records and Information Management Framework

Short term goal: Records Management Compliance - Records and Information Life-Cycle management
Long Term Goal: Records and Information Management Best Practice

Governance

State Records Act 2000 - Freedom of Information Act 1998 - Record Keeping Plan & Policy
 Records Management Principals and Concepts ISO:15489 - Venueswest's Compliance Program of Works

Principals

- Adopting best practice and managing good governance
- Continuous improvement
- Mitigating risks
- Achieving successful change management
- Ensuring defensible disposal
- Building awareness and understanding of recordkeeping responsibilities
- Developing and increasing recordkeeping skills and knowledge

2018/2019 Priority Strategies

Document Authoritative Sources of Records and plan and manage Disaster Recovery strategies.

Create:

- A register of all records and information stores, including Vital and Historical Records
- Inventory of all records and information stores within all business information systems
- A Disaster Recovery (DR) Plan including providing DR Bins to all areas storing hard copy records

Adopt a Consistent Language Control

- Develop, implement, review and maintain an up-to-date Business Classification Scheme that meets business needs
- Develop, implement and audit Document Control Processes to ensure electronic and printed documents can be authenticated for decision making

Provide Training and Awareness

Develop and Implement a Training and Awareness Plan, including training support materials, to ensure people:

- Understand that lifecycle management is required across all records and information stores
- Use HPE Content Manager to store all business related documents

Benefits

Access

- Access to records and documents is available as and when required
- Security and confidentiality is protected and efficiently applied

A Culture of Knowledge and Information Sharing

- People manage records by business functions and reducing silos of information
- Less confusion where to search and how to access and retrieve records
- Decisions are based on accurate, reliable and reusable information

Performance

Performance Measure

- Internal Surveys and adhoc feedback, HPE Content Manager usage statistics, Internal and External Audits and Self-Assessments

Performance Indicators

- % increase in HPE Content Manager usage
- % reduction in support calls
- % increase in positive feedback
- Shared network drives are read only and no longer used for document storage



Complaints Management

VenuesWest acknowledges that complaints and feedback present an opportunity to improve our services. In addition to annual customer surveys, VenuesWest encourages customers to provide feedback through multiple channels including:

- face-to-face with customer staff in venues;
- customer service kiosks in venues;
- online through our websites; and
- via social media.

VenuesWest has established processes for management of customer complaints and comments. All feedback is logged, managed and tracked. The relevant department is provided 72 hours to address the issue and provide a response at which time the customer is contacted by phone or email to discuss any actions that will be taken.

For this reporting period, a total of 630 patron feedback forms were received. 13.2% were positive comments. Three key complaint themes emerged:

- **Lack of facilities** - almost one-third related to lack of facilities including the need for more retail and/or catering options, better equipment, larger group fitness space, timetable options and parking;

- **Fees** - the new universal gym and pool membership structure raised concerns; and
- **Pools** - primarily related to a lack of lane availability.

VenuesWest uses the feedback to improve customer service processes, facility management, identify staff training needs and where capital works may be required. A good example is the expansion of the group fitness room at HBF Arena that is now planned for 2018-19 as a result of regular customer feedback. Positive feedback also plays an important role in enabling us to recognise particular areas of strength and best practice customer service.



Occupational Safety, Health and Injury Management

Our commitment

VenuesWest is committed to providing and promoting healthy and safe workplaces across all our venues. The Executive Team takes on a safety, health and wellbeing leadership role and is committed to ensuring the safety of all employees. To support this commitment, the Executive has endorsed the Occupational Safety and Health Policy, Occupational Safety and Health Management System and Injury Management Procedure. The organisation commits significant financial resources for safety, health and wellbeing projects and initiatives that directly support and influence the safety culture. The Executive Team ensures an open door policy on safety,

health and wellbeing matters with employees to ensure concerns are addressed promptly.

Sadly in June 2016, a subcontractor was fatally injured while working onsite at a VenuesWest venue. This fatality remains front of mind for the Executive Team and is a driving force behind the improved commitment to safety initiatives. A memorial dedicated to the worker was unveiled at HBF Stadium in 2018.

The 2017-18 Occupational Safety and Health Management System provides an overarching strategy for the management of employees' and contractors' safety and health across the portfolio and its operations. An internal audit of our Occupational Safety and Health systems was undertaken by 2020 Global and VenuesWest received a B+ rating. The audit resulted in 11 recommendations. All recommendations were accepted and seven actioned within this reporting period.

Safety Initiatives

In 2017-18, VenuesWest:

- Achieved Gold Healthy Workplace reaccreditation due to the continued development of 'Our Health', the corporate wellness program. Highlights for the year included several wellbeing information seminars, corporate entries for the HBF Run for a Reason, WA Netball challenge, and free flu vaccinations for employees.
- Improved contractor management safety processes including the appointment of a Contractor Safety Coordinator and the implementation of an online contractor management system 'Rapid Global'.
- Implemented a Fitness for Work Policy supported by a range of Fitness for Work procedures
- Approved a revised Injury Management procedure including introduction of the RiskCover online claims management system. All managers and supervisors received injury management training as part of the roll-out.



To increase employees' confidence, competency and ability to perform their roles safely, the organisation invested significantly in training during 2017-18. Safety related training provided to employees included:

- First aid and CPR
- Elevated work platforms
- Working safely at heights
- Use of breathing apparatus
- Entertainment rigging
- Chief warden and fire warden training
- Forklift Training
- Enter and work in confined spaces
- Working safely with chlorine gas



Engaging our People

VenuesWest recognises that a positive safety culture is needed to achieve optimum safety results. The Safety and Health Committee members drive and promote safety awareness within their areas and have contributed greatly to a valued and significantly improved safety culture. Committee members perform workplace inspections with operational employees, report hazards, carry out investigations related to incidents and near misses, keep employees informed on safety and health information and consult with management and colleagues on matters relating to safety and health. The Committee meets every six to eight weeks and minutes are available to all staff on the intranet and on safety and health noticeboards at each venue.

The Safety and Health Committee is an essential and effective consultative group, comprising 11 elected safety representatives, two venue representatives and four management guests from Facilities and Capital Works. Six of the 11 elected safety representatives have completed safety representative training. The five new representatives elected in 2017-18 will receive safety representative training in the coming year. The Committee met eight times in the 2017-18 financial year.

Injury Management and Workers' Compensation

The Injury Management Framework supports employees to recover and return to work as soon as they are able to. In 2017-18 VenuesWest achieved a significant milestone with 100% of all managers and supervisors being trained in injury management processes. This initiative resulted in significant improvements to the return to work plan practices for

injured employees, and return to work plans being developed and reviewed. During 2017-18 there were six workers' compensation claims with three of these claims resulting in employees requiring time off work. This is the same number of claims and lost time injuries as the previous financial year. The LTI severity rate of 66.67% is from one claim that required light duties for an extended period although there was only eight days lost from work.

Occupational Safety and Health Performance Indicators

Measures	Results 2015-16	Results 2016-17	Results 2017-18	Targets	Comments
Number of fatalities	1*	0	0	0	Target achieved
Refer to Note below					
Lost time injury and disease incidence rate	2.17	1.18	1.21	0 or 10% reduction in incidence rate	Target achieved
(Target 1.27)					
Lost time injury and disease severity rate	0%	0%	0%	0 or 10% reduction in incidence rate	Target achieved
Percentage of injured workers returned to work (i) within 13 weeks	100%	100%	66.67%	75%	Target not met due to one claim on extended light duties
Percentage of injured workers returned to work (ii) within 26 weeks	100%	100%	100%	Greater than or equal to 80%	Target achieved
Percentage of Managers trained in OSH and Injury Management Responsibilities.	85%	95%	100%	Greater than or equal to 80%	Target achieved

*NB. In June 2016 a subcontractor was fatally injured while working onsite at a VenuesWest venue. This fatality has been included in the performance indicators for the first time due to the change in the definition of fatalities in the Public Sector Commissioner's Circular 2018-03.

Financial Disclosures

Capital Works (Strategic Asset Management (SAM) Plan)

The 2017-18 capital works program was valued at \$13.9 million; this included \$4.3 million of carry-forward commitments from the previous year. Throughout the year a number of alterations to the program occurred to address emergent issues and approvals for changes that were managed through authorities under the Delegation Instrument, which were reported to the Board as required.

At 30 June 2018 the program was:

- 82% (\$11.3 million) committed against the full year budget. This is the same value as the previous year and is attributed to one additional staff member being secured to assist with delivering the program and other non-SAM Plan projects such as the HBF Arena development project.
- Of the 82%, \$10.4 million is completed (78 projects) and \$3.4 million (29 projects) are in progress and due to be completed in the first quarter of the 2018-19 year.
- 19 projects (\$1.17 million) are in planning/design/tender phases and will continue into the 2018-19 year.
- 24 (\$0.5 million) projects were added to the program. These were the result of sufficient program contingency being available in Q3 and Q4. 11 of the new projects were completed by the end of the financial year.

- In total across the program, \$5.7 million will be carried forward into the 2018-19 year as part of the rolling program of work.
- At the end of the year, program contingency was positive at \$0.2 million. This balance will be carried forward into the 2018-19 year to manage unplanned, emergency works.

Pricing Policies of Services Provided

VenuesWest charges for goods and services rendered on a full or partial cost recovery basis. These fees and charges were determined in accordance with Costing and Pricing Government Services: Guidelines for Use by Agencies in the Western Australian Public Sector published by Treasury.

The current fees and charges were introduced/payable from 1 July 2017. Details are available on each venue's website which can be accessed from www.venueswest.wa.gov.au

Unauthorised Use of Credit Card

VenuesWest staff are issued with corporate credit cards where their functions warrant such use. In 2017-18 there were no instances where employees inadvertently utilised their corporate credit card for personal purposes.

Advertising and Market Research Expenditure 2017-18

Advertising Agencies		Nil
Market Research Organisations	<ul style="list-style-type: none"> · Painted Dog · Your Customer · Patterson Research Group · University of South Australia · Perth Market Research · Thinkfield 	<ul style="list-style-type: none"> \$21,000 \$3,153 \$2,250 \$2,000 \$1,894 \$1,000
		\$31,297
Polling Organisations		Nil
Direct Mail Organisations		Nil
Media Advertising Organisations		
VenuesWest	<ul style="list-style-type: none"> · Buggy Buddies · Crazy Domains · Facebook · Function Rooms Perth · Kids Around Perth · OMD · oOh!media · Royal Life Saving · Google AdWords · LinkedIn · Venue Management Association · Schoolballs.com.au 	<ul style="list-style-type: none"> \$1,787 \$64 \$26,311 \$1,188 \$540 \$14,725 \$14,013 \$1,000 \$10,445 \$520 \$3,575 \$280
		\$74,448
nib Stadium	<ul style="list-style-type: none"> · Facebook · Adcorp Australia 	<ul style="list-style-type: none"> \$248 \$11,908
		\$12,156
Perth Motorplex	<ul style="list-style-type: none"> · Facebook · OMD · Night Thunder · Sports Action Media · Multi Channel Network · Jump Climb · Telf Promotional Products · Mail Chimp 	<ul style="list-style-type: none"> \$52,599 \$409,280 \$33,040 \$28,000 \$28,827 \$31,200 \$5,315 \$2,068
		\$590,329
Total		\$708,230

FINANCIALS AND KEY PERFORMANCE INDICATORS



Key Performance Indicators

17 September 2018

WA Sports Centre Trust

Certification of Key Performance Indicators

For the Year Ended 30 June 2018

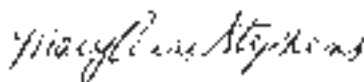
We hereby certify that the performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Western Australian Sports Centre Trust's (trading as VenuesWest) performance and fairly represent the performance of the Western Australian Sports Centre Trust for the financial year ended 30 June 2018.



Graham Goerke

CHAIR

17 September 2018



Mary Anne Stephens

BOARD MEMBER

17 September 2018



David Etherton

CHIEF EXECUTIVE
OFFICER

17 September 2018

Key Performance Indicators For Year Ended 30 June 2018

VenuesWest's Key Performance Indicators (KPIs) ensure the delivery of efficient and effective sport and community services to the people of Western Australia.

The effectiveness indicators report on VenuesWest's performance in the delivery of its three key services while the efficiency indicators monitor the relationship between the services delivered and the resources used to

produce the services. VenuesWest did not make any changes to its Outcome Based Management Services and Key Performance Indicators in 2017-18. Due to the changing dynamics of the business, VenuesWest conducted a complete review of the OBM Framework in 2017-18, and as a result the framework will be amended in 2018-19.

VenuesWest's Key Performance Indicators and their relationship with the Agency's Outcome Based Management Structure

Government Goal

Better Places: A quality environment with liveable and affordable communities and vibrant regions.

Agency Desired Outcome

Sustainable, accessible and profitable State assets delivering sport, recreation and entertainment opportunities for Western Australians.

VenuesWest's Services

SERVICE 1. Provision of high performance sport facilities and support	SERVICE 2. Management of community sport, entertainment and recreation facilities	SERVICE 3. Provision of competitive and cost effective state owned assets
--	--	--

Effectiveness Indicators

KPI 1: Percentage of targeted sports where venues meet international competition standards	KPI 3: Percentage of visitors whose expectations were met or exceeded by VenuesWest services	KPI 4: Commercial user satisfaction
KPI 2: High Performance Sport User Satisfaction		

Efficiency Indicators

KPI 5: The ratio of direct government funding for the provision of elite sport facilities measured by the cost per hour of high performance sport training and competition	KPI 6: Average cost per community patron	KPI 7: Ratio of commercial revenue compared to total operating expenses
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Key Effectiveness Indicators

KPI 1: Percentage of targeted sports where venues meet international competition standards

This KPI demonstrates the effectiveness of the recurrent appropriation and ongoing capital investment program and its ability to sustain the compliance standards required for specific sports at the elite competition level. Venues considered for inclusion into the VenuesWest portfolio have been designed to achieve compliance or have the capacity to host national and international events if appropriate event overlay is provided.

VenuesWest aims to improve its facilities each year to enable our Western Australian elite athletes to continue training and competing at home. With the opening of Optus

Stadium in 2017-18, Cricket and Australian Football were added to our list of targeted sports, bringing the total number to 18. The percentage of targeted sports where venues meet international competition standards was 83 percent in 2017-18, six percent below target. This was due to the expectation that SpeedDome would meet national and international accreditation standards for track cycling due to a significant investment made in a new track and roof for the facility at Midvale. A venue audit in 2017-18 identified however that further works were required to upgrade track lighting to meet international accreditation standards. These necessary lighting upgrades are scheduled for completion in 2018-19.

	2017-18 Target	Results				
		2017-18 Actual	2016-17 Actual	2015-16 Actual	2014-15 Actual	2013-14 Actual
KPI 1: Percentage of targeted sports where venues meet international competition standards	89%	83%	81%	81%	81%	81%

Notes:

1. State, national and international sport competition compliance requirements for our 18 targeted sports (Athletics, Australian Football, Basketball, Cricket, Indoor Cycling, Diving, Gymnastics, Netball, Swimming, Volleyball, Water Polo, Tennis, Rowing, Canoeing, Triathlon, Rugby League, Rugby Union, Football/Soccer). The identification of targeted sports and the most appropriate venue is done in conjunction with WAIS, the DLGSC (Sport and Recreation) and the State Sporting Associations.
2. An annual assessment of venue facilities and services compared to state, national and international sport competition compliance requirements is undertaken against the 18 targeted sports. International competition compliance standards are specified by the different official governing bodies:
 - FINA for swimming, water polo and diving.
 - Federation Internationale de Gymnastique (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)
 - Rugby League International Federation (RLIF)
 - International Tennis Federation (ITF)
 - Federation International Football Association (FIFA)
 - Federation of Rowing Associations (FISA)
 - International Canoe Federation (ICF)
 - International Triathlon Union (ITU)
 - World Rugby (WR) for Rugby Union
 - Australian Football League Commission for Australian Football
 - International Cricket Council (ICC) for Cricket

KPI 2: High Performance Sport User Satisfaction

VenuesWest aims to deliver sport facilities that meet the expectations of our high performance sport users. This indicator measures the overall satisfaction of elite athletes with all VenuesWest facilities, including co-managed and partner-managed venues.

VenuesWest continues to focus on supporting high performance sport users through the delivery of outstanding customer experiences and ensuring all venues are fit for purpose. This KPI result of 93 percent for 2017-18 surpassed the target of 90 percent and demonstrates a very high level of satisfaction among our high performance users. The result reflects the investment made in improving our sports facilities and delivering high quality customer service.

	2017-18 Target	Results				
		2017-18 Actual	2016-17 Actual	2015-16 Actual	2014-15 Actual	2013-14 Actual
KPI 2: High Performance Sport User Satisfaction	90%	93%	94%	89%	82%	73%

Notes:

1. High performance user satisfaction survey conducted by VenuesWest, which was distributed to elite users from WA Institute of Sport, Perth Glory, Perth Wildcats, Perth Lynx, Western Force, and West Coast Fever. Survey responses were received from 45 patrons.
2. The survey measured overall satisfaction with venues by high performance sport customers across VenuesWest's facilities. High performance sport customers were asked to rate their level of satisfaction with the main VenuesWest venue that they use on a scale of 1 (Very dissatisfied) to 7 (Very satisfied).

KPI 3: Percentage of community visitors whose expectations were met or exceeded by VenuesWest's services

This KPI provides a measure of effectiveness of the provision of facilities and services for our community sport and entertainment.

The overall satisfaction of our community users was 91 percent in 2017-18, exceeding our target of 86 percent. The results are reflective of VenuesWest's focus on delivering outstanding customer experiences and demonstrates the organisation's effectiveness in meeting the expectations of its community users.

	2017-18 Target	Results				
		2017-18 Actual	2016-17 Actual	2015-16 Actual	2014-15 Actual	2013-14 Actual
KPI 3: Percentage of community visitors whose expectations were met or exceeded by VenuesWest services	86%	91%	91%	86%	89%	83%

Notes:

1. Community customer satisfaction for HBF Stadium, HBF Arena, Bendat Basketball Centre, SpeedDome, State Netball Centre, Champion Lakes Regatta Centre, and WA Athletics Stadium was derived through a satisfaction survey conducted by VenuesWest. Survey responses were received from 2,109 patrons.
2. The survey measured overall satisfaction of patrons at each of the VenuesWest facilities that service community customers. Customers were asked to rate their level of satisfaction with the venue on a scale of 1 (Very dissatisfied) to 7 (Very satisfied).

KPI 4: Commercial User Satisfaction

This indicator provides a measure of effectiveness of the provision of facilities and services for VenuesWest's commercial customers. Commercial events are delivered in our venues by both VenuesWest and event management partners.

The commercial customers' overall satisfaction for 2017-18 was 91 percent, surpassing the target of 90 percent. The results indicate that commercial users remain very satisfied with their experience at VenuesWest's venues.

	2017-18 Target	Results				
		2017-18 Actual	2016-17 Actual	2015-16 Actual	2014-15 Actual	2013-14 Actual
KPI 4: Commercial User Satisfaction	90%	91%	93%	86%	95%	86%

Notes:

1. Commercial customer satisfaction surveys were conducted by VenuesWest at 11 commercial events throughout 2017-18. These surveys related to events held at Optus Stadium, RAC Arena, nib Stadium, HBF Stadium and Perth Motorplex. Survey responses were received from 7,988 patrons.
2. The survey focused on gauging the satisfaction level of customers that attended a commercial event. Customers were asked to rate their level of satisfaction with the venue on a scale of 1 (Very dissatisfied) to 7 (Very satisfied).

Key Efficiency Indicators

KPI 5: Ratio of direct government funding in the provision of elite sport facilities measured by the cost per hour of high performance sport training and competition

VenuesWest provides facilities and services for WAIS and other high performance training programs and teams at Optus Stadium, RAC Arena, HBF Stadium, HBF Arena, SpeedDome, WA Athletics Stadium, Champion Lakes Regatta Centre, State Netball Centre, Bendat Basketball Centre, WA Rugby Centre and the WAIS High Performance Service Centre. The cost of providing these facilities per training and competition hour is a measure of efficiency of achieving this outcome. The measure is a conservative reflection of the number of hours that high performance athletes train and compete within VenuesWest facilities, as athletes will also regularly participate in club level and individual activities not captured in these numbers.

The total number of high performance usage hours increased by three percent in 2017-18, and the average cost per hour of high performance training and competition was \$3,433, which is significantly greater than the projected target of \$2,083. This increase was primarily due to a change in accounting treatment of transactions made by agent managed venues, which resulted in the costs of delivering high performance competition and training at RAC Arena and the newly opened Optus Stadium being included in this measure. This change in accounting treatment occurred subsequent to the submission of VenuesWest's budget estimates for 2017-18, hence the target is not reflective of cost per hour with these venues included. This change in calculation method accounts for the increase in total cost relative to budget for delivering high performance training and competition. Had the change in accounting treatment of transactions made by agent managed venues not occurred, VenuesWest's average cost per hour for delivering high performance training and competition would have been \$1,975, which is \$108 below target.

VenuesWest contributed 76 percent subsidisation to high performance users in 2017-18 and this was only made possible as a result of the profitable activities we deliver to community and commercial customers. Whilst it was more expensive per hour to deliver high performance sport at

Optus Stadium and RAC Arena due to their size and capacity, events at these venues yield higher returns, which enabled VenuesWest to exceed its revenue-to-expenses ratio target for 2017-18 (see KPI 7).

	2017-18 Target	Results				
		2017-18 Actual	2016-17 Actual	2015-16 Actual	2014-15 Actual	2013-14 Actual
KPI 5: Average cost per hour of high performance sport training and competition	\$2,083	\$3,433	\$1,185	\$660	\$891	\$1,116

Notes:

1. Optus Stadium opened for operations during 2017-18. Costs of delivering high performance training and competition at this venue are included in the indicator.
2. A change in the accounting treatment of transactions made by agent managed venues occurred in 2016-17 and 2015-16 was recast for comparative purposes. Previous years have not included these transactions which means comparative data needs to be interpreted with caution.
3. Sourced from FEMS and 2017-18 Financial Statements.
4. The average cost of providing training and competition facilities per hour is calculated by dividing the total cost of high performance training and competition facility provision by the total number of high performance training and competition hours delivered.

KPI 6: Average cost per community patron

The average cost of VenuesWest managing and maintaining facilities and providing services to the community of Western Australia is a measure of efficiency.

The average cost per community patron was \$9.89 in 2017-18, \$0.96 above target. VenuesWest's community patronage grew by four percent against 2016-17, and the total cost of delivering services also rose by 15 percent. This increase in costs was due to a change in accounting treatment of transactions made by agent managed venues, which resulted in the cost of providing services at Optus Stadium and RAC Arena being included, despite both venues primarily servicing high performance

sport and commercial users. This change occurred subsequent to the submission of 2017-18 budget estimates, hence the target was not inclusive of costs associated with these venues. Had the change in accounting treatment of transactions made by agent managed venues not occurred, VenuesWest's average cost per community patron would have been \$8.85, which is \$0.08 below target.

Whilst expenses associated with operations at Optus Stadium and RAC Arena have added to the overall cost of providing services to the community of Western Australia, events at these venues yield higher returns and achieve higher patronage numbers, which enabled VenuesWest to exceed its revenue-to-expenses ratio target for 2017-18 (see KPI 7).

	2017-18 Target	Results				
		2017-18 Actual	2016-17 Actual	2015-16 Actual	2014-15 Actual	2013-14 Actual
KPI 6: Average cost per community patron	\$8.93	\$9.89	\$8.95	\$7.63	\$7.22	\$8.47

Notes:

1. Optus Stadium opened for operations during 2017-18. Costs of providing services to the community at this venue are included in the indicator.
2. A change in the accounting treatment of transactions made by agent managed venues occurred in 2016-17 and 2015-16 was recast for comparative purposes. Previous years have not (included these transactions) which means comparative data needs to be interpreted with caution.
3. Sourced from FEMS and 2017-18 Financial Statements.
4. The average cost of providing venue services and facilities to the West Australian community is calculated by dividing the total cost of community service and facility provision by the total number of community patron visits.



KPI 7: Ratio of commercial revenue compared to total operating expenses

VenuesWest aims to minimise its reliance on direct government funding by ensuring its programs and services yield profitable returns and provide maximum benefit to the State. This indicator measures the total operating costs of managing and maintaining VenuesWest facilities compared to the commercial revenue received. Success ensures the sustainable delivery of services to high performance sport and community users.

In 2017-18, 82 percent of VenuesWest's total operating expenses were offset by income derived from sources other than Government appropriation. This was a nine percent increase on the 2016-17 result and three percent higher than the projected target. The result was largely driven by the strong financial performance of Optus Stadium in its first six months, along with another successful year for RAC Arena and nib Stadium.

	2017-18 Target	Results				
		2017-18 Actual	2016-17 Actual	2015-16 Actual	2014-15 Actual	2013-14 Actual
KPI 7: Ratio of commercial revenue compared to total operating expenses	79%	82%	73%	80%	84%	67%

Notes:

1. A change in the accounting treatment of transactions made by agent managed venues occurred in 2016-17 and 2015-16 was recast for comparative purposes. Previous years have not (included these transactions) which means comparative data needs to be interpreted with caution.
2. Sourced from the 2017-18 Financial Statements.
3. The commercial revenue achieved as a percentage of total operating expenses for the year (across all services and venues).

Independent Auditor's Report



Auditor General

INDEPENDENT AUDITOR'S REPORT

To the Parliament of Western Australia

WESTERN AUSTRALIAN SPORTS CENTRE TRUST

Report on the Financial Statements

Opinion

I have audited the financial statements of the Western Australian Sports Centre Trust which comprise the Statement of Financial Position as at 30 June 2018, the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows for the year then ended, and Notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial statements are based on proper accounts and present fairly, in all material respects, the operating results and cash flows of the Western Australian Sports Centre Trust for the year ended 30 June 2018 and the financial position at the end of that period. They are in accordance with Australian Accounting Standards, the *Financial Management Act 2006* and the Treasurer's Instructions.

Basis for Opinion

I conducted my audit in accordance with the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Trust in accordance with the *Auditor General Act 2006* and the relevant ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial statements. I have also fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibility of the Board 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, the *Financial Management Act 2006* 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.

In preparing the financial statements, the Board is responsible for assessing the agency's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Western Australian Government has made policy or funding decisions affecting the continued existence of the Trust.

Auditor's Responsibility for the Audit of the Financial Statements

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial statements. The objectives of my audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the agency's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- Conclude on the appropriateness of the Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the agency's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Report on Controls

Opinion

I have undertaken a reasonable assurance engagement on the design and implementation of controls exercised by the Western Australian Sports Centre Trust. The controls exercised by the Trust are those policies and procedures established by the Board to ensure 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 (the overall control objectives).

My opinion has been formed on the basis of the matters outlined in this report.

In my opinion, in all material respects, 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 during the year ended 30 June 2018.

The Board's Responsibilities

The Board is responsible for designing, implementing and maintaining controls to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities are in accordance with the *Financial Management Act 2006*, the Treasurer's Instructions and other relevant written law.

Auditor General's Responsibilities

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the suitability of the design of the controls to achieve the overall control objectives and the implementation of the controls as designed. I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3150 *Assurance Engagements on Controls* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements and plan and perform my procedures to obtain reasonable assurance about whether, in all material respects, the controls are suitably designed to achieve the overall control objectives and the controls, necessary to achieve the overall control objectives, were implemented as designed.

An assurance engagement to report on the design and implementation of controls involves performing procedures to obtain evidence about the suitability of the design of controls to achieve the overall control objectives and the implementation of those controls. The procedures selected depend on my judgement, including the assessment of the risks that controls are not suitably designed or implemented as designed. My procedures included testing the implementation of those controls that I consider necessary to achieve the overall control objectives.

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

Limitations of Controls

Because of the inherent limitations of any internal control structure it is possible that, even if the controls are suitably designed and implemented as designed, once the controls are in operation, the overall control objectives may not be achieved so that fraud, error, or noncompliance with laws and regulations may occur and not be detected. Any projection of the outcome of the evaluation of the suitability of the design of controls to future periods is subject to the risk that the controls may become unsuitable because of changes in conditions.

Report on the Key Performance Indicators**Opinion**

I have undertaken a reasonable assurance engagement on the key performance indicators of the Western Australian Sports Centre Trust for the year ended 30 June 2018. The key performance indicators are the key effectiveness indicators and the key efficiency indicators that provide performance information about achieving outcomes and delivering services.

In my opinion, in all material respects, 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 2018.

The Board's Responsibility for the Key Performance Indicators

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 and for such internal control as the Board determines necessary to enable the preparation of key performance indicators that are free from material misstatement, whether due to fraud or error.

In preparing the key performance indicators, the Board is responsible for identifying key performance indicators that are relevant and appropriate having regard to their purpose in accordance with Treasurer's Instruction 904 *Key Performance Indicators*.

Auditor General's Responsibility

As required by the *Auditor General Act 2006*, my responsibility as an assurance practitioner is to express an opinion on the key performance indicators. The objectives of my engagement are to obtain reasonable assurance about whether the key performance indicators are relevant and appropriate to assist users to assess the agency's performance and whether the key performance indicators are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion.

I conducted my engagement in accordance with Standard on Assurance Engagements ASAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* issued by the Australian Auditing and Assurance Standards Board. That standard requires that I comply with relevant ethical requirements relating to assurance engagements.

An assurance engagement involves performing procedures to obtain evidence about the amounts and disclosures in the key performance indicators. It also involves evaluating the relevance and appropriateness of the key performance indicators against the criteria and guidance in Treasurer's Instruction 904 for measuring the extent of outcome achievement and the efficiency of service delivery. The procedures selected depend on my judgement, including the assessment of the risks of material misstatement of the key performance indicators. In making these risk assessments I obtain an understanding of internal control relevant to the engagement in order to design procedures that are appropriate in the circumstances.

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

My Independence and Quality Control Relating to the Reports on Controls and Key Performance Indicators

I have complied with the independence requirements of the *Auditor General Act 2006* and the relevant ethical requirements relating to assurance engagements. In accordance with ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements*, the Office of the Auditor General maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Matters Relating to the Electronic Publication of the Audited Financial Statements and Key Performance Indicators

This auditor's report relates to the financial statements and key performance indicators of the Western Australian Sports Centre Trust for the year ended 30 June 2018 included on the Trust's website. The Trust's management is responsible for the integrity of the Trust's website. This audit does not provide assurance on the integrity of the Trust's website. The auditor's report refers only to the financial statements and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements or key performance indicators. If users of the financial statements and key performance indicators are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial statements and key performance indicators to confirm the information contained in this website version of the financial statements and key performance indicators.



CAROLINE SPENCER
AUDITOR GENERAL
FOR WESTERN AUSTRALIA
Perth, Western Australia
18 September 2018

Disclosures And Legal Compliance

FINANCIAL STATEMENTS

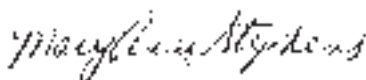
Certification of financial statements for the reporting period ended 30 June 2018

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 reporting period ended 30 June 2018 and the financial position as at 30 June 2018.

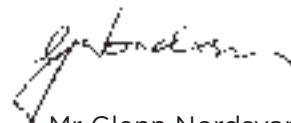
At the date of signing we are not aware of any circumstances which would render the particulars included within the financial statements misleading or inaccurate.



Mr Graham Goerke
CHAIR
17 September 2018



Mrs Mary Anne Stephens
BOARD MEMBER
17 September 2018



Mr Glenn Nordsvan
CHIEF FINANCIAL OFFICER
17 September 2018

Statement of Comprehensive Income

For the year ended 30 June 2018

	Notes	2018 \$000	2017 \$000
COST OF SERVICES			
Expenses			
Employee benefits expense	3.1	48,368	32,819
Supplies and services	3.2	42,338	23,839
Depreciation and amortisation expense	5.1,5.2	51,500	31,537
Finance costs	7.3	16,342	-
Accommodation expenses	3.3	10,149	7,817
Losses on disposal of non-current assets	4.5	356	-
Cost of sales	4.3	14,345	4,040
Other expenses	3.4	2,042	1,503
Total cost of services		185,440	101,555
INCOME			
Revenue			
User charges and fees	4.2	40,230	27,948
Sales	4.3	49,750	13,579
Interest revenue		506	292
Other revenue	4.4	19,134	14,476
Total Revenue		109,620	56,295
Gains			
Gain on disposal of non-current assets	4.5	-	27
Total Gains		-	27
Total income other than income from State Government		109,620	56,322
NET COST OF SERVICES		75,820	45,233
Income from State Government			
Service appropriation	4.1	75,393	52,430
Total income from State Government		75,393	52,430
SURPLUS / (DEFICIT) FOR THE PERIOD		(427)	7,197
OTHER COMPREHENSIVE INCOME			
Items not reclassified subsequently to profit or loss			
Changes in asset revaluation surplus	9.8	(23,956)	(21,460)
Total other comprehensive income/(loss)		(23,956)	(21,460)
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD		(24,383)	(14,263)

See also the note 2.2 'Schedule of Income and Expenses by Service'.

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

Statement of Financial Position

As at 30 June 2018

	Notes	2018 \$000	2017 \$000
ASSETS			
Current Assets			
Cash and cash equivalents	7.4	79,380	35,585
Restricted cash and cash equivalents	7.4	727	803
Inventories	4.3	1,970	450
Receivables	6.1	13,662	2,672
Amounts receivable for services	6.2	4,700	4,700
Other current assets	6.3	1,114	7,349
Total Current Assets		101,553	51,559
Non-Current Assets			
Amounts receivable for services	6.2	168,697	131,663
Infrastructure, property, plant and equipment	5.1	1,922,402	907,069
Intangible assets	5.2	1,637	715
Total Non-Current Assets		2,092,736	1,039,447
Total Assets		2,194,289	1,091,006
LIABILITIES			
Current Liabilities			
Payables	6.4	21,707	2,850
Borrowings	7.1	13,145	-
Employee related provisions	3.1	3,514	2,896
Other current liabilities	6.5	53,812	18,689
Total Current Liabilities		92,178	24,435
Non-Current Liabilities			
Employee related provisions	3.1	954	868
Borrowings	7.1	403,088	-
Total Non-Current Liabilities		404,042	868
Total Liabilities		496,220	25,303
NET ASSETS		1,698,069	1,065,703
EQUITY			
Contributed equity	9.8	1,567,548	910,799
Reserves	9.8	62,886	86,842
Accumulated surplus	9.8	67,635	68,062
TOTAL EQUITY		1,698,069	1,065,703

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

Statement of Changes in Equity

For the year ended 30 June 2018

	Notes	Contributed Equity \$000	Reserves \$000	Accumulated Surplus/ (Deficit) \$000	Total Equity \$000
Balance at 1 July 2016		894,760	108,302	60,865	1,063,927
Surplus		-	-	7,197	7,197
Other comprehensive income	9.8	-	(21,460)	-	(21,460)
Total comprehensive income/(loss) for the period		-	(21,460)	7,197	(14,263)
Capital appropriations		4,152	-	-	4,152
Other contributions by owners:					
Department of Sport and Recreation (DSR) funding for Perth Stadium		11,400	-	-	11,400
Transfer of additional capital works at the WAIS High Performance Sports Facility from DSR		430	-	-	430
Transfer of additional capital works at the State Netball Centre from DSR		(25)	-	-	(25)
Transfer of additional capital works at nib Stadium from DSR		82	-	-	82
Total		16,039	-	-	16,039
Balance at 30 June 2017		910,799	86,842	68,062	1,065,703
Balance at 1 July 2017		910,799	86,842	68,062	1,065,703
Deficit		-	-	(427)	(427)
Other comprehensive income/(loss)	9.8	-	(23,956)	-	(23,956)
Total comprehensive income/(loss) for the period		-	(23,956)	(427)	(24,383)
Transactions with owners in their capacity as owners:	9.8				
Capital appropriations		15,397	-	-	15,397
Other contributions by owners:					
Transfer of capital works for Optus Stadium from the Department of Local Government, Sport and Cultural Industries		619,312	-	-	619,312
Transfer of capital works for Optus Stadium from the Public Transport Authority		22,040	-	-	22,040
Total		656,749	-	-	656,749
Balance at 30 June 2018		1,567,548	62,886	67,635	1,698,069

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

Statement of Cash Flows

For the year ended 30 June 2018

	Notes	2018 \$'000	2017 \$'000
CASH FLOWS FROM STATE GOVERNMENT			
Service appropriation		33,659	22,208
Capital appropriation		15,397	4,152
Holding account drawdowns		4,700	4,700
Net cash provided by State Government		53,756	31,060
Utilised as follows:			
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments			
Employee benefits		(46,694)	(32,738)
Supplies and services		(34,092)	(24,979)
Finance costs		(10,885)	-
Accommodation		(10,149)	(7,817)
GST payments to taxation authority		(3,299)	(2,335)
GST payments on purchases		(6,573)	(4,496)
Other payments		(17,907)	(5,461)
Receipts			
Sale of goods and services		52,367	13,365
User charges and fees		63,097	35,701
Interest received		506	292
GST receipts on sales		3,700	4,035
GST receipts from taxation authority		6,097	2,598
Other receipts		19,256	15,124
Net cash provided by/ (used in) operating activities	7.4	15,424	(6,711)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments			
Purchase of non-current assets		(25,683)	(32,104)
Receipts			
Other grants and subsidies		4,646	11,400
Proceeds from sale of non-current assets		-	64
Net cash used in investing activities		(21,037)	(20,640)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments			
Repayment of borrowings		(4,424)	-
Net cash used in financing activities		(4,424)	-
Net increase/(decrease) in cash and cash equivalents		43,719	3,709
Cash and cash equivalents at the beginning of the period		36,388	32,679
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	7.4	80,107	36,388

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

Notes to the Financial Statements

For the year ended 30 June 2018

1. Basis of preparation

Statement of compliance

These general purpose financial statements are prepared in accordance with:

1. *The Financial Management Act 2006 (FMA)*
2. The Treasurer's Instructions **(the Instructions or TI)**
3. Australian Accounting Standards **(AAS)** including applicable interpretations
4. Where appropriate, those **AAS** paragraphs applicable for not-for-profit entities have been applied

The *Financial Management Act 2006* and the Treasurer's Instructions take precedence over AAS. Several AAS are modified by the Instructions to vary application, disclosure format and wording. 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.

Basis of preparation

These financial statements are presented in Australian dollars applying the accrual basis of accounting and using the historical cost convention. Certain balances will apply a different measurement basis (such as the fair value basis). Where this is the case the different measurement basis is disclosed in the associated note. All values are rounded to the nearest thousand dollars (\$'000).

Judgements and estimates

Judgements, estimates and assumptions are required to be made about financial information being presented. The significant judgements and estimates made in the preparation of these financial statements are disclosed in the notes where amounts affected by those judgements and/or estimates are disclosed. Estimates and associated assumptions are based on professional judgements derived from historical experience and various other factors that are believed to be reasonable under the circumstances.

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 transfers 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.

2. Agency outputs

The Western Australian Sports Centre Trust, trading as VenuesWest, is a Statutory Authority operating under Section 4 of the *Western Australian Sports Centre Trust Act 1986*. It was established to manage Western Australia's major state-owned sporting and entertainment facilities, and is governed by a Board appointed by and responsible to the Minister for Sport and Recreation.

	Note
Agency objectives	2.1
Schedule of Income and Expenses by Service	2.2

2.1 Agency objectives

Under the Western Australian Government's Outcome Based Management Framework, VenuesWest contributes to the government's goal of 'Better places - a quality environment with liveable and affordable communities and vibrant regions' for the benefit of all Western Australians.

Services

The Agency provides the following services:

Service 1: Provision of Elite Sporting Facilities and Support

Manage and maintain facilities of an international level for elite sports programs.

Service 2: Provision of Community Facilities and Services

Manage and maintain facilities to provide for community services and programs.

Service 3: Provision of Competitive and Cost Effective State Owned Assets

Manage and maintain facilities to provide for sporting and entertainment programs and events that are commercially viable and cost effective.

2.2. Schedule of income and expenses by service

	Provision of elite sport facilities and support		Provision of community facilities and services		Provision of competitive and cost effective state owned assets		Total	
	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000	2018 \$'000	2017 \$'000
COST OF SERVICES								
Expenses								
Employee benefits expense	24,361	11,271	8,046	7,061	15,961	14,487	48,368	32,819
Supplies and services	27,770	8,828	5,334	6,091	9,234	8,920	42,338	23,839
Depreciation expense	31,811	13,941	5,380	4,183	14,309	13,413	51,500	31,537
Finance costs	14,708	-	817	-	817	-	16,342	-
Accommodation expenses	4,667	2,928	2,257	2,048	3,225	2,841	10,149	7,817
Losses on disposal of non-current assets	142	-	107	-	107	-	356	-
Cost of sales	9,472	558	1,118	626	3,755	2,856	14,345	4,040
Other expenses	884	566	457	398	701	539	2,042	1,503
Total cost of services	113,815	38,092	23,516	20,407	48,109	43,056	185,440	101,555
Income								
User charges and fees	14,056	4,219	7,955	7,543	18,219	16,187	40,230	27,949
Sales	33,158	1,933	2,613	861	13,979	10,785	49,750	13,579
Interest revenue	199	-	10	57	297	234	506	291
Other revenue	8,033	1,140	2,428	6,124	8,673	7,213	19,134	14,477
Total income	55,446	7,292	13,006	14,585	41,168	34,419	109,620	56,295
Gains								
Gain on disposal of non-current assets	-	11	-	8	-	8	-	27
Total gains	-	11	-	8	-	8	-	27
Total income other than income from State Government	55,446	7,303	13,006	14,593	41,168	34,427	109,620	56,322
NET COST OF SERVICES	58,369	30,789	10,510	5,814	6,941	8,629	75,820	45,233
INCOME FROM STATE GOVERNMENT								
Service appropriation	30,157	20,972	45,236	31,458	-	-	75,393	52,430
Total income from State Government	30,157	20,972	45,236	31,458	-	-	75,393	52,430
Surplus/(deficit) for the period	(28,212)	(9,817)	34,726	25,644	(6,941)	(8,629)	(427)	7,197

3. Use of our funding

Expenses incurred in the delivery of services

This section provides additional information about how the Trust's funding is applied and the accounting policies that are relevant for an understanding of the items recognised in the financial statements. The primary expenses incurred by the Trust in achieving its objectives and the relevant notes are:

	Notes	2018 \$000	2017 \$000
Employee benefits expenses	3.1	48,368	32,819
Supplies and services	3.2	42,338	23,839
Accommodation expenses	3.3	10,149	7,817
Other expenditure	3.4	2,042	1,503

3.1 (a) Employee benefits expense	2018 \$000	2017 \$000
Wages and salaries	42,424	28,434
Termination benefits	757	-
Superannuation – defined contribution plans ^(a)	2,694	2,331
Long service leave	423	469
Annual leave	2,070	1,585
	48,368	32,819

^(a) Defined contribution plans include West State Superannuation Scheme (WSS), Gold State Superannuation Scheme (GSS), Government Employees Superannuation Board Schemes (GESBs) and other eligible funds

Wages and salaries: Employee expenses include all costs related to employment including wages and salaries, fringe benefits tax, and leave entitlements.

Termination benefits: Payable when employment is terminated before normal retirement date, or when an employee accepts an offer of benefits in exchange for the termination of employment. Termination benefits are recognised when the Trust is demonstrably committed to terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy.

Superannuation: The amount recognised in profit or loss of the Statement of Comprehensive Income comprises employer contributions paid to the GSS (concurrent contributions), the WSS, the GESBs, or other superannuation funds. The employer contribution paid to the Government Employees Superannuation Board (GESB) in respect of the GSS is paid back into the Consolidated Account by the GESB.

GSS (concurrent contributions) is a defined benefit scheme for the purposes of employees and whole-of-government reporting. It is however 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 does not recognise any defined benefit liabilities because it has no legal or constructive obligation to pay future benefits relating to its employees. The Liabilities for the unfunded Pension Scheme and the unfunded GSS transfer benefits attributable to members who transferred from the Pension Scheme, are assumed by the Treasurer. All other GSS obligations are funded by concurrent contributions made by the Trust to the GESB.

The GESB and other fund providers administer public sector superannuation arrangements in Western Australia in accordance with legislative requirements. Eligibility criteria for membership in particular schemes for public sector employees vary according to commencement and implementation dates.

3.1 (b) Employee related Provisions

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave for services rendered up to the reporting date and recorded as an expense during the period the services are delivered.

	2018 \$000	2017 \$000
Current		
Employee benefits provision		
Annual leave ^(a)	2,310	1,629
Long service leave ^(b)	1,059	1,116
Other provisions		
Employment on-costs ^(c)	145	151
Total current employee related provisions	3,514	2,896
Non-current		
Employee benefits provisions		
Long service leave ^(b)	905	813
Other provisions		
Employment on-costs ^(c)	49	55
Total non-current employee related provisions	954	868
Total employee related provisions	4,468	3,764

^(a) **Annual leave liabilities:** Classified as current as there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period. Assessments indicate that actual settlement of the liabilities is expected to occur as follows:

	2018 \$000	2017 \$000
Within 12 months of the end of the reporting period	1,724	1,216
More than 12 months after the end of the reporting period	586	413
	2,310	1,629

The provision for annual leave is calculated at the present value of expected payments to be made in relation to services provided by employees up to the reporting date.

^(b) **Long service leave liabilities:** 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 end of the reporting period.

Pre-conditional and 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.

Assessments indicate that actual settlement of the liabilities is expected to occur as follows:

	2018 \$000	2017 \$000
Within 12 months of the end of the reporting period	336	330
More than 12 months after the end of the reporting period	1,628	1,599
	1,964	1,929

The provision for long service leave is calculated at present value as the Trust does not expect to wholly settle the amounts within 12 months. The present value is measured taking into account the present value of expected future payments to be made in relation to services provided by employees up to the reporting date. These payments are estimated using the remuneration rate expected to apply at the time of settlement, and 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.

^(c) **Employment on-costs:** 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.

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 **Note 3.4 'Other expenses'**, (apart from the unwinding of the discount (finance cost)) and are not included as part of the Trust's 'employee benefits expense'. The related liability is included in 'Employment on-costs provision'.

	2018 \$000	2017 \$000
Employment on-costs provision		
Carrying amount at the start of the year	206	192
Additional provisions recognised	(12)	14
Carrying amount at the end of year	194	206

Key sources of estimation uncertainty – long service leave

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

Several estimates and assumptions are used in calculating the agency's long service leave provision.

These include:

- Expected future salary 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.

Any gain or loss following revaluation of the present value of long service leave liabilities is recognised as employee benefits expense.

3.2 Supplies and services	2018 \$'000	2017 \$'000
Lease, rental and hire costs	807	782
Event specific costs	5,449	700
Consumables	1,695	1,389
Repairs and maintenance	2,209	1,937
Minor equipment	355	497
Contracts for security for events	1,199	1,179
Licences, fees and registration	1,040	699
Professional services	2,628	2,846
Insurance	1,432	742
Campaign, promotions and publications	2,244	1,102
Contracts	17,308	9,156
Labour hire	940	962
Communications	1,718	976
Food supplies	206	178
Other expenses	3,108	694
Total supplies and services expenses	42,338	23,839
3.3 Accommodation expenses		
Repairs and maintenance	3,196	2,771
Utilities and rates	4,681	3,078
Cleaning	2,272	1,968
Total accommodation expenses	10,149	7,817
3.4 Other		
Doubtful debts	123	90
Workers compensation	28	-
Professional services - external audit fees	77	83
Other expenses	1,814	1,330
Total other expenses	2,042	1,503

Supplies and services:

Supplies and services are recognised as an expense in the reporting period in which they are incurred. The carrying amounts of any materials held for distribution are expensed when the materials are distributed.

Accommodation expenses:

Operating lease payments are recognised on a straight line basis over the lease term, except where another systematic basis is more representative of the time pattern of the benefits derived from the use of the leased asset.

Repairs, maintenance and cleaning costs are recognised as expenses as incurred.

Other:

Other operating expenses generally represent the day-to-day running costs incurred in normal operations.

Doubtful debt expense is recognised as the movement in the provision for doubtful debt. Please refer to **Note 6.1.1 'Movement of the allowance for impairment of receivables'**.

3.5. Services provided free of charge

During the period the following resources were provided to other agencies free of charge for functions outside the normal operations of the Trust.

	2018 \$000	2017 \$000
Western Australian Institute of Sport – venue usage	2,759	2,544
	2,759	2,544

4. Our funding sources

How we obtain our funding

This section provides additional information about how the Trust obtains its funding and the relevant accounting policy notes that govern the recognition and measurement of this funding. The primary income received by the Trust and the relevant notes are:

	Notes	2018 \$000	2017 \$000
Income from State Government	4.1	75,393	52,430
User charges and fees	4.2	40,230	27,948
Trading profit	4.3	35,405	9,539
Other revenue	4.4	19,134	14,476
Gains	4.5	(356)	27

4.1 Income from State Government

	2018 \$000	2017 \$000
Appropriation received during the period:		
Service appropriation ^(a)	75,393	52,430
	75,393	52,430

^(a) Service Appropriation is 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 in the bank account or credited to the 'Amounts receivable for services' (holding account) held at Treasury.

4.2 User charges and fees

	2018 \$000	2017 \$000
User charges	38,640	26,501
Fees	1,590	1,447
	40,230	27,948

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

Sale of goods

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

Provision of services

Revenue is recognised by reference to the stage of completion of the transaction.

4.3 Trading profit

	2018 \$000	2017 \$000
Sales	49,750	13,579
Cost of sales:		
Opening inventory	450	532
Purchases	15,865	3,958
Closing inventory	(1,970)	(450)
Cost of Goods Sold	14,345	4,040
Trading profit	35,405	9,539

Sales

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.

Inventories

Inventories are measured at the lower of cost and net realisable value. Costs are assigned by the method most appropriate for each particular class of inventory, with the majority being measured on a first in first out basis.

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

4.4 Other Revenue

	2018 \$000	2017 \$000
Other event charges	3,507	3,367
Ticket royalties and commission	2,226	2,225
Aquatic recovery - schools	675	832
Grants and contributions	3,975	7,827
Sponsorship	4,243	-
Supplier Rights	4,068	-
Other revenue	440	225
	19,134	14,476

4.5 Gains

	2018 \$000	2017 \$000
Net proceeds from disposal of non current assets		
Plant, equipment and vehicles	-	64
Cost of disposal of non-current assets		
Plant, equipment and vehicles	(356)	(37)
Net gain/(loss)	(356)	27

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.

Gains and losses on the disposal of non-current assets are presented by deducting from the proceeds on disposal the carrying amount of the asset and related selling expenses. Gains and losses are recognised in profit or loss in the statement of comprehensive income (from the proceeds of sale).

5. Key assets

Assets the Trust utilises for economic benefit or service potential

This section includes information regarding the key assets the Trust utilises to gain economic benefits or provide service potential. The section sets out both the key accounting policies and financial information about the performance of these assets:

		2018 \$000	2017 \$000
Infrastructure, property, plant and equipment	5.1	1,922,402	907,069
Intangibles	5.2	1,637	715
Total key assets		1,924,039	907,784

5.1 Infrastructure, property, plant and equipment

Year ended 30 June 2017	Land \$000	Buildings \$000	Leased Buildings \$000	Buildings under construction \$000	Plant and equipment \$000	Office equipment \$000	Boating \$000	Infrastructure \$000	Leased office equipment \$000	Works of art \$000	Total \$000
1 July 2016											
Gross carrying amount	32,902	719,362	210,713	25,547	16,683	17,185	81	27,425	170	1,083	1,051,151
Accumulated depreciation	-	(72,095)	(20,883)		(7,781)	(9,988)	(69)	(5,629)	(170)	0	(116,615)
Carrying amount at start of period	32,902	647,267	189,830	25,547	8,902	7,197	12	21,796	-	1,083	934,536
Additions	160	4,586	3	13,482	3,853	2,062	-	1,101	-	-	25,247
Transfers	-	-	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	(19)	(18)	-	-	-	-	(37)
Reclassifications between asset classes during the period	-	8,070	-	(20,753)	4,539	8,144	-	-	-	-	-
Revaluation increments	(38)	(14,278)	(7,140)	-	-	-	-	(4)	-	-	(21,460)
Depreciation	-	(18,019)	(6,147)	-	(1,803)	(3,827)	(12)	(1,409)	-	-	(31,217)
Carrying amount at 30 June 2017	33,024	627,626	176,546	18,276	15,472	13,558	-	21,484	-	1,083	907,069

5.1 Infrastructure, property, plant and equipment (CONT.)

Year ended 30 June 2017	Land	Buildings	Leased Buildings	Buildings under construction	Plant and equipment	Office equipment	Boating	Infrastructure	Leased office equipment	Works of art	Total
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
1 July 2017											
Gross carrying amount	33,024	711,578	207,286	18,276	25,051	27,368	81	28,494	170	1,083	1,052,411
Accumulated depreciation	-	(83,952)	(30,740)	-	(9,579)	(13,810)	(81)	(7,010)	(170)	-	(145,342)
Carrying amount at start of period	33,024	627,626	176,546	18,276	15,472	13,558	-	21,484	-	1,083	907,069
Additions ^(a)	-	898,210	22,193	2,552	36,980	32,848	21	93,044	-	4,672	1,090,520
Transfers	2	-	-	-	-	1	-	-	-	-	3
Disposals	-	(305)	-	-	(81)	(1)	-	-	-	-	(387)
Reclassifications between asset classes during the period	-	16,169	-	(18,234)	85	1,475	-	505	-	-	0
Revaluation increments	334	(13,429)	(10,863)	-	-	-	-	2	-	-	(23,956)
Depreciation	-	(28,228)	(7,090)	-	(5,630)	(7,305)	-	(2,594)	-	-	(50,847)
Carrying amount at 30 June 2018	33,360	1,500,043	180,786	2,594	46,826	40,576	21	112,441	-	5,755	1,922,402

(a) Included in the Buildings additions for 2018 is the transfer of Optus Stadium, recognised when the Trust was appointed the governance agency on 1 January 2018. 40% of the construction cost of the Stadium was funded under a public private partnership entered into by the State, creating a Finance lease liability. The details of the liability are included in 'Note 7.2 Finance Leases'.

Initial recognition

Items of property, plant and equipment and infrastructure, costing \$5,000 or more are measured initially at cost. Where an asset is acquired for no or nominal cost, the cost is valued at its fair value at the date of acquisition. Items of property, plant and equipment and infrastructure 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).

Assets transferred as part of a machinery of government change are transferred at their fair value.

The cost of a leasehold improvement is capitalised and depreciated over the shorter of the remaining term of the lease or the estimated useful life of the leasehold improvement.

The initial cost for a non-financial physical asset under a finance lease is measured at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease.

Subsequent measurement

Subsequent to initial recognition of an asset, the revaluation model is used for the measurement of:

- land;
- buildings; and
- infrastructure.

Land is carried at fair value.

Buildings and infrastructure are carried at fair value less accumulated depreciation and accumulated impairment losses.

All other property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses.

Land and buildings are independently valued annually by the Western Australian Land Information Authority (Valuations and Property Analytics) 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.

Most land and buildings were revalued as at 1 July 2017 by the Western Australian Land Information Authority (Valuation and Property Analytics). The valuations were performed during the year ended 30 June 2017 and recognised at 30 June 2018. In undertaking the revaluation, fair value was determined by reference to market values for land: \$26.9 million (2017: \$26.5 million) and buildings: \$758.8 million (2017: \$698.3 million). For the remaining balance, fair value of land, buildings and infrastructure was determined on the basis of depreciated replacement cost.

Fair value for infrastructure assets is determined by reference to the cost of replacing the remaining future economic benefits embodied in the asset, i.e. the current replacement cost. Current replacement cost is generally determined by reference to the market observable replacement cost of a substitute asset of comparable utility and the gross project size specifications, adjusted for obsolescence. Obsolescence encompasses physical deterioration, functional (technological) obsolescence and economic (external) obsolescence.

Revaluation model:

(a) Fair Value where market-based evidence is available:

The fair value of land and buildings is determined on the basis of current market 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.

(b) Fair value in the absence of market-based evidence:

Buildings and infrastructure that are specialised or where land is restricted: Fair value of land, buildings and infrastructure is determined on the basis of existing use.

Existing use buildings and infrastructure: Fair value is determined by reference to the cost of replacing the remaining future economic benefits embodied in the asset, i.e. the current replacement cost. Where the fair value of buildings and infrastructure is determined on the current replacement cost basis, the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset and the accumulated depreciation is adjusted to equal the difference between the gross carrying amount and the carrying amount of the asset.

Restricted use land: Fair value is determined by comparison with market evidence for land with similar approximate utility (high restricted use land) or market value of comparable unrestricted land (low restricted use land).

Significant assumptions and judgements:

Depreciated replacement cost

In the absence of market-based evidence, fair value of land and buildings is determined on the basis of existing use. 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. In determining the depreciated replacement cost, estimation uncertainty relates to the determination of a suitable inflationary index.

5.1.1 Depreciation and amortisation charge for the period

	2018 \$000	2017 \$000
Depreciation		
Buildings (including leasehold buildings)	35,318	24,166
Plant, equipment and vehicles	12,935	5,630
Infrastructure	2,594	1,409
Boating	-	12
	50,847	31,217
Amortisation		
Licences	653	320
	653	320
Total depreciation and amortisation for the period	51,500	31,537

Finite useful lives

All infrastructure, property, plant and equipment 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. The exceptions to this rule include assets held for sale, land and investment properties.

Depreciation is generally calculated on a straight line basis, at rates that allocate the asset's value, less any estimated residual value, over its estimated useful life. Typical estimated useful lives for the different asset classes for current and prior years are included in the table below:

Asset	Useful life: years
Buildings	20 to 50 years
Leased buildings	40 to 50 years
Plant and equipment	3 to 15 years
Office equipment	3 to 10 years
Leased office equipment	4 years
Boating	5 years
Infrastructure	
- Bridges	100 years
- Roads, pathways and pavements	40 to 50 years

The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, and adjustments should be made where appropriate.

Leasehold improvements are depreciated over the shorter of the lease term and their useful lives.

Land and works of art, which are considered to have an indefinite life, are not depreciated. Depreciation is not recognised in respect of these assets because their service potential has not, in any material sense, been consumed during the reporting period.

Impairment

Non-financial assets, including items of plant and equipment, are tested for impairment whenever there is an indication that the asset may be impaired. 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.

Where an asset measured at cost is written down to its recoverable amount, an impairment loss is recognised through profit or loss.

Where a previously revalued asset is written down to its recoverable amount, the loss is recognised as a revaluation decrement through other comprehensive income.

As the agency is a not-for-profit agency, the recoverable amount of regularly revalued specialised assets is anticipated to be materially the same as fair value.

If there is an indication that there has been a reversal in impairment, the carrying amount shall be increased to its recoverable amount. However this reversal should not increase the asset's carrying amount above what would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years.

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

5.2 Intangible assets

	Licences \$000	Total \$000
Year ended 30 June 2017		
1 July 2016		
Gross carrying amount	1,003	1,003
Accumulated amortisation	(491)	(491)
Carrying amount at start of period	512	512
Additions	523	523
Amortisation expense	(320)	(320)
Carrying amount at 30 June 2017	715	715
Year ended 30 June 2018		
1 July 2017		
Gross carrying amount	1,526	1,526
Accumulated amortisation	(811)	(811)
Carrying amount at start of period	715	715
Additions	1,575	1,575
Amortisation expense	(653)	(653)
Carrying amount at 30 June 2018	1,637	1,637

Initial recognition

Acquisitions of intangible assets costing \$5,000 or more are capitalised and costs incurred below these thresholds are immediately expensed directly to the Statement of Comprehensive Income.

Intangible assets are initially recognised at cost. For assets acquired at no cost or for nominal cost, the cost is their fair value at the date of acquisition.

Subsequent measurement

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

5.2.1 Amortisation and impairment

	2018 \$000	2017 \$000
Licences	653	320
Total amortisation for the period	653	320

As at 30 June 2018 there were no indications of impairment to intangible assets.

The Trust held no goodwill or intangible assets with an indefinite useful life during the reporting period. At the end of the reporting period there were no intangible assets not yet available for use.

Amortisation of finite life intangible assets is calculated on a straight line basis at rates that allocate the asset's value over its estimated useful life. All intangible assets controlled by the Trust have a finite useful life and zero residual value. Estimated useful lives are reviewed annually.

The estimated useful lives for each class of intangible asset are:

Licences	3 to 10 years
Software ^(a)	3 to 10 years
^(a) Software that is not integral to the operation of any related hardware.	

Impairment of intangible assets

Intangible assets with finite useful lives are tested for impairment annually or when an indication of impairment is identified.

The policy in connection with testing for impairment is outlined in Note **5.1.1 Depreciation and Amortisation**.

6. Other assets and liabilities

This section sets out those assets and liabilities that arose from the Trust's controlled operations and includes other assets utilised for economic benefits and liabilities incurred during normal operations:

	Notes	2018 \$000	2017 \$000
Receivables	6.1	13,662	2,672
Amounts receivable for services	6.2	173,397	136,363
Other current assets	6.3	1,114	7,349
Payables	6.4	21,707	2,850
Other liabilities	6.5	53,812	18,689

6.1 Receivables

	2018 \$000	2017 \$000
Current		
Receivables	11,888	2,249
Allowance for impairment of receivables	(232)	(110)
GST receivable	2,006	533
Total current	13,662	2,672

The Trust does not hold any collateral or other credit enhancements as security for receivables.

Receivables are recognised at original invoice amount less any allowances for uncollectible amounts (i.e. impairment). The carrying amount of net trade receivables is equivalent to fair value as it is due for settlement within 30 days.

6.1.1 Movement of the allowance for impairment of receivables

	2018 \$000	2017 \$000
Reconciliation of changes in the allowance for impairment of receivables:		
Balance at start of period	110	23
Doubtful debts expense	123	87
Impairment losses reversed during the period	-	(3)
Amounts written off during the period	(1)	3
Balance at end of period	232	110

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 the debts.

6.2 Amounts receivable for services

	2018 \$000	2017 \$000
Current	4,700	4,700
Non-current	168,697	131,663
Balance at end of period	173,397	136,363

Amounts receivable for services represents the non-cash component of service appropriation. It is restricted in that it can only be used for asset replacement or payment of leave liability.

The Trust receives funding on an accrual basis. The appropriations are paid partly in cash and partly as an asset (holding account receivable). The accrued amount receivable is accessible on the emergence of the cash funding requirement to cover leave entitlements and asset replacement.

6.3 Other assets	2018 \$000	2017 \$000
Current		
Prepayments	1,110	7,309
Other	4	40
Balance at end of period	1,114	7,349

Other non-financial assets include prepayments which represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond that period.

6.4 Payables	2018 \$000	2017 \$000
Current		
Trade payables	2,611	1,130
Other payables	5,163	243
Accrued expenses	11,513	937
Accrued salaries	685	256
GST payable	1,735	284
Balance at end of period	21,707	2,850

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 settlement is generally within 30 days.

Accrued salaries represent the amount due to staff but unpaid at the end of the reporting period. Accrued salaries are settled within a fortnight after the reporting period. The Trust considers the carrying amount of accrued salaries to be equivalent to its fair value.

6.5 Other liabilities	2018 \$000	2017 \$000
Current		
Unearned revenue	50,557	18,051
Other	3,255	638
Total	53,812	18,689

Unearned revenue mainly relate to money received in advance for venue related activities in future years. Amounts are recorded as current liabilities until venue activities take place.

7. Financing

This section sets out the material balances and disclosures associated with the financing and cashflows of the Trust.

	Notes
Borrowings	7.1
Finance Leases	7.2
Finance costs	7.3
Cash and cash equivalents	7.4
Reconciliation of cash	7.4.1
Reconciliation of operating activities	7.4.2
Commitments	7.5
Non-cancellable operating lease commitments	7.5.1
Capital commitments	7.5.2
Other expenditure commitments	7.5.3

7.1 Borrowings	2018 \$000	2017 \$000
Current		
Finance lease liabilities ^(a)	13,145	-
Total current	13,145	-
Non-current		
Finance lease liabilities ^(a)	403,088	-
Total non-current	403,088	-
Balance at end of period	416,233	-

^(a) The lease liability relates to financing of Optus Stadium, effective from January 2018 until December 2043.

7.2 Finance Leases	Notes	2018 \$000	2017 \$000
Finance lease commitments			
Minimum lease payment commitments in relation to finance leases are payable as follows:			
Within 1 year		45,019	22,873
Later than 1 year and not later than 5 years		170,495	174,285
Later than 5 years		647,132	688,361
Minimum finance lease payments		862,646	885,519
Less future finance charges		(446,413)	(462,687)
Present value of finance lease liabilities		416,233	422,832
The present value of finance leases payable is as follows:			
Within 1 year		13,145	6,598
Later than 1 year and not later than 5 years		53,172	52,846
Later than 5 years		349,916	363,388
Present value of finance lease liabilities		416,233	422,832
Included in the financial statements as:			
Current	7.1	13,145	-
Non-current	7.1	403,088	-
TOTAL		416,233	-

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 'Buildings' and 'Infrastructure', and are depreciated over the period during which the Trust is expected to benefit from their use. 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 current and non-current liability reflected in the financial statements for the first time in 2017-18 is a result of the Trust being appointed the governance agency for Optus Stadium on 1 January 2018. The liability recognises the finance lease for 40% of the construction cost of the Stadium, funded under a public private partnership entered into by the State for its design, construction, financing and maintenance.

The lease commitment is effective from January 2018 until December 2043 when the design, build, construct and maintain contract is completed.

7.3 Finance costs	2018 \$000	2017 \$000
Finance costs		
Finance lease charges	16,342	-
Finance costs expensed	16,342	-

'Finance cost' includes the interest and other charges associated with the Design, Build, Finance and Maintain contract (DBFM) for Optus Stadium.

7.4 Cash and cash equivalents

7.4.1 Reconciliation of cash

	Notes	2018 \$000	2017 \$000
Cash and cash equivalents		79,380	35,585
Restricted Cash and Cash Equivalents ^(a)	8.1	727	803
Balance at end of period		80,107	36,388

^(a) Funds held for the Naming rights agreement maintenance fund account.

For the purpose of the statement of cash flows, cash and cash equivalent (and restricted cash and cash equivalent) assets comprise cash on hand.

7.4.2 Reconciliation of net cost of services to net cash flows provided by/(used in) operating activities

	Notes	2018 \$000	2017 \$000
Net cost of services		(75,820)	(45,233)
Non-cash items			
Depreciation and amortisation expense	5.1, 5.2	51,500	31,537
Doubtful debts expense	3.4	123	87
Net (gain)/loss on sale of property, plant and equipment	4.5	356	(27)
(Increase)/decrease in assets			
Current receivables ^(a)		(9,639)	385
Current inventories		(1,520)	82
Other current assets		(613)	(66)
Increase/(decrease) in liabilities			
Current payables ^(a)		15,232	(1,224)
Current provisions		618	143
Other current liabilities		35,123	7,715
Non-current provisions		86	56
Change in GST in receivables/payables ^(b)		(22)	(166)
Net cash provided by/(used in) operating activities		15,424	(6,711)

^(a) Note that the Australian Taxation Office (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.

7.5 Commitments

7.5.1 Non-cancellable operating lease commitments

	2018 \$000	2017 \$000
Commitments for minimum lease payments are payable as follows:		
Within 1 year	100	100
Later than 1 year and not later than 5 years	255	212
Later than 5 years	495	548
	850	860

Operating leases are expensed on a straight line basis over the lease term as this represents the pattern of benefits derived from the leased properties.

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.

The Trust has entered into two property leases. One is for a period of 25 years with an option to renew for a further 25 years, with rent payable annually with CPI adjustment. The other lease is for a period of 35 years with an option to renew for a further 15 years, with fixed rent payable annually.

7.5.2 Capital commitments

	2018 \$000	2017 \$000
Capital expenditure commitments, being contracted capital expenditure additional to the amounts reported in the financial statements, are payable as follows:		
Within 1 year	4,836	13,165
	4,836	13,165

7.5.3 Other expenditure commitments

	2018 \$000	2017 \$000
Other expenditure commitments contracted for at the end of the period but not recognised as liabilities are payable as follows:		
Within 1 year	12,976	123
Later than 1 year and not later than 5 years	56,133	1,000
Later than 5 years	590,587	1,377
	659,696	2,500

The totals presented for other expenditure commitments are GST inclusive.

8. Risks and Contingencies

This note sets out the key risk management policies and measurement techniques of the Trust.

	Note
Financial risk management	8.1
Contingent assets	8.2
Contingent liabilities	8.2
Fair value measurements	8.3

8.1 Financial risk management

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

(a) Summary of risks and risk management

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 the 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 allowance for impairment as shown in the table at note 8.1(c) 'Financial instrument disclosures' and note 6.1 'Receivables'.

Credit risk associated with the Trust's financial assets is minimal because the main receivable is the amounts receivable for services (holding account). 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.

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.

Other than as detailed in the interest rate sensitivity analysis table at **Note 8.1(e) 'Interest rate sensitivity analysis'**, the Trust

is not exposed to interest rate risk because the majority of cash and cash equivalents and restricted cash are non-interest bearing and it has no borrowings other than the finance leases (fixed interest rate).

(b) Categories of financial instruments

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:

	2018 \$000	2017 \$000
Financial Assets		
Cash and cash equivalents	79,380	35,585
Restricted cash and cash equivalents	727	803
Receivables ^(a)	11,656	2,139
Amounts receivable for services	173,397	136,363
Financial Liabilities		
Trade and other payables ^(a)	19,972	2,566
Borrowings	416,233	0

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

(c) Financial instrument disclosures

	Carrying Amount \$000	Not past due and not impaired \$000	Past due but not impaired					Impaired financial assets \$000
			Up to 1 month \$000	1-3 months \$000	3 months to 1 year \$000	1-5 years \$000	More than 5 years \$000	
2018								
Cash and cash equivalents	79,380	79,380	-	-	-	-	-	-
Restricted cash and cash equivalents	727	727	-	-	-	-	-	-
Receivables ^(a)	11,656	0	5,166	2,612	3,878	-	-	-
Amounts receivable for services	173,397	173,397	-	-	-	-	-	-
	265,160	253,504	5,166	2612	3878	-	-	-
2017								
Cash and cash equivalents	35,585	35,585	-	-	-	-	-	-
Restricted cash and cash equivalents	803	803	-	-	-	-	-	-
Receivables ^(a)	2,139	0	1,908	190	41	-	-	-
Amounts receivable for services	136,363	136,363	-	-	-	-	-	-
	174,890	172,751	1,908	190	41	-	-	-

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

(d) Liquidity risk and interest rate exposure

The following table details the Trust's interest rate exposure and the contractual maturity analysis of financial assets and financial

liabilities. The maturity analysis section includes interest and principal cash flows. The interest rate exposure section analyses only the carrying amounts of each item.

Interest rate exposure and maturity analysis of financial assets and financial liabilities

	Weighted Average Effective Interest Rate	Carrying Amount	Interest rate exposure			Nominal Amount	Maturity dates				
			Fixed interest rate	Variable interest rate	Non-interest bearing		Up to 1 month	1-3 months	3 months to 1 year	1-5 years	More than 5 years
	%	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
2018											
Financial Assets											
Cash and cash equivalents	-	79,380	-	-	79,380	79,380	79,380	-	-	-	-
Restricted cash and cash equivalents	0.5	727	-	727	-	727					727
Receivables ^(a)	-	11,656	-	-	11,656	11,656	5,166	2,612	3,878	-	-
Amounts receivable for services	-	173,397	-	-	173,397	173,397	4,700			168,697	-
		265,160	-	727	264,433	265,160	89,246	2,612	3,878	168,697	727
Financial Liabilities											
Payables	-	19,972	-	-	19,972	19,972	19,972			-	-
Finance lease liabilities		416,233		416,233		416,233	1,132	2,089	9,924	53,172	349,916
		436,205	-	416,233	19,972	436,205	21,104	2,089	9,924	53,172	349,916
2017											
Financial Assets											
Cash and cash equivalents	-	35,585	-	-	35,585	35,585	35,585	-	-	-	-
Restricted cash and cash equivalents	2.1	803	-	803	-	803	7	21	55	333	387
Receivables ^(a)	-	2,139	-	-	2,139	2,139	2,139	-	-	-	-
Amounts receivable for services	-	136,363	-	-	136,363	136,363	391	782	3,527	131,663	-
		174,890	-	803	174,087	174,890	38,122	803	3,582	131,996	387
Financial Liabilities											
Payables	-	2,566	-	-	2,566	2,566	2,503	62	1	-	-
		2,566	-	-	2,566	2,566	2,503	62	1	-	-

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

(e) 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
2018					
Financial Assets					
Restricted cash and cash equivalents	727	(7)	(7)	7	7
Total increase/(decrease)	727	(7)	(7)	7	7
2017					
Financial Assets					
Restricted cash and cash equivalents	803	(8)	(8)	8	8
Total increase/(decrease)	803	(8)	(8)	8	8

8.2 Contingent assets and liabilities

VenuesWest has been advised, as part of an assessment conducted by the State-wide Cladding Audit Stakeholders Group, that it might have buildings that may require remediation.

VenuesWest will in all likelihood have a liability in respect to the investigation and, If it is found that remediation is required, a liability in respect to the remediation. However, these liabilities cannot be reliably estimated at this time.

8.3 Fair value measurements

Assets measured at fair value: 2018	Level 1 \$000	Level 2 \$000	Level 3 \$000	Fair value at the end of the period \$000
Land (Note 5.1)	-	-	33,360	33,360
Buildings (Note 5.1)	-	-	1,680,829	1,680,829
Infrastructure (Note 5.1)	-	-	112,441	112,441
	-	-	1,826,630	1,826,630
Assets measured at fair value: 2017	Level 1 \$000	Level 2 \$000	Level 3 \$000	Fair value at the end of the period \$000
Land (Note 5.1)	-	-	33,024	33,024
Buildings (Note 5.1)	-	-	804,172	804,172
Infrastructure (Note 5.1)	-	-	21,484	21,484
	-	-	858,680	858,680

There were no transfers between Levels 1, 2 or 3 during the period.

Fair value measurements using significant unobservable inputs (Level 3)

2018	Land \$000	Buildings \$000	Infrastructure \$000
Fair value at start of period	33,024	804,172	21,484
Additions	-	936,572	93,044
Revaluation increments/(decrements) recognised in Other Comprehensive Income	334	(24,292)	2
Disposals	-	(305)	-
Transfers	2	-	-
Reclassifications between asset classes during the period	-	-	505
Depreciation expense	-	(35,318)	(2,594)
Fair value at end of period	33,360	1,680,829	112,441
Total gains or losses for the period included in profit or loss, under 'Other Gains'	-	-	-

2017	Land \$000	Buildings \$000	Infrastructure \$000
Fair value at start of period	32,902	837,097	21,796
Additions	160	12,659	1,101
Revaluation increments/(decrements) recognised in Other Comprehensive Income	(38)	(21,418)	(4)
Disposals	-	-	-
Depreciation expense	-	(24,166)	(1,409)
Fair value at end of period	33,024	804,172	21,484
Total gains or losses for the period included in profit or loss, under 'Other Gains'	-	-	-

Valuation processes

There were no changes in valuation techniques during the period.

Transfers in and out of a fair value level are recognised on the date of the event or change in circumstances that caused the transfer. Transfers are generally limited to assets newly classified as non-current assets held for sale as Treasurer's instructions require valuations of land, buildings and infrastructure to be categorised within Level 3 where the valuations will utilise significant Level 3 inputs on a recurring basis.

Fair value for existing use specialised buildings and infrastructure 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. Depreciated replacement cost is the current replacement cost of an asset less accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired economic benefit, or obsolescence, and optimisation (where applicable)

of the asset. Professional judgement is used in the assessment of fair value for these assets as the assets are specialized and no market-based evidence of value is available.

Land (Level 3 fair values)

Fair value for restricted use land is based on comparison with market evidence for land with low level utility (high restricted use land). The relevant comparators of land with low level utility is selected by the Western Australian Land Information Authority (Valuations and Property Analytics) and represents the application of a significant Level 3 input in this valuation methodology. The fair value measurement is sensitive to values of comparator land, with higher values of comparator land correlating with higher estimated fair values of land.



Buildings and Infrastructure (Level 3 fair values)

Fair value for existing use specialised buildings and infrastructure assets is determined by reference to the cost of replacing the remaining future economic benefits embodied in the asset, i.e. the current replacement cost. Current replacement cost is generally determined by reference to the market observable replacement cost of a substitute asset of comparable utility and the gross project size specifications, adjusted for obsolescence. Obsolescence encompasses physical deterioration, functional (technological) obsolescence and economic (external) obsolescence.

Valuation using current replacement cost utilises the significant Level 3 input, consumed economic benefit/obsolescence of asset which is estimated by the Western Australian Land Information

Authority (Valuations and Property Analytics). The fair value measurement is sensitive to the estimate of consumption/obsolescence, with higher values of the estimate correlating with lower estimated fair values of buildings and infrastructure.

Basis of valuation

In the absence of market-based evidence, due to the specialised nature of some non-financial assets, these assets are valued at Level 3 of the fair value hierarchy on an existing use basis. The existing use basis recognises that restrictions or limitations have been placed on their use and disposal when they are not determined to be surplus to requirements. These restrictions are imposed by virtue of the assets being held to deliver a specific community service.

Information about significant unobservable inputs (Level 3) in fair value measurements

Description	Fair value 2018 \$000	Fair value 2017 \$000	Valuation technique(s)	Unobservable inputs	Range of unobservable inputs (weighted average) 2018	Range of unobservable inputs (weighted average) 2017	Relationship of unobservable inputs to fair value
Land	26,926	26,424	"Market approach"	Selection of land with similar approximate utility	"\$1.27 to \$43.16 per m2 (\$13.33 per m2)"	"\$1.34 to \$43.16 per m2 (\$13.82 per m2)"	Higher value of similar land increases estimated fair value
Land	6,434	6,600	"Market approach"	Application of a cost of construction index to historical cost	-1.45% per annum	-0.57% per annum	Increases/ (decreases) in the costs of construction changes the estimated fair value
Buildings	1,680,829	804,172	"Depreciated Replacement Cost"	Consumed economic benefit/ obsolescence of asset	" -1.3% to 72.9% per year" (-6.0% per year)	" -3.6% to 0.4% per year" (-2.0% per year)	Greater consumption of economic benefit or increased obsolescence lowers fair value
				Application of a cost of construction index to historical cost	-1.4% per annum	-0.57% per annum	Increases/ (decreases) in the costs of construction changes the estimated fair value
Infrastructure	112,441	21,484	"Depreciated Replacement Cost"	Application of a cost of construction index to historical cost	-0.6% to 1.7% per year (-0.1%)	-0.57% to 1.46% per year (-0.24%)	Increases/ (decreases) in the costs of construction changes the estimated fair value

9. Other disclosures

This section includes additional material disclosures required by accounting standards or other pronouncements, for the understanding of this financial report.

	Notes
Events occurring after the end of the reporting period	9.1
Future impact of Australian Accounting Standards issued not yet operative	9.2
Key management personnel	9.3
Related party transactions	9.4
Related bodies	9.5
Affiliated bodies	9.6
Remuneration of auditors	9.7
Equity	9.8
Supplementary financial information	9.9
Explanatory statement	9.10

9.1 Events occurring after the end of the reporting period

The Trust has no subsequent events to report.

9.2 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"* or by an exemption from TI 1101. Where applicable, the Trust plans to apply the following Australian Accounting Standards from their application date:

**Operative for reporting periods
beginning on/after**

AASB 9	Financial Instruments This Standard supersedes AASB 139 <i>Financial Instruments: Recognition and Measurement</i> , introducing a number of changes to accounting treatments. The Trust has assessed that recognition of expected credit losses will have no impact on the Trust's deficit for the period.	1-Jan-18
AASB 15	Revenue from Contracts with Customers This Standard establishes the principles that the Trust shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenues and cash flows arising from a contract with a customer. The mandatory application date of this Standard is currently 1 January 2019 after being amended by AASB 2016-7. The Trust's income includes appropriations which will be measured under AASB 1058 Income of not-for-profit Entities and will be unaffected by this change. However, the Trust has not yet determined the potential impact of the Standard on 'User charges and fees' and 'Sales' revenues. In broad terms, it is anticipated that the terms and conditions attached to these revenues will defer revenue recognition until the Trust has discharged its performance obligations.	1-Jan-19
AASB 16	Leases This Standard introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Whilst the impact of AASB 16 has not yet been quantified the entity currently has operating lease commitments for \$860,000. The worth of non cancellable operating leases which the Trust anticipates most of this amount will be brought onto the statement of financial position, excepting amounts pertinent to short term or low value leases. Interest and amortisation expense will increase and rental expense will decrease.	1-Jan-19
AASB 1058	Income of Not-for-Profit Entities This Standard clarifies and simplifies the income recognition requirements that apply to not-for-profit (NFP) entities, more closely reflecting the economic reality of NFP entity transactions that are not contracts with customers. Timing of income recognition is dependent on whether such a transaction gives rise to a liability or other performance obligation (a promise to transfer a good or service), or a contribution by owners, related to an asset (such as cash or another asset) received by the Trust. The Trust anticipates that the application will not materially impact appropriations or untied grant revenues.	1-Jan-19

AASB 1059	Service Concession Arrangements: Grantors This Standard addresses the accounting for a service concession arrangement (a type of public private partnership) by a grantor that is a public sector agency by prescribing the accounting for the arrangement from the grantor's perspective. Timing and measurement for the recognition of a specific asset class occurs on commencement of the arrangement and the accounting for associated liabilities is determined by whether the grantee is paid by the grantor or users of the public service provided. <i>[The Trust has not identified any public private partnerships within scope of the Standard.]</i>	1-Jan-19
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 Int 2, 5, 10, 12, 19 & 127] This Standard makes consequential amendments to other Australian Accounting Standards and Interpretations as a result of issuing AASB 9 in December 2010. The mandatory application date of this Standard has been amended by AASB 2012-6 and AASB 2014-1 to 1 January 2018. Other than the exposures to AASB 9 noted above, the Trust is only insignificantly impacted by the application of the Standard.	1-Jan-18
AASB 2014-1	Amendments to Australian Accounting Standards Part E of this Standard makes amendments to AASB 9 and consequential amendments to other Standards. These changes have no impact as Appendix E has been superseded and the Trust was not permitted to early adopt AASB 9.	1-Jan-18
AASB 2014-5	Amendments to Australian Accounting Standards arising from AASB 15 This Standard gives effect to the consequential amendments to Australian Accounting Standards (including Interpretations) arising from the issuance of AASB 15. The mandatory application date of this Standard has been amended by AASB 2015 8 to 1 January 2018. The Trust has not yet determined the application or the potential impact of the Standard."	1-Jan-18
AASB 2014-7	Amendments to Australian Accounting Standards arising from AASB 9 (December 2014) This Standard gives effect to the consequential amendments to Australian Accounting Standards (including Interpretations) arising from the issuance of AASB 9 (December 2014). The Trust has not yet determined the application of the potential impact of the Standard.	1-Jan-18
AASB 2015-8	Amendments to Australian Accounting Standards - Effective Date of AASB 15 This Standard amends the mandatory application date of AASB 15 to 1 January 2018 (instead of 1 January 2017). It also defers the consequential amendments that were originally set out in AASB 2014-5. There is no financial impact arising from this Standard.	1-Jan-18
AASB 2016-3	Amendments to Australian Accounting Standards - Clarifications to AASB 15 This Standard clarifies identifying performance obligations, principal versus agent considerations, timing of recognising revenue from granting a licence, and, provides further transitional provisions to AASB 15. <i>The Trust has not yet determined the application or the potential impact when the deferred AASB 15 becomes effective from 1 January 2019.</i>	1 Jan-18
AASB 2016-7	Amendments to Australian Accounting Standards - Deferral of AASB 15 for Not-for-Profit Entities This Standard defers, for not-for-profit entities, the mandatory application date of AASB 15 to 1 January 2019, and the consequential amendments that were originally set out in AASB 2014-5. There is no financial impact arising from this standard.	1 Jan-18
AASB 2016-8	Amendments to Australian Accounting Standards - Australian Implementation Guidance for Not-for-Profit Entities This Standard inserts Australian requirements and authoritative implementation guidance for not-for-profit entities into AASB 9 and AASB 15. This guidance assists not-for-profit entities in applying those Standards to particular transactions and other events. There is no financial impact.	1 Jan-19

9.3 Key management personnel

The Trust has determined that key management personnel includes Ministers, board members and senior officers of the Trust. However, the Trust is not obligated to compensate Ministers and therefore disclosures in relation to Ministers' compensation may be found in the Annual Report on State Finances.

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:

Remuneration of members of the Trust	2018	2017
\$		
0 - 10,000	1	1
10,001 - 20,000	-	1
20,001 - 30,000	1	1
30,001 - 40,000	3	3
40,001 - 50,000	1	1
	2018	2017
	\$000	\$000
Short term employee benefits	153	166
Post employment benefits	14	18
Other long term benefits	-	-
The total remuneration of members of the Trust	167	184

Remuneration of senior officers

The total fees, salaries, superannuation, non-monetary benefits and other benefits for senior officers of the Trust for the reporting period are presented within the following bands:

Compensation band (\$)	2018	2017
20,001 - 30,000	-	-
70,001 - 80,000	-	1
90,001 - 100,000	-	1
120,001 - 130,000	1	-
150,001 - 160,000	-	1
160,001 - 170,000	-	1
170,001 - 180,000	-	1
180,001 - 190,000	3	-
190,001 - 200,000	-	1
220,001 - 230,000	1	-
330,001 - 340,000	-	1
370,001 - 380,000	1	-
	2018	2017
	\$000	\$000
Short term employee benefits	1,084	1,043
Post employment benefits	104	104
Other long term benefits	92	57
The total remuneration of senior officers	1,280	1,204

Total compensation includes the superannuation expense incurred by the Trust in respect of senior officers.

9.4 Related Party Transactions

The Trust is a wholly owned and controlled entity of the State of Western Australia. In conducting its activities, the Trust is required to pay various taxes and levies based on the standard terms and conditions that apply to all tax and levy payers to the State and entities related to State.

Related parties of the trust include:

- all senior officers and their close family members, and their controlled or jointly controlled entities;
- other departments and public sector entities, including related bodies included in the whole of government consolidated financial statements;
- associates and joint ventures, that are included in the whole of government consolidated financial statements; and
- the Government Employees Superannuation Board (GESB).

Significant transactions with government related entities

Significant transactions include:

- service appropriations (Note 4.1);
- capital appropriations (Note 9.8);
- fleet leasing to the Department of Finance (Note 3.2);
- commitments for future lease payments to the Department of Finance (Note 7.5);
- insurance payments to RiskCover (Note 3.2 & 3.4);

- remuneration for services provided to the Auditor General (Note 9.7);
- remuneration for services provided to the State Solicitors Office (Note 3.2);
- work in progress payments to the Department of Finance for building construction (Note 5.1);
- leasing costs to the Department of Local Government, Sport and Cultural Industries (Note 3.2);
- superannuation payments to GESB (Note 3.1) and
- equity transfer from the Public Transport Authority for Optus Stadium (Note 9.8).

Material transactions with related parties

There were no material related party transactions with Ministers/Key Management Personnel.

9.5 Related bodies

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

9.6 Affiliated bodies

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

9.7 Remuneration of auditors

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

	2018 \$000	2017 \$000
Auditing the accounts, financial statements, controls, and key performance indicators	77	75

9.8 Equity	2018 \$000	2017 \$000
Contributed equity		
Balance at the start of the period	910,799	894,760
<i>Contribution by owners</i>		
Capital appropriation	15,397	4,152
<i>Other contributions by owners</i>		
Department of Sport and Recreation funding for Optus Stadium		11,400
<i>Transfer of net assets from other agencies</i>		
Transfer from the Department of Local Government, Sport and Cultural Industries for the Digital Antenna System at Optus Stadium	3,900	
Transfer from the Department of Local Government, Sport and Cultural Industries for Optus Stadium	615,412	
Transfer from the Public Transport Authority for Optus Stadium	22,040	
Transfer of the new WAIS High Performance Sports Facility from the Department of Sport and Recreation	-	430
Transfer of the new State Netball Centre from the Department of Sport and Recreation	-	(25)
Other	-	82
Balance at the end of the period	1,567,548	910,799

	2018 \$000	2017 \$000
Asset revaluation surplus		
Balance at start of period	86,842	108,302
<i>Net revaluation increments/(decrements):</i>		
Land	334	(38)
Buildings	(24,292)	(21,418)
Infrastructure	2	(4)
Balance at end of period	62,886	86,842
Accumulated surplus		
Balance at start of year	68,062	60,865
Result for the period	(427)	7,197
Balance at end of period	67,635	68,062

9.9 Supplementary information

(a) Write-offs	2018 \$000	2017 \$000
Public property written off by the Board during the financial year	9	-
Bad debts written off by the Board during the financial year	(1)	(3)
	8	(3)

(b) Losses through theft, default and other causes

There were no losses through theft, default or other causes during the year.

(c) Gifts of public property

There were no gifts of public property given during the year.

9.10 Explanatory statement (Controlled Operations)

All variances between estimates (original budget) and actual results for 2018, and between the actual results for 2018 and 2017 are shown below. Narratives are provided for key major variances, which are generally greater than:

- 5% and \$14.4 million for the Statements of Comprehensive Income and Cash Flows, and
- 5% and \$25.0 million for the Statement of Financial Position.

9.10.1 Statement of Comprehensive Income Variances

	Variance Note	Estimate 2018 \$,000	Actual 2018 \$,000	Actual 2017 \$,000	Variance between estimate and actual \$,000	Variance between actual results for 2018 and 2017 \$,000
Expenses						
Employee benefits expense	1 A	21,355	48,368	32,819	27,013	15,549
Supplies and services	1, 3 A	22,301	42,338	23,839	20,037	18,499
Depreciation and amortisation expense	2 B	41,734	51,500	31,537	9,766	19,963
Finance costs	B	16,421	16,342	0	(79)	16,342
Accommodation expenses	1, 3 A	7,703	10,149	7,817	2,446	2,332
Losses on disposal of non-current assets		0	356	0	356	356
Cost of sales	1 A	1,460	14,345	4,040	12,885	10,305
Other expenses	1, 3 A	6,387	2,042	1,503	(4,345)	539
Total cost of services		117,361	185,440	101,555	68,079	83,885
Income						
Revenue						
User charges and fees	1 A	37,286	40,230	27,948	2,944	12,282
Sales	1 A	4,342	49,750	13,579	45,408	36,171
Interest revenue	1 A	24	506	292	482	214
Other revenue	1 A	5,356	19,134	14,476	13,778	4,658
Total Revenue		47,008	109,620	56,295	62,612	53,325
Gains						
Gain on disposal of non-current assets		0	0	27	0	(27)
Total Gains		0	0	27	0	(27)
Total income other than income from State Government		47,008	109,620	56,322	62,612	53,298
NET COST OF SERVICES		70,353	75,820	45,233	5,467	30,587
Income from State Government						
Service appropriation	C	74,618	75,393	52,430	775	22,963
Total income from State Government		74,618	75,393	52,430	775	22,963
SURPLUS / (DEFICIT) FOR THE PERIOD		4,265	(427)	7,197	(4,692)	(7,624)
OTHER COMPREHENSIVE INCOME						
Items not reclassified subsequently to profit or loss						
Changes in asset revaluation surplus	4	0	(23,956)	(21,460)	(23,956)	(2,496)
Total other comprehensive income/(loss)		0	(23,956)	(21,460)	(23,956)	(2,496)
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD		4,265	(24,383)	(14,263)	(28,648)	(10,120)

9.10.2 Statement of Financial Position Variances

	Variance Note	Estimate 2018 \$,000	Actual 2018 \$,000	Actual 2017 \$,000	Variance between estimate and actual \$,000	Variance between actual results for 2018 and 2017 \$,000
ASSETS						
Current Assets						
Cash and cash equivalents	1, 5 A	1,922	79,380	35,585	77,458	43,795
Restricted cash and cash equivalents		756	727	803	(29)	(76)
Inventories	1 A	138	1,970	450	1,832	1,520
Receivables	1 A	1,312	13,662	2,672	12,350	10,990
Amounts receivable for services		4,700	4,700	4,700	0	0
Other current assets	1, 6	8,692	1,114	7,349	(7,578)	(6,235)
Total Current Assets		17,520	101,553	51,559	84,033	49,994
Non-Current Assets						
Amounts receivable for services	C	168,697	168,697	131,663	0	37,034
Infrastructure, property, plant and equipment	7 D	2,009,878	1,922,402	907,069	(87,476)	1,015,333
Intangible assets		473	1,637	715	1,164	922
Total Non-Current Assets		2,179,048	2,092,736	1,039,447	(86,312)	1,053,289
Total Assets		2,196,568	2,194,289	1,091,006	(2,279)	1,103,283
LIABILITIES						
Current Liabilities						
Payables	1, 8 A	495	21,707	2,850	21,212	18,857
Borrowings	9 F	0	13,145	0	13,145	13,145
Employee related provisions	1 A	2,406	3,514	2,896	1,108	618
Other current liabilities	1 A	4,281	53,812	18,689	49,531	35,123
Total Current Liabilities		7,182	92,178	24,435	84,996	67,743
Non-Current Liabilities						
Employee related provisions	1 A	777	954	868	177	86
Borrowings	9 F	416,232	403,088	0	(13,144)	403,088
Total Non-Current Liabilities		417,009	404,042	868	(12,967)	403,174
Total Liabilities		424,191	496,220	25,303	72,029	470,917
NET ASSETS		1,772,377	1,698,069	1,065,703	(74,308)	632,366
EQUITY						
Contributed equity	G	1,578,889	1,567,548	910,799	(11,341)	656,749
Reserves	10 H	119,935	62,886	86,842	(57,049)	(23,956)
Accumulated surplus		73,553	67,635	68,062	(5,918)	(427)
TOTAL EQUITY		1,772,377	1,698,069	1,065,703	(74,308)	632,366

9.10.3 Statement of Cash Flows Variances

	Variance Note	Estimate 2018 \$,000	Actual 2018 \$,000	Actual 2017 \$,000	Variance between estimate and actual \$,000	Variance between actual results for 2018 and 2017 \$,000
CASH FLOWS FROM STATE GOVERNMENT						
Service appropriation	C	32,884	33,659	22,208	775	11,451
Capital appropriation	I	14,694	15,397	4,152	703	11,245
Holding account drawdowns		4,700	4,700	4,700	0	0
Net cash provided by State Government		52,278	53,756	31,060	1,478	22,696
CASH FLOWS FROM OPERATING ACTIVITIES						
Payments						
Employee benefits	1 A	(21,355)	(46,694)	(32,738)	(25,339)	(13,956)
Supplies and services	1 A	(22,317)	(34,092)	(24,979)	(11,775)	(9,113)
Finance Costs	B	0	(10,885)	0	(10,885)	(10,885)
Accommodation	1, 3 A	(7,703)	(10,149)	(7,817)	(2,446)	(2,332)
GST payments to taxation authority	1	(420)	(3,299)	(2,335)	(2,879)	(964)
GST payments on purchases	1	(1,040)	(6,573)	(4,496)	(5,533)	(2,077)
Other payments	1, 3 A, B	(24,253)	(17,907)	(5,461)	6,346	(12,446)
Receipts						
Sale of goods and services	1 A	4,342	52,367	13,365	48,025	39,002
User charges and fees	1 A	37,287	63,097	35,701	25,810	27,396
Interest received	1 A	24	506	292	482	214
GST receipts on sales	1	1,460	3,700	4,035	2,240	(335)
GST receipts from taxation authority	1	0	6,097	2,598	6,097	3,499
Other receipts	1 A	5,598	19,256	15,124	13,658	4,132
Net cash provided by/ (used in) operating activities		(28,377)	15,424	(6,711)	43,801	22,135
CASH FLOWS FROM INVESTING ACTIVITIES						
Payments						
Purchase of non-current assets	J	(27,192)	(25,683)	(32,104)	1,509	6,421
Receipts						
Other grants and subsidies	K	-	4,646	11,400	4,646	(6,754)
Proceeds from sale of non-current assets		0	0	64	0	(64)
Net cash used in investing activities		(27,192)	(21,037)	(20,640)	6,155	(397)
CASH FLOWS FROM FINANCING ACTIVITIES						
Payments						
Repayment of borrowings	I	(6,599)	(4,424)	0	2,175	(4,424)
Net cash used in financing activities		(6,599)	(4,424)	0	2,175	(4,424)
Net increase/(decrease) in cash and cash equivalents		(9,890)	43,719	3,709	53,609	40,010
Cash and cash equivalents at the beginning of the period		12,568	36,388	32,679	23,820	3,709
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		2,678	80,107	36,388	77,429	43,719

Variances between estimate and actual

1. A change in accounting policy was applied in the 2016-17 financial statements to recognise all transactions of agent managed venue operations where the risks and rewards predominantly sit with VenuesWest, not just the net revenue. These transactions are not reflected in the estimate.
2. Depreciation costs are higher than the estimate primarily due to the recognition of Optus Stadium assets.
3. A number of costs that were budgeted against Other expenses were incurred against Supplies and services and Accommodation expenses in 2017-2018.
4. Revaluation of land, building and infrastructure assets at 30 June 2018 was not included in the 2017-18 estimate.
5. Year-end cash balances reflect agent managed venue committed cash balances (including advanced event ticketing funds) and amounts received and committed but not yet spent on capital works projects.
6. Other current assets budget estimated based on 2017 which included prepayments relating to Optus Stadium assets (since transferred in 2018).
7. Reflects lower than budgeted Infrastructure, property, plant and equipment due to unbudgeted revaluation of assets and higher than expected depreciation of Optus Stadium assets.
8. Payables balance reflects accrued unpaid invoices relating to Optus Stadium operations, budgeted for as cash payments.
9. Borrowings relating to the Optus Stadium finance lease liability all classified as non current in the budget.
10. Estimate does not include actual downward asset revaluation adjustments from 2017 and 2018.

Variances between actual results for 2018 and 2017

- A. Additional amounts in 2018 are mainly the result of the recognition of transactions relating to two agent managed venues compared to one in 2017.
- B. Depreciation and Finance costs for 2018 are higher due to the commencement of operations at Optus Stadium.
- C. Additional appropriation and amounts receivable for service in 2018 relate primarily to funding received for Optus Stadium depreciation expenses from commencement of operations.
- D. Increase in Infrastructure, property, plant & equipment relates mainly to the addition of assets relating to Optus Stadium.
- E. Increase is a result of accrued unpaid invoices relating to Optus Stadium operations.
- F. Borrowings relate to the Optus Stadium finance lease liability acquired in 2018.
- G. Additional contributions in 2018 relate primarily to the transfer of Optus Stadium assets to VenuesWest from Department of Local Government, Sport and Cultural Industries.
- H. Movement relates to the downward valuation of buildings assets in 2018 compared to 2017.
- I. Additional amounts in 2018 mainly relate to funding for Optus Stadium finance lease liability repayments.
- J. Purchase of non-current assets increased in 2018 as a result of asset purchases relating to Optus Stadium.
- K. Capital grant for the finalisation of the HBF Arena Expansion Projects finalised in 2017-18.



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